

Coca-Cola Causes Serious Depletion of Water Resources in India

Liabile for US\$ 48 Million for Damages

By [Global Research](#)

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New Delhi: In a major development, a High Power Committee established by the state government of Kerala in India has recommended today that Coca-Cola be held liable for Indian Rupees 216 crore (US\$ 48 million) for damages caused as a result of the company's bottling operations in Plachimada.

The Coca-Cola bottling plant in Plachimada has remained shut down since March 2004 as a result of the community-led campaign in Plachimada challenging Coca-Cola's abuse of water resources.

The report and recommendations were welcomed by activists who have challenged Coca-Cola's operations in Plachimada. Demanding compensation from the Coca-Cola company for the damages it has caused has been a central demand of the campaign from its inception.

"We welcome the Committee's recommendations and now the state government must find the political will to implement the recommendations," said R. Ajayan of the Plachimada Solidarity Committee, a statewide organization that has been instrumental in moving the compensation process forward.

The Adivasi Samrakshana Sangham and the Plachimada Solidarity Committee had submitted detailed proposals to the high level committee on the issue of compensation and the course forward.

"The Committee thus has compelling evidence to conclude that the HCBPL has caused serious depletion of the water resources of Plachimada, and has severely contaminated the water and soil," said the report. HCBPL is the Hindustan Coca-Cola Beverages Private Limited, a subsidiary of Atlanta based Coca-Cola Company.

"The Committee has come to the conclusion that the Company is responsible for these damages and it is obligatory that they pay the compensation to the affected people for the agricultural losses, health problems, loss of wages, loss of educational opportunities, and the pollution caused to the water resources," added the report.

The report made it clear that the numbers used in arriving at the \$48 million compensation were estimates and "indicative in nature", and "should not be treated as the outer limit of compensation."

Importantly, the report clarified that the compensation suggested did not include damages

as a result of water depletion caused by Coca-Cola, and such damages must be assessed.

The report also agreed that Coca-Cola should be held criminally liable for its reckless actions in Plachimada – a key demand of the campaign to hold Coca-Cola accountable. “The compensation is not to be viewed as a quid pro quo for not initiating criminal charges,” the report stated.

The Committee has also recommended that the government create a “dedicated adjudicating agency”, such as a Claims Tribunal, to move the process of compensation forward. Alternatively, the report suggested approaching the central government to set up an institutional mechanism to process the compensation claims under the Environment Protection Act.

Some activists have questioned the compensatory figure suggested by the Committee as being too low.

“A transparent and institutionalized process can revisit the recommended compensation numbers to make sure that Coca-Cola pays for all the damages it has caused,” said R. Ajayan.

Validating the long term campaign against Coca-Cola, the High Power Committee confirmed that the Coca-Cola company had violated a number of laws in its reckless operations, including: Water (Prevention and Control of Pollution) Act, 1974; The Environment (Protection) Act, 1986; The Factories Act, 1948; Hazardous Waste (Management and Handling) Rules, 1989; The SC-ST (Prevention of Atrocities) Act 1989; Indian Penal Code; Land Utilization Order, 1967; The Kerala Ground Water (Control & Regulation) Act, 2002; Indian Easement Act, 1882.

Ironically, the report confirming Coca-Cola’s mismanagement of water resources and holding the company liable for \$48 million in damages comes on World Water Day.

“We have attended every Coca-Cola shareholders meeting in the US since 2004 to remind Coca-Cola shareholders that the company management was being derelict in its duties by not disclosing the real financial liabilities the company was incurring in India,” said Amit Srivastava of the India Resource Center, an international campaigning organization.

“Coca-Cola shareholders need to pay attention because the company continues to have an atrocious record in India and communities and even governments are not just going to sit back and take Coca-Cola’s abuses. This should serve as a wake up call,” he continued, referring to other community-led campaigns in India, most notably in Mehdiganj and Kala Dera, where the company has destroyed water resources through over extraction of water and pollution.

The recommendations of the High Power Committee are [here](#).

A list of the members of the High Power Committee is [here](#).

For more information, visit www.IndiaResource.org

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