

Powerful Corporations Undone In A Paradox of Prosperity

by James A. Kent, Donald Taylor, C. Harvey Smith & Carolyn Hunka, Environmental Management News, pp. 11-17, September, 1988.

Inadvertently, the hazardous and toxic waste industry has provided both the issues (perceived health risks) and the combat zones (toxic waste sites) for a new era of environmental activism.

In the city of Benicia, Calif., a small port municipality located in the northernmost part of Contra Costa County, a company operated a waste site for refinery byproducts. Evidence of the company's efforts to expand the site without the required permits and approval provided the impetus for community action. Old guard politicians who had given tacit approval to the expansion were dislodged when a schoolteacher, concerned about the health of her children, won the mayoral race with a platform based on the waste site issue. A court decision was handed down to close the site and require it to be cleaned up within a given period of time.

Conversations with those familiar with the events revealed a corporate strategy in dealing with the community based on arrogance, insensitivity to citizen concerns, outright deception and managerial incompetence.

A community that had tolerated a functioning waste site now rejected it--not because of the hazardous nature of the site, but because of the way in which the expansion was handled.

In Last Chance, Colo., (not the ideal name for a hazardous waste site) a toxic waste company became involved in an extended battle over a waste site. The local citizens did not buy the argument of the politicians and the industry about how good this would be for the economy. The company anticipated that the town and its people would be grateful for a new industry to solve its economic problems.

What the company failed to realize was the people of this community had a strong land ethic. It was not in their culture to contaminate the land.

The fight over the contamination issue has escalated and stopping the project altogether has become the mission of several powerful environmental groups.

CORPORATE DECISION. In Waipahu, Hawaii, a major corporation made the decision to put a garbage-to-gas incinerator at its sugar refinery, located in the middle of town. Rather than meeting with local citizens to discuss the project, the company opted to get formal approval from city council and bypass any local involvement. The citizens' first information about the project came with the publication of routes the garbage trucks would take through their town. Citizens began to question where approval for the routes had been obtained. Since neither the company nor the city council would pay attention to the real issue--routing of the garbage trucks through the neighborhoods--myths and rumors were circulated about health and safety factors of the incinerator project. This unresponsive action on the part of the hazardous waste company and the city resulted in the first petition on the island of Oahu against an infrastructure project.

This is a paradox of prosperity: powerful, wealthy, sophisticated, scientifically rich corporations rendered impotent by citizens: homemakers, schoolteachers, welfare recipients, senior citizens and minority groups.

To address this paradox, the public and private sectors must begin to incorporate community values and participation into their management and planning processes at the same time as technological applications are being considered. Local citizens become local activists overnight when they are surprised by decisions that threaten their lifestyle.

CHANGE IN THE MOVEMENT. To understand the emergence of the local activist, a background of recent events in the environmental movement is necessary. The past five years have seen a major shift in this movement. The traditional emphasis on conservation of natural resources and wildlife has been replaced by issues of health and safety. The movement has added the urban environment to its cause. Environmental goals, once aimed at compliance through the use of litigation and legislation, are now directed at prevention of environmental issues.

Emerging is a new element of grassroots action pursued by non-bureaucratic environmentalists emphasizing "monkeywrench" techniques and by indigenous activists dedicated to the resolution of local issues.

These changes are a product of several related phenomena: 1. the personalization of issues, resulting from anxiety about the effects of site leakage or incineration that discharges potentially toxic substances into air, water and food; 2. dissatisfaction with the institutionalization of mature environmental organizations; and 3. suspicion and distrust of regulatory agencies.

AMERICA'S ISSUE. National environmental organizations can be expected to continue their efforts to influence industrial policies and standards pertaining to hazardous and toxic waste siting. Confrontations, however, are rapidly moving from the courts and conference rooms to the streets. There is a growing consensus that grassroots action will dominate the environmental arena for many years. A recent publication (The New Republic, Feb., 1988) describes this shift as "America's issue."

Ineffectiveness of government, and corporations at the local level has contributed to the exponential growth of community-based groups reacting not to abstract ideas and concepts, but to a sense of personal risk or threat. Inspired by Lois Gibbs at Love Canal, New York; Karen Blake in Montgomery County, Md.; Mayor Marilyn O'Roark at Benicia, Calif.; and other citizen activists, the environmental movement is now receiving its primary impetus from individuals who are demonstrating their ability to combine commitment with organizational effectiveness. Reinforcing this communitybased movement is another recent phenomenon young, idealistic lawyers, referred to as the Private Public Interest Bar, who work for low fees or for a portion of the reward in damage actions.

Efforts by national organizations to expand their role to be more supportive of local action are specifically evidenced by: the National Audubon Society's plan to implement a multimillion dollar community training program; technical assistance and financial support to local activists by the National Campaign Against Toxic Hazard; and the installation of a sophisticated computer information system by Greenpeace designed to link regional affiliates instantaneously.

While environmentalists have been adapting to the local activist era, corporations have done little to adjust their approach to the new reality of local power. Corporate-community relations are in many respects an extension of the reliance of longstanding formal relationships. Relationships are pursued through the application of conventional public relations techniques. Charitable giving programs, sponsorship of community projects, financial contributions to elected officials, and participation in service organizations are some of the activities carried out to win friends among persons in formal positions of influence. Media relations, public information programs and site tours, on the other hand, present an unending barrage of facts and figures in an attempt to convince and educate local citizens.

Although these strategies appear to be effective as long as the community-at-large is unconcerned and uninvolved, they do little to create broad-based, loyal, knowledgeable, supportive constituency. In fact, they do just the opposite. They engender pseudo-constituencies composed of people with narrow, self-serving, proprietary interests who are quick to cut and run at the point of crisis. One would be hard pressed to recall the times when a mayor, city council person, country club colleague or service club member stood at the barricade when a waste site was being attacked by environmentalists or community activists.

Seldom is there evidence of industry establishing a legitimate constituency encompassing all levels of the community. Rarely does one observe an ongoing, genuine dialogue between company representatives and their neighbors—the individuals, families and employees residing either adjacent to or in the vicinity of hazardous waste sites and incinerators. Left uninformed and uninvolved are the people most likely to be affected by mistakes, leaks, accidents, or catastrophes.

CORPORATE RESPONSE. Almost without exception, corporate response to attacks by environmentalists or local activists is surprise, resentment and hostility. Attacks come as a surprise because of poor corporate information regarding local issues. Companies feel the community does not appreciate their efforts. Hostility is produced on the side of industry simply

because of the frustrations of not knowing how to deal with "an irrational, unprofessional, emotional mob." It is interesting to note that this is the identical emotion that community members experience when a waste site decision is made without their involvement.

This situation is doubly unfortunate because it not only wastes company resources and energy, but it is unnecessary. Experience demonstrating the superiority of proactive over reactive strategies for dealing with potential adversaries has been documented repeatedly in the current social impact literature.

Companies can no longer assume:

- that jobs and taxes are a sufficient contribution to community wellbeing;
- that friends in high places will be shields against the hostility of "just plain folks";
- that support to the local symphony or Little-League baseball park will be appreciated by any more than the few who chance to see the company's name on the program or scoreboard.

Companies can and should, on the other hand, assume:

- that their physical presence is often seen as a blight on the community landscape;
- that media reports and television dramatizations of incidents involving hazardous substances reinforce distrust and suspicion;
- that they can quickly become the object of the citizens' latent hostility over a siting issue;
- that what economists are calling the "shrinkage of the middle class" may become a powerful source of resentment against basic industries;
- that environmentalists will exploit all of the above to their own goals and objectives.

Given these realities, it is essential that corporatecommunity relations be managed with the same degree of competence, good sense and sensitivity now applied to other functions such as marketing and production.

The following section discusses how, through social risk management, local people can become involved in the issues as partners rather than as protagonists.

LOCATION STRATEGY. The key focus of waste site management is to determine how an existing community actually functions. This involves identifying the informal methods of problem-solving that people use in their routine experience and clarifying how decisions are made and implemented in the community. Once the cultural-mechanisms are identified, then specific

communication links can be established into that community so that it can interface with outsiders with minimal confusion and disruption. By incorporating how a community functions on a daily basis, strategies to resolve issues related to waste site impacts are better assured of being practical and grounded to the social context.

The goal is to assist government and industry to externalize management so that the grassroots issues of the affected individuals and TV air cultures and communities can be understood. Once externalization takes place, the company or agency then organizes its internal operations to fit what it has found. The fundamental thrust is to create a climate of mutual understanding so that the social well-being of the different segments of society is made a key driving force behind corporate and agency decision-making.

The development of waste site location techniques, and the training of management groups to implement these techniques are guided by four principles:

1. Individual power is essential for maintaining the productivity of the human environment.
2. Human-geographic boundaries are natural management boundaries.
3. Horizontal social networks form the structure by which communities sustain themselves,
4. Direct contact with citizens is necessary for managers seeking to understand and respond to public issues.

Principle 1: Individual power is essential for maintaining the productivity of the human environment. Perhaps the most fundamental principle of all is the singular importance of the individual person. Power is the ability of the individual to understand, participate in, predict and control his or her environment. Individual power is essential to maintain a vigorous community and a healthy relationship between citizens, industry and government.

If individual power is not maintained, people become demoralized and sooner or later will resist. Resistance often takes place openly, as in the case of protest demonstrations, labor strikes, or opposition to waste sites. The social and financial costs of powerlessness are far greater than the costs of cultivating citizen empowerment, regardless of whether it is the public, business, or government which ultimately suffers the costs. Indeed, with the level of disruption currently experienced in the location of some toxic waste sites, government and business are sometimes unable to locate the sites.

The key to effectively mitigating the negative consequences of an action lies in the facilitation of individual power. This can be achieved through citizen participation, which includes the following components:

Citizens are able to understand the social and cultural implications of proposed changes in their environment;

Citizens share in deciding what will happen to them, their families, friends and neighbors and to the common environment they share;

Citizens assume their share of the responsibility for carrying out the decisions they have helped to make, in the interest of the greatest good to all.

Principle 2:

NATURAL BOUNDARIES. Human-geographic boundaries are natural management boundaries. Environmental law and sociology's human ecology tradition offer the concept that human and physical resources are ecologically unified. When this basic principle is combined with the previous principle of individual power through citizen participation, a new form of human resource mapping emerges. It is based upon natural geographic patterns, cultural values, networks and daily routines. Social boundaries can actually become administrative units for program implementation and decision making, as has been done by the United States Forest Service. Boundaries based on social criteria are natural ways to group issues for attention from managers.

In closely examining routines and relationships at any local level, it is easy to see that natural boundaries of actual human communities rarely coincide with arbitrary administrative districts such as counties or regional government units. The mitigation efforts of large scale development projects, for example, are difficult to administer at local and regional levels when its natural boundaries are not considered.

Principle 3: Horizontal social networks form the structure by which communities sustain themselves. A crucial distinction is made between the vertical structures of formal authority relations and the horizontal structures of voluntary cooperation that pattern day-to-day living and survival for most people.

When vertical structures are instrumental and necessary in a complex society, planning and management activities which rely solely on the "official" version of reality, as defined by law makers, bureaucrats and corporate representatives of vertical structures, run the risk of misrepresenting the public for whom they hope to speak. This is a classic setup for surprise, disruption and public outcry at the eleventh hour of implementing a decision.

MANAGING ISSUES. A process for managing impacts and the public issues created by impacts, must be capable of responding to and fitting in with, what is currently happening in a community. Management activities and decisions that are designed to be responsive to the public must be tailored to the daily routines of citizens. For this reason, effective management today depends on the ability of managers to understand and work with horizontal systems of people. No longer is it sufficient, for example, to hold public meetings with time and place determined by the managers.

The horizontal structure indicates the functional groupings and boundaries people use in their everyday activities. The widely acknowledged term "networks" is used to describe the informal social relationships of daily life. The identification of networks is an integral part of the

development of toxic waste siting programs, since networks are the vehicles by which people in the horizontal systems express and manage their issues.

Principle 4: Direct contact with citizens is necessary for managers, seeking to understand and respond to public issues. Waste site location management is a process and not a product. It is mediated in face-to-face relations. Its successful application therefore depends on the personal commitment and skills of specific individuals. For this reason, the importance of experimental learning through direct contact is stressed in the training of different management groups. Managers and their staffs, or professionals under contract to perform such services for managers, must directly involve the communities in which they operate to verify their understanding of public issues and to assure broad-based contact. As with any human-service professional, managers who make decisions about people must continually reexamine their own cultural bias since this may distort true understanding. This is possible only through direct contact with citizens in their own environments.

The local activist era of the environmental movement is bringing about profound change. Citizens or lawyers will have the decision making power in the future. Already our society is six years into the shift from concern about what happens to the natural resources, to concern about what is happening to people. Neglect at corporate and government levels in understanding how to interface with this shift has set in motion forces that will rewrite the ground rules on managing environmental issues. In 1989 we will see more environmental legislation passed than at any time since the implementation of the National Environmental Policy Act of 1969. State and national politicians will scramble to have their names tied to new legislation affecting refineries, chemical plants, hazardous waste sites and incinerators. The political structures have sensed this shift of power to the local arena and they are reacting rather than leading. Much of the action could be costly and disruptive if business and regulators do not take seriously the setting of reasonable standards for control of toxic chemicals and waste sites and the involvement of citizens in the decision making process.

Companies involved with development of hazardous and toxic waste sites must begin immediately to develop policies and procedures that specifically focus on involving local people in the resolution of siting issues - Without local people defending site selection and sharing in the risks, companies will have no protection from the onslaught of regulations that rob them of flexibility in solving a complicated problem and citizens will be robbed of local control in deciding what is right for their environment.

In this continuing trend toward local activism, it is people who are the real decision makers. Successful politicians and industrial leaders will be those who can communicate well with people and expedite decisions in a way sensitive to citizens. Managers who are not capable of becoming facilitators and expeditors of change are now, and increasingly in future will be, doomed to be managed by change, in a state of perpetual crisis and reactivity.