

No Water? Drink Coke!

By Naeem Mohaiemen, [AlterNet](#)

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Several years ago, I was leafing through a health magazine and came across a piece about Coca-Cola. According to the story, Coke, like many other soft drinks, contains additives that eat away at tooth enamel. Ever since then, I've avoided all soft drinks. This habit presents an etiquette problem whenever I visit Bangladesh. Along with milky cups of tea, Coke-with-ice is the most frequently offered drink to visitors. My refusal of Coke is often seen as snobbishness, or some faddish "health consciousness."

This subcontinental love affair with Coke may soon change drastically. If campaigners assembled at this week's World Social Forum in Mumbai, India are successful, Coca-Cola will soon be hit by a global boycott of unprecedented scale and ferocity. Although the [Indian Campaign to Hold Coke Accountable](#) has already been in motion for a year, the WSF meet is globalizing the project. At issue are Coca-Cola's production practices in India, which are draining out vast amounts of public groundwater, turning farming communities into virtual deserts. Completing the cycle of abuse, the plants are also pumping out toxic sludge as waste product. The controversy has been aggravated by recent tests that showed levels of toxic substances in Indian Coke, which are higher than FDA-approved standards for Coke-additives in the US.

Organizers consider Coca-Cola to be one of the most abusive transnationals (TNC) operating in India today. They are particularly irked by the way that Coke, a huge foreign investor in India, has used its commercial clout to bully the government into bending the rules regarding local ownership.

After a year of Indian protests, Coca-Cola's PR department simply said they were the "target of a handful of extremist protesters." For good measure, the corporate website says, "Local communities have welcomed our business as a good corporate neighbor."

But at the end of the WSF, Coke may be facing an organized campaign that cannot be easily dismissed. One of the key benefits of highlighting the Coke case at the WSF meet is the opportunity to link up with similar cases worldwide and turn the project into a global boycott. Since international capital benefits from a borderless world, activists want to create a model where their clout is also increased by the free flow of information between world community groups. In the process they are linking up with campaigners in Colombia, who have targeted Coke for very different abuses. At WSF, the campaign has generated strong feedback from American and European organizers, many of whom see the red-and-whites of Coke as a symbol for businesses that work without accountability.

Draining Local Water

There are now several Indian communities that have lodged complaints against Coca-Cola factories. The most celebrated of these is the Plachimada village in Kerala state, home of one of Coca-Cola's biggest bottling plants in India. This was one of the first villages to allege that the plant was draining water from wells, drying up ponds and destroying the livelihood of more than 2,000 farm families.

Researchers found that the plant had drilled 65 bore holes into the ground, siphoning off a million gallons of water a day. In addition, they also found that Coke was washing bottles with chemicals which were then released, without treatment, into local ground water. British NGO Actionaid has investigated the village and concluded that it was a thriving agricultural community until the arrival of the bottling plant in 1998. Under pressure from activists, 300 of whom were arrested during various protests, the local panchayet announced that it would cancel the plant's operating license.

Coke has vigorously fought back against the allegations, submitting scientific studies and appealing the panchayet's decision. The plant manager, N Janadhanan, indignantly told the AP that, "The villagers are not suffering and we are not exploiting the water resource." But in admission of the severe crisis, Coke now sends around water tankers each morning to supply the villager's with minimum amounts of water. The company is appealing the decision in Indian courts, with activists also determined to press on with their demands.

Another dark spot is Mehdiganj (UP), where Coke built a bottling plant in 1995. Two tube wells draw hundreds of thousands of liters of ground water each day. Geologists have estimated that the company's voracious consumption may have lowered the groundwater level as much as 40 feet. The area's water crisis was further aggravated by the World Bank-funded Golden Quadrangle superhighway project, which shut off the water pipeline from a neighboring area. The Coke plant's proximity to the holy city of Benares has created further controversy. The factory's waste product was being disposed in a nearby canal that emptied into the holy Ganges River.

Local Indians were enraged when they discovered that polluted waste was being dumped into the Ganges. Until recently, there was no clear way to test for Coke-related pollution in the vast Ganges. But in order to make way for the superhighway, construction workers dislodged Coke's waste disposal canal. The company then began disposing its waste products into neighboring fields and mango groves. At this point, the level of toxic waste became readily obvious to local residents. Although Coca-Cola officials claim they use ecological filters, this was easily refuted by looking at waste-submerged areas. In an area of 20 acres covered with factory waste, grass, neem trees, wheat, paddy and chickpea crops had all been destroyed. Health crises were also created by the stagnant waste, including a mosquito epidemic and mysterious rashes on the bodies of local villagers.

Villages Fight Back

Fighting to stop the TNC giant, local villagers have organized groups with slogans like "Coca-Cola Bhagao, Gaon Bachao" ("Save the village, chase away Coke"). Dalits (the so-called "untouchable" caste) and indigenous peoples are playing a key role in leading protests. Unlike past top-down activism, these campaigns are primarily village-organized, with national globalization activists bringing access to press and linkages with other affected villages.

As a result of linking affected communities, the Mehdiganj-Perumatty campaigns have been joined by Wada (Thane) and Sivaganga (Tamil Nadu) – also sites of Coca-Cola factories. In a preemptive move, residents of Sivaganga protested against plans to set up a factory near their village. A key aspect of the organizing has been the training of local youth groups in non-violent resistance. Although protestors may employ Gandhian tactics, the responses are not always so gentle. At the Mehdiganj plant, police and gun-carrying private security guards beat protestors.

The Indian campaigns have begun to get results, although not always in the direct areas targeted. As a result of sustained anti-Coke campaigning, other parts of the company's business practices have also come under inspection. In April 2003, Coca-Cola was targeted for boycott to protest the U.S.-led invasion of Iraq. As a result of that protest, Coke sales dropped 50 percent in states such as Kerala, which was declared a "Coca-Cola and Pepsi-free zone."

Later, a local court found the Mehdiganj plant guilty of illegally occupying a portion of village common property resources and evading payment of land revenue. The court also noted that the plant was illegally receiving subsidized electricity because the occupied land was classified as "agricultural." Recently, the Central Pollution Control Board (CPCB) ordered its regional officer to investigate the Mehdiganj claims of toxic waste. In Madurai, the CPCB also ordered the company to stop disposing its "sludge" in agricultural fields because a "metal" element had been discovered in tests.

Finally, in a case that has generated even more negative publicity, independent tests discovered traces of a pesticide in Coke bottles. A Joint Parliamentary Committee is now investigating the case and the Indian Parliament has already banned Coke from its cafeteria.

Coke's Clout

While activists have cheered on these apparent signs of progress, it would be naïve to say they have "Coke on the run" (as one reporter claimed). Atlanta-based Coca-Cola is a multi-billion dollar company, and although the Indian protests are a major irritant, the company has the resources to dig in for the long haul. Like BP and many other new-breed TNCs, they also have the foresight to make a few strategic concessions in order to take the steam out of the campaign.

In addition, Coca-Cola enjoys a favored relationship with the government, and in the history of its interaction with the Indian state, it has always maintained the upper hand. In 1977, Coke was ordered to increase Indian ownership of its operations. Rather than giving in, the company left India. It made the reasonable estimate that one day India would need the foreign investment and ask them to return. Two decades later, as India opened its doors to massive liberalization of the economy, Coca-Cola returned triumphantly. It then rapidly began buying up all the local brands that had sprung up in the intervening years.

Today Coke is one of the largest Foreign Direct Investors (FDI) in India, rivaled only by other giants like GM, Ford, Pepsi, Hughes Electronics, and until recently, Enron. The company's clout with the local government is without parallel. In an unprecedented move, Coke was able to pressure the government to reverse its own rules on Indian ownership of Coke operations. Under the terms of the special dispensation, Coke would sell 49 percent of the company to local shareholders, but retain 100 percent of voting rights. This unheard of "compromise" was garnered by the direct intervention of US Ambassador Blackwill and Commerce Assistant Secretary Lash.

Acknowledging the economic bargaining power and entrenched position of Coke in India, organizers are using the WSF meet as a tool to turn their campaign global. In this project, one of the templates is the Colombian campaign against Coke. That campaign is spearheaded by Colombia trade union SINALTRAIN, which brought a suit against Coke in the U.S. alleging that their local bottler hired death squads to kill union organizers at bottling plants. Colombian speakers have been traveling across the U.S. and Europe, urging colleges and towns to boycott Coca-Cola.

Initiatives to remove Coke from college-owned cafeterias are being debated at over 20 American universities, including Columbia, Hofstra, NYU, Fordham, University of Vermont and UC Berkeley. Bard College and Lake Forest College have already cancelled their contracts with Coke. The financial impact of getting cut off from the nation's next generation of consumers is no trivial matter to the company. At UC Berkeley alone, Coke pays \$1 million per year for a 10-year contract that gives it exclusive rights to sell its products on campus.

In Ireland, the boycott has spread outside campuses into surrounding towns. After University College Dublin removed Coke products from student union stores, Irish businesses like John Hewitt Bar and Belfast Tourist Center also removed Coke products. Finally in an audacious move that could, if successful, really hurt Coke's pocketbook, Corporate Campaign announced a campaign to force SunTrust Banks to divest its 130 million shares of Coca-Cola stock.

J.P. Morgan analyst John Faucher, who follows Coca-Cola, was quoted dismissing the boycotts: "I find it hard to believe this could turn into anything that would have a significant impact on the company." But the organizers plan to use the WSF meet as a catalyst to disprove this orthodoxy and shake Coke at its foundation. Their demands include shutdown of offending plants, compensation to affected communities and provision of clean drinking water.

But even if the activists were only able to enforce a change in Coke's business practices, it would be a major victory against a powerful TNC. Amit Srivastava of Global Resistance has been in Mumbai for weeks preparing for the Coke campaign's meetings at the WSF. Explaining the objectives of the campaign he said, "Of course, Coke is not the only one doing this. We are also talking about Pepsi and Indian companies that engage in similar practices. This is also about community rights over national resources versus corporate and private control over the same. Coca-Cola is just one example of many when corporate power is allowed to do what it wants freely."

Sujani Reddy, who is helping with the media coverage of the campaign, framed the issues in another manner: "The Coca-Cola campaign maps the processes of globalization really well. The liberalization of the Indian economy has created this global middle-class as a consumer class. Now, Coke as a product has a symbolic value, associated with Americana and cosmopolitanism. So, this moment is a perfect symbol for how the middle class' own consumption has toxic elements in it."

In a battle over big business, symbolism is a key leverage point for activists. After the WSF meet ends, organizers plan to focus on campaigning against Coke in its hometown of Atlanta, Georgia. If the campaign can leverage Coke's own symbolism against itself, the giant corporation may find itself with much more than a simple "PR problem" on its hands.

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