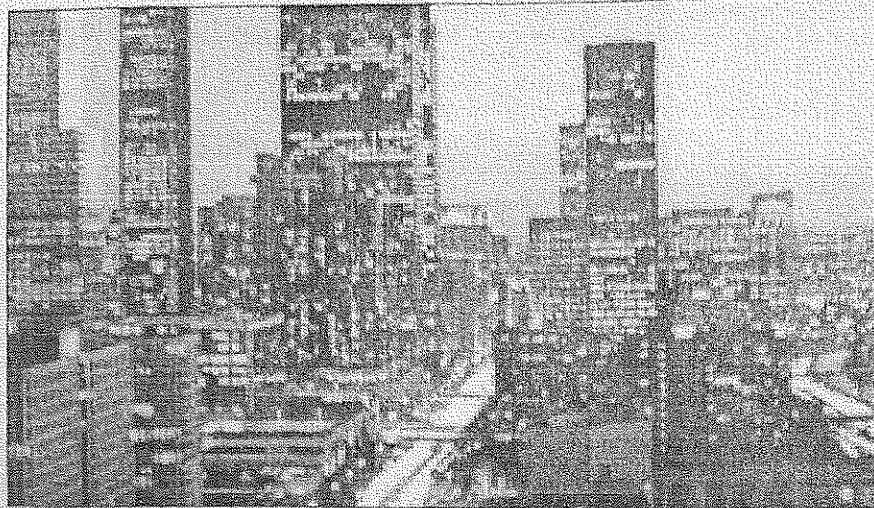


The Myth of the MNCs : a Saga



The Industrial Policy of 1991 has opened the floodgates of business in Indian market by the Multinational Corporations (MNCs) with the prime objective of elevating Indian products in the international paradigm. It focussed on a multilateral trading system that ensures an automatic 'trickle down' of economic growth from the developed to developing countries. However, the former was able to devise the protocols to keep the latter impoverished so that the recession gets transmitted by way of 'trickle down' effect.

With the population growing at an exorbitant rate, it has become a mandate for the Governments to seek avenues for greater productivity. The task of doing so, from an ever-increasing fragmentation of land holdings is certainly gigantic. Genetic manipulation, the key tool of biotechnology, plays a pivotal role in changing the nature of the basic blueprint of life, DNA, for varietal improvement and increased production. This was perhaps, the commencement of a market-driven activity rather than science-driven one. The MNCs, targeting the huge

consumer market of India, swooped on it like a hawk which also sectors and targets on its prey.

The question now arises, what exactly is the role of MNCs in India? The Pepsi Project in India was expected to mark the beginning a new phase in Indian agriculture. The company claimed that tomato production in Punjab had shot up from 28,000 tonnes to 100,000 tonnes while per acre yields increased from a meagre 7.5 tonnes to 20 tonnes. Mr. Ramesh Vangal, the former Managing Director of Pepsi Food Pvt. Ltd., said that it was due to the exotic technology of the company, that the tomato harvest season had been extended from 25 to 55 days, which along with the advantages mentioned earlier, led to higher returns of the farmers. However, the statement of Mr. Vangal is only a preface of an untold story. There was no sign of the research centre that was to be set up in collaboration with Punjab Agriculture University nor was the company enthusiastic about the import of hybrid varieties which was promised. Three years after setting up of the project, the Government was not satisfied with the progress and set up a high-level

three member central committee constituted by the Food Processing Industries to investigate into the matter. The committee pointed out that

- * Pepsi had not developed any research base, but concentrated only on technology transfer.
- * It had failed to bring any improved germplasm as it had promised.
- * The two promising plants of Zahura and Patiala were using Indian varieties Navin and others instead of exotic and improved varieties with better quality.

The company's promise of providing 50,000 jobs were only a numerical jugglery as it included those involved in farming, seeding, bottling and others marginally associated with the project. As per its documents, it provided employment to only about 498 persons, of which 210 were unskilled workers. This was the situation in 1991.

Pepsi's entry into India was primarily aimed at capturing the huge consumer market of their 'cola' product. Agricultural research was apparently used as a ploy to gain the entry. The eyes of the Punjab Government were on the offshoots of the project, rather than the main stream action. If the Pepsi Project came through, the state would require at least six bottling plants for soft drinks! Indeed the company has taken the farmers 'for a ride'.

The entry of the multinational has resulted in bigger sinister designs behind the veil. They have targeted the Third world countries for their own profit-making activity. Neem, the traditional Indian plant, dowsed

with fungicidal, insecticidal, antibacterial, and antiviral properties, is patented by a US Multinational, W.R. Grace and Co. Equipped with this patent, the company has gone into a collaboration with Southern Industries Petrochemical Corporation (SPIC) to market its insecticide Margosan-O. Once the patented product comes into the market, Indians will have to pay a high price for a product growing in abundance in their own backyards.

Sugarcane is another important cash crop which is badly affected. The crop can not be grown in Europe and so, they tried to replace it with high-fructose corn sugar produced in the US by immobilized enzyme technology. Monsanto took over GD Searle, which manufactures Aspartame, a low calorie amino acid compound which is about 200 times more sweet than sugar, and this further enhanced the woes of sugarcane growers in Asian, African and South-American countries. According to United Nations Conference on Trade and Development (UNCTD) the export earnings of developing countries declined from 9,824 million USD in 1980 to 7,604 USD by 1984. The rate of decrease is continuously increasing at an alarming rate.

AgriDyne Technologies, a Utah-based company, received in April 1992, a 1.2 million USD grant from US Department of Commerce to develop a genetically engineered pyrethrum to enable the country to become self-sufficient in the pesticide. This research, if successful will adversely affect the livelihood of nearly 200,000 farmers in Kenya, Tanzania and Equador. About 70,00 vanilla farmers in Madagascar lost their livelihood when a Texas firm started manufacturing natural vanilla in their laboratory. Similarly, the African countries are going to suffer when a San-Carlos-based food company will use biotechnology to insert foreign

genes in coffee to increase the pest resistance and beans with low caffeine content and better flavour will be produced.

Biotechnology apparently looks beneficial to farmers, but the reality is perhaps a bit harsh. It is capital intensive and increases concentration of agricultural production in the hands of large MNCs. As the process is labour saving, it sets in motion a technology treadmill, that forces out of business a significant numbers of small-scale farmers. Biotechnology tends to exacerbate marginalization as such technologies are under corporate control and being protected by patents, are expensive and inappropriate to the needs of farmers. It is clear now that genetic manipulation by the industry is not to solve agricultural problems but to create profitability. Although, there is a myriad of herbicides available, the MNCs have kept it in their thrust areas, the programme of developing herbicide resistant corn and cotton, as they fetch a considerable of cash for them. Is there any reason why aren't more promising products of biotechnology, such as N-fixing and tolerant plants being developed?

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The multinational biotechnology industries, which states that for the hungry and needy, ethics and safety are irrelevant. Removing ethics from technological and economic

decisions is a western construct. Ethics and values are distinct elements of cultural identity in a pluralistic civilization, like that of India's. Moreover, it is particularly significant, because it is the Third World's bio diversity that is being pirated by the MNCs. Like any other technology, biotechnology is not neutral in its impact. It carries disproportionate benefits for some and cost for others. To ask who gains and who loses, and what are the benefits and costs, is to ask ethical questions.

The strategy of the MNCs to apply biotechnology to create a great variety of commercial plants and thus contribute to biodiversity is not only superfluous but a vague mission, as well. Eclipsed within this concept, is the urge to create broad international market for a single product. The agricultural systems developed with transgenic crops will favour monocultures characterized by dangerously high levels of genetic homogeneity leading to higher vulnerability of agriculture to biotic and abiotic stresses. As the new bioengineered seeds replace the old traditional varieties and their wild relatives, genetic erosion will be accelerated in the Third World countries.

At the onset of the next millennium, we are at the footstep of difficult times. The old imperialism of the colonizing empires had acquired for themselves a captive market for their industrial products. The new imperialists come armed with biotechnological products and once again they have a captive market, bigger than ever.

Perhaps, history repeats itself. [The authors are grateful to Devinder Sharma, the author of the book "Gatt to WTO : Seeds of despair"]

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