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Coca-Cola's Cash Cow Produces Sour Milk

The Coca Cola Company is not only one of the biggest and most profitable companies in the United States; it is also a globalized company that controls the beverage market around the world. On average, the middle class Indian drinks one Coke product a day. And with over a billion Indians and a rapidly growing population, Coca-Cola India is one sacred cash cow. The main goal of Coca Cola India, according to their website, is to "Benefit everyone it touches...strive to deliver on this promise everyday creating a more stronger and more sustainable future for our business and for the communities we serve"(Coca-Cola India Website). The company strives to use local resources, local people, and local culture to increase sustainability and improve the lives of local communities. But, despite all of the promises it has made in print and all of the green washing, has the company really held up its end of the bargain? Does the Coca- Cola India Company promote environmental awareness, sustainability, and raise the quality of life communities that the company "serves"?

A Brief Overview of Coca Cola in India

Up until 1977 Coca-Cola had been the most consumed soft drink in India. In 1977 the power of the government switched hands and the new Janta party gained control. One of the main focuses of the Janta party was the principle of Swadeshi, or Indian self sufficiency. So, to uphold that policy and make a strong global stand, the party expelled all foreign companies by enacting the Foreign Exchange Regulation Act.

The Janta party demanded that the Coca-Cola Company, in order to stay in India, would have to give up forty percent of its company holdings and reveal its secret formula. At this, Coca Cola left India and did not return again until 1993.

In 1993 the Coca Cola Company returned to India and within the next ten years invested over one billion dollars in India making it one of country's top international investors(Tuck Business) . In this time span, the Coca-cola Company came out with a new line of drinks produced and advertised specifically targeted towards the Indian consumer; Thumbs Up, Limca, Maaza, Citra, and Gold Spot. All of these beverages were produced in 25 local processing plants, using local water, and employing 6,000 people directly and 125,000 people indirectly. But for the Coca-Cola India company, all of this was too good to be true. In 2003 communities protested against the company because they claimed the bottling plants were using up all of the common water supply and polluting the farmland and water with chemical wastes. In dfhgjhfg, a report of bottled water companies in India showed the Coca-Cola brand of bottled water, Kinley, had "concentration levels[of pesticides] 14.6 times higher than the maximum residue standards"(Down To Earth).Of the types of pesticide residue found in Kinley water, two were known to cause cancer, one is known to cause long term damage to the nervous system, and another is known to cause birth defects. After this scare, scientists also tested other Coca-Cola products for the same pesticides; all Coca-Cola India products tested positive . This news caused an international scandal that drastically cut down the number Coke consumers in India. In Order to get their consumer rates back up, Coca-Cola India started a global campaign to promote quality of life and sustainability.

Coca-Cola's effect on the quality of life in India

Quality of life is defined as “the extent to which people’s ‘happiness requirements’ are met” (McCall, 229-248). So it is not simply whether people have enough to eat and a clean place to sleep, although those are a significant piece, it is whether or not people are happy or feel like they belong in their current situation. It is hard to define, and so therefore it is also hard to measure. The Coca-Cola Company affected Indian communities’ quality of life in both positive and negative ways; by both adding to people’s sense of belonging in a developing and westernized world and by taking away some basic needs like enough clean water.

First, the positive effects on Indian quality of life. The Coca-Cola Company, after it came back to India in 1993, directly created 6,000 new jobs with bottling plants and factory workers while simultaneously creating 125,000 new jobs indirectly with distribution facilities, sales people, and mechanics (Coca-Cola India Website). Most of the bottling plants were in small, rural communities mostly composed of farmers. These new jobs, although not drastically, did reduce unemployment in India. This new employed work force not only gained jobs, they also gained buying power which added more money to the Indian economy and indirectly employed more people.

The Coca-Cola Company also used advertising to target Indians as they are. They used two different campaigns; one to target the middle class, city-dweller and another to target rural, lower class areas. The fact that the company did not simply try to sell coke using western tactics is not only good marketing, but it also increased the feeling of India developing while still staying away from westernization. In the city, the

campaign promoted the popular drink called “Thumbs Up” which has a Beddelnut flavor. This flavor is distinctly Indian and is not sold in such quantities anywhere else in the world. In the rural areas, Coca-Cola developed a smaller, cheaper bottle of coke that costs about 5 Rps. This smaller packaging helps even poor, rural people get a taste of the “New India” and feel connected and involved in the change.

Although all of these pluses that Coca-Cola has really added to the quality of life in India, the negatives unfortunately affected more than a sense of belonging to a community, they affect basic human needs. One of the major ways that the company negatively affected the quality of life in Indian was that it used a huge amount of common water at its bottling plant. The waste from the factory also polluted ground water as well as agricultural fields. That water, which was originally used by farmers to grow crops either to sell or eat, was no longer in such a plentiful supply. That same water was also the major source of drinking water for most villages and rural areas. After the Coca-Cola Company came and set up bottling plants, many people in poor villages had jobs but not clean drinking water.

The Coca Cola Company in India also decreased the quality of life by increasing the hierarchical structure of Indian society to include people who could afford to drink coke and people whose water supply was polluted by bottling plants. By using different marketing schemes for upper class and lower class people, the company divided the classes even further than they already were.

Sustainability in India

Increasing environmental awareness does not simply mean educating people about how to conserve natural resources. It includes training companies and workers for the future and promoting the idea of sustainable business. Before Coca-Cola's return to India, the company did not specifically promote sustainability and used several types of harsh chemicals in its manufacturing process. Because of the intense public scrutiny on all of Coca-Cola's actions after the pesticide scare, the company started to put more emphasis on cleaning up their waste products and promoting a more sustainable way of making their product. The Coca-Cola Company improved sustainability and environmental awareness because it was forced to take on some corporate responsibility and help clean up communities. But it also hurt the environment by adding irreversible chemical damage to the growing human footprint on earth.

Beginning in 2005, the Coca-Cola Company along with USAID started funding clean water projects in "critical places in the world". The goals of these projects are "increasing access to safe water supply, promoting sanitation and hygiene; and protecting and conserving local water resources" (US Aid agency) The clean water projects not only clean up current clean water problems, but they also promote sustainability and environmental awareness for both corporations and individuals. For the first year, the Coca-Cola Company donated about 3.5 billion dollars to this project, called the Community-Watershed Partnerships Program.

The Coca-Cola Company also promotes sustainability by placing their bottling plants and distribution plants next to their target market. The product is made in India

and then also distributed in India. This means that the coke products does not have to be shipped half way around the world to its place of distribution, which cuts down on fossil fuel emissions.

Unfortunately, the good deeds that the Coca-Cola Company enacted do not nullify all of the pollution from years past and from places that do not have strict industrial regulations. The bottling plants use non-reusable, non-biodegradable plastic bottles. Many developing places in the world do not have a comprehensive garbage disposal system, let alone a recycling system so most of the bottles end up polluting the land and the water.

Coca-cola also uses harsh chemicals that, when not properly treated, turn into an industrial sludge, effectively ruining land and water for agriculture. The chemicals are not only outside of the factory but, as seen by the pesticide scare in India, the product itself actually contains dangerous chemicals. One report even said that farmers, “Instead of paying hefty fees to international chemical companies for patented pesticides, they are reportedly spraying their cotton and chili fields with Coca-Cola”(Organic Consumers Association). The chemicals leach into the groundwater and pollute the land making it unfit for agriculture without a lot of other chemical fertilizers. Because this process increases the amount of chemicals that have to be added the the earth, it does not increase sustainability or environmental awareness.

Coca-Cola has had a long and convoluted history in India full of ups and downs, pros and cons. But out of all of the mess, did the Coca-Cola Company really stick to its goals to promote quality of life and sustainability? There is no right or wrong answer to

this question and it largely depends on perspective. But one thing that can be agreed on is the Coca-Cola Company made a lot of progress towards these goals in the last couple of years. In the future, it would be interesting to come back to this topic and see if anything has changed or any progress has been made toward a more sustainable and more livable Coca-Cola India.

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