

# Indian farmers protest Cargill's designs; opposition to GATT emerges

by Siddharth Singh

On Dec. 29, a group of individuals representing the farmers' organization Karnataka Rajya Raitha Sangha (KRRS) burst into the tiny Bangalore office of Cargill Seeds India Pvt. Ltd., the Indian subsidiary of the multinational grain giant that had quietly set up shop in India in 1988, and left the shop in ruins.

A rather minor incident in the overall scheme of things, the U.S. State Department chose, curiously, to make a major diplomatic stink on behalf of Cargill. In a barely concealed threat, an American embassy spokesman told newsmen that the incident may have a bigger impact on India's economic reform than either the December 1992 eruption of violence at a mosque in Ayodhya, or the securities scam that has rocked the Indian polity for the past several months. U.S. Ambassador Thomas Pickering went all the way to Bangalore to meet the state's chief minister, Veerappa Moily, and the Indian government rushed forward with apologies and assurances that such attacks would not recur.

That the United States chose to make a mountain out of a molehill throws light on a major, and increasingly open, policy brawl taking place within India over economic policy, the General Agreement on Tariffs and Trade (GATT) negotiations, and the so-called Dunkel Draft in particular.

## Seeds of revolt

The 1,000-plus army of farmers of the KRRS served notice to Cargill and 11 other foreign seed companies that they should quit the country within a month, since India did not need their services. The KRRS, an organization of farmers in the southern state of Karnataka, is led by Prof. M.D. Nanjundaswamy. A man who studied law in Germany and became an agriculturist on his return to India, Nanjundaswamy is a member of the Karnataka state legislature. He has emerged as a well-respected spokesman of farmers whose call to rally invariably draws more than 100,000. Nanjundaswamy has referred to his actions as the beginning of a second "Quit India" movement, the first one being the famous movement launched against the British in 1942.

Closely associated with the campaign in Bangalore is Dr. Suman Sahay, professor of genetics at Heidelberg University

in Germany. For more than a year, she has worked to organize a "Gene Campaign" to educate Indians on the dangerous implications of accepting the Dunkel Draft for basic genetic research activities in India, as much for the farmers' independence as for the nation's food security. The Gene Campaign is a group of scientists, lawyers, economists, environmentalists, journalists, farmers' representatives, and others dedicated to protection of the Third World's genetic resources, and the right to use these resources without hindrance, whether in research, industry, or agriculture.

At immediate issue is the fact that under the cloak of protecting the plant breeder's rights, the trade policy of GATT director general Arthur Dunkel will create the conditions to strangle research on genetic improvement of plant varieties. Scientists here in India agree with Dr. Sahay that the Dunkel text's provisions for patenting genes and paying royalties each time a protected gene is to be crossed to develop a new breed have far-reaching and dangerous consequences. The text makes it clear that a farmer has no right to breed a seed without purchasing it every time; he cannot save a part of the crop to use it freely as seed for the next season. Technically, he can be forced to pay a royalty for using this seed.

Seeds are not all that is at stake for India. The present GATT regime is widely seen here as an instrument for perpetuating inequities, a view that has been shared at the highest political level, at least until recently. The proposed treaty contains provisions that would have a serious and even damaging impact on other aspects of Indian agriculture, scientific research, the chemical and pharmaceutical industry, biotechnology, the computer software sector, and the financial system. In acknowledgment of these realities, Indian negotiators took a hard-nosed approach to the GATT talks, accepting those proposals seen to be in the national interest and firmly rejecting the others.

## Flip-flopping on the Dunkel Draft

It is no secret that India, along with Brazil and a few other countries, has been a stumbling block to several of the GATT directorate's pet schemes. But since late 1991, when the Dunkel Draft was presented to India on a take-it-or-leave-it

basis, and just as India had tumbled into the final stages of the political and financial crisis that has preoccupied it ever since, the issue was all but buried. Meanwhile, the “free-market” buzz around India’s own economic reforms, and the impact of World Bank and International Monetary Fund (IMF) influence on sections of the bureaucracy, have conspired to turn official policy in the direction of abject capitulation to Dunkel.

A measure of this drift was the *Economic Times*’s angry editorial blast at the KRRS over the Cargill episode: The farmers’ tendency toward organized militancy should be nipped in the bud, and an attempt should be made to explain to them that provisions of the Dunkel Draft are aimed not at them but at the big agro-product companies in the United States, barked the *Times*. As if the Dunkel Draft’s agricultural section doesn’t owe its very existence to Cargill and the grain cartel, among others!

The slide into compliance with Dunkel began in January 1992, when officials of the Commerce Ministry gave a verdict in favor of accepting the draft. The Harvard-educated commerce minister at that time, P. Chidambaram, stated that the draft was not acceptable, but it would be naive to believe that he had no role to play in the note prepared by his officials, which argued for India’s acceptance. Chidambaram was the first minister to go when his links to the \$2 billion-plus banking scam became a matter of public knowledge.

India’s new unofficial argument goes something like this: There is absolutely no choice but to accept the Dunkel Draft, because Dunkel has said he is not going to change it, and most other countries are going along. We should sign on the dotted line, and turn our attention toward present and future efforts to seek exemptions and concessions from those provisions which are not in our interest. The fact that the Dunkel Draft does not contain any mechanism for dealing with such extracurricular mercy petitions is left unsaid.

### Official silence

The trend to dismiss opposition to the Dunkel Draft as uninformed campaigning has been aided by Commerce Ministry leaks to the effect that its officers have successfully managed to obtain “assurances” from GATT, the United States, and the European Community that India would be spared from the unsuitable provisions of the draft.

The silence of the Finance Ministry on the negative features of the draft is noteworthy. If the recent banking scam is any indicator, the country is hardly geared to handle the consequences of granting unfettered access to international financiers. Besides being tainted by the bank scam, officials of the ministry have allowed themselves to openly become mouthpieces for World Bank and IMF policies. And India’s foreign exchange crisis has helped put the country over the proverbial barrel.

But even more noteworthy, perhaps, is the silence of Agriculture Minister Balram Jhakar, the owner of lucrative

high-technology orchards, who is also linked by some sources to the bank scam. The Agriculture Ministry’s silence over the Dunkel text’s minimum access clause, for example, under which India would have to permit agricultural imports of not less than 3% of its annual production, begs for an explanation. In a good year, this level of imports—6-7 million tons of grain—would ruin many Indian farmers. Only the international grain cartel stands to benefit from the successive reduction of India’s foodgrain production base and creation of an enormous market for imports.

Obscuring the issue is a growing volume of noise about “market-oriented agriculture.” According to this line, farmers should be encouraged to shift to cultivation of cash commodities to raise their income. The bait is especially attractive to rich farmers who have a strong lobby in New Delhi. What even these farmers are not told, is that no one else is allowed to make a profit in the long run, in a game that is controlled by the international commodity cartels, as the starved condition of India’s indigo farmers under British rule should have made clear. More important, the impact of a wholesale shift to cash cropping on the nation’s food security is not to be taken lightly in a nation of 850 million.

So far, Prime Minister Narasimha Rao has abstained from taking any categorical stand on the draft. Nothing is known of his views on the subject, except the statement that the draft should be put up before the Parliament for discussion. A short meeting of the Cabinet Committee on Economic Affairs in December reportedly found “near unanimity” that India should fall in with the draft. In the cabinet reshuffle of Jan. 17, Rao dropped Dr. Chinta Mohan, the fertilizer and chemicals minister who had publicly expressed his reservations about India’s stand on the Dunkel Draft.

### Force a debate

The events in Bangalore may help to pop the lid on this issue, forcing renewed debate on the Dunkel Draft and, indirectly, on domestic economic policy. The February “budget session” of Parliament is an appropriate venue for a full debate on the matter, though some, like Gene Campaign spokesman Mohan Prakash, charge that the government is not interested in a serious discussion. The Gene Campaign has called on state legislatures to debate the implications of the draft for Indian agriculture.

In mid-February, a major international conference on a “People’s Approach to GATT Negotiations” will be held in New Delhi. The meeting is sponsored by the National Working Group on Patent Laws, a non-governmental organization set up four years ago in India by prominent economists, administrators, lawyers, scientists, and other qualified professionals. The group has monitored the GATT negotiations closely, and examined in detail the different components of the Dunkel Draft, only to conclude that the draft is strongly biased against the developing countries and must not be accepted as a *fait accompli*.