

Call of European civil society actors to immediately halt the ongoing free trade agreement negotiations between India and the EU and India and EFTA¹

We, European civil society actors, call for an immediate halt to the current free trade agreement (FTA) negotiations between the European Union and India; and between the European Free Trade Association (EFTA) and India.

We are deeply concerned about the detrimental impacts of the proposed FTAs on the most vulnerable groups in India - including the undermining of human and women's rights - that would arise through the erosion of the government policy space that is essential to manage trade and investment in the interest of pro-development, social and gender just and environmentally sustainable outcomes.

Various studies² show that just about every aspect of the negotiations - be it liberalisation of goods and services, enforcement of intellectual property rights, liberalisation of government procurement and investment or promotion of competition laws - will have a damaging effect on the livelihoods of India's *women and men, especially the poor*. We are extremely concerned that

- Increased **market access** for large European TNCs would lead to massive job losses and the crowding out of small-scale firms, farmers and retailers.
- Further liberalisation of **investment** would remove tools that governments need to build up domestic firms, provide jobs and foster domestic value-addition.
- Stiffer competition through further **liberalisation of the banking sector** would lead to smaller domestic banks being squeezed out of business, with detrimental effects on access to credit by small business, poor communities and in rural areas. Moreover, opening up the financial sector would reduce India's policy space to respond to financial crises
- Opening up of **government procurement markets** can undermine the scope for governments to address poverty and inequality by directing government spending to disadvantaged or marginalised groups of society. In addition, the scope to use government procurement to provide critical support for domestic firms during times of economic recession would be undermined.
- TRIPS+ commitments on **intellectual property rights (IPR)** would severely affect India's ability to provide access to affordable medicines, to protect farmers' rights to seeds and to uphold access to knowledge, thus undermining people's livelihoods and achievements in healthcare, agriculture, and education and research.

¹ This Statement is an outcome of the NGO workshop on 27th and 28th April 2009 in Berlin on Free Trade Agreements between Europe and India.

² Singh, K. 2009. India-EU Free Trade Agreement: Should India Open Up Banking Sector? Special Report. Delhi, India: Madhyam.

World Development Movement. 2009. Taking the credit: How financial services liberalisation fails the poor. London, UK.

Polaski S. Et alt. 2008. India's trade policy choices: Managing diverse challenges. Carnegie endowment for international peace.

Traidcraft. 2008. The EU India FTA: Initial observations from a development perspective. London, UK. And other studies.

Both the EU's Global Europe strategy – with a competitiveness driven agenda that places far-reaching FTAs at its core – and EFTA's similar approach to FTAs, are fundamentally flawed. They are neo-colonialist strategies that prioritise the interests of multinational companies – desperate to get access to emerging countries' markets and raw materials - at the expense of deprived groups in India.

The current multiple crises (food, financial, economic, climate and social) provide evidence that the neo-liberal economic policies, including unfettered trade liberalisation and market opening have not worked to promote human well-being for all. Trade with Europe must allow India to make the appropriate policy choices and to regulate trade in the interest of pro-development, environmentally sustainable and social and gender just outcomes. Conversely, a trade deal that only benefits European companies and severely restricts India's policy space would increase gender and social inequality, vulnerabilities and insecurities.

In addition, the lack of transparency, public debate and democratic process surrounding the ongoing negotiations must be resolved. Up until now, three rounds of trade talks between the EFTA and India and six rounds between the EU and India have been concluded without any negotiating texts or positions of either party being made public and without consulting in a meaningful way key constituents in Europe and in India.

Therefore we call on European governments to immediately halt the FTA negotiations between Europe and India until the following demands are fully addressed:

- Ensure greater transparency and accountability of EU and EFTA trade policy making: make public all existing negotiating texts, positions and draft proposals;
- Review the EU's Global Europe strategy and the EFTA's FTA strategy, which should lead to a fundamental change of approach to trade relations with India. Such a new approach must
 - recognise the major economic disparity between Europe and India and the disproportionate need for India to retain scope to foster decent jobs, livelihoods and national development strategies that serve the most vulnerable of their people;
 - desist from accelerating de-regulation of the kind that would increase market concentration whilst undermining access to essential services and eroding the scope for governments to intervene in markets for the public interest;
 - prioritise human and women rights and environmental sustainable, gender and socially just development.
- Conduct meaningful consultations and formal hearings with key constituents in Europe and in India such as trade unions, farmers, women, micro and small enterprises, dalit, adivasi and other peoples organisations, including, cooperatives and hawkers;
- Ensure pro-development alternatives to North-South FTAs and encourage sustainable and fair South-South trade and investment.