

# Meeting of Experts

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## Summary of presentation

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The larger historical and structural issues that must contextualize any bilateral and multilateral process:

1. Critically important international post-War, post-colonial commitment. Addressing global economic imbalances. NIEO, South Commission, non-aligned movement. Imperative of the struggle for equity and international parity. Redistribution, technology transfer. Respect for laws and policies that protect farmers and other vulnerable communities in the less industrialized world.
2. The current financial crisis as a powerful and urgent wake-up call to all those who defend finance sector liberalisation. Revisiting regulation after years of a near free-for-all climate of deregulation, finance sector reform, hedge funds, and other speculative instruments. To a large extent the Indian economy has been shielded from the US and European financial crises because a progressive democratic process affirmed the retention of a minimal regulatory framework despite external and internal pressures. This climate has been compromised at many levels but we need to re-open the discussion on what essential national protections must guide finance sector reform.
3. There has been a growing process of a wide cross-section of trade unions, farmers' organizations, social movements, women's organizations and other expressing public concern about the European FTA's (please see attached statement). Recently, a large coalition of these groups and individuals in India issued a statement and committed themselves to a sustained strategy to challenge the FTA's in their present form and to use all avenues to demand transparency and accountability of parties negotiating the FTA's.

It is in that context that I ask: Will trade liberalisation as envisaged in the FTA lead to poverty reduction, more equitable distribution of resources and more social and gender inclusiveness? Will the FTA lead to greater economic efficiency and employment creation? Given the trends of the past decade, will the FT proposals address growing inequity and injustices in the processes of economic growth? How will the proposed changes impact farming practices and the increasingly fragile agrarian system?

Recent studies in India indicate that liberalisation has increased inequality. The 2008 report of the National Commission for Enterprises in the Unorganised Sector (NCEUS) records that 77% of Indians live on less than 50 U.S. cents a day and that their conditions have worsened in the last decade. Several other studies including the Asian Development Bank's, *Key Indicators 2007*, reveal that inequality is increasing. Or, take the National Sample Survey Organization's "Situation Assessment Survey of Farmers." This survey was done in 2003 as part of the NSSO's 59th round. The official press note tells us that

"such a survey has been conducted for the first time in the history of the NSSO." In the southern state of Andhra Pradesh where farm suicides were at their worst, "four fifths of surveyed farmers were in debt." Despite 18 years of liberalization, and gains in a variety of sectors, India in 2007 dropped two places, to 128, in UNDP's Human Development Index (HDI)

There is no indication that the EFTA will promote a process that would address this fundamental reality. In agriculture and manufacturing, there are indications that the FTA will include a "non-discriminatory principle" without addressing high agricultural subsidies in Europe. If the FTA creates the conditions for India to reduce protection to its own producers without a consequent reduction in Europe or if India's profitable state enterprises are weakened due to FTA's argument that they are anti-competitive, Indian production and producers will be severely affected. Another issue that troubles many people's representatives and civil society is intellectual property rights and the insistence among EU states to further constrain farmer's rights and the rights of pharmaceutical companies.

The presentation will go deeper into these basic economic, social and environmental trends and issues and give more detailed responses to the questions raised above.

- Two other areas of concern that the presentation will raise are: 1. the implication of the FTA on climate change and food security, and, 2. the serious lack of transparency on both sides. On the former, the present thrust of the Agreement will compound food insecurity and climate change. On the latter, given that negotiations are between two major democracies that respect and seek to strengthen the federal system of democratic governance, it is critically important that current proposals are debated and discussed in Parliament and in state and local governments and consultations are held with key constituents such as trade unions, farmers, women, Dalits, Adivasi and indigenous people's and other peoples organizations, small and medium enterprises, cooperatives and hawkers, before a consensus is reached on this Agreement.

It is imperative therefore that if internally, Europe is establishing a widening base of parity, equity and mutuality, the FTA be evaluated from the perspective of whether it promotes global parity and the fundamental values which Swiss and European societies are striving towards – equity, sustainable development, sustainable transport, justice and transparency.