Europe’s silence on the mass mobilisations in India is not insignificant!

By Fanny SIMON, AITEC-Ipam, November 2012
Translated by Juliette Rutherford (Original version (French) available here: http://aitec.reseau-ipam.org/spip.php?article1308

The day after the announcement by the Indian government of measures in its economic reform plan to open up several key sectors of the Indian economy (retail, insurance, civil aviation, services, banks…) the winds of revolt are blowing across the country, in opposition to this new wave of liberalisation. If Europe is resoundingly silent in the face of these mass protests, it is because it lies at the heart of the economic reforms announced by the Indian government.

In fact, since 2007 and under active pressure from the industrial lobbies – notably supermarkets, agro-industry and the pharmaceutical industry\(^2\) - the EU and the Indian government have entered into negotiations to reach a Free Trade Agreement (FTA) for the liberalisation of trade in goods and services, investment and access to public markets, and to strengthen Intellectual Property Rights framework.

These negotiations are still underway but have made great advances despite the consequences of such an agreement for economic, social and environmental rights in India.

The strengthening of the Intellectual Property Rights regime demanded by the EU (in particular the clauses on the exclusivity of data, increasing the lifespan of patents from 20 to 25 years, the tightening of border controls) would lead to a price rise in generic medication, restricting access to medication for the poorest populations. The right to health for the Indian population, and indeed of the entire world, would be seriously threatened, as India is the most important provider of generic medicines for the countries of the global South.

Furthermore, the consequences of this agreement on the right to food for Indian people would be dramatic, as already 224 million Indians (27% of the population) suffer from chronic hunger (according to FAO figures for the 2006-8 period). In fact, as part of these negotiations, the EU has asked India to eliminate more than 90% of its customs tariffs, thus depriving the Indian government of key regulatory measures to control access to local markets. In the dairy sector and poultry farming – targeted by the EU – small producers will be exposed to the invasion of European products and will not be able to compete with the subsidised or discounted European produce, as was the case with the invasion of our chicken ‘leftovers’ on the local markets of West Africa.

Likewise, all the agrarian reform initiatives for a redistribution of land – of which the most recent is the fine victory of the Ekta Parishad movement\(^3\) – will be directly threatened by the rights of foreign landowner investors, who, in the name of this agreement, they will be able to exact heavy compensation (a million or even billion dollar figure) for ‘direct or indirect expropriation’.

But it is also the entire food distribution system which is under dangerous attack from these negotiations. In fact, opening up the retail sector to foreign investors – demanded by the EU – would mean the dismantling of a system for regulation of the agricultural markets which is still

---

1. [http://www.gulftoday.ae/portal/cd3bd6b7-e957-475a-8ed5-d1eb2a6e246d.aspx](http://www.gulftoday.ae/portal/cd3bd6b7-e957-475a-8ed5-d1eb2a6e246d.aspx)
strong in India (including a system of minimum price guarantees for agricultural products, a public distribution system, the promotion of cooperatives etc.) with the long-term possibility for the big distribution brands to impose their own supply chains. Such an opening up will certainly benefit large producers able to industrialise and much more competitive European agro-industrial companies. But it will surely condemn small producers, subject to unsustainable conditions of purchase, and the most vulnerable populations who will feel the full force of the price rise which will result from the increasing sophistication of food products (product transformation, packaging, hypermarkets etc.).

Moreover, the opening up of commerce to multi-brand retail and foreign investment, as a whole, would have a terrible impact on local employment and the living standards of millions of Indian families dependent on this sector. The retail sector today is the second largest source of employment in India: 12 million commercial retail businesses – where 90% of retail sales take place in small shops – employ 40 million people, with a large majority in the informal sector. Studies show that the opening up of this sector to big distribution chains such as Walmart, Tesco, Carrefour, would lead to the disappearance of numerous small businesses and street vendors, with a net loss of jobs estimated at between 1.1 and 4.9 million in five years for the sector overall (including both formal and informal). However the Indian government - under repeated pressure from the European Union, the United States and their industrial lobbyists – has just announced as a headline measure of its economic relaunch plan, the opening up of the multi-brand retail sector to foreign investment. This announcement has led to a national strike in protest against this reform and other measures (opening up the insurance sector, civil aviation and the postal and telecoms networks to foreign investment, a rise in the price of fuel). On 20 September, millions of demonstrators – such as street vendors’ organisations, workers, small businessmen and producers, trade unions, ecological activists, consumers associations, supported by the left-wing parties but also by government allies (the Samajwadi Party (SP) and Janata Dal-laïque (JD-S)) marched in the streets of the major cities (Bombay, Calcutta, Bangalore, Chennai), paralysing a large part of the country with the closure of shops, factories, offices and the blockading of more than 200 trains.

But the European politicians and media seem to be strangely silent on these winds of popular protest which have already forced the Indian government, in December 2011, to delay the reforms. Our governments are still deaf – too absorbed in defending their companies’ market share – to the demands of the Indian people and to ours. Only by joining forces against the alliance of economic and political elites can we defend our fundamental rights. The non-violent march of the Ekta Parishad movement, supported by solidarity marches throughout the world, has been exemplary in this regard: it managed to obtain a commitment from the Indian government to develop, within six months, a real agricultural and land reform project and a redistribution of arable land to the landless. So faced with the EU offensive on the Indian markets to relaunch its own growth, of which the counterpart is the opening of our markets to the detriment of the rights and sovereignty of the people here and elsewhere, let us not be silent, let us denounce the aggression of our European governments against the Indian people! ‘If you are not indifferent, the world will be different’ (P.V. Rajagopal)

For more information:

4 http://corporateeurope.org/publications/eu-india-trade-invaders-how-big-business-driving-eu-india-free-trade-negotiations, p23
Consult the following sites: http://www.indiafdiwatch.org/
et http://donttradeourlivesaway.wordpress.com/

See the Aitec Campaign on Peoples Alternatives for a Different Commercial Policy: http://aitec.reseau-ipam.org/spip.php?rubrique230