



# **The EU-India Free Trade Agreement negotiations: Gender and social justice concerns**

**A memo for Members of the European Parliament**

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A memo on gender and social justice concerns in the framework of the ongoing free trade agreement negotiations between India and the EU.

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## Introduction

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In April 2007, the European Commission (EC) Directorates-General (DG) for Trade received a negotiating mandate from the Council of Ministers to launch bi-lateral negotiations on a far-reaching and ambitious Free Trade Agreement (FTA) with India, following their common declaration of a Strategic Partnership in 2004. The mandate is an integral part of the EC Communication “Global Europe: Competing in the World” published in October 2006 which orients EU trade policy. The strategy seeks to reinforce the competitiveness of the EU and its related industries by focussing on further market opening, improving access to resources including energy, metals and primary raw materials and targeting behind the border (non-tariff) barriers<sup>1</sup> in partner countries.<sup>2</sup> The FTA should also be seen in relation to the current EU framework for cooperation under the Development Cooperation Instrument (2007-2013). The envisaged FTA is likely to cover not only tariff reduction to trade in goods, but also demands related to non-tariff barriers on goods, services and investment. Official negotiations started the 28 June 2007 and up to now seven rounds of negotiations have taken place. The focus of the FTA is on ensuring EU’s competitiveness and so far little consideration is given to sustainable development, gender equality and social justice objectives in spite of the fact that the agreement will have major implications for policy space, people’s livelihoods and well-being. WIDE and other European and Indian women’s organisations and civil society organisations (CSOs) therefore will continue to raise concerns about possible harmful gender, social, environmental and development impacts of this agreement and propose alternatives to address these concerns.

## Content of the negotiations

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***The EU prioritised India as a potential FTA partner due to its great market potential:*** rapid growth and economic size; and many trade and non-trade barriers against EU interests. The FTA agenda reflects main EU corporate interests.

The draft negotiation mandate for the EC comprises following provisions: improved market access for goods and services, covering substantially all trade; enhanced provisions on trade in goods and services, including binding provisions on regulatory transparency in areas relevant for mutual trade and investment, including standards and conformity assessment; sanitary and phytosanitary rules; intellectual property rights including enforcement; trade facilitation and customs; public procurement; and trade and competition including state aid. It should also provide for co-operation on trade and sustainable development, including both its environmental and social dimensions (ILO core labour standards and decent work)<sup>3</sup>. Because the so-called ‘Singapore issues’ are included (government procurement, trade facilitation, competition and investment), the EU-India FTA is often called “WTO-plus agreement”<sup>4</sup>.

***For India, the opening of the EU market is of great importance.*** India and its companies seek access to the EU market by addressing mainly non-tariff barriers on goods, services and investment<sup>5</sup>. India demands the liberalisation of services on GATS Mode 3 (“commercial presence”: to set up Indian subsidiaries or branches to provide services in the EU) and Mode 4 (“movement of natural persons”: individuals travelling from India to supply services in the EU). It hopes to see an internal harmonisation of European rules on investment and services so that it is no longer forced to negotiate with member states separately.

As we can derive from the above-mentioned demands between the EU and India, **a number of controversies have been emerging in the talks**. India wants the EU to relax its stringent food safety criteria that penalise Indian farm and fishery exports and to make it easier for Indian professionals to work in the EU. The EU is pushing India for major openings of its services sector and broad liberalisation of foreign investment, while India does not want to include provisions on government procurement in the agreement. Also the possible inclusion of a provision on trade and sustainable development including ILO core labour standards lead to some controversy between the partners.

## **FTA: A contract between two equal partners?**

The EU considers the talks as negotiations between **equal partners** who share common interests and values. In light of the different economic and social basis of India and the EU, this statement bears difficulties.

**Albeit India records enormous growth rates during the past few years** (growing 9.2 per cent in 2007 and 9.6 percent in 2006<sup>6</sup>), has reduced its poverty in absolute terms<sup>7</sup> and has seen the emergence of new consumer classes, **it still suffers from high levels of poverty, illiteracy, and malnutrition<sup>8</sup>**. India's estimated GDP in 2008 was of around 6.5 per cent of the size of the EU's<sup>9</sup>. Besides, India's inner inequality is huge and cuts through the society, probably today even more than since the beginning of moving towards a market-based system in the early 1990s: India's growth and inequality has been uneven when comparing different social and economic groups, geographic regions, and rural and urban areas, women and men<sup>10</sup>. India and EU are thus not competing in the same league.

**Also the expected outcome of the FTA looks fairly asymmetric when looking at the current statistics**. In 2007, India ranked number 9 among EU trade partners with 2.1 per cent of its total trade geared towards India, while the EU was India's most important trade partner with 19.5 per cent of its total trade focussing on the EU<sup>11</sup>. The common FTA is estimated to increase India's exports to EU by 19 per cent while EU's exports to India are expected to grow by 57 per cent<sup>12</sup>.

**Despite these asymmetries of power and economic might the EU pushes for reciprocal concessions in the negotiations:** the EU-India FTA will cover "substantially all trade in goods between the parties". This means the FTA should cover at least 90 per cent of all goods in terms of both tariff lines and value of trade between the parties.<sup>13</sup> **It aims to dismantle import duties and charges over a period of time not exceeding 10 years**. This task will be more demanding for India than for the EU. By now, the EU has most of its tariff lines nearly zero (averaged applied tariffs: 2%); and the EU's domestic market is mainly protected by non-tariff barriers. In India, although tariffs have decreased from an average of 79 per cent in 1990 to 17 per cent in 2005, they are still higher than in EU.<sup>14</sup> Additionally, India has already removed its quantitative restrictions in 2001, so one concrete means to protect food security, rural development and livelihoods in the agricultural and non-agricultural sector in India is the appliance of tariffs<sup>15</sup>. Hence, the effort and impact of a so called symmetrical approach is asymmetrical, and the concept of symmetrical opening is biased towards the EU<sup>16</sup>.

**The composition of the exclusion list of 10 percent of tariff lines** is an important means to protect livelihoods and safeguard the sensitivities in both agricultural and non-agricultural sectors. India will have a challenging task to decide which tariff lines to include in the 10 percent as probably an exclusion of more than 10 percent in both sectors is necessary to protect food security and people's livelihoods<sup>17</sup>. This situation can lead to competition amongst vulnerable sectors as well as vulnerable and economically important sectors<sup>18</sup>.

***In return, the EU's devastating agricultural export-subsidies do not form part of the FTA negotiations.*** India will open up its agricultural sector without proper safeguards to protect itself from the negative implications of the EU's subsidies such as price volatility and dumping<sup>19</sup>.

***The above mentioned examples show that by requesting mutual trade liberalisation and advancing equal rules for trade the EU ignores the present inequality between the EU and India, their different development realities and social needs.*** Too often stronger trade actors and countries as well as big companies benefit from the reciprocity and harmonisation of tariffs and regulations; the weaker ones such as women working in informal sector are disadvantaged. Removal of domestic regulations which protect local industries against foreign investors, lifting of foreign direct investment restrictions on performance standards, and dismantling of capital control limits the policy space of the Indian government to use regulation as a tool for its development priorities or for affirmative action.<sup>20</sup>

## **Whose interests are we talking about? – Gender, development and trade concerns of EU-India FTA**

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Whereas the EU and India argue that both regions will benefit from the FTA and mutual cooperation, WIDE and other European and Indian civil society organisations have expressed serious concerns warning of the negative impacts of the FTA. They fear the FTA will undermine sustainable development objectives and further erode human and women's rights. "Whose interests are we talking about?" "Who will benefit of all this?" are questions that need to be addressed as ***trade liberalisation is not inherently welfare producing; it can produce, re-produce and even aggravate inequality and insecurity, social disparity at the same time as it expands wealth.*** India with its high growth rates and huge inner inequality and poverty is a good case in point.

A sound gender analysis helps to understand how the FTA impacts on gender relations, inequalities and development. Yet, ***the current FTA negotiations have not taken into account gender inequalities and social injustice and the link between gender, trade and development has -up to now- been widely ignored.*** However, gender has an impact on the economy, trade, exports and investment. At the same time trade liberalisation has different impact on women and men due to their different access to and control of resources, decision making and participation as well as their gendered roles and power relations in society. In addition, when assessing the impacts of the FTA on inequalities and development, other social categories such as class, cast, ethnicity, age, migration, religion etc. need to be properly addressed too<sup>21</sup>.

***The gender division of labour, as well as the generally weaker economic, social and political situation of women, including the gendered control of resources and decision making, women's low literacy rates, their poor access to education as well as their poor health portray the male dominant Indian society.*** In India, most women find jobs in the informal sector, characterized by poor working conditions, the lack of proper social security and worker's rights, working flexible under casual contracts, or home-based.<sup>22</sup> Compared to men women are often working in the traditional sectors and are –generally speaking- confined to low-skilled, low-productive, labour intensive work associated with low salaries and low bargaining power at the workplace. By contrast, the share of women working in the growth-generating, well-paid sector such as IT and financial services is only minimal: 0.3 per cent and 1.4 per cent respectively<sup>23</sup>. However, the feminisation of low-paid, flexible and casual labour is a present characteristic of labour intensive, export-oriented production of developing countries since it guarantees low production costs and therefore high returns and competitiveness.

Whereas the strategy of the EU to address gender issues in trade negotiations is limited to the sustainable development chapter (and here to linking it to ILO labour standards and decent work), the Indian government is approaching this issue differently: ***In close cooperation with UNCTAD it is currently working on a gender sensitive list of products that would ensure that tariffs part of the exclusion list include gender sensitive products.*** One way to define gender sensitivity could be by looking at the concentration of women workers in the production of these agricultural and non-agricultural goods. ***Even so the definition of gender sensitive products seems to be a concrete way to address gender in trade agreements caution has to be exercised since the approach presents the following limitations:***

1. Products with high concentration of women workers might ultimately change, but the FTA does not allow for adjusting the exclusion list after the agreement is signed. Therefore, it will be impossible to integrate new products even though women employment concentration might have developed.
2. A review clause will be foreseen for those products identified as sensitive, for which for example longer transition periods or partial liberalisation commitments apply. This might lead to the fact that gender sensitive products will eventually also be open to competition.
3. The gender sensitive list approach might also be problematic because the exclusion list should protect food security and livelihoods of all people. Thus, gender sensitive products might compete with sensitive products based on other livelihoods concerns.

The content of the FTA covers many more areas than just tariff reductions to trade in goods. As we will see below, ***other areas such as services, government procurement or intellectual property rights also have very strong gender implications, which are not adequately addressed*** in the agreement.

Many women's organisations and CSOs have pointed out that ***if India reduces its tariffs, this will reduce its state revenue.*** To compensate the money loss, ***the Indian government is likely to increase domestic taxes and diminish its expenditure*** in sectors like water, energy, health and education. ***Women will be the most affected due to their weak rights in the society as well as to the unfair gender division of labour.*** Women are still the main providers for unpaid care and reproductive work and consequently have to carry the burden if governments reduce spending on basic services. It is predictable that the already existing enormous inequality between women and men, boys and girls related to the state of health, nutrition and education will be increasing due to a decrease of public spending on those sectors.

A great concern of civil society has been ***the liberalisation of services and investment*** that EU pushes forward. The EU calls for India to set out a single schedule of commitments for services and investments. That is a difficult task and allows the EU to later challenge any restrictions of EU trade through the FTAs dispute settlement mechanism. ***Regarding investments the EU demands:***

1. Market access based on an Most Favoured Nation (MFN) principle i.e. India has to give the same treatment to the EU as it gives to its other trading partners;
2. Non discrimination: national and foreign firms have to have equal treatment;
3. Free flow of payments and investment-related capital movements i.e. no restrictions on the capital movement;
4. Establishment based on MFN principle i.e. when establishing EU firms/operations,
5. Non-lowering of standards i.e. investments have to correspond to existing laws on social and environmental protection;
6. Built-In agenda: review of results with a view to continue liberalisation of commitments made<sup>24</sup>;
7. Dispute settlement: perceived violations are subject to dispute settlement<sup>25</sup>.

Accordingly, **the negotiations do not contain** clauses on investment protection and expropriation and frees the EU from giving India the same benefits as with its accession countries<sup>26</sup>. EU is interested to invest in services such as telecommunication, distribution, finance, transport and environmental services<sup>27</sup> whereas India is looking for investment to meet its infrastructure needs including energy, roads and urban infrastructure<sup>28</sup>.

**If India agrees to liberalise its services and investment, it may have to privatise some essential sectors for development such as environmental, health and education services as well as further open up of other services such as banking.** The resulting limited power of the Indian government to regulate the activities of large European companies can jeopardize India's development objectives. India will also lose the right to impose equity requirements for foreign firms what it requires of domestic ones.<sup>29</sup> This can lead to unexpected outcomes in relation to the livelihoods of the people working in vulnerable sectors such as fishery or retail but also in terms of service provision as such: increase of poor quality services and prices, a further distortion of people's access to fundamental goods and services such as health care, water, energy, loans<sup>30</sup> etc.. Furthermore, liberalisation of financial services has huge risks as experienced in the current crisis. Liberalisation of financial services has also brought deregulation and allowed the industry to create financial products such as credit default swaps<sup>31</sup> and other repackaged and non-transparent debt that are difficult to supervise and lack transparency. These are thus a great risk for both the consumers and authorities. Finally, free capital flow can invalidate the benefits of foreign direct investment by allowing profits to be sent back to the EU. Liberalisation of investment can also lead to balance of payment problems and make India more exposed to the crisis. Moreover, EU will try to remove India's export restrictions to allow the trade of raw agriculture produce for European value-added products.<sup>32</sup> This, however, limits India's capacity to use policy tools to respond to a possible food crisis and to stabilise prices.

Liberalisation in terms of **government procurement** is opposed by many civil society organisations. The EU has been eager to open up government procurement of central, state and local level including public utilities of goods and services and has demanded transparency, possibilities to know details, terms and conditions of government bids, non-discriminations, national treatment, consistency with the WTO agreement and deal with challenge procedures and cooperation in electronic procurement<sup>33</sup>. **India** has so far declined this demand since it does not see the benefit of it. It **would have to open the competition for European companies and choose the most competitive offer. In that case, however, it can not encourage its own companies or those ones that should be supported in terms of solidarity such as women and fair trade producers as well as small- and medium size companies by providing work and stimulating demand.** Currently, Indian state and central governments use policy and macroeconomic tools, local content requirements and investment and licensing of technology requirements that benefit India's economy and small and medium scale enterprises and marginalized populations. India employs a large number of marginalized people through public procurement and prevents them from further marginalization. It has also the potential to balance development by directing economic activity where poverty remains high.<sup>34</sup> Therefore, opening government procurement can have detrimental effect as to development, gender equality and sustainable development.

Similarly, the EU-India FTA might show the way to other detrimental outcomes. Civil society representatives have been worrying about possible enforcement of **patent laws**. They point out as a result, seed, biotech and agro-chemical industries become highly concentrated and homogenous<sup>35</sup>. They also fear that patenting of traditional community-based property of knowledge and planting material in agriculture will threaten the livelihoods of small-scale farmers who do not have access to new technologies or enough resources to buy patented knowledge, plants and seeds. **This will hit especially hard on poor women agricultural farmers** who are accounting for about 84 per cent of the

total female workforce in the rural areas of India<sup>36</sup>. As a consequence, patenting will lead to detrimental outcomes such as indebtedness, unemployment, food insecurity, impoverishment, selling land, men's migration to the cities to find new work and in extreme cases even to suicides. Women, being the main responsible for taking care of home will have to cope with the challenge of providing food for their dependents. The loss of nutritious food will be utmost detrimental for their own health: due to their unequal position in the family, Indian women are the ones to eat last and least nutritious food and many of them are already suffering from deceases such as anaemia<sup>37</sup>. Moreover, the patenting will be harmful to local biological diversity, ecosystems, food systems and seed resilience, which mostly small-scale women farmers have traditionally kept alive through cultivating locally and ecologically suitable plant varieties, generating new varieties free or inexpensively, storing seeds in seed banks and maintaining local knowledge about plants and their use to agricultural and medical purposes.

In respect of **intellectual property rights**, transnational companies have been promoting for "data exclusivity protection" which gives them exclusive rights over their test data for a period of 8-10 years in the case of the EU and delays competition from generic drug manufacturers. EU demands India to amend its patent laws to tackle this issue and to allow patents for even slight modifications to component in molecules used to make medicines or chemicals.<sup>38</sup> Civil society organisations criticize that this will prevent poor people's access inside and outside India to affordable as well as to traditional medicines, as these are likely to be patented by pharmaceutical companies and compulsory licenses to reproduce patented medicine becomes more and more difficult to get<sup>39</sup>. Also, under the proposed IPR provision (TRIPS Plus) treatments, medicines to heal illnesses that concern most often women (such as gynaecological problems, diabetes, cancers and more and more HIV/AIDS) are likely to become extremely expensive.

As regards **the social and environmental standards**, India has expressed its fear that EU will use the standards to protect its own trade against Indian export and has therefore denied their inclusion to the FTA. India sees these as just another form of protectionism that the EU tries to impose. Especially Indian small- and medium-scale producers will have difficulties to meet the different standards such as in sanitary and phytosanitary<sup>40</sup>. The EU requirements and certification processes also tend to advantage big companies and agricultural producers<sup>41</sup>.

Civil society has been criticizing **the EU's conflicting aims and the prioritisation of trade liberalisation to achieve sustainable development outcomes**. The EU's obsession with competitiveness and its related trade policy is dominating its development and social goals; competition has taken over cooperation and corporate-driven growth dominates development debates. This can be seen for example in the way EU is cutting down its aid for human development and anti-poverty programs in India and shifts its assistance to economic cooperation and aid for trade.<sup>42</sup>

As already mentioned earlier, **the FTA agenda mainly reflects the interests of large companies at the costs of sustainable development and social justice objectives**; the interests and needs of the most vulnerable sections of society such as underprivileged women working in the informal sector, small-scale farmers, petty traders and hawkers, people working for local industries and small- and medium-size enterprises are not adequately addressed.

This leads us to another area of concern: **the issue of access to and participation in trade policy-making**. Civil society organisations such as WIDE have been critical about the non-transparent and undemocratic nature of the negotiations, which offers business groups privileged access to decision making and severely limits involvement of civil society groups. The lack of meaningful involvement of democratic bodies such as regional, national or local parliaments in the FTA negotiations is an issue of concern. In India, up to now the negotiations have been held behind closed doors. Civil society

representatives haven't had access to the Indian government position and commissioned studies, and the important negotiating texts and documents have been kept secret even from the Indian Parliament, state governments and legislatures. In the EU, the only official channels for the civil society representatives to raise their voice has been the meaningless civil society dialogues organized by DG Trade as well as discussions on the Trade Sustainable Impact Assessment (SIA) for the EU-India FTA. The civil society dialogue meetings have turned out to be mere cosmetic exercises and the concerns raised by civil society have not properly been taken into account by the EU Commission. The SIAs lack the same kind of commitment from the Commission; they are focusing too much on possible economic gains and have a pro-liberalization bias without adequately addressing the impact of trade on natural resources, poor people/small producers/women, decent work, inequality<sup>43</sup>. Other consultations, organised by both the Indian Commerce Ministry and EU, have been limited to large corporate and commercial interests<sup>44</sup>. Thus, the current modes of engaging with civil society cannot be perceived as facilitating a true dialogue on and participation in trade policymaking.

### Steps forward: WIDE's recommendations

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WIDE together with other civil society organisations believes that the current EU trade policy including the conclusion of the EU-India FTA in its present terms, will be at the costs of social and economic rights, sustainable development and gender equality objectives and the fight against inequality at community, local and international level. It fails to guarantee appropriate policy space to India to choose its own strategies for development that serve the most vulnerable of their people. Instead the FTA might contribute to detrimental outcomes such as pressure on working conditions, loss of livelihoods, decreased food security, people's decreased health condition, environmental degradation, increased poverty and disparity.

***Therefore, WIDE calls on MEPs to promote and respect following principles in relation to trade and EU-India cooperation policies:***

- 1) **The EU-India FTA negotiations must be transparent and participatory.** They must involve democratically elected institutions at national and sub-national level, as well as a civil society, in particular representatives of vulnerable groups such as poor women. Corporate relationships that privilege commercial interests of companies should be ended to ensure that FTA policies serve the interests of the wider public and marginalized sections of the society.
- 2) **The EU-India FTA must recognise policy space and regulatory capacities of Indian government to shape its policies for economic and social development** that serve the most vulnerable of their people, including trade measures to protect weak economic actors and groups such as poor and single women, dalits, adivasis, the elderly, small- and medium-scale farmers and producers, petty traders and hawkers, unemployed etc. through affirmative action.
- 3) **The EU-India FTA must protect and allow the use of policy tools to guarantee food security** and the livelihood of its small- and medium-scale farmers and fishers. India must have a right to protect itself from subsidised EU agricultural import dumping.
- 4) **The EU-India FTA must not undermine human and women's rights, development, social, and environmental goals.** Protecting and improving social rights, meeting basic needs and protecting environment, biodiversity and eco-system are essential to achieve sustainable development.
- 5) The liberalisation and privatisation of **public services such as water, energy, health and education**, access to which is important for human development and women's empowerment,

- must be excluded from the FTA negotiations.** Essential services of general interest must not be subordinated to profit interest.
- 6) **Intellectual property rights with regard to health and agriculture must be taken out of FTAs.** Knowledge and planting material in agriculture must not be patented.
  - 7) **The EU must not demand for reciprocal trade liberalisation towards developing countries and must exclude the Singapore issues** (government procurement, trade facilitations, competition and investment).
  - 8) EU trade and investment policies must **allow space for alternative, heterodox and feminist economic and development approaches** which do not follow the neo-liberal market logic but put people's needs at the centre.

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### **Endnotes**

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<sup>1</sup> BusinessDictionary.com (2009) defines the non-tariff barrier (NTB) as: "Measures other than high import duties (tariff) employed to restrict imports. Two such measures are (1) direct price influencers, such as export subsidies or drawbacks, exchange rate manipulations, methods of imports valuation, customs surcharges, lengthy customs procedures, establishment of minimum import prices, unreasonable standards and inspection procedures, and (2) indirect price influencers, such as import licensing and import. No specific definition of NTBs exists, and they are also called non tariff measures."

<sup>2</sup> Global Europe tries to integrate trade policy into EU's competitiveness and economic reform agenda. It links external trade policies to EU's internal policies of creating a single market by progressive liberalisation and de-regularisation. It's main objective is to open new markets for European companies through the WTO and FTAs by targeting developing countries' overall regulatory environment despite the acknowledged problems this might cause to the countries own development efforts.

<sup>3</sup> Bilaterals.org 2009.

<sup>4</sup> The EU had unsuccessfully tried to negotiate the Singapore issues at multilateral level but failed due to the resistance of several developing countries including India.

<sup>5</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, VII.

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<sup>6</sup> Economy Watch 2009.

<sup>7</sup> The World Bank currently uses a figure of \$US1 per day (in 1985 purchasing power dollars) for absolute poverty.

<sup>8</sup> According to the United Nations Development Programme (UNDP) (2007, 239, 253), 39 per cent of the people over 15 years old are still illiterate and 20 per cent of the total population is undernourished.

<sup>9</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, VII.

<sup>10</sup> Wichterich 2009, 13.

<sup>11</sup> European Commission 2009.

<sup>12</sup> Subhan 2007 ref. WIDE Network/ Wichterich 2007, 17.

<sup>13</sup> Forum on FTAs 2008.

<sup>14</sup> Forum on FTAs 2008.

<sup>15</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 10.

<sup>16</sup> Barria 2009.

<sup>17</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 10.

<sup>18</sup> Barria 2009.

<sup>19</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 10-11.

<sup>20</sup> WIDE Network/ Wichterich 2008.

<sup>21</sup> WIDE Network/ Specht 2009, 3.

<sup>22</sup> Wichterich 2009, 20-21.

<sup>23</sup> Chandrasekhar, C.P. / Gosh. Jati 2007 ref. Wichterich 2009, 20.

<sup>24</sup> ActionAid, Christian Aid & Oxfam International 2008b, 5-6.

<sup>25</sup> Bilaterals.org 2009.

<sup>26</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 29.

<sup>27</sup> ActionAid et al. 2008 ref. Consortium for Trade & Development (CENTAD)/ Sharma 2009, 27.

<sup>28</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 28.

<sup>29</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 17, 28, 30.

<sup>30</sup> Since the Indian financial sector liberalisation started in the 1990s the access to rural credit for the poor has decreased (Consortium for Trade & Development (CENTAD)/ Sharma 2009, 20). Berne Declaration, a Swiss NGO, believes that the liberalisation of banking system will not improve the services for all. It predicts that the local banks will lose wealthy customers and experienced personnel to their competitors that will lead them to take more risks and give even less loans at favourable terms to small- and medium-size companies. Women will be particularly affected. The number of rural financial institutions will decrease. The foreign banks, from their part, rarely engage in retail banking but are mostly interested doing business with private, wealthy clients and prefer to invest their money on the international markets. The power of banking sector will consolidate few corporate banks and the others will be dependent on them (Consortium for Trade & Development (CENTAD)/ Sharma 2009, 21).

<sup>31</sup> InvestorWords.com (2009) defines the credit default swap as: "A specific kind of counterparty agreement which allows the transfer of third party credit risk from one party to the other. One party in the swap is a lender and faces credit risk from a third party, and the counterparty in the credit default swap agrees to insure this risk in exchange of regular periodic payments (essentially an insurance premium). If the third party defaults, the party providing insurance will have to purchase from the insured party the defaulted asset. In turn, the insurer pays the insured the remaining interest on the debt, as well as the principal."

<sup>32</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 5, 19, 31.

<sup>33</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 35.

<sup>34</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 35-36.

<sup>35</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 32.

<sup>36</sup> Bridge/ Randriamaro 2005, 21.

<sup>37</sup> According to Ministry of Health and Family Welfare Government of India and International Institute for Population Sciences' (2009), 56,2 per cent of ever-married 15-49 years old women and 57,9 percent pregnant women of the same age were anaemic during the research period 2005-2006. This figure is huge compared to 24,3 per cent of ever-married anaemic men of the same age scale.

<sup>38</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 33-34.

<sup>39</sup> Consortium for Trade & Development (CENTAD)/ Sharma 2009, 34.

<sup>40</sup> One example of this is exportation of frozen fishery products (See Wichterich 2009, 17).

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<sup>41</sup> Wichterich 2009, 17.

<sup>42</sup> WIDE Network/ Wichterich (2008) mentions, one example of the clash between EU's trade policy and development co-operation policies can be seen in the area of micro-finance. Since the 1970's, development projects have been favouring income generation in the informal sector by giving small and cheap loans to poor women. Now, the markets have become more and more liberalized. As a result, these women have been obliged to compete with European companies, retailers, supermarkets and imported goods without equal and adequate resources.

<sup>43</sup> WIDE Network/ Specht 2009.

<sup>44</sup> As an example, on 3 June 2009 the Federation of Indian Chambers of Commerce and Industry (FICCI) organised a half-day consultation, with the participation of UNCTAD, on the sensitive list of products to be presented from India to the EU in the framework of the FTA negotiations. However, neither women's groups nor representatives of the sectors with high concentration of women workers were invited to participate. Also, the audience was expected to comment on or accept the list during the meeting, which does not reflect a true commitment to the establishment of an inclusive and balanced sensitive list. (Barria 2009.)