

# Free trade, Foreign Investment and Rise of e-commerce: New challenges for the Labour Movement

## A briefing session

**23 October 2018**

10.30 am - 4.30 pm

Board Room, Constitution Club  
Rafi Marg, New Delhi

*Organised by*

*Public Services International (PSI), the Forum against FTAs,  
Third World Network (TWN), Transnational Institute (TNI) and IT for Change*

Dear all,

The WTO and various free trade agreements (FTAs) are in a crisis across the world with the rise of protectionism in the west. Since 1995, India has engaged actively with the WTO, FTAs and bilateral investment treaties (BITs) and also autonomously deregulating various laws to enable foreign trade, investment and privatisation of key sectors of the economy. This process has negatively impacted India's policy space, industrialisation, tax revenues, jobs and work conditions of millions in agriculture, industry and services.

Despite the so called crisis of free trade, the Government of India continues to negotiate several FTAs. Among them, the most ambitious is Asia's largest trade deal, the Regional Comprehensive Economic Partnership (RCEP). If concluded, RCEP will create the world's largest Free Trade Zone - with 16 countries covering more than 3.4 billion people. RCEP covers a broad range of issues, including trade in agricultural and manufacturing products services, intellectual property rights, foreign investment and the digital economy, with an aim to further de-regulate laws, eliminate tariffs and open up markets across sectors.

Workers and trade unions in India are already facing multiple challenges in the face of existing liberalisation, deregulation and privatisation. Heightened competition has resulted in job losses, contractualisation and a downward spiral of wages. The new proposal of Fixed Term Employment (FTE) is part of the same logic of dilution of labour rights and decent work in the name of 'ease of doing business' in a globally integrated economy.

As the corporate sector gains dominance in the provision of essential services, such as healthcare, profits are soaring. At the same time, there is a race to the bottom in terms of working conditions, wages and quality of services, with patients facing unethical practices and escalating costs.

A new arena for profiteering is the digital economy where digital monopolies are aiming to block future avenues for regulation through e-commerce chapters in trade agreements. In the digital economy, precarious labour is disguised as flexible labour, contributing to the existing trend of decreasing share of wages, thus furthering inequality.

As the power and size of Transnational Corporations (TNCs) is larger than ever before, they are promoting a system where only they can raise claims against governments for

policy changes in secretive international courts called the Investor State Dispute Settlement (ISDS). Among Asian countries, India has had the most number of ISDS cases – it has been sued 24 times for a total of over 13 billion USD.

The RCEP will further entrench these negative trends. Despite this, the negotiations are held in secrecy. This poses a threat both to democratic policy making and national sovereignty.

This briefing will focus on how India's engagement with FTAs and BITs will not just undermine national development and sovereignty, but also the creation of decent jobs, provision of quality public services and the regulation of the digital economy.

The briefing will be held on **23 October from 10.30 am to 4.30 pm** at the Constitution Club's Board Room.

We invite you to join this meeting and contribute to the deliberations.