

25 November, 2014, New Delhi

To
Ms. Nirmala Sitharaman
Hon'ble Minister of State for Commerce and Industry,
Government of India

Ref: India's Position at the WTO

Dear Ms. Sitharaman,

In the light of the Government of India's resolving differences (reference your statement of 13 November 2014) with the USA on the Bali Agreement, we, representatives of Indian civil society, write to you to convey our views and concerns on the issue.

From newspaper reports, it is evident that India has reached an understanding with the USA which will ensure US support for the Indian proposal to be tabled at the WTO's General Council (GC) meeting in December. This revised proposal will ensure that the 'Peace Clause' related to the G-33 food security proposal will actually be in operation until a permanent solution is found. We believe the proposal will also include an institutional framework for discussion on the post Bali work programme. These two gains are useful and could be of value for Indian agriculture, food security and farmers' livelihoods.

However, we are worried about the heavy ***conditions imposed on the use of the Peace Clause***. These include the very onerous data filing requirements, the need to prove that the subsidies are "non trade distorting", and that it does not affect the food security of other countries. The data filing requirements are worrisome especially since the US, Japan and EU are already questioning the reliability of subsidy statistics provided by India at the WTO, and asking why big farmers have been included in the producers category and why the statistics were given in the US dollars (not rupees). In addition the Peace Clause does not cover the Agreement on Subsidies and Countervailing Measures (ASCM). We are also seriously concerned that the current Peace Clause is limited to "existing programmes" and fear that this will affect India's ability to expand its current food programmes and potentially restrain its sovereign policy space to come up with new ones, if need be.

Civil society groups had pointed out these concerns with respect to the stringent conditions attached to the use of the Peace Clause before, during and after the Bali Ministerial. We strongly urge the government not to table this proposal without discussing and easing these

restrictions. Unless these are addressed India may not actually be able to use the Peace Clause at all. India should not be in a haste to sign the TFA without having ensured a fully usable and meaningful Peace Clause.

We appreciate that the government has taken steps to forward talks on the **Permanent Solution**, through the setting up of an institutional mechanism. We urge the government to seriously pursue a genuine Permanent Solution that does not just talk about the Reference Price but actually uses this opportunity to address the historical inequities in the Agreement on Agriculture (AoA) and the unfair subsidies given by the developed countries who are now pointing fingers at us.

However we are seriously concerned about India's agreement to ratify the **Trade Facilitation Agreement** (TFA). The TFA needs to be rejected not only as a strategy but on its own lack of merit. It imposes costs rather than benefits on us. It can lead to moving resources away from essential development expenditure whereas our industry is hardly ready to reap the benefits of the Agreement at least in the near to medium future. Given that the TFA is currently the main and perhaps the only interest for countries such as the USA in WTO negotiations, agreeing to the TFA now will also be a strategic blunder. Future negotiating positions on development issues in the Doha Round will be weakened and compromised.

We are also aware that if this issue is resolved, we will get into **further negotiations on other elements of agriculture, industry (NAMA) and services trade**. The developed countries are pushing us to accept liberalisation in these areas that will severely threaten job generation, local industrial development especially of SMEs, food and farmers' livelihood security, access to affordable services, and will severely restrict policy space. The push for **plurilaterals** is also something we strongly reject. India needs to have very well thought out positions that are developed in consultation with civil society, state government and the Parliament on these issues.

Finally, while we note and agree that the Government is at least trying to take an apparently pro-farmer and pro-poor position at the WTO, this stance is not consistent with its **approach in domestic policy or in the Free Trade Agreements (FTAs)**.

In domestic policy we see the lack of coherence in the continued policy neglect of agriculture and food security including the withdrawal from essential farming subsidies, promotion of land

grab in the name of development, and the lack of will to implement the National Food Security Act.

In FTAs, the government is willingly reducing applied duties in agricultural products and allowing increasing intellectual property rights to limit farmers' access to technology, seeds. FTAs are also bringing in strong investment chapters that are shifting control of productive natural resources away from farmers. The government is keen to sign FTAs with powerful developed countries and engaging in mega regional FTAs, both of which are threatening the survival of farmers' livelihoods and incomes as well as food security of the Indian people.

In terms of process, we hope that India will always stand for the consensus process and take on board the concerns of all other developing countries and not get into bilateral deals in multilateral negotiations. Such side deals, while they might arguably protect India's interests, will undermine its standing as a leader of the developing countries.

We therefore urge the government, through your good offices, to

- Come up with a consistent policy stance at global, regional and domestic policy formulations
- Not accept any unfair and unreasonable conditions on the Peace Clause at the WTO
- Pursue a meaningful Permanent Solution that actually attempts to redress the historical unfairness of the AoA
- Seriously analyse the usefulness of the TFA for the Indian people at large
- Initiate a dialogue and discussion with major political parties, farmers groups, trade experts and civil society groups to keep them informed about these developments at the WTO and to develop a better understanding and policy response
- In particular, ensure parliamentary oversight over global policy negotiations and agreements
- As agriculture is a state subject, the union government should consult with State governments and evolve consensus.
- Have a stance that is informed and works for the benefit of the people at large in following negotiations on agriculture, NAMA, services as well as in the plurilaterals
- Introspect about India's objective and value of being in the WTO and what influence it has on India's independent policy space and specifically organise/undertake a 20 year assessment of India's gains/losses from membership of WTO.

Hoping to work with the Government in clarifying and strengthening people friendly positions in trade negotiations,

1. Chukki Nanjundaswamy, Karnataka Rajya Raitha Sangha

2. Rakesh Tikait, Bhartiya Kissan Union
3. Yudhvir Singh, Indian Coordination Committee of Farmers' Movement
4. Vijay Jawandhia, Shetkari Sangathana, Maharashtra
5. Ajmer Singh Lakhwal, Bhartiya Kissan Union, Punjab
6. Sella Mutthu, Tamilnadu Farmers Association, Tamil Nadu
7. P Raveendranath, Kerala Coconut Farmers Association
8. R. Selvam , Tamilnadu Organic Farmers Federation, TamilNadu
9. Kavitha Kuruganti, Alliance for Sustainable & Holistic Agriculture (ASHA)
10. Madhyam, New Delhi
11. Third World Network, India
12. Biraj Patnaik, Principal Adviser, Office of the Supreme Court Commissioners
13. Shalini Bhutani, Legal Researcher & Policy Analyst
14. Benny Kuruvilla, Policy Lead, South Solidarity Initiative, ActionAid India
15. Afsar Jafri, Focus on the Global South, India
16. Subhash Lomte , National Campaign Committee for Rural Workers
17. Ponnuthai, Kalanjium Women Farmers' Association, Tamil Nadu
18. New Trade Union Initiative (NTUI)
19. Beyond Copenhagen Collective
20. Indian Social Action Forum (INSAF)
21. Centre for Community Economics and Development Consultants Society (CECOEDECON)
22. Debyeet Sarangi, Living Farms, Odisha
23. Prabir Purkayastha, Society for Knowledge Commons
24. Gopal Krishna, ToxicsWatch Alliance (TWA), Delhi
25. Debal Deb, BASUDHA/Centre for Inter-Disciplinary Studies, West Bengal
26. Kapil Shah, Jatan Trust, Gujarat

27. Sagar Rabari, Activist, Gujarat
28. Kalyani Menon-Sen, Campaign for Affordable Trastuzumab
29. Dr. Mira Shiva , Initiative for Health & Equity in Society and Diverse Women for Diversity, Delhi
30. Shobha Shukla , Citizen New Service
31. Duskar Barik, KIRDTI, Odisha
32. Nalini Kant Thakur
33. Suma Josson, Film Maker, Maharashtra
34. Sunder Lal, SCRIA, Haryana
35. Dipak Dholakia , Citizens' Solidarity: Forum for Water and Sanitation (CS-FWS)
36. Ashish Gupta, International Federation of Organic Agriculture Movement (IFOAM-Asia)
37. Sheelu Francis, Women's Collective, Tamil Nadu
38. Annakili, Kalanjium Unorganised Workers' Union, Tamil Nadu
39. Sundari, Tamilnadu Resource Team
40. Anil K Singh, South Asian Network for Social & Agricultural Development (SANSAD)
41. Aruna Rodrigues, Sunray Harvesters, Madhya Pradesh
42. Nilesh Desai, SAMPARK, Madhya Pradesh
43. Kapil Shah, JATAN, Gujarat
44. Biju Negi, Beej Bachao Andolan, Uttarakhand
45. Sarvoday Mandal, Uttarakhand
46. Ananthoo, Safe Food Alliance, Tamil Nadu
47. Balaji Shankar, Tharcharbu Iyakkam, Tamil Nadu
48. Ramasubramaniam, Samanvaya Trust, Chennai
49. Radhika Rammohan, ReStore, Chennai
50. Balasubramaniam, Thalanmai Uzhavar Iyakkam, Tamil Nadu

51. Gopi Devaraj, Organic Farmers Market, TamilNadu
52. Suresh Lakshmipathy, Tula India
53. P Srinivas Vasu, SOIL, Karnataka
54. S Usha, Thanal, Kerala
55. Soumik Banerjee, SWALA, Jharkhand
56. Ajay Jha, Pairvi, Delhi
57. Vijay Pratap, South Asian Dialogues on Ecological Democracy (SADED)
58. Kirishak Biradari, Chattisgarh
59. Uma Shankari, Rashtriya Raithu Seva Samithi, Chittoor, Andhra Pradesh

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