

# Notes for Trade Unionists

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Report by  
Brian Denny

## TUC Opposes Mode 4 The Free Trade Agreement between India and the EU



**A** motion proposed by transport union RMT opposing a Free Trade Agreement (FTA) between the EU and India which will allow big business to bring in Indian labour into the country on very low wages has been backed unanimously by the TUC Congress meeting in London.

Congress expressed alarm that Mode 4 will "displace existing workers from their jobs" and "result in an attack on collective agreements and trade union organisation".

The free trade agreement will also "liberalise" much of the Indian economy, allowing EU big business access to banking, public procurement and the pharmaceutical industry, a controversial move in India.

Congress noted that the secretive agreement may be concluded as early as December 2011.

The EU's Mode 4 trade concessions are particularly sinister because of the secrecy and the fact that such trade agreements are permanent.

They allow corporations to bring in workers for their own established operations but also to supply workers into other firms, relieving those firms of all employer responsibilities.

The Times recently reported that arch Indian outsourcing industrial giant Mahindra is seeking to take

over EU companies (September 5 2011) to bolster its computer interests in the run-up to the deal being finalised.

"IT acquisitions are certainly part of the agenda" said group managing director Anand Mahindra. "My view is that this is an enormously opportune time to look for companies that provide channels to overseas markets," he said.

RMT general secretary Bob Crow warned that big companies had been outsourcing work to India and elsewhere in the race for profits. "Now the EU/India trade deal will allow the 'in-sourcing' of Indian workers and drive down wages even further.

"In return Western banks will be able to take over Indian services, throwing millions of Indians out of work. The only beneficiaries of this deal are some of the world's richest people," he said.

Anti-trade deal campaigner Linda Kaucher warned that the UK was the main and very willing target for these corporations and it will undermine UK labour conditions and displace UK workers.

"Public debate on economic recovery always acknowledges the central importance of employment and of workers earning and spending.

"But if transnational corporations displace earning and spending workers with a 'reserve army' →

"EU-India trade deal will ... drive down wages even further."  
RMT general secretary  
Bob Crow

Of special interest to all who work for their living,  
their dependents and trade unionists

→ of cheaper labour. It means that wages leave the country, the welfare bill increases as resident UK workers are displaced and become unemployed. Young workers are denied work opportunities, and there is an irretrievable loss of skills that is ominous for the future of the economy," she said.

There is a continuum of measures allowing big business to capitalise on transnational wage differences.

- \* EU free movement of workers but particularly EU free movement of services allows EU firms to bring in their own cheaper labour from inside and outside of the EU.
- \* The UK Points Based System categories of 'Intracorporate Transferees' (ICTs) in Tier 2 and 'international agreements' in Tier 5, have been set up for trade commitments to bring in workers with no numerical limits.
- \* The EU's Mode 4 offers, included in all EU trade agreements, allow transnational firms to bring in

temporary workers.

Kaucher said that under the India deal, Mode 4 labour access is the single demand that India is making. "Thus this deal hinges on British workers' jobs being sacrificed in exchange investment opportunities for transnational financial services firms.

"Yet while the EU/India trade agreement is being heavily contested in India because of the effects there, British workers have not been told about it. There has been deliberate secrecy throughout the four years of negotiations.

"Tory Party, Lib-Dems, Labour Party, Greens and UKIP politicians, as well as high profile journalists, have all known about Mode 4 commitments but have failed to tell workers in Britain," she said.

RMT has recognised the urgency of the threat of Mode 4 'labour commodification' especially in the EU/India FTA and is campaigning to bring it to public attention.

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## Campaign against Euro-federalism

## CAEF website

The Campaign opposes:-

- the EU Constitution which would hand over more powers to unelected and unaccountable bodies and reduce further the influence of Britain in the EU;
- the EU Charter of Fundamental Rights, part II of the Constitution, because it takes rights away;
- the introduction of a Common Foreign and Security Policy and an EU Foreign Secretary;
- the formation of a European Army and battle groups as part of rapid reaction forces would be a threat to peace.

The Campaign is a democratic organisation and primarily oriented to the labour and trade union movement and people whom these organisations normally represent, including democrats, socialists, trade unionists, students and pensioners.

The Campaign is for democracy and accountability, independence, jobs the pound and against racism.

*Membership is £10 (£5 unwaged).*

### [www.caef.org.uk](http://www.caef.org.uk)

This is a large website useful for up to date views on what is happening with the EU and implications for Britain. The pages date back to 1998 with older pages to be added. This makes the website a useful source of information for students, trade unionists, pensioners and democrats.

Subjects include

- Euro-crisis and the New Treaty—European Stability Mechanism.
- Labour movement issues.
- History of the EU covering treaties from the European Coal and Steel Community.
- Policies and directives.
- Development and opposition to the EU Constitution
- The Single Currency or euro
- Discussions on the fundamental importance of nation-states, democracy, the national and class interests, national question and attacks on democracy and nation-states..

## The Democrat

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