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of work for good

# **UK-India trade negotiations**

**Submission to the Department of  
International Trade**

**August 2021**

## Introduction

*The TUC exists to make the working world a better place for everyone. We bring together more than 5.5 million working people who make up our 48 member unions.*

The TUC welcomes the opportunity to respond to the Department of International Trade's consultation on the UK's trade negotiations with India.<sup>1</sup>

The TUC believes trade agreements must promote decent jobs and enforce protections for workers' and human rights, public services and democratic decision making. In order to achieve these goals it is crucial for trade unions to be involved in trade negotiations.

The TUC believes UK trade negotiations should support respect for fundamental human and labour rights. The TUC does not believe the UK should sign a trade deal with India whilst the government in India is failing to ensure respect for International Labour Organisation conventions - including those around freedom of association and collective bargaining – and civil liberties.

The TUC and Indian unions call on our governments to meaningfully involve trade unions, as well as relevant civil society groups, in the negotiation of any trade agreement to address these concerns.

In our response to the consultation, the TUC will respond to questions most appropriate for us to answer.

## Response to consultation

*What would your concerns about a trade agreement (or related talks) with India be?*

1. As stated above, the TUC believes UK trade negotiations should support respect for fundamental human and labour rights. The TUC believes the UK should not sign a trade deal with India until it shows full respect for International Labour Organisation standards and human rights. At present there is widespread abuse of these rights. A trade deal also risks undermining decent jobs, gender equality and public services.

### Labour standards and civil liberties

2. The International Trade Union Confederation (ITUC) has rated India as one of the worst countries in the world to be a worker.<sup>2</sup> India has not ratified all the fundamental International Labour Organisation (ILO) conventions, including those on freedom of association and collective bargaining. Low pay and exploitative conditions are common, with forced and child labour found in a number of industries including

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<sup>1</sup> Department of International Trade (2021) 'Call for input - trade negotiations with Canada', available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/986975/canada-mexico-consult-canada-questions.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/986975/canada-mexico-consult-canada-questions.pdf)

<sup>2</sup> ITUC (2021) 'Global rights index', available at: [https://files.mutualcdn.com/ituc/files/ITUC\\_GlobalRightsIndex\\_2021\\_EN\\_Final.pdf](https://files.mutualcdn.com/ituc/files/ITUC_GlobalRightsIndex_2021_EN_Final.pdf)

textiles, silk<sup>3</sup>, brick manufacturing and shipbreaking.<sup>4</sup> In 2020 India adopted labour laws that severely limit the right to strike and workers' right to collectively bargain with employers.<sup>5</sup> In November UK trade unions condemned the Indian government for violently suppressing strikes to protest against these labour laws and passing agricultural reforms that would threaten the livelihoods of millions of farmers (discussed further below).<sup>6</sup> Trade unions have also raised concerns that anti-terrorist laws are being used to imprison trade unionists, such as the five trade union activists in the energy sector that were arrested in June.<sup>7</sup>

3. Civil liberties have also been undermined by the Citizenship Act that denies citizenship rights to Muslims and by the rhetoric of India's Prime Minister which has incited hatred against Muslims, Dalits and other minority groups.<sup>8</sup>

### Decent jobs and gender equality

4. The TUC is concerned a trade deal with India may undermine decent jobs in both the UK and India.
5. The TUC is concerned that a trade deal with India could undermine its ability to fulfil UN Sustainable Development goal 8 on Decent Work and goal 5 on Gender Equality by displacing Indian workers from good jobs, particularly women workers.
6. India has seen an increase in workers being displaced from the formal to the informal sector during the pandemic.<sup>9</sup> A UK-India trade deal may accelerate this process further by reducing tariffs too much on sectors in such as manufacturing in India so that they are not able to compete with UK goods on the domestic market. Women are particularly likely to be displaced if Indian businesses are threatened by reduced tariffs as they are disproportionately likely to be employed on temporary or insecure contracts that can be terminated at short notice. This will increase gender inequalities that are already significant in India. In 2020 94% of women were informally employed in India<sup>10</sup> with particularly high gender wage gaps in sectors such as manufacturing where

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<sup>3</sup> Surge (2021) 'Slaves to silk', available at: <https://www.surgeactivism.org/articles/slaves-to-silk-new-cnn-report-exposes-an-industry-of-bonded-labour>

<sup>4</sup> Shipbreaking Platform (2021) 'South Asia Quarterly update 26', available at: <https://shipbreakingplatform.org/platform-publishes-south-asia-quarterly-update-26/>

<sup>5</sup> ITUC (2020) 'Indian parliament passes laws that attack the rights of working people', available at: <https://www.ituc-csi.org/indian-parliament-passes-laws>

<sup>6</sup> War on Want (2021) 'The UK labour movement stands in solidarity with farmers in India', available at: <https://waronwant.org/news-analysis/uk-labour-movement-stands-solidarity-farmers-india>

<sup>7</sup> Article 14 (2021) 'How five reliance workers fighting for a better deal found themselves in jail on terrorism charges', available at: <https://article-14.com/post/how-5-reliance-workers-fighting-for-a-better-deal-found-themselves-in-jail-on-terrorism-charges-61020ec49f652>

<sup>8</sup> TUC (2020) 'The rise of the far right – building a trade union response', available at: [https://www.tuc.org.uk/TheRiseoftheFarRight?page=4#\\_ftnref46](https://www.tuc.org.uk/TheRiseoftheFarRight?page=4#_ftnref46)

<sup>9</sup> Nathan, D. and Rodgers, G. 'The critical connection between Covid and employment', available at: <https://link.springer.com/article/10.1007/s41027-020-00248-z>

<sup>10</sup> IWWAGE (2020) 'Women and Work: how India fared in 2020', available at: <https://iwwage.org/wp-content/uploads/2021/01/Women-and-Work.pdf>

women earned 24% less than men and IT services where women earned 26% less than men in 2019.<sup>11</sup>

7. The TUC is also concerned that a trade deal with India could make it easier for companies to outsource more operations to India by removing regulatory 'non-tariff' barriers to businesses relocating. Many operations in sectors such as ICT, telecommunications and education have already been outsourced to India by companies looking to save costs due to the lower pay and conditions workers receive in India, owing to the repression of trade union rights described above. Should more operations be outsourced, good jobs in the UK will be threatened.
8. Any UK-India trade deal should require respect for International Labour Organisation standards to ensure workers in India are paid and treated decently.

### **Food security**

9. The TUC is concerned that a UK-India trade deal may remove tariffs on India's agricultural sector which are crucial for protecting India's ability to produce its own food supply and support employment in the sector which employs almost half the workforce in India.<sup>12</sup>
10. Farmers' livelihoods are already threatened by the agricultural laws introduced last year, mentioned above, which would remove protections on agricultural goods that are needed to ensure farmers receive a decent price for their products. The laws also allow stockpiling of goods which could reduce supply when it is critically needed, as in a famine.

### **Public services**

11. The government has listed intellectual property as one of the areas a UK-India trade deal could cover. This raises the risk that the trade deal might allow companies to extend their patents on medicines, including Covid vaccines. This would undermine India's ability to produce affordable Covid vaccines that are vital for fighting the pandemic as well as produce other medicines needed for public health. The TUC is calling for governments to support a waiver to WTO TRIPs rules to enable low-cost vaccines to be produced by Global South countries.<sup>13</sup>
12. The TUC is also concerned the government has indicated a UK-India trade deal will liberalise trade in services. Unless a positive list approach is taken to service listing, this could lock already privatised public services and restrict the UK and Indian governments' ability regulate these public services. The global union federation Public Services International has expressed concern that privatisation in Indian health, water

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<sup>11</sup> Mint (2019), 'What is gender pay gap and why is it so wide in India?' available at: <https://www.livemint.com/money/personal-finance/what-is-gender-pay-gap-and-why-is-it-so-wide-in-india-11575356633900.html>

<sup>12</sup> World Bank (2021) 'Employment in agriculture- India', available at: <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=IN>

<sup>13</sup> TUC (2021) 'UK government must use G7 presidency to help Covid-stricken countries with vaccine supply, says TUC and international union leaders', available at: <https://www.tuc.org.uk/news/uk-government-must-use-g7-presidency-help-covid-stricken-countries-vaccine-supply-says-tuc-and>

and electricity services has undermined standards, resulted in understaffing in health care and a growth in informal work in water and electricity services.<sup>14</sup> The TUC has also expressed concern that privatisation has undermined safety and employment standards in the UK<sup>15</sup>, indicating the importance of government intervention to provide quality services.

13. If Investor-State Dispute Settlement (ISDS) was included in the agreement it would allow foreign investors to sue the UK or Indian governments for actions to promote the public interest that threaten their profits. India has been sued on multiple occasions through ISDS clauses. For example, through the India-Netherlands bilateral investment treaty, Vodafone successfully sued the Indian government for \$5.47 million for requiring Vodafone to pay additional taxes that the company said were a form of 'discrimination' against its ability to make profits in India.<sup>16</sup>
14. Any negative impact on public services created by a UK-India trade deal would particularly disadvantage women who are disproportionately likely to work delivering public services and be dependent on public services, as they are more likely to be caregivers.

### **Migrant workers**

15. The TUC is concerned that mobility clauses in a UK-India trade deal could make it easier for multinational companies to bring Indian workers to be employed in their operations in the UK on lower terms and conditions. This would encourage exploitation of Indian workers, undermine union agreements and lower conditions for all workers. Multinational companies are already engaged in such practices in the UK, for example include Tata Consulting Services brought workers from India to work in their operations in Heathrow on significantly lower salaries than those agreed with the GMB union.<sup>17</sup> In shipping, meanwhile, the International Chamber of Shipping's Seafarer Workforce Report 2021 shows that employers have been increasingly recruiting workers from other countries including India on lower terms and conditions than those that have been collectively agreed with unions.<sup>18</sup>
16. TUC Congress in 2011 passed a motion against the EU-India trade on the grounds that mobility clauses would allow workers to be brought to the UK on lower terms and

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<sup>14</sup> PSI (with other signatories) 'Global integration has deepened the labour crisis', online at: <https://iqj.or.id/historic-national-general-strike-in-india-global-integration-has-deepened-the-labour-crisis/?lang=en>

<sup>15</sup> TUC (2020) 'General council statements', available online at: <https://www.tuc.org.uk/general-council-statements-2020>

<sup>16</sup> ISDS Platform (2020), 'Vodafone wins international arbitration against India in \$2 billion tax case' available at:

<https://www.isds.bilaterals.org/?vodafone-wins-international>

<sup>17</sup> Rix, M. (2016) 'Keep IT in BA – we need action against undercutting in British Airways', available at: <https://strongerunions.org/2016/04/25/keep-it-in-ba-we-need-action-against-undercutting-in-british-airways/>

<sup>18</sup> International Chamber of Shipping (2021) 'New BIMCO/ICS Seafarer Workforce Report warns of serious potential officer shortage' available at: <https://www.ics-shipping.org/press-release/new-bimco-ics-seafarer-workforce-report-warns-of-serious-potential-officer-shortage/>

conditions than other workers in sectors such as shipping.<sup>19</sup> The TUC would oppose any similar provision in a UK-India trade agreement. Any UK-India trade deal should explicitly prevent shipping companies bypassing training of UK seafarers in favour of employing workers on lower conditions and pay, including on short sea ferry routes, offshore energy vessels and the Royal Fleet Auxiliary.

#### *Key principles for any UK-India agreement*

The TUC calls on the government to engage with democratic trade unions affiliated to the International Trade Union Confederation to ensure any UK-India trade agreement contains:

- provisions to effectively enforce all fundamental ILO conventions and the ILO Decent Work agenda. Trade unions must be able to trigger investigations when abuses of labour standards occur. There must be the possibility for sanctions to be imposed against companies as well as countries found to be abusing labour standards – as is now possible in the US-Mexico-Canada trade agreement. Parties should commit to a timetable for the ratification of all fundamental ILO conventions;
- support for subsidy schemes that strengthen respect workers' rights and collective bargaining agreements;
- protections for the rights of migrant workers, refugees and asylum seekers– any agreement must allow migrant workers and asylum seekers to enforce their rights regardless of their immigration status;
- protections for the right of governments to use public procurement and state-owned enterprises to support economic development, improve working conditions and pursue social and environmental objectives;
- protection for governments' policy space to regulate investment and use industrial policy tools to promote decent job creation and the UN Sustainable Development Goals.
- protections for all public services by completely excluding all public services such as health, education and transport;
- protections for the government to implement policies to ensure food security;
- protections for governments' ability to implement policies necessary to protect consumers and workers through data integrity, security and privacy measures, and prevent the misuse of data for any form of discrimination;
- protections for the right of governments to regulate the cross-border flow of data, require companies to have a local presence, access source code and algorithms and maintain privacy and consumer protections to protect public health and prevent discrimination;

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<sup>19</sup> TUC (2011) 'Congress report', available at: <https://www.tuc.org.uk/research-analysis/reports/congress-report-2011>

- exclusions for all kinds of special courts for foreign investors such as Investor-State Dispute Settlement (ISDS), which allow foreign investors to sue governments for actions that threaten their profits;
- exclusions for extensions of patent protection or data exclusivity periods for pharmaceutical drugs;
- commitments for our governments to support environmental protections, implement the Paris Agreement and policies to support Just Transition; and
- expansion of cooperation to combat unfair trade practices including strong antidumping and countervailing duty provisions, and prevent circumvention and evasion of action taken.