



# The case for a progressive international

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## **The case for a progressive international-Only a global alliance can reshape the regulatory regime to make it more democratic**

- Earlier this year, it was revealed that India is facing legal claims from international investors in as many as 23 arbitration cases, before various tribunals.
- These claims, worth billions of dollars, arise out of bilateral investment treaties between India and other states.
- One striking feature of such treaties is that they allow international investors (primarily MNCs) to initiate a dispute directly in an international tribunal, bypassing the state's own constitutional system and its courts.
- Often, the disputes revolve around measures that were triggered by public health emergencies, economic crises or other matters directly involving public welfare — which would therefore be permissible under the Constitution, but which a corporation believes have negatively impacted its financial interests.

### **Transnational issues**

- This reveals an important truth about the contemporary, globalised world: issues that were earlier resolved within a sovereign state in accordance with its constitutional system have now acquired a transnational character.
- There are other contemporary examples: because of its attempts to make essential medicines affordable through amendments to its Patent Act, India has come under pressure from the U.S. and the European Union (at the behest of prominent pharmaceutical companies), while finding support and emulation in countries like South Africa and Thailand.
- India's battle to preserve affordable access to medicines is part of a larger struggle, where participation in the global intellectual property regime has severely constrained the ability of countries to respond to

public health crises.

- As pointed out above, the transnational character of these issues suggests that the response cannot succeed if it is unilateral.
- The issues are not limited to conflicts before international forums.
- It is often difficult for one country to tackle the problem alone – especially when the corporation is global in character, and can issue a credible threat of withdrawing substantial levels of investment.
- Nor is worker power, as long as it is confined within borders, and not trans-nationalised, sufficient to combat the power of MNCs.

### **The example of DiEM25**

- A recent example is that of the Democracy in Europe Movement 25.
- DiEM25 arose after the debt crisis in Greece had resulted in a wide-ranging “structural adjustment programme” imposed upon that country by the European Commission, the European Central Bank, and the International Monetary Fund (or “the troika”).
- This included severe austerity measures (including cuts to public funding, resulting in mass unemployment) and widespread privatisation, in direct contravention of the publicly expressed will of the people, through both elections and a public referendum.
- The central insight of DiEM25 — one of whose co-founders, Yanis Varoufakis was Greece’s Finance Minister during the debt crisis — is precisely that today a progressive movement oriented towards social justice and fundamental rights cannot succeed if it is constrained within national borders.
- Many of the fundamental decisions that shape national policy (with wide-ranging consequences) are simply beyond the ken of nation-states themselves. For this reason, DiEM25 identifies as “pan-European”, and isolates a range of issues “currently left in the hands of national governments powerless to act upon them” — including public debt, banking, inadequate investment, migration, and rising poverty.
- In its manifesto, DiEM25 returns these issues to democratic control, but also acknowledges that the solutions needed to achieve this can only come from transnational action.
- The focus on democracy is particularly important with respect to a third issue: the increasing role of technology in our daily lives.

### **An international new deal**

- Movements such as DiEM25, which have sprung up in various parts of

the world, serve as potential blueprints and models for what a “progressive international” may look like.

- It is a conversation that progressive movements in India must take heed of, and engage with, if we are to adequately address the transnational problems that face us today.

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