

FDI in retail trade will spell doom

The UPA government has decided to allow 51% FDI in multi brand retail trade and 100% FDI in single brand retail trade. A decision to this effect has been taken by the Union Cabinet. Since the parliament is in session, such a vital issue should have been discussed in the parliament. But parliament has been bypassed and a cabinet decision has been taken. This only shows the arbitrariness and arrogance of the UPA government.

The decision to allow FDI in retail trade will spell doom for our country. The quantum of money involved in the retail business in our country is estimated to be around 24 lakh crore, with nearly four crore small traders in the business. Another twenty crore people are directly and indirectly dependant on retail trade for their livelihood. If Multi National Companies, in collaboration with Indian corporates, enter into the retail trade, all these people will lose their jobs. This will be disastrous for the country. The argument that FDI in retail trade will generate more jobs is untenable. The jobs it will create will be far lesser then the jobs it kills.

It is quite evident that the decision to allow FDI in retail trade has been taken as per the dictate of the World Bank and also due to the pressure from the Western Countries, especially the United States. The earlier UPA1 government also tried its best to bring in FDI in retail trade. But it was vehemently opposed by the Left Parties, on whose support the UPA1 government was dependant upon. Thus, the UPA1 government could not bring in FDI in retail trade.

How the Multi National Companies captured the soft drink industry in our country, should serve as an eye opener to all. There were hundreds of desi soft drink companies in India, prior to the entry of Coca Cola and Pepsi Cola. But today, all those desi companies have been wiped out. Coca Cola and Pepsi Cola have monopolized the Indian soft drink industry. They raise the price at their will and loot the people. The same story will re peat in the retail trade also. Hence, Pressure should be mounted on the government, so that it reverses it's decision to allow FDI in retail trade.
