

Opening India's Economy to Corporate America: "Retail Apocalypse" to Save the American Dream?

While the Western European countries are themselves still reeling under the pressure of the 2008 financial crisis that shook not just their economic but societal and even security foundations and brought them to the verge of bankruptcies; where would all these FDI investment monies come from?

By [Shelley Kasi](#)

Global Research, January 11, 2018

[GGI News](#)

Region: [Asia, USA](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

Recently the Indian Cabinet approved key changes in India's foreign direct investment (FDI) policy by allowing [100 percent FDI](#) (from current 49%) under automatic route for single brand retail trading and construction development paving the way for global players. During April-September, 2017-18, FDI inflows grew 17 percent on year at USD 25.35 billion. In the financial year 2016-17, total FDI inflows hit an all-time high of USD 60.08 billion, as compared with USD 55.46 billion a year ago.

While India is opening up its markets to be developed by borrowed foreign investment there is a fundamental question that remains to be answered or rather even asked by experts. While the Western European countries are themselves still reeling under the pressure of the 2008 financial crisis that shook not just their economic but societal and even security foundations and brought them to the verge of bankruptcies; where would all these FDI investment monies come from? This simple question if answered would lay bare the entire charade of Foreign Direct Investment in India as well as the American Dream. It is really amusing that none from the entire 1.3 billion population of India has been able to ask this humble question.

Retail Apocalypse

Gullible Indians must be thinking the foreign retail markets must be doing really well and the companies making a lot of profit so much so that now they are expanding their base of operations in India as well. They sure are coming to India but not because they're expanding their business but because they are shifting their base of operations. Why? Because the 2008 crisis sent the American retail sector (along with others) crashing to its doom now known as the Retail Apocalypse.

The Retail Apocalypse refers to the closing of a large number of American retail stores since the crisis and is expected to peak in 2018. *The Atlantic* describes the phenomenon as "[The Great Retail Apocalypse of 2017](#)." Of the 1,200 shopping malls across the US, [50% are expected to close by 2023](#). More than [12,000 stores are expected to close in 2018](#). Now these same bankrupt companies would be opening up shop in India via non-existent FDI.



As the Forbes contributor Blake Morgan [puts it](#),

“An apocalypse is the final destruction before the end of the world, so the popular phrase “retail apocalypse” would be the end of retail as we know it.”

Although she is partly correct in her assessment that this “isn’t the end of the world but start of something exciting,” how that change would come about is a billion dollar FDI question.

American Nightmare

While Indians were fighting over should or should not they celebrate the New Year this is what Christmas Day looked like for thousands of homeless people in the dark and dingy underbelly of Downtown Los Angeles in United States of America. The shocking footage – captured using a car dash camera – shows the brutal reality of life on the street in the notorious Skid Row district where nine toilets are shared by some 2,000 people, according to a June report titled ‘[No Place to Go](#)’. The three-minute clip was originally published on Instagram by LA street artist [Plastic Jesus](#) then on LiveLeak by Nick Stern in the ‘Citizen Journalism’ video category.

In a 2015 book titled *\$2.00 a Day: Living on Almost Nothing in America*, the sociologist Kathryn J. Edin and her colleague H. Luke Shaefer estimated that there are nearly 1.5 million American households who are living on fewer than \$2 a day. Nobel Prize-winning economist, Angus Deaton in a recent [interview to the Atlantic](#) goes on to compare the poverty in Mississippi to that in India. In a memorable quote Deaton says,

“If you had to choose between living in a poor village in India and living in the Mississippi Delta or in a suburb of Milwaukee in a trailer park, I’m not sure who would have the better life.”

Paul Theroux author of *Deep South: Four Seasons on Back Roads* has compared some [American towns with those in Zimbabwe](#) –

“It is possible to impoverish an American community to the point where it is indistinguishable from a hard-up town in the dusty heartland of a third world country.”

Though ranked as one of the wealthiest nations, the US is home to some of the poorest communities in the world. The wealthiest one per cent of American households own 40 percent of the country’s wealth, according to a [November report](#) by economist Edward N. Wolff. That same one per cent of households own more wealth than the bottom 90 per cent combined, the [Washington Post reported](#).

Same is the story with the European nations (now falling like dominos) who unknowingly absorbed monstrous proportions of toxic US debt thinking it was a genuine investment. Only in 2008 when the German banks wanted to offload some of their US real-estate investment

it was a revelation for the US regulator about the extent of fraud committed by the US banks, insurance companies and Wall Street brokerage firms; leading to what we know now as US Meltdown of 2008 and [Eurozone Crisis of 2012](#) and if not prudent will be called the Indian Crisis of 2020.

Western-European economies are still reeling under the pressure of this financial crisis and the Chinese together with the Russians are pushing them further into recession. As recently as in January last year the global elite met at the World Economic Forum in Davos expressing their fears about the global liquidity crunch and the implications it may have on their economies. What they fear is that the meltdown may spell the end of the supremacy of the banking houses of London and New York as financial centers. It is here that [India comes into picture](#). That this announcement to open up Indian markets has come right before another meeting in Davos on Jan 22nd is also very telling.

What is at stake here is the western way of life itself branded and marketed as the American Dream. It is to protect this American Dream from turning into a Nightmare that India is being drawn into this spiral of debt economics.

Evolution of FDI

In 2008 this economic tumor ripped through the US and by 2011 it had spread to most parts of Western Europe. It resulted in large scale unemployment and inflation leading to several protests and had left behind a trail of crippled and near bankrupt economies. Even today, western economies are coping with the after effects of this economic crisis and few are still in recession. To squeeze every dollar they could into their economies, most nations resorted to wage-cuts, reduction in public spending, mass layoffs, austerity measures etc.

With no end to their woes in sight, the Americans along with their European partners resorted to strategies which are reminiscent of the colonial era. The coalition entered into war with Libya with the noble objectives of spreading democracy, rule of law and human rights and ultimately fleeced the country of \$ 2 trillion which prevented the collapse of these economies and gave them some breathing room. The western governments realized that the economic crisis was intrinsically linked to the standard of living of their people which if not protected could lead to the political radicalization of the entire west and could wind the clock back to the time when they were struggling to counter spread of soviet ideology in their countries.



While most countries were still reeling under the shock of recession, Dubai, which was afflicted by what was famously known as the [Dubai Flu](#) of 2009, came out of its effects relatively quickly. How that came about is worth looking at. Little known to many, UAE is a conglomerate of either 12-14 sheikdoms of which Ras-al-Khima, Abudabi, Dubai and Sharjah are well known. They miraculously came out of depression by virtue of a financial experiment that most western countries were skeptical of, but its eventual success led these nations to quickly adopt it. The experiment was a carefully drafted strategy which was devised by political pundits, banking and economic wizards and its script began to unfold in India since mid 2011.

India's Biggest Scam – Round-Tripping Black Money as FDI

We were told that demonetization would combat the black economy and also crack a whip on the funding sources of terrorist outfits by curbing the circulation of Fake Indian Currency Notes. Far from it we are again in the midst of mindless terror acts across the Red Corridor and the Kashmir region and our currency notes itself printed by [foreign companies blacklisted for being a threat to India's security](#). What we were not told about the black money however, was that while Indian govt. was cracking a whip on the informal economy the actual [black money was already being routed back into India legally via FDI](#) (now rubber stamped by foreign corporations).

While the government is busy waging war on black money, international watchdog Global Financial Integrity has estimated that black money worth as much as USD 21 billion was taken out of India illegally in 2014. In its latest report, GFI also threw some light upon illegal inflow of funds, with India being identified as the parking spot for around USD 101 billion, 11 percent more than in the corresponding period a year ago.

Titled '[Illicit Financial Flows to and from Developing Countries: 2005-2014](#)', the report said that between USD 620 billion and USD 970 billion was drained out across all emerging market countries, primarily through the trade fraud route. In all, illegal inflows and outflows were estimated to constitute 14-24 percent of total developing country trade between 2005 and 2014. This is called Round Tripping. One of the leading puzzles related to cross border flow of investment is the phenomenon of '[Round Tripping FDI](#)'. Just ask yourself this - why the biggest sources of FDI are tax havens?

This bizarre Saga of bankrupt western economies and their multinational business houses' incredulous economic [plan to Develop India with non-existing FDI](#) is the subject matter and is explained in detail in GreatGameIndia's [FDI Series - Foreign countries Dictating India Series](#).



Infographic from GreatGameIndia's [FDI - Foreign countries Dictating India Series](#)

Slowly and steadily but surely, [India is being integrated into the Anglo-American architecture](#) and this parasitic relationship is being normalized symbolically through single-handed policies and high-profile events repeatedly where every Indian protocol or institution is being blatantly disregarded or bypassed.

While this is the current state of the Western European economies, it is a tragedy that Indian policy makers are blissfully ignorant or purposefully conniving to download this now defunct American Dream into India either by tricking the populace through outright bluff and bluster of sloganeering or in many cases oppressively against the will of its own people. But than, why should there be an Indian Apocalypse to save the American Dream turning into a Nightmare?

"*FDI in retail will bring back East India Company regime*" said the current Indian government few years ago when it was in opposition. It is worthwhile to note that patriot Americans themselves are fighting these multinational corporations and banks that collapsed their economy. It is through this mandate of wresting back power from these forces of globalization that Donald Trump won the election. But then, why should *America be Great Again* at the expense of *India being a Slave Again*?

Shelley Kasli is the Co-founder and Editor at GreatGameIndia, a quarterly journal on geopolitics and international affairs. He can be reached at shelley.kasli@greatgameindia.com.

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