

## Pack the Eurocrats off to India

22 February 2011 by Vincent Derudder, Chairman, FECIF

**I was recently on holiday in India, far away from Europe and the daily difficulties of our financial services industry.**

I would like to share with you some thoughts I have about what we believe are our achievements as European citizen.

I will not talk to you about the 3,000 years of Indian history, its grandiose culture, or the extreme poverty of a large part of its population, the religious violence etc – the BBC and CNN do that very well.

This aside, we often read about India in the press when another European business is bought by Indian business interest, or when there is the launch of a new technological development by Indian industry.

India will remain for the years to come a developing country with a double digit rate of economic growth. This is simply because there is so much to do in this vast country to bring it anywhere near Western standards of infrastructure and living.

In India, of course, it is out of question to claim a 35 hour working week or expect to retire at 60, as the French do.

Instead, you will find 10 people eager for each job that is available; working long hours is expected and happily accepted by most people, who are motivated to build something for their children.

Such sentiment does not exist in Europe anymore, where people are used to taking from the state and their employers, and are all too comfortable surrounded by the latest 'mod-cons'.

One may say of India: but what about corruption? The lack of social protection? The lack of consumer protection?

Corruption? Ask UK taxpayers how they feel about the way UK MPs used their hard-earned money to maintain their lavish lifestyles. Ask Italians how they feel about Mr Berlusconi's sex life or a Frenchman how he feels about their corrupt politicians...

Are we afraid of India (or China) in Europe? Of course we are, because we pay more taxes, we have more regulation than anywhere else in the world, it costs us ten times more to manufacture the same products here as it would in India - all of which causes our economy to be more fragile than ever.

Surely a clever way to overcome this problem would be to send the European Commission to advise the Indian government on how to implement useless regulation: it would not take



We will see also if the stakeholders group organised to advise the three new supervisory authorities are made up of people truly representative of the industry and the consumers. Or if those three groups are just another mockery composed of puppets.

**Vincent Derudder**  
Chairman FECIF

long for the Indian economy to go bankrupt!

Back to our selfish issues: FECIF will participate in the three consultations launched by the European Commission (MiFID, IMD and PRIPs).

We will see if our points are taken into account.

More importantly, we will see also if the stakeholders group organised to advise the three new supervisory authorities are made up of people truly representative of the industry and the consumers. Or if those three groups are just another mockery composed of puppets.

It is good to talk about democracy, to give lessons to others (who often do not ask for it) but to respect the basic principles of democracy at home – now that's a bit more difficult...

Going through the three consultation papers one may see many references to transparency. A lot is required from intermediaries, but we will soon see that transparency has limits:

politicians do not like transparency (see the wikileaks saga), so we should not bother too much about potential risks for our profession: it is probably another case of "do what I tell you to do, don't do what I do myself!"

Over-regulation will continue to as long as our leaders pander to populist causes instead of getting to the heart of the matter. At the moment, most intermediaries spend more than 50% of their time not serving consumers but complying with useless administrative tasks. This only looks set to continue.

We conducted a member survey last November which has taught us a lot about the true state of our profession: intermediaries work long hours, rarely get very rich and spend more time working to satisfy government fantasy than their clients' needs.

Can the same be said of you, Mr. Barnier?

>> read the article from the original source, [click here](#)