



Why Should We Care About Development Finance? ...because it's our money!

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Free Trade, Unequal India

The commerce minister's celebration of yet another free trade agreement hides a deeper worry. Yes, India's exports look strong on paper. Yes, the country seems more plugged into global trade. But the gains are coming from a narrow strip of the map. A handful of states now drive almost all exports. Maharashtra, Gujarat, Tamil Nadu, Karnataka and Uttar Pradesh together control nearly 70 per cent of India's export basket. This level of concentration is not healthy. It tells us growth is clustering fast and leaving most of the country behind.

The RBI's latest state-level data makes this imbalance hard to ignore. Over 90 per cent of exports now come from just ten states. Twenty others are left fighting over scraps. Even within the top group, power is shifting. Gujarat's share has jumped sharply, while others have slowed. This is not accidental. These states sit on ports, corridors, refineries and supplier networks built over decades. They attract PLI money and foreign capital with ease. Firms go where everything already exists. The result is that national export numbers look good, but the regional picture is quietly breaking apart.

This divide deepens when we look at finance. Export states recycle their own savings into the local industry. Their credit deposit ratios are high. In the hinterland, savings flow out. Money deposited in Bihar or eastern Uttar Pradesh is lent to factories on the coast. Labour migrates. Capital migrates. Goods flow back in. This is not integration. It is dependence. The interior is locked into low-value output while the peninsula moves up the ladder into electronics and complex manufacturing.

Free trade agreements will not fix this on their own. More exports from the same few states will only harden the divide. If India wants sustained growth and real jobs, export capacity must spread inland. That needs patient public investment, deeper state capacity, and financial systems that fund local industry, not drain it. Otherwise, India risks becoming two economies in one country. A coastal exporter and a stranded hinterland. No amount of headline trade numbers can hide that for long.

- Team CFA

We refuse to give up trying to demystify finance. We will continue to hold the government and financial institutions accountable for their economic policies and investments. Support us.



India - UK FTA is a colonial sham

The India-UK Comprehensive Economic and Trade Agreement (CETA) is expected to be implemented in the first half of 2026. India's journey with trade deals slowed down in the 2000s after past agreements backfired. But now, in 2025, it's rushing into new talks with the US, UK, and EU, despite the cautionary history. Alarming, the warnings from rights groups in both the UK and India have been largely ignored by the press.

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12 YEARS OF INJUSTICE: STILL NO ACTION ON TATA MUNDRA

Communities in Tata Mundra are still fighting for clean water, safe air, and justice. Add your voice — urge the World Bank and IPC to act now. Follow the link or scan the QR code to sign the petition now: <https://wbtakeaction.cenfa.org/petition>

The Tata Mundra Project: A Decade of Broken Promises

A decade of environmental destruction. Thousands of lives affected [9]. It's time for the World Bank to act.

Call to action

Inequality Alert Dispatches from a World growing apart

Vol. 5 Issue 5 | 11th January 2026

Inequality Alert is a fortnightly newsletter released on the 10th and 25th of every month. It brings together key campaign actions, important news, and insightful opinion pieces on issues related to inequality.

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1. Repealing NREGA will increase inequality in Rural India

From Demand-Driven to Command-Driven: The government was legally bound to provide work when demanded. Under the new law, employment depends entirely on government discretion. The 50:40 Centre-State funding will increase the financial burden on states, leading to weak implementation.

Goal: 125 DAYS



You, Me and the Economy | Podcast Trump Pulls the Plug: Global Tax Negotiations & the Struggle Against Inequality

In this episode, senior journalist MK Venu reflects on India's shifting role in the global struggle against inequality. From policies increasingly tilted toward big capital to the reshaping of domestic politics, Venu unpacks how these transformations are altering India's position in the world order. [Read More](#)



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