

COMMENT

## India, China, America

AMERICA'S TECHNOLOGICAL supremacy is eroding. That country has not been able to make any major commercially viable invention after the internet in the nineties. Moreover, America has transferred most of the advanced technologies to India and China through Foreign Direct Investment by its corporations. India has been able to generate local version of certain technologies that were previously denied by America like supercomputer and cryogenic engines for space missions. President Obama has announced the removal of restrictions on transfer of dual use technologies that was imposed earlier on Indian Space Research Organization, Defense Research and Development Organization and Bharat Dynamics. This will further speed up the transfer of advanced technologies. Research work too is being increasingly transferred to India to avail of the low wage rates of the scientists here. Future technological inventions are more likely to take place in India. India will have some access to these even if the patents are held by foreign companies.

Benefits from "friendship" with China are of an altogether different nature. China and India have the winning combination of advanced technologies and cheap labour. America's exports are declining. America has had to borrow huge amounts of money from China and India to keep its economy afloat in this situation of declining exports. China has a huge foreign exchange reserve of US Treasury Bonds. India's holdings of these bonds is also substantial though about one-fifth of China's. China and India can use their combined holdings to manipulate the value of dollar and force America to beat a retreat. Then the million dollar question is whether India and China could nurse genuine friendship in the foreseeable future.

For one thing China and India can jointly ask for redoing the TRIPS agreement in the WTO. Patent laws were not part of the international trading regime till 1995. Countries could copy the patented designs and products of other countries without inviting trade sanctions. This has changed since the WTO Agreement has been signed. Both India and China can ask for removal of TRIPS from the WTO.

Presently about 25 percent people living in the developed countries get 75 percent of the global income while 75 percent people living in the developing countries-including China and India-get about 25 percent of the global income. It was not like this always. 300 years ago China accounted for 25 percent of the world income while India accounted for 23 percent. The advent of colonialism in these years led to reduction of China's share to 2 percent and India's share to 1 percent at the time of independence. India has been able to make only small progress in last 60 years of cooperation with the developed countries. China's share has increased to 6 percent while India's has increased to 2 percent.

US President Obama has sought India's help in creating jobs for American workers. What a tragedy! This demonstrates that the United States has hollowed from within. It already required money from China and India to make its ends meet and is now requiring jobs from these countries. The US will collapse like a house of cards if the developing countries can unite. Then developing countries are unlikely to unite against American hegemony. In one way or other all regional groupings including the much publicised G-20 are directly or indirectly influenced by America. It is able to extract cheap goods from the developing countries by following a policy of divide and rule. □□□ *[contributed]*