

COMMENT

## PM's Priorities

THREE IMPORTANT REGIONAL summits were held recently in which the Prime Manmohan Singh has outlined India's diplomatic priorities. The Prime Minister called for joint action on climate change and expansion of regional trade at the SAARC summit held in Bhutan. He focused on global cooperation against terror and regional trade at the India-Brazil-South Africa (IBSA) summit at Brasilia. He stressed the need for making joint strategy on climate change and regional trade at the Brazil-Russia-India-China (BRIC) summit also held at Brasilia. The Prime Minister's priorities are clearly regional trade, climate change and terror. Indeed these are important issues. But do they match with India's national priorities?

India is plagued by unprecen-dented corruption, poverty and inequality, health and education and, lastly, terrorism. Each of these problems has an international dimension to it. Corrupt officials and ministers routinely stash away their ill-gotten wealth in Swiss Banks and other overseas destinations where they have security cover from secrecy laws. This could be seen plainly in Bofors and hawala cases. The accused were let off mainly because the movement of money could not be established clearly. The problem has assumed astronomical proportions in many African countries where independent judiciary and oversight agencies like India's Comptroller and Auditor General do not exist.

True, the Prime Minister routinely speaks of the need to foster inclusive growth at international forums. He has taken a huge initiative in NREGA in this direction. But the problem is interrelated with espousal of free trade. The objective of free trade is to secure higher standards of living of the people by making available to them cheap goods produced in foreign countries. For example, cheap toys and computers made in China have become available to Indian consumers. A free trade agreement between BRIC countries would ensure availability of such cheap goods made in China to Indian consumers more easily. This is the plus side of regional trade. There is a negative side too. The logical result of free trade is that wages in all member countries will move towards the lowest player.

The international dimension of health problems arises mainly through patent laws which enable Multinational Corporations to charge exorbitant prices for patented drugs. About ten years ago it was agreed in WTO Ministerial that developing countries will have right to suspend patents on drugs in case of public emergencies. There is a need to take this forward. The ground reality is that Western countries own most patents on drugs as well as other commodities. Developing countries are paying huge royalties on these goods. This much is true that part of the monopoly profits earned by the corporations is invested in research. This leads to the invention of new products that ultimately provide benefits to the developing countries as well.

But there is a need to make a careful assessment of the benefits and costs of the patent laws to the developing countries. The benefits from generation of new products in

future have to be set off against the costs borne by payment of high prices today. The Prime Minister could demand removal of the TRIPS agreement from the WTO in these international forums. No, he won't do that.

The fourth priority of Indian people is terror. One reason of this is religious fundamentalism. The other reason is increasing inequality fuelled by economics of consumerism. Modern economics considers human welfare to be product mainly of increased consumption of goods and services. There is no place for sacrifice, simplicity and charity here. In the result, the best mind of the society get trapped in seeking ever increasing levels of consumption. On the one hand there are a handful of graduates from IIMs earning a crore a year; on the other hand there are a millions living on Rs 25 a day. This inequality fuels anger among the people; on the other hand there are millions living on Rs 25 a day. This inequality fuels anger among the people and pushes them towards extremism. The developing countries should call for reexamination of the consumerist paradigm.

The Prime Minister singularly fails to raise above issues in global forums. There is no mention of secrecy laws in the global banking industry, removal of patent laws, a collective wage policy of developing countries and need to dismantle the consumerist paradigm. Instead the Prime Minister is focused on issues that are close to the developed Countries. The Prime Minister is playing into their hands by stressing on western and American agenda as the critical problem facing. The developed countries have cleverly split the developing countries into two warring groups by advocating their military approach. India and Pakistan are fighting with each other on who is responsible for terror instead of cooperating with each other in removing the domestic inequality which is the main cause of this terror. Minister □□□