

## Expanding India's Expertise

Jagdish Bhagwati, Aug 21, 2010, 12.00am IST

Recently, Sanjaya Baru, the prime minister's former media advisor, sounded the alarm over how many Indian think tanks were now dependent on foreign public and private institutions the World Bank, DFID (UK), Oxfam and many others for financial support. He correctly walked away from the notion that these think tanks were, therefore, "captured" by the foreign institutions.

But a more nuanced worry is in order. Funding does constrain what you will do: this is simply a matter of prudence, not of being "bought". I will give one personal example. I was on the board of an important Indian NGO which deals with trade issues. This NGO was fully sympathetic to myriad writings by me and professors Arvind Panagariya and T N Srinivasan, among others, warning how the demands to include labour standards in trade treaties and institutions were tantamount to "export protectionism" (in the sense of seeking to raise the cost of production abroad to moderate competition). We had forcefully argued that these demands must be rejected as being driven by labour unions in the West, which were wrongly fearful of trade with the developing countries.

Having been funded by foreign agencies which wanted them to work with foreign think tanks, the Indian NGO had organised a seminar on the subject in Washington DC, under joint auspices with Carnegie. It wanted me to play a prominent role, but it had to agree to my being downgraded because Carnegie had embraced the protectionist agenda on labour standards. With foreign funding, both current and prospective, the Indian NGO felt that it had little choice and sought my indulgence. I resigned over the incident from the NGO, only to return later as I saw the difficulty in which foreign funding had placed its able director. He had integrity; he was penitent. But he had to be prudent or his NGO would be financially crippled.

I have also worked with foreign NGOs such as SA8000, which certifies firms for corporate social responsibility (CSR). But the specific choice by SA8000 of what defines CSR is not necessarily what Indian businesses should buy into, especially on demands such as the payment of a "living wage" which are likely to harm, rather than help, the assault on poverty in India. So, one would expect the Indian corporate sector, working with indigenous NGOs (which are usually small and focussed unlike gigantic NGOs like Oxfam which go everywhere like the [BP](#) oil spill) and economists, to develop and push labelling that reflects views on CSR that reflect Indian constraints and objectives. But neither the corporate sector nor the government has done this. Meanwhile, do not be deluded that SA8000 has not received US governmental and corporate aid.

I have long argued, therefore, that the [Indian government](#) and corporate sector also should support our own NGOs and think tanks which then do not have to be overwhelmed by foreign-headquartered NGOs and foundations which inevitably reflect different perspectives. To win in a duel, you have to make sure that you do not use a knife against someone armed with a pistol. If the arguments of foreign foundations, think tanks and NGOs, which also have a compliant western press use your [Google](#) to see that [the New York Times](#) has run only one story, by Celia Dugger when I complained to her, on how labour standards in trade treaties are considered by the developing countries to be a protectionist threat are to be met successfully, we better support our own NGOs and think tanks.

This also means that the government must do more to draw in our NGOs and think tanks when it goes to negotiate at international meetings. Typically, US delegations draw on several stakeholders and informed experts. With rare exceptions, the government of India permits only business institutions like

[CII](#) and now FICCI, to join it. I was at the famous 1999 Seattle meeting of the WTO that erupted into protests. I was in the streets and in debates at the [Town Hall](#) with [Ralph Nader](#) and others, and on panels set up by WTO. But i was not consulted once by the official delegation. We typically go handicapped into international negotiations with just our bureaucrats: they are a fine lot but they are not supermen.

Since eminent Indians in many fields are settled abroad, it is good to see that the prime minister has also now started drawing on their talents more formally, strengthening the government's expertise in turn. I and Professor Srinivasan were drawn upon by him in 1993 to write a report on 'India's Reforms: Next Steps' for the finance ministry. This was probably the only major initiative since my being drawn in, when i was working in India, to write a report on India's trade policy and necessary reforms in 1966: a memorable dividend being that i was taken to see the then prime minister, Indira Gandhi, to talk about my report!

Today, the prime minister has set up the Global Advisory Council, drawing on overseas Indians in different fields. Minister [Kapil Sibal](#) is also engaged in several commendable steps to strengthen our capabilities in higher education, drawing carefully on possibilities of scholarly collaboration with foreign universities. One can only applaud these initiatives.