

Talking points for Ambassador

CUTS¹ 30th Anniversary Lecture on “Better Governance for Inclusive Growth”

George Washington Law School; Faculty Conference Room; 2000 H Street NW, Washington DC 20052; September 23, 2013; 5:30 pm

Mr Pradeep Mehta, Secretary General of the Consumer Unity and Trust Society (CUTS);

Mr Rakesh Mohan, Executive Director of India on the Board of the International Monetary Fund (IMF);

Professor Bill Kovacic, George Washington University of Law;

Mr Edward Luce;

Mr Swaminathan Aiyar;

Distinguished Guests, Ladies and Gentlemen.

1. I am delighted to be here today, as a part of this event, which promises to add meaningful value to the debate that CUTS International has started – through the 30th anniversary lecture series – on the important topic of ‘better governance for inclusive growth’.

2. CUTS International has come a long way indeed, from its beginning in 1983, when it started as a small voluntary group of concerned citizens, in Jaipur, Rajasthan, to a large organization, which has presence in multiple centres, both in India and abroad, and whose membership now includes

¹ Established in 1983 in Jaipur, India, CUTS International (www.cuts-international.org) is a non-governmental think-and action -tank conducting research-and network-based advocacy on various dimensions of trade, regulation and governance issues in pursuance of its Mission of “consumer sovereignty in the framework of social justice and equality, within and across borders”. Details of the organization can be seen at <http://www.cuts-international.org/index.htm>.

more than 350 individuals and 300 organizations. CUTS does path-breaking work in multiple areas of consumer protection; international trade and development; competition, investment and economic regulation; human development and consumer safety. The articles and papers published by CUTS – and Mr Mehta, in particular, on issues of trade and economic issues, inform policy making at the highest levels in Government. While CUTS has grown and expanded, it has resoundingly conveyed the message of South-South co-operation, buttressed of course by South-North co-operation, on a large number of developmental issues. CUTS today, has an active centre in Geneva, the only South civil society organisation with a presence in Geneva, which too is a matter of great pride for us. It, therefore, gives me great pleasure today, to congratulate this organization on its 30th birthday; we hope that it continues to grow and promote equity and social justice across both the developed and the developing world.

3. Inclusive growth is the *sine qua non* of the Indian developmental paradigm. The Prime Minister of India, Dr Manmohan Singh, in his Independence Day address to the nation on August 15, 2013, put forth, with great clarity, the vision to which India aspires: “...we have envisioned a prosperous India.....an India which has got rid of centuries old burden of poverty, hunger and disease.....where the light of education has driven away the darkness of ignorance and superstition....where there is social equality and all citizens enjoy equal economic opportunity.....where no section of the society faces injustice and exploitation....we have dreamt of an India where the youth get employment opportunities that enable them to contribute to the noble endeavour of nation building...”. There can be no greater expression of our national commitment to ensure that the fruits of growth and progress reach

all Indians, and centuries of neglect, discrimination and deprivation, for large sections of our population, are redressed speedily and in an equitable manner.

4. Government of India have taken consistent steps towards implementing the vision of inclusive growth. Most recently, as you all know, the largest food security initiative anywhere in the world, which would meet the nutritional requirements of nearly 810 million people, has been put into place in India, through the Food Security Act, 2013. The law will provide subsidized foodgrain to nearly 67% of our population, as an enforceable right, and not just as a welfare scheme. The law also gives special consideration to the nutritional requirements of pregnant and lactating mothers, young children and other chronically mal-nourished groups. Similarly, the Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGA) provides right based employment to millions of persons in rural areas; the Right to Education Act provides every child in the country the opportunity of education; and the Right to Information Act creates a legal obligation on the State to share information with the citizens on how it functions, and implements its welfare schemes and programmes. Besides these entitlement based programmes, there are multiple other schemes, which address issues of rural health and sanitation, rural drinking water, rural roads, rural housing and health insurance for the poor. These schemes and programmes have had visible impact, especially in the rural areas: rural per-capital consumption has increased four times faster than earlier, rural wages have increased much faster after 2005, recent data reveals that poverty across India has come down by almost 15 percentage points after 2004, and no case of polio has been detected in the country in

the last two years, thus eradicating a disease which used to cause disability to millions of people.

5. As we continue to take measures to alleviate the living conditions of a large majority of our country, we need to be especially conscious of the need to ensure that funds are utilized in the manner envisaged, there is no leakage or siphoning off of resources, and Government agencies are held accountable to their actions. This leads to the need to improve governance at all levels, with the realization that democracies flourish only if Governments are transparent and accountable to the people. In respect of corporate governance, India is implementing a new competition law since 2009, which differs from the old one in two respects: first, that big is no longer bad, but the abuse of size is definitely bad; and, secondly, 'rule of reason', rather than the 'rule of law' approach, is to be used in determining violations of the competition law.

6. Coming to the event this evening, we have two eminent persons speaking about two disparate issues, and both relate to India and the CUTS agenda closely. First, Bill Kovacic, professor of GWU Law School and former chairman of the US Federal Trade Commission (FTC), will speak about building new competition institutions; then, Rakesh Mohan, Executive Director of India on the Board of the IMF and former Deputy Governor of the Reserve Bank of India, will speak about emerging powers and global governance. Bill Kovacic will enlighten us on how implementation of the new competition law needs to be fashioned in India, and implemented with growth as its primary outcome. Rakesh will plot the global history of geo-economic shifts from the Industrial Revolution era to the contemporary era, he will speak on how the centre of economic gravity

shifted from Europe to the USA after World War II, leading to the establishment of the Bretton Woods global economic governance architecture; and, how, following the Great Recession of 2008, with the growth and emergence of BRICS countries, the centre of economic gravity is decidedly shifting to the East. He will also touch on how the relevant institutions will need to reform and adjust to a more equitable distribution of global economic governance.

7. Also, we have two distinguished commentators: Swami Aiyar, consulting editor with the Times of India group and a senior fellow at Cato Institute here in Washington, and one of India's noted economic commentators; and, Ed Luce, chief commentator on the U.S at FT. Ed is an old India hand, having served as FT's South Asia Bureau Chief at Delhi, as well as published a book with the intriguing title: "In Spite of the Gods—The Rise of Modern India".

Ladies and gentlemen,

Let me now conclude and thank everyone who are here, and hand over the proceedings to Pradeep. He will be moderating the event, and I wish you an exciting cerebral evening.

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