

Personal photo by Puneet Gupta



International Economics and Development

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For me, all economic issues like trade, investment and finance are important, not only professionally but also personally. Professionally, developing countries like my home, India, depend a lot on donor funding from abroad. If there are trade imbalances that induce the government of either the home country or the foreign country to change its trade policies, both the countries will be impacted not only in terms of trade, but also in terms of capital flows.

On a personal front, investment and finances are very important in my life. As someone has said: "If you want to save your money, then save the taxes and the money will automatically be saved." If you invest rightly and save the maximum possible tax you can, you can create a fortune for yourself in a very short duration of time. One very good example of this can be a tax saving systematic investment plan. These small strategies not only benefit the person, but also the government, as the economy gets a continuous supply of the household savings in terms of investment and assistance in keeping its growth up. I have found that I unintentionally tend to compare the demand and supply of anything I am talking about or even while thinking, but this is primarily because that's the kind of orientation I have got.

I believe international finance and trade play a very important role in addressing the development challenges like poverty, especially in a developing country like India. Globalization has been the biggest contributory factor. With world economies being so interconnected and dependent on each other, even a person sneezing in one part of the world can impact another entirely different part of the world! International finance becomes all the more complex with the so-interconnected development issues like poverty, malnutrition, lack of sanitation, gender inequality and environmental degradation.

Recently, I came across a case study of Aravind Eye Care, an Indian specialized eye care institution focusing on protecting people's eyesight with the help of cataract surgeries. They have a very nice business model of catering to the people at the bottom of the pyramid while also generating profits at the same time. They charge market price from the rich people and cross-subsidize poor. International trade and support has been an important factor in their success. The intra-ocular lenses (the costliest thing in the cataract surgery) they use previously had to be imported, but Aravind has set up a manufacturing unit in India itself, which has reduced its cost dramatically. The reason they have been able to do so is through technology transfer from the US. This would not have been possible without the technology support and the interconnectedness of the global economies.