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Romance of the villa?ge

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INDIA needs to drop its "idealisation" of the village lifestyle to further fulfil its huge potential, Minister Mentor Lee Kuan Yew said on Friday.

Speaking at the first Global Indian Diaspora conference in Singapore, MM Lee cited Indian Finance Minister P Chidambaram in suggesting one of the problems India is facing.

"Unless you move from this mythical romantic view of the village ... you are going to slow down your growth," said MM Lee in a dialogue with conference participants.

"These are lost opportunities. I speak as a friend. I watch you missing your chances; I think it's a pity."

In contrast, China has been fast to move people from the countryside to the cities in its rapid economic development process — 40 per cent of China's population is now urban, up from 20 per cent when the country began opening up in 1978.

"You have not accepted that to be a developed nation you need to move your people from the village to the towns where there will be jobs and factories, service industries and where they are better educated, better housed ... and (get) better health services," said MM Lee. "You've got to take that as a given."

A developed India, with good communications, good trunk roads, super highways, fast trains, airports, telecommunications and a completely educated population — would thus mean an urban India. The country's illiteracy rate is now 40 per cent.

Senior Minister Goh Chok Tong, who also spoke at the conference, noted similar challenges.

For example, two-thirds of Indians are engaged in subsistence, rather than commerce and agriculture. So, while India and China have nearly the same amount of arable land, in its best

harvest year India produced 96 million tonnes of rice compared to China's 130 million tonnes.

Both MM Lee and SM Goh also cited the need to vastly improve infrastructure in the country. So, with challenges in both mindset and structure, it will lag behind China, even if India continues to grow due to its massive economy.

"If India stays on its route, I see India making about 60 per cent the progress of China. In other words, every year, the gap will widen," said MM Lee.

What China lacks compared to India, however, are global companies and business leaders such as Indra Nooyi Pepsi Co and Vikram Pandit, the new head of banking giant Citigroup.

But these chieftans are making their mark outside India, noted MM Lee, who added, "Something in (India) is constraining these guys, right. So I suggest a hard look, a hard-headed analysis."

Nonetheless, for SM Goh, the achievements of the Indian diaspora gives him confidence in the potential of Indians as a people.

In Singapore, the Indian expatriate community numbers 200,000. And the Republic is "becoming home to a new wave of immigrants" from the sub-continent, Singapore President S R Nathan said on Friday.

Given the history of the Indian diaspora here, Singapore is planning to set up an Indian Heritage Centre, which will also document the community's contribution to Singapore's development, announced Prime Minister Lee Hsien Loong at the conference.

In time to come, India could be a global financial power to be reckoned with as the centre of the world economy gravitates from the Atlantic to the Pacific and Indian Ocean.

"After this crisis, there will be rethinking about the future of the international financial system ... you may have to factor in that over the next 10, 20 years, India will play a bigger and bigger role," said MM Lee.

"The rupee will become an important world currency as the Indian economy grows, so will the Chinese yuan and all this will have to be factored in into the global financial system."