

My Faith in India

Despite its challenges, the country has made tremendous progress

Tommy Koh

The Straits Times, 9 March 2013

GROWING up in a British colony, after World War II, I could not accept the right of the British to rule over us. I supported the anti-colonial struggle then taking place in Asia, Africa and elsewhere.

I was inspired by the moral crusade of Mahatma Gandhi against the British in India. It seemed miraculous that the non-violent struggle led by this man, whom Winston Churchill had grossly underestimated and dismissed as that "half-naked fakir", would defeat the might of the British empire. Gandhi was one of my childhood heroes.

Nehru's legacy

India's first prime minister, Jawaharlal Nehru, was another hero. His enduring legacy to India consists of democracy, secularism and the rule of law. Nehru had championed Indonesia's struggle against the Dutch, Myanmar's struggle against the British, Vietnam's struggle against the French, and the freedom movement everywhere.

In 1947, two years before India's independence, Nehru had convened the Asian Relations Conference in New Delhi to promote the idea of a federation of Asian states. He was also an architect of the Bandung Conference of 1955, which sought to unite Asia and Africa.

Nehru was a visionary and a man ahead of his time. His 1947 statement that "the future is bound to see a closer union between India and South-east Asia" is coming true.

Hindu rate of growth

Like many leaders of his generation, such as Kwame Nkrumah of Ghana, Julius Nyerere of Tanzania and Kenneth Kaunda of Zambia, Nehru embraced socialism. He believed in central planning and heavy industries.

His economic strategy was based on a policy of import-substitution, a fixed exchange rate for the rupee and massive power given to the bureaucracy to control imports and exports.

As a result, the Indian economy grew at a very modest rate between 1947 and 1991, and was barely able to keep up with the population increase. Indians had come to accept the under-performance of the Indian economy as normal and referred to the low growth rate as the Hindu rate of growth.

Second tryst with destiny

An economic revolution took place in 1991. India found itself in dire circumstances. The economy was stagnant and the country was faced with a balance of payment crisis. The country was at a crossroads.

Under the leadership of then Prime Minister P.V. Narasimha Rao, then Finance Minister Manmohan Singh and then Commerce Minister P. Chidambaram, India had a second tryst with destiny. It decided to change course and to embrace reform and to open up the economy. It decided to unleash the private sector and to enable Indian enterprise and talent to flourish.

India's achievements

From 1991 to 2000, the average annual rate of growth of the Indian economy was 5.6 per cent. For the decade from 2001 to 2011, the economy grew at an average annual rate of 8.2 per cent. In 2005, 2006, 2007 and 2010, the growth rate exceeded 9 per cent.

India's external trade increased from US\$37.3 billion in 1991 to US\$411.4 billion in 2011. As economic prospects improved and the business environment became more conducive, foreign direct investment received by India went up from US\$73 million in 1991 to US\$46 billion last year.

World-class Indians

Liberated from the unreasonable restrictions of the past, the Indian private sector has boomed. Several Indian companies have become global champions.

Mr Lakshmi Mittal's Arcelor is one of the world's largest steel companies. Tata has acquired the British steel company Corus, and owns the prestigious Jaguar and Land Rover. Bharti Airtel has expanded into Africa. Wipro, Infosys and other Indian companies rank among the best in the information and communication technology industry. India's largest IT company, Tata Consultancy, has a large development centre in Singapore and an even bigger one in China.

Bangalore is linked to Silicon Valley. Talented Indians have headed such leading companies and institutions as Pepsico, Citibank, McKinsey and Standard Chartered. Indian professors are present at all the top universities of the world.

Nobel laureate Amartya Sen is one of the world's most admired economists. Mr Fareed Zakaria is a global icon in journalism.

Mr Narayana Murthy, Mr Nandan Nilekani and Mr Azim Premji are pioneers of the IT industry and philanthropists.

India's challenges

Although India has made tremendous progress in the past 20 years, it has still a long way to go to become a First World nation. Hundreds of millions of Indians continue to live in abject poverty, without access to clean water, sanitation, housing and health care. Thirty-seven per cent of Indians are illiterate. Forty-two per cent of children under the age of five in India are malnourished. The infant mortality rate is 44 per 1,000 live births.

The maternal mortality rate is 212 per 100,000 live births. The discrimination against girls is reflected in the child sex ratio of 914 girls per 1,000 boys.

The United Nations Development Programme's Human Development Index ranks India No. 134 out of 187 countries. India will fail to meet several of the Millennium Development Goals and Targets. I hope that Indian leaders will reduce their tolerance for poverty. Law enforcement is weak. Indian women are not treated with sufficient respect and equity.

The journey is incomplete

India's journey to economic reform and opening is incomplete. Several sectors of the Indian economy remain closed to foreign participation and competition. The infrastructure is inadequate. The bureaucracy and regulators often have a protectionist mindset.

The World Bank has ranked India No. 132 for ease of doing business. Corruption is pervasive and Transparency International has ranked India No. 94 out of 174 countries. Approvals could take years to obtain. To get a judgment from a court could take years and, in some cases, even decades. Sometimes, changes of policy, legislation and taxation are applied retrospectively.

India's leaders know that after centuries of stagnation and decline, India has a historic opportunity to catch up with the West. They also know India faces many challenges. They are determined to overcome those challenges.

As an old friend and admirer of India, I am optimistic about India's future. I believe that India will succeed in becoming one of the world's largest economies and a middle-income country.

The writer is the co-chairman of the India-Singapore Strategic Dialogue and an Ambassador-At-Large at the Ministry of Foreign Affairs.