

India-China clash unlikely, says MM

For the next 30 years, focus will be on economic growth



Minister Mentor Lee Kuan Yew with Indian industry captain Ratan Tata at the first Singapore Symposium held in India yesterday. The event featured several star Singaporeans who discussed the Singapore growth and governance experience and its relevance to India. PHOTO: AGENCE FRANCE-PRESSE

By Ravi Velloor
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NEW DELHI: China and India have a history of tensions over their long and disputed frontier, but they are unlikely to come to blows since both are focused on growing their economies.

Giving his assessment of the two Asian giants, Minister Mentor Lee Kuan Yew said yesterday: "There is no economic value if the border is shifted 200 metres on one side or the other."

He added: "It will not be all sweetness and reasonableness but I would be sur-

prised if there was any conflict in the next 20 to 30 years. It will take that time for both to get their economies to speed."

Mr Lee, who is here on a four-day visit, was speaking at a dialogue moderated by Indian industry captain Ratan Tata at the first Singapore Symposium held in this country.

Jointly organised by the Institute of South Asian Studies (ISAS) and the Confederation of Indian Industry, the day-long event featured several star Singaporeans who discussed the Singapore growth and governance experience and its relevance to India. Speakers included

Spring Singapore chairman Philip Yeo, Keppel Corporation senior adviser Lim Chee Onn, Lee Kuan Yew School of Public Policy dean Kishore Mahbubani and National University of Singapore president Tan Chorh Chuan.

Introducing Mr Lee, ISAS chairman Gopinath Pillai said Mr Lee had an abiding interest in India and was well aware of India's entrepreneurial strengths.

"In November 2005 at the annual Nehru lecture, Minister Mentor pointed out that Nehru's view of India's place in the world and as a global player was within India's grasp," Mr Pillai said.

Rising border tensions between India and China have been a source of concern for the rest of the Asian continent, coming at a time when their economies are rebounding from last year's global financial crisis.

The subject came up in Mr Lee's discussions with Prime Minister Manmohan Singh and other government leaders such as Foreign Minister S.M. Krishna, Indian officials said.

Asked if Singapore could help reduce tensions between China and India, Mr Lee ruled out such a role.

"It is a very alluring prospect but both must want to get closer together," he said.

"If the Americans can't do it, the Europeans can't do it, how can Singapore do it? We are too small."

Mr Lee also refused to be drawn into speculating on the comparative growth prospects of China and India, merely noting that a recent Financial Times (FT) report had pointed out that India's economy was less than half that of China, while its growth rate was also slower. For that reason, the article said, it was a mistake to put them in the same category.

Asked by an FT reporter to amplify his own views on the matter, Mr Lee declined further comment.

"I have just repeated my respect for the Financial Times," he said, to loud laughter from the audience.

Indian officials also were keen to have Mr Lee's take on the current state of US-China relations.

In answer to a question, he said he thought the current phase of softness in US-China ties may last three to four years. But as the US economy recovers and America regains its strength, the rivalries will re-emerge.

"The competition for primacy in the Pacific will continue," he said. "America knows that if it loses its primacy in the Pacific, it will lose it worldwide. So, that contest will continue."

While China's spectacular growth cannot be expected to continue uninterrupted, there was also no question about its economy being on autopilot, Mr Lee said.

China was taking sustained measures to keep its economic engines moving, propping up manufacturing, raising home lending, making huge investments in infrastructure in the west for inland China to keep up with its coastal provinces.

"They are making adjustments every day. It may seem ad hoc, but they are intelligently ad hoc," he said.

China, he said, had discovered the merits in connecting up its cities.

"If India, too, can get its transportation and communication links going, its economic growth rate could rise another 2 to 3 per cent annually," he said.

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On growth, graft and strategic ties

INDIA'S GROWTH PROSPECTS

"India is not doing badly. (Home) Minister P. Chidambaram was confident that you would make 8 per cent growth. I think you can do better. If you can cut the red tape, free bureaucracy from excessive controls and allow your entrepreneurs to expand and get the infrastructure in the right place, then the foreign direct investments will come that will bring millions of jobs and transform the economy."

CORRUPTION IN CHINA AND INDIA

"During the communist period, money couldn't buy you everything. Things in the shops were available only to people of certain ranks. When they liberalised, officials found shops full of goods but they couldn't afford them. It is the nature of human beings to say, well, you have to share! That was the beginning of their corruption. In India, (salaries of) bureaucrats remained stagnant. They had to make a living equal to their status. There is also a different problem - politicians partially dependent on corruption to finance elections."

RECENT CHINA-INDIA TENSIONS

"Both realise that they need to grow, so a conflict is counterproductive. Everyone knows the border conflict will not be resolved in the foreseeable future. Trade and investments will increase but the strategic differences will remain. It will not be all sweetness and reasonableness, but I would be surprised if there was any conflict in the next 20 to 30 years."

US-CHINA RELATIONS

"For the time being, the tone of the relationship has changed. The US needs China's cooperation to recover. I see a period of softness and cooperation. When that period is over, I doubt that mould will continue. The competition for primacy in the Pacific will continue. America knows that if it loses its primacy in the Pacific, it will lose it worldwide."