

Why the future belongs to India

May 10, 2009, Times of India

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In preparing for a much publicised debate in London on the motion 'The future belongs to India, not China', i was reminded of a conversation with my mother. She had asked, what is the difference between China growing at a rate of 10% and India at 8%? I replied that the difference was, indeed, very significant. If we were to grow at 10% we could save twenty years. This is almost a generation. We could lift a whole generation into the middle class twenty years sooner. She thought for a while and then said gently, "We have waited 3,000 years for this moment. Why don't we wait another twenty and do it the Indian way?"

She had understood that the cost of democracy is the price the poor pay in the delay of their entry into the middle class. She did not elaborate the 'Indian way' but it must include taking a holiday on half a dozen New Year's Days! It is easy to get mesmerized by China's amazing progress and feel frustrated by India's chaotic democracy, but i think she had expressed the sentiments of most Indians who will not trade off democracy for two per cent higher growth.

In referring to the 'Indian way', my mother meant that a nation must be true to itself. Democracy comes easily to us because India has historically 'accumulated' its diverse groups who retain their distinctiveness while identifying themselves as Indian. China has 'assimilated' its people into a common, homogeneous Confucian society. China is a melting pot in which differences disappear while India is a salad bowl in which the constituents retain their identity. Hence, China has always been governed by a hierarchical, centralized state — a tradition that has carried into the present era of reform communism. China resembles a business corporation today. Each mayor and party secretary has objectives relating to investment, output and growth, which are aligned to national goals. Those who exceed their goals rise quickly. The main problem in running a country as a business is that many people get left out.

India, on the other hand, can only manage itself by accommodating vocal and varied interest groups in its salad bowl. This leads to a million negotiations daily and we call this system 'democracy'. It slows us down — we take five years to build a highway versus one in China. Those who are disgruntled go to court. But our politicians are forced to worry about abuses of human rights, whereas my search on Google on 'human rights abuses in China' yielded 47.8 million entries in 13 seconds! Democracies have a safety valve — it allows the disgruntled to let off steam before slowly co-opting them.

Both India and China have accepted the capitalist road to prosperity. But capitalism is more comfortable in a democracy, which fosters entrepreneurs naturally. A state enterprise can never be as innovative or nimble and this is why the Chinese envy some of our private companies. Democracy respects property rights. As both nations urbanize, peasants in India are able to sell or borrow against their land, but the Chinese peasants are at the mercy of local party bosses. Because India has the rule of law, entrepreneurs can enforce contracts. If someone takes away your property in

China, you have no recourse. Hence, it is the party bosses who are accumulating wealth in China. The rule of law slows us down but it also protects us (and our environment, as the NGOs have discovered).

We take freedom for granted in India but it was not always so. When General Reginald Dyer opened fire in 1919 in Jallianwala Bagh, killing 379 people, Indians realised they could only have dignity when they were free from British rule. The massacre at Tiananmen Square in 1989, where 300 students were killed, was China's Jallianwala Bagh. China today may have become richer than India but the poorest Chinese yearns for the same freedom.

Because the Indian state is inefficient, millions of entrepreneurs have stepped into the vacuum. When government schools fail, people start private schools in the slums, and the result is millions of 'slumdog millionaires'. You cannot do this in China. Our free society forces us to solve our own problems, making us self-reliant. Hence, the Indian way is likely to be more enduring because the people have scripted India's success while China's state has crafted its success. This worries China's leaders who ask, if India can become the world's second fastest economy despite the state, what will happen when the Indian state begins to perform? India's path may be slower but it is surer, and the Indian way of life is also more likely to survive. This is why when i am reborn i would prefer it to be in India.

The writer is speaking in a debate in London on May 12, 2009, in support of the motion 'The future belongs to India, not China'