



Forward thinker

Delhi [ECONOMICS]

India's economy has grown at an astonishing rate over the past two decades, averaging more than 7 per cent a year since 1997. Capitalising on a large, English-speaking and increasingly well-educated workforce, it has positioned itself as an information technology hub.

But serious problems remain. The gap between rich and poor continues to grow, an estimated 25 per cent of the one billion population lives below the poverty line and corruption is endemic. Recent mass protests over the scale of corruption, led by the hunger-striking campaigner Anna Hazare, have further highlighted India's struggles.

For the Indian government to deliver any long-lasting changes, much will rest on the shoulders of its chief economic adviser, Kaushik Basu, a Marx-admiring, portrait-painting academic who was plucked from New York's Cornell University two years ago. MON-OCLE meets Basu in Delhi to discuss his hopes and fears for India's economic future.

[INDIA IN NUMBERS]

A land of extremes (and the figures back that up)

478 MILLION

people employed – second only to China

25%

live below the poverty line

\$3,500 GDP

per capita

10%

inflation

\$359BN

imports in 2010

The sense of optimism that's surrounded the Indian economy for the past few years seems to have dissipated. Why?

About six to nine months ago we had some bad news with corruption scandals such as the Commonwealth Games. But these things work in spirals – just like you have spirals of irrational exuberance, you also get irrational pessimism. I think the mood now is worse than the reality warrants. The Indian economy will probably not grow quite as fast as we were expecting this year but even if it grows at 8 per cent, it will be among the five or six fastest growing economies in the world.

What are the greatest challenges ahead and what do you predict India's economic growth will be in the next few years?

We need a more vibrant market economy and for that we need huge infrastructural investment. We need to improve our governance in a big way. One worrying challenge is the distribution of the spoils of growth. Poverty is not coming down fast enough. I also truly believe that within the next four or five years, India will overtake China in terms of growth rate.

And what about inflation?

Talk of inflation has certainly contributed to the mood downswing as it has persisted for some time. But there are a number of other emerging economies now inflating at around the same rate. Inflation is no longer the result of a country running its fiscal policy wrongly. Now, the structure of the world has changed. It's a globalised world. — AB

Greener growth

Japan [URBAN PLANNING]

It's a hot topic for emerging Asian nations – how to combine eco-friendly urban planning with fast-growing populations. And Japan, it seems, may have the answer. A new council to promote the development of model green cities across Asia is being set up by the Japanese government along with universities and leading industries, including Mori Building, Panasonic and Toshiba. The council aims to export Japanese “eco city” technology – such as waste recycling, energy-saving lighting and water systems – to communities in emerging nations such as China, India and Vietnam. — DD



The show mustn't go on

China [TELEVISION]

The Chinese government has pulled the TV talent show “Super Girl”, deeming it a threat to Chinese values. A second talent show, “Fei Tong Fan Xiang”, was also forced to axe its transsexual judge. “China’s Got Talent”, broadcast on commercial TV, is still going, serving to highlight the lack of hit shows on state-run CCTV. — JB

