

## **The Business Times Online; 28 September 2011; Kuan Yew does not see govt getting populist**

<http://www.businesstimes.com.sg/sub/news/story/0,4574,458040,00.html>

Former Prime Minister Lee Kuan Yew does not see the government taking the populist route or becoming somewhat weaker because of the shift in the political ground that showed up in May's general election.

'No, I don't think so,' he said yesterday when asked by a delegate at the wrap-up session of the Russia-Singapore Business Forum.

'Losing a GRC and six seats in Parliament is not a disaster,' said Mr Lee who held a 45-minute-long 'in conversation' with the 600 delegates who came from Russia, the Commonwealth of Independent States, Singapore and the rest of Asia. 'It's just a change in the mood of the people.'

Whether the trend continues will depend on the new elected leaders and their response to the ground, according to him.

'If you believe some competition is good ... But unless the competition is positive, I don't see the trend will continue,' said Mr Lee, who is Senior Advisor to the Government of Singapore Investment Corporation. 'It depends on how the opposition behaves and how we're going to react. It's not a game of appeal.'

On the question of leadership in crisis-hit Europe and America at the moment, Mr Lee said it has to move in step with the people.

For now, still generally leading a comfortable life despite their economic ills, Americans and Europeans are not in the mood to accept bitter medicine, he said. And short of behaving like Stalin and killing people, their leaders can't do anything about it.

But Mr Lee said the mood in America and Europe will change if they continue to spend beyond their means. When that happens, the leaders can do what it takes to solve their problem, which he believes boils down to overspending and indebtedness.

Mr Lee does not buy the argument that institutions in America and Europe stand in the way of good leadership. On the contrary, he thinks building institutions is a way to prepare a country to carry on without good leaders, who do not come easily.

He said without institutions, which is the case in many developing countries, a change in leadership has often produced catastrophic consequences.

Mr Lee also believes that high commodity prices - spurred by China's massive economic development - will keep resource-rich Russia 'doing well' for a long time. Yet that in itself could keep Russia from doing even better by introducing greater competition in the country - and diversifying into industries, he said.

In any case, Mr Lee said that to move away from over-dependence on commodities and to industrialise in Russia is also a question of governance and culture. And these will take time to change.

Mr Lee is not impressed with the hype over the BRICS grouping, which commentators say will be the wave of the future global economy.

To him, BRICS is simply a convenient acronym for Brazil, Russia, India, China and South Africa - and 'to show that a new phase has entered into the world'.

'I don't see the confluence of interests continuing over a prolonged period and in the same direction,' Mr Lee said, pointing to the diverging aspirations and long-term plans of the BRICS countries.