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Asia treading near overconfidence

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SINGAPORE -- Perusing the newsstand in the Hong Kong airport on my way here, I saw something that caught my eye: most of the books were about China's -- and Asia's -- allegedly unstoppable rise to the world's foremost superpower. Among the books were *New Asian Emperors*, *A Bull in China*, *China Shakes the World* and *China into the Future*. In the magazines section, you could see The Economist's cover reading, "Asia's astonishing rebound."

I was surprised by this outburst of buoyancy because in several trips to Asia in recent years, I had found the opposite. Chinese officials consistently tried to play down Western forecasts that China will become the world's largest economy.

A CHANGE IN ATTITUDE

When I pointed out to Chinese officials that I was amazed at how rapidly China was modernizing, they would tell me, "Yes, but we still have 800 million poor. In many parts of our country, we are still in the Third World." The party line was trying to avoid scaring the West.

But now, the Chinese -- and their fellow Asians -- are brimming with confidence, and seem less worried about showing it. While major Western countries' economic output is expected to fall by 3.5 percent this year, and Latin America is projected to decline by nearly 2 percent, Asian economies are likely to grow by more than 5 percent.

In Singapore, I paid a visit to Kishore Mahbubani, the author of the recently released *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*. Mahbubani, a former Singapore ambassador to the United Nations, is the dean of the National University of Singapore's School of Public Policy, and one of the country's best-known thinkers.

"We are reaching the end of the era of Western domination of world history," he told me.

The West has dominated world history for only a brief period of time, spanning from the 1820 Industrial Revolution to nowadays, he said. "That period was a historical aberration, and is coming to an end. That's why I talk about the 'return' of Asia, and not about the 'rise' of Asia."

Mahbubani says there is "an explosion of cultural confidence of nuclear proportions in

Asia," due, among other things, to the fact that Asia's embrace of free-market economics has unleashed the business creativity of the region's 4 billion people. Also, Asia's meritocratic systems -- as opposed to many Latin American countries' tradition of cronyism -- and its strong emphasis on education will turn Asian nations into technological powerhouses, he said.

EDUCATION OBSESSION

My opinion: Maybe so. Based on what I saw in Singapore, China and India, there is an obsession with improving education in Asia that you don't see in the West. That will help Asian countries create elite scientists who will produce increasingly sophisticated -- and well-priced -- exports.

Still, I can't help but recalling that 40 years ago the conventional wisdom was that Russia would rule the world, and 30 years ago it was that Japan would be the world's next superpower. It didn't turn out that way.

Perhaps because many of these books' authors have a soft spot for authoritarian regimes, they tend to downplay the possibility that racial and political tensions will explode in China, Vietnam, Singapore and other non-democratic countries. (I'm more upbeat about India, a democracy that is already used to absorbing internal conflicts.)

In addition, China's economic system is legally murky, and there are greater risks of wars among Asian countries than between the United States and Mexico or -- considering the little appetite in the U.S. Congress for new wars after the Iraq fiasco -- any other countries.

And the West is still far ahead in science and technology. The number of U.S. patents registered annually dwarfs that of China. And according to China's own Shanghai University ranking of the world's best universities, U.S. universities are far ahead of the pack.

We can't rule out that there will be "New Asian Emperors," as the book forecasts. But it won't happen overnight, and it may not happen at all. Despite Asia's phenomenal growth, I wouldn't put all my savings in Chinese yuans, at least not yet.