

Global Views

Asia rises, Kishore Mahbubani

After more than 30 years as a senior diplomat, including stints as Singapore's ambassador to the UN and President of the UN Security Council, Professor Kishore Mahbubani is now Dean of the School of Public Policy at the National University of Singapore. In a series of books, including "The New Asian Hemisphere – the irresistible shift of global power to the East", he has established himself both as a friend and a fearless critic of the West, arguing that it must learn to share power more equitably in the new global economy.

"We are entering a new era of world history that is completely different to the last 200 years. I call it the end of the era of Western domination. That does not mean the end of the West, which will remain very strong and powerful.

But now we are seeing the return of Asia. Why return? Because, until 1820, the world's two largest economies were consistently China and India. The last 200 years were a major historical aberration. That is coming to an end.

The financial crisis has dramatically accelerated the shift of power to the East, and has caused a major change in the psychology of Asian policy-makers.

They naturally looked to Washington, London, Paris or Berlin for answers to global problems. But suddenly they are beginning to wonder why their teachers have performed so badly. Asians also feel increasingly confident that they are on the right track. They've paid attention to the fundamentals – balancing budgets, saving for the future – and now find themselves in a much better position than the West.

Failures of financial regulation were the result of the West, notably Alan Greenspan, the former chairman of the Federal Reserve, becoming a prisoner to the Reagan/Thatcher ideology that government is not the solution, it is the problem.

Asians were very puzzled by this because there's a view in Asia that you need a balance between the invisible hand of markets and the visible hand of good governance. In the West, ideologically, the market is the only thing that matters.

Ironically another result of the financial crisis is that Asians are discovering they have greater faith in the free market and free trade than the West right now. That's why you are seeing Congress holding up trade agreements with Panama and Colombia for instance. By contrast some 300 Free Trade Agreements have been signed between the countries in the Asia-Pacific region.

Western governments, representing 12% of the world's population, are reluctant to share power in key institutions like the IMF and World Bank with those representing the other 88% of the population. That's a reflection of their refusal to accept that power has shifted.

Before the era of globalisation the world's countries were like 192 separate boats sailing the seas and we needed rules to ensure they didn't collide. But now we are so integrated it's as if we're living in 192 cabins

on the same ship. Each cabin has a government taking care of it, but no one is looking after the ship as a whole. That is crazy.

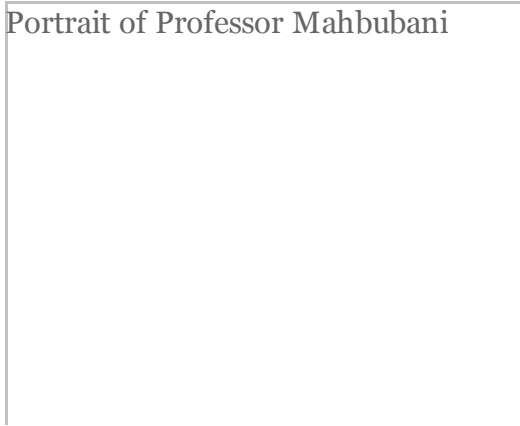
Does that make me pessimistic about the future? No, quite the opposite.

I am 63 years old and this is the most optimistic I've ever been in my life. The world is becoming a much more civilised place. For example, the prospect of a major war is the lowest it's been for 200 years. The pace of modernisation is the fastest it's ever been in history. The number of people being rescued from absolute poverty is the highest it's ever been. The number of people joining the middle classes is higher than ever.

I guess my optimism is partly a reflection of the fact I am here – these are the best of times for Asia. But it's not just Asia – look at parts of Africa and Latin America where there is also growing optimism.

But I've never seen the West as pessimistic as it is today. So we've really got to figure out why 12% of the world is feeling so pessimistic when 88% is feeling the opposite."

Portrait of Professor Mahbubani



Professor Mahbubani was interviewed by Simon Beavis, July 2011

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