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Make Way For The Rise Of Asia

Americans shouldn't assume they'll remain on top. The world is changing, and they'd better adapt.

By Kishore Mahbubani | NEWSWEEK

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There's a curious paradox in America's relations with the rest of the planet these days. The United States has done more than any other country to make the world a better place. Asia especially has benefited: when Europe dominated the globe, Asia was subjugated, but when the United States took charge after World War II, Asia was liberated. The U.S.-inspired rules-based global order that has emerged since has enabled Asian economies to thrive. American universities have trained hundreds of thousands of Asian policy makers, who have in turn used U.S. best practices to transform their societies. Given this historical backdrop, the United States should be reaping a global harvest of good will.

Instead, the country's reputation today stands at a record low, and U.S.-trained elites in Asia are among the country's fiercest critics. They find Washington's current incompetence stunning and are puzzled by its complacency. The U.S. intelligentsia seems to believe that global anti-Americanism will pass when George W. Bush leaves the scene. In fact, the problem is far more serious. The world has changed and the United States has not. The nation's relative power is declining: according to the World Bank, for example, the U.S. share of world GNI dropped from 31 percent in 2001 to 28 percent in 2006.

To make matters worse, Washington's foreign policy has become incompetent. Take the Iraq War, one of the most disastrous American adventures in history. U.S. elites behave as if the war was the fault of Bush, Vice President Dick Cheney and former Defense secretary Donald Rumsfeld alone. Yet the reality is Congress authorized the conflict, and few American voices opposed it. Warnings, including those from the U.N. Security Council and numerous friendly governments, were roundly ignored.

That they were suggests just how complacent American leaders have become. Having transformed the world, Americans today should be asking themselves whether and how they



too need to adapt. Yet there are no signs that this process is taking place. Washington continues to undermine the United Nations, sacrifice the Doha Round of trade talks to protect a few American farmers and demonstrate incredible insensitivity to Muslim sentiments around the world. There is not even a hint of fresh American thinking on a range of global challenges. An Indian academic, Pratap Bhanu Mehta, once said that the difference between India and China was that while India was an open society with a closed mind, China was a closed society with an open mind. The same comparison can be made between China and the United States today. America's leaders are acting like China's emperors did in the 19th century. Then, China failed to adjust to the rise of the West. Today, the United States is failing to adjust to the rise of Asia.

As Washington has foundered, Asia has come on strong. After 9/11, when the U.S. government was distracted by Afghanistan and Iraq, China used the window of opportunity to build up reservoirs of good will in Latin America, Africa and especially East Asia. Its economy grew at the fastest possible rate. And Beijing decided to share that prosperity with its neighbors. In November 2001, Chinese Prime Minister Zhu Rongji stunned the leaders of the Association of Southeast Asian Nations by offering them an unprecedented free-trade agreement (FTA). When implemented, the FTA will constitute a common market of 1.7 billion people, with a combined gross domestic product of \$1.5 trillion to \$2 trillion. Meanwhile, trade flows between China and other Asian states have become the fastest growing on the planet. At the end of the cold war, China's trade with Japan totaled just \$16 billion; with South Korea, \$3.8 billion, and with India, \$260 million. In 2005, the tally with Japan had hit a whopping \$213.3 billion; with South Korea, \$111 billion, and with India, \$20 billion. Having spent 50 years after World War II as the arena for the world's biggest wars, Asia is now contributing more to the increase in global prosperity than any other region. More important, it is also experiencing a massive explosion in cultural confidence. This helps explain why countries such as China, India, South Korea and Vietnam are moving ahead so rapidly.

The big question now is what kind of role can the United States play in Asia's renewal? U.S. universities continue to churn out dynamic new Asian elites, and American businesses are taking advantage of new opportunities there. Yet even these roles are in danger. A protectionist mood is sweeping across the United States, and American leaders aren't teaching the public the dangers of such sentiments. Instead, American politicians are once again bending to the prevailing political winds by threatening legislation against China's supposedly undervalued yuan. The problem is not the yuan; it is America's lack of competitiveness.

For too long, Americans have assumed that their nation would always remain the world's strongest and need not adapt to the rest of the globe. It's high time to abandon that belief. The United States will not always be exceptional. Indeed, in some senses, it no longer is. Its economy, like others, will have to change if it is to meet the challenges of globalization. Both its working and middle classes will have to retool to compete. Americans should stop pretending that they are immune to pressures for change. Instead, the United States should

learn to behave like a normal country. Luckily, pragmatism is a traditional American virtue; right now the nation needs all it can get.

Mahbubani is dean of Singapore's Lee Kuan Yew School of Public Policy and the author of the forthcoming book, "The New Asian Hemisphere: The Irresistible Shift of Global Power to the East."

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