

Entering the Asian Century*

Kishore Mahbubani

(Distinguished Fellow, Asia Research Institute, National University of Singapore)

Abstract: The following is an edited transcript of the Macau University of Science and Technology's 23rd Anniversary Honorary Doctoral Lecture by Kishore Mahbubani on March 27, 2023. In this lecture, Mahbubani argues that while Asia has made great leaps in economic strength and influence in recent decades, political, normative, and cultural power remains overwhelmingly in the West, creating structural global imbalances which need to be corrected. At the same time, Asia's ascendancy could be jeopardized by regional divisions caused by great power contest. If Asia is to return to its historical economic dominance in the 21st century, not only must Asian countries continue to grow their economies, they must also work with each other and with other non-Western countries to create a more equitable world order.

Keywords: ASEAN; Asia, Asian 21st Century; Geopolitics; International Institutions; International Relations; Rise of Asia; United Nations; US-China Relations

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Kishore Mahbubani

Distinguished Fellow, Asia Research Institute
National University of Singapore



Kishore Mahbubani has dedicated five decades of his life to public service: 33 years in the Singapore Administrative Service, 13 years as the Founding Dean of the Lee Kuan Yew School of Public Policy (NUS), and now as a Distinguished Fellow at the Asia Research Institute, NUS, where he has launched the Asian Peace Programme and released an MOOC on US-China relations.

In his 33 years as a Singapore diplomat, Kishore took on many challenging assignments, serving for example in Phnom Penh, Cambodia, in 1973/74 when the city was shelled almost every day. Shrapnel penetrated the walls of his house. He also served in Kuala Lumpur, Washington DC and two stints as Singapore's Ambassador to the UN (1984-1989 and 1998-2004). He also held the apex position of Permanent Secretary of the Ministry of Foreign Affairs from 1994 to 1998. He was also conferred the Public Administration Medal (Gold) by the Singaporean Government in 1998.

Kishore had an equally illustrious career in academia. He was appointed the Founding Dean of the Lee Kuan Yew School of Public Policy in August 2004. Within five years, the LKY School was admitted to the Global Public Policy Network, a small elite club of Schools of Public Policy (with the other members coming from Columbia University, London School of Economics and Sciences Po, Paris). Despite his heavy administrative duties, Kishore proved to be a prolific author. He has published nine books: *Can Asians Think?*, *Beyond The Age Of Innocence*, *The New Asian Hemisphere*, *The Great Convergence*, *Can Singapore Survive?*, *The ASEAN Miracle* (co-authored with Jeffery Sng),

Has the West Lost It?, *Has China Won?*, and *The Asian 21st Century*, an open access book which has been downloaded 3.5 million times since its release in January 2022. His latest book, a memoir, is slated for release in August 2024.

Kishore has received global recognition for his intellectual contributions, having been listed several times in the list of top global thinkers by *Foreign Policy* and *Prospect* magazines. The *Financial Times* listed him as one of the 50 individuals who would shape the debate on the future of capitalism. Perhaps the best summary of Kishore's contributions was made in the citation for the US Foreign Policy Association Medal he received in June 2004: "a gifted diplomat, a student of history and philosophy, a provocative writer and an intuitive thinker."

Kishore has held positions in several globally significant committees. He was the founding chairman of the nominating committee of the Lee Kuan Yew World City Prize (2009 to 2019). He also served on the Commission of Eminent Persons to revive the future of the International Atomic Energy Agency (IAEA) in 2007/08, under the Chairmanship of the former President of Mexico, Ernesto Zedillo. He has participated in the annual meetings of the World Economic Forum (WEF) in Davos twenty times, serving also in several WEF committees. In April 2019, he was the second Singaporean to be elected as an honorary international member of the American Academy of Arts and Sciences, which has honored distinguished thinkers, including several of America's Founding Fathers, since 1780.

1. Introduction

Commissioner Liu, Chancellor Liu, President Lee, let me begin by saying that I'm truly delighted to be here this afternoon because all of you did me the great honor of giving me this wonderful honorary doctorate. I never had the pleasure of thanking you in person. So I'm very happy to be here to thank you in person for the great honor you have given me with this honorary doctorate.

At the same time, after beginning with a "thank you", I'm now going to add an apology. As you can see, I'm here to deliver a lecture, but I have no lecture notes. Instead of giving you notes, I'm going to tell you about a book that you can download for free. This book has a very interesting history because it was commissioned by a Chinese think tank, the Center for China and Globalization, and published by the German publisher, Springer. The title of the book is *The Asian 21st Century*. That's why it's relevant to our discussion here. When the book was published, I asked Springer how many copies would normally be downloaded of such a book of essays. I didn't think that many people would be interested in reading a book of essays. They told me that 20,000 downloads would be very good. As of last week, instead of 20,000, there have been 2.71 million downloads in 160 countries around the world. What is the signal that is being sent here? The signal is that the world is preparing for the Asian century, and the world wants to get more information on what this Asian century will be like.

What I propose to do in my lecture today, so that you have a sense of the structure of my talk, is to divide my lecture into three parts. In part one, I'll explain why I am confident that this Asian century will come. As I'm sure you know, in many quarters in the West, even the phrase "Asian century" cannot be used. They don't believe it's real. They don't think it's going to happen. That's why I want to begin by explaining why I am confident that this Asian century will happen. Then in part two, I want to talk about the resistance against the development of this Asian century. And finally, in part three, I'll suggest what we in Asia can do about overcoming this resistance. I hope that gives you a sense of where I'm going.

2. The Return of Asia

So, to begin with, why? Why am I confident that the Asian century will happen? It's important for us to first understand that in the 19th century, we had the European century, when Europe exploded in power and wealth and conquered the whole world. And then the 20th century was the American century, which was clearly, especially after World War Two, dominated by the United States of America. So why is it that after the European century and the American century, we are going to enter the Asian century? The simple answer is that we are returning to a historical norm. From the year 1 to the year 1820, for 1,800 of the last 2,000 years, the two largest economies of the world were always those of China and India. So in the past 2,000 years, we had eighteen Asian centuries, one European century, and one American century. Now we're going back to an Asian century.

This is happening at a completely unprecedented pace. Asia was doing poorly around the 1950s, in the middle of the 20th century. Meanwhile, the United States had done very well after World War Two. The U.S. economy was almost 50% of the world's economy. And China and India combined had less than 5% of the world's economy. The Asian share had shrunk dramatically. But the Asian economy has now taken off, and fast. The most spectacular return is China's. In the year 1980, in PPP terms, China's GNP was only 10% of the United States'. But by 2014, China's GNP had become bigger than the United States', and in nominal market terms could get bigger within 10 years. That's a huge shift. In the year 1960, of the top five economies, not a single one was Asian. They were the United States, the Soviet Union, Germany, Britain, and France. Today, the top five economies are: 1) the United States, 2) China, 3) Japan, 4) Germany and 5) India. So three of the top five economies are already Asian. This is an incredible transformation. I could give you more and more data, but we may have reached the limit of the amount of statistics one can absorb from a speech, so I'll suggest that you explore the data on Asia's rise online.

It's not just the economic rise that's important. The human transformation that has taken place in Asia is just as important. Future historians will marvel at the fact that as recently as 1980, there were about 800 million people living in extreme poverty in China.

Today, the number is virtually zero. That's an amazing transformation. I grew up in a poor Singaporean family, in a poor Singapore. When I went to school in primary one, when I was six years old, I was declared technically undernourished. I was underweight, so I was put on a special feeding program. Now, as you can see, I'm overweight. You can see that this is an amazing transformation! In all seriousness, since I have experienced poverty personally, I can tell you that escaping poverty results in a dramatic improvement in wellbeing. This is now happening all over Asia—not just in China, but in ASEAN and in India too.

One result of that was the creation of the world's largest middle class populations in what I call the new CIA. Here, CIA doesn't stand for Central Intelligence Agency. CIA stands for China, India and ASEAN. If you add up the 1.4 billion people in China, 1.4 billion people in India and 700 million people in ASEAN, the Association of Southeast Asian Nations, you can get 3.5 billion people. Now of all of these 3.5 billion people, in the year 2000—only 23 years ago—there were only 150 million people in the middle class. Now, that number is close to 2 billion people. And it's going to reach 3 billion people by 2030. It is absolutely amazing. When future historians look at our times, they'll be shocked at how fast we changed the world. And this was all achieved through the rise of Asia.

Why is this happening? In my book, *The New Asian Hemisphere*, which Commissioner Liu kindly read last night, I explain that Asians are succeeding because they have understood, absorbed, and implemented seven pillars of western wisdom. These seven pillars of western wisdom include things like the free market, economics, a culture of peace, culture of pragmatism, rule of law, and so on. But the critical one I would emphasize is free market economics. Here, the key thing to note is that free market economics are a gift from the West to Asia. The reason why the Western countries took off was because they implemented free market economics, and this taught us the virtues of free trade. It's a fact, by the way, that initially, the Asian countries were suspicious of free trade. We thought: No, if we open up our borders, Western companies will come and eat up Asia. So we resisted free trade. But guess what? We realized that free market economics is real, it works, it has transformed societies. So we opened up our economies and we liberalized.

The shocking thing is that even though Asian societies have now seen how powerful free market economics can be, the same Western societies which taught us the virtues of free trade are now closing their borders. Future historians will be very puzzled by this. Let me give you one statistic that dramatically illustrates what free trade can do. China, in a remarkable act of generosity, proposed a free trade agreement to the ASEAN countries around the year 2000, and it was signed in 2001. 22 years have now passed. In the year 2000, China's trade with ASEAN was 40 billion dollars. U.S. trade with ASEAN was 135 billion dollars, more than three times the size of China's. 22 years after the free trade agreement was signed with ASEAN, U.S. trade with ASEAN has gone up from 135 billion to over 520 billion, an increase of 3.8 times. But China's trade with ASEAN has grown from 40 billion dollars to 975 billion dollars, almost a trillion dollars. Never before have we seen such an expansion of trade. This is now probably the world's largest trading relationship, because the total trade between the United States and the EU, the two largest economic entities, is only 900 billion dollars. Although they must be bigger economically, they trade less. So as long as Asia continues to open up and trade with the world, we will do well. But all this brings me to the resistance.

3. Resistance to the Development of the Asian Century

What is the resistance? I would say that there are three areas of resistance to the development of the Asian century. The first comes from the field of geopolitics. Now, geopolitics has been around for 2,000 years or more, and geopolitics tells us that when you have great changes, when you have great shifts of power, you will have turbulence. It's almost inevitable. There's an iron law of geopolitics which says that when the world's No.1 emerging power, which today is China, is about to overtake the world's No.1 power, which today is the United States of America, the world's No.1 power will always push down the world's No.1 emerging power. So one prediction I can make with great confidence is that over the next 10 years the U.S.-China contest will get far more intense. Even though the United States is deeply divided and polarized as a country, and the Democrats and

Republicans disagree on nearly everything, they do agree on one thing: that it's time to stand up to China. Speaking as someone who lived in the United States for a long time and who has many good American friends, I've never seen the United States so wrapped up in the absolute conviction that they have to stop China. If you want some indication of how emotional this can be, and you want to have some fun, I suggest you watch the video of United States senators querying the CEO of TikTok, who is a fellow Singaporean, on January 31, 2024. It's actually quite shocking. But at the same time, it's revealing. There are also other indicators. In my book *Has China Won?*, I outline several structural factors that are driving this U.S.-China contest. So at a time when we should be working together to adjust to a new world, the U.S.-China contest will divide the world and also divide Asia. That's the first area of resistance.

The second area of resistance will come from the fact the Western countries—this includes the United States, Europe, Australia, Canada, and New Zealand—these countries have gotten used to dominating and running the world. This is a fact. If you are used to dominating the world, you wouldn't say to somebody who is now stronger: "Please take my place." Although that would be the graceful thing to do, no great power would give up its privileged position freely. That's the second area of resistance. Let me give you a concrete example of this. I've already indicated to you that the more successful economies in the past ten or twenty years have been the Asian economies. We are growing much faster than the Western economies are. Let me just give you one statistic to drive that point home. The world's most successful and powerful regional organization is the European Union, which has a combined GDP of over 15 trillion dollars. The second most successful regional organization in the world is the Association of Southeast Asian Nations, ASEAN, which has a combined GNP of only 3 trillion dollars. So who contributed more to global economic growth between 2010 and 2020? The answer should be the European Union. But that would be the wrong answer. ASEAN actually contributed more to global economic growth. So you would assume that since Europeans are not growing and Asians are growing, Asians should be allowed to run the two most powerful international economic organizations, the IMF and the World Bank. But when the IMF and World Bank were founded in the 1940s,

they created a rule that the head of the IMF must be a European and the head of the World Bank must be an American. Almost 80 years have passed, and this rule hasn't changed. That's an example of resistance.

The third area of resistance doesn't come from the United States or from Europe. It comes from us in Asia. This resistance is the psychological resistance of Asians to accepting the fact that the Asian century is here. So few Asian leaders speak about the Asian century. Why this reluctance? The Asian century is real. It's happening. We are reluctant to speak about it, but we must. One reason why I keep speaking about it is to encourage more Asians to speak up about it.

4. Overcoming obstacles to the development of the Asian Century

Now, let me turn to part three. I would like to conclude by talking about what we should do to make sure that the Asian century keeps unfolding despite this geopolitical contest within the U.S. and China, and despite this resistance from the European Union and the West. I would like to suggest three things that we can do.

The most important thing we have to do is to keep on growing our economies. As our economies grow, as the economic weight of Asian economies grow, our voice will grow also. And, fortunately for us, as I mentioned earlier, the Western countries—including the United States—are now frightened of free trade agreements. For example, sadly, even though President Obama proposed and concluded the Trans-Pacific Partnership, Donald Trump walked away from it and Joe Biden cannot come back to it. By contrast, we in Asia have signed the world's largest free trade agreement, which was launched in January 2022: the Regional Comprehensive Economic Partnership. We must implement these free trade agreements. The RCEP was a great victory. Even though we had negotiated the RCEP with India, India decided not to join at the last minute. We should try to persuade India to join the RCEP. If that happens, we will have created one of the world's largest and most powerful economic ecosystems.

The second thing we can do is to work with the rest of the world. The rest of the world

makes up the vast majority of the world's population. Indeed, if you add up the populations of the Western countries, they only make up 12% of the world's population. Only 12% is in the West; 88% is outside the West. So we Asians can work with the rest of the world to transform the world into a more equitable place for all of us. Take, for example, a country like Brazil. Brazil is much closer to the United States. It's very far away from East Asia. But Brazil today trades more with China than it does with the United States. As one former Brazilian diplomat told me, twenty years ago, it took Brazil one year to export one billion dollars to China. Now it takes Brazil 72 hours to do so. Amazing. You can see that other countries, therefore, have a vested interest in supporting the development of the Asian century.

The third thing we can do is to use existing global institutions. I'm very glad that Commissioner Liu mentioned that China's very laudable notion of "a community of shared future for humankind" has been endorsed by the United Nations. I would say that one of the most underrated and underestimated organizations in the world is the United Nations. I can say this with great confidence because I was Singapore's ambassador to the UN for over ten years, so I know the institution very well. One of the institutions that is the most underutilized is the United Nations General Assembly (UNGA). It functions, effectively, as the parliament of the world. If you want to listen to what the 8 billion people of the world are thinking, go to the UNGA, because all 193 countries are speaking there. And by the way, don't just listen to the Anglo-Saxon media. The Anglo-Saxon media doesn't understand what the 88% of the world which lives outside the West is thinking. That's a tragedy. So what can we do, therefore, to bypass the global media channels, which are still dominated by a few Western organizations? Paradoxically, we can do so by using an existing institution that was gifted by the West to the rest of the world. If we want to get a message out about the Asian century, about the transformation of Asia, and share it with the rest of the world, we can go to the UNGA. I find that when you speak in that room, your voice is then transmitted to 193 countries. You can have a global impact.

While it is understandable that the Western bloc is reluctant to cede or even share the power which it has accrued for itself in the global sphere, the current world order will lose

legitimacy in the long term if it does not accurately reflect the reality of Asia's growing influence. Given the myriad of cross-border issues that we face, including climate change, we cannot run the risk of having a fractured international system instead of a community of nations. At the same time, the needs of the 88% of the world's population who live outside the West must be represented and met. As Asia rises, we have a responsibility to advocate for an international system which both reflects the world's current needs and will continue to be relevant in the event of future shifts in the global landscape.

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Author Information

Kishore Mahbubani is a Distinguished Fellow at the Asia Research Institute, National University of Singapore.

Email: kishore.mahbubani@mahbubani.net