



## **Clinton, McCain, Obama Needn't Fear Asia's Rise: William Pesek**

Commentary by William Pesek

Feb. 13 (Bloomberg) -- As Hillary Clinton, John McCain and Barack Obama mull how to make voters feel better about the future, they might want to read Kishore Mahbubani's new book.

"The New Asian Hemisphere: The Irresistible Shift of Global Power to the East" has been described as an anti-Western polemic. If the former Singaporean diplomat's thesis can be summed up in a phrase, it's this: "We have reached the end of the era of Western domination of world history."

Perhaps. When you look at the mess President George W. Bush's administration made of Iraq, the fallout from the U.S. subprime crisis and the rise of ambitious developing nations around the globe, it's easy to wonder if the U.S. empire is going the way of the Roman one.

There's plenty of hyperbole here, too. Asia optimists tend to discount the very real risks of financial hiccups throughout the region and high poverty rates. Arguments that China will dwarf the U.S. economy in a few decades simply aren't credible. Yet neither is the sense in Washington that Asia's rise is a big threat.

Here, there is much to glean from Mahbubani's take on the future, and one can only hope the next U.S. president pays close attention to such views.

Mahbubani is at his best when he highlights two dynamics many seem to miss. The first is that Asia's rise is inevitable -- get used to it. The second is that the world economy won't become a zero-sum game just because more Asians get closer to prosperity.

'Western Dream'

"For centuries, the Chinese and Indians could only aspire to it," wrote Mahbubani, who is now dean of the Lee Kuan Yew School of Public Policy in Singapore. "Now more and more believe that it is within their reach. Their ideal is to achieve what America and Europe achieved. They want to replicate, not dominate the West."

It's about global wealth growing, not being spirited away to Beijing or New Delhi. Asia's rise is, in a way, the spreading of what Mahbubani calls the "Western dream" and should be seen as a plus. "Yet many Western leaders begin their speeches by remarking how 'dangerous' the world is becoming," he says.

To Mahbubani, all this is code for the West not wanting to cede its status to upstarts such as China and India. Look no further than the Group of Seven nations meeting in Tokyo on the weekend. Did anyone care? How can the G-7 be relevant when those doing the most to influence the global economy don't have a seat at the table? The reluctance to welcome new members smacks of the elites protecting their turf.

Obstacles

Again, as much as the Mahbubanis of the world talk of what could go right, lots could go wrong.

Yes, China's billion-plus population has never been freer or more driven to become rich - Communist government aside. Yet China faces a Herculean task of creating millions of jobs while censoring the Internet and, essentially, hindering the forces of innovation. Pollution is another massive obstacle for Asia.

The idea of a benign Asia also is a hard sell to those looking at how governments are spending untold billions of dollars on military hardware and technology.

Political instability is another huge challenge for Asia. This week's assassination attempt of East Timor President Jose Ramos-Horta by renegade soldiers is a case in point. Recurrent conflicts between Pakistan and India over Kashmir, civil war in Sri Lanka, North Korea's nuclear-weapons program, China's Taiwan policy and intermittent coup rumors in the Philippines also come to mind.

### Bigger Pie

Even so, Asia isn't going away. Imagine if the folks at Goldman Sachs Group Inc. are even slightly correct that by 2050 three of the four biggest economies will be Asian. It's hardly a given that that outcome would be bad for the West.

It was Sheldon Adelson who explained this best to me a few years back. I interviewed him in Macau in June 2004 as he was christening Asia's first U.S.-style casino, the 970,069-square-foot (90,122-square-meter) Sands Macao.

"The thing about Asia is that as Asians get richer, they will buy more of the West's goods," he told me. "This is about the pie getting bigger and everyone getting richer -- not about Asians stealing growth from us."

That's a tough sell for U.S. voters fretting about the rise of the so-called Wal-Mart Economy -- that race to the bottom with bargain-basement prices and low wages. Until recently, U.S. politicians preached the gospel of open markets and fought for fewer trade barriers. Now that developing nations are competing with the U.S., Senators Clinton, McCain and Obama will be under pressure to reconsider this whole globalization thing.

It's a safe bet that Asia will play an increasing role in the U.S. election. China's currency policy and tainted goods, India's outsourcing industry and Asia's cheap labor will come up often as politicians grapple with solutions to worker insecurity. Here, a more optimistic message may be just the thing.

"Too many Western minds are looking at dangers," Mahbubani wrote. "Few are looking at the opportunities."

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