

The Asian Century

Europe does not yet want to take an interest in Asia. This is very unwise: This time, the rise of the continent will be a permanent one.

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"Buy low, sell high": Those who follow this maxim in dealing with the markets, act rationally. But Europe acts just the other way round on the Asian markets: Europe buys high and sells low.

In the mid 1990s, when Asia was a rising power in prestige and position, Europe turned towards the continent's eastern part with great energy. Being a Singapore diplomat, I visited many European capitals at the time, to acquaint Europe's bureaucrats with the concept of the Asia-Europe-Meeting (ASEM); I still remember the enthusiastic reactions. The first ASEM-Meeting, which took place in Bangkok in March 1996, was a spectacular success. Then came the huge Asian financial crisis of 1997. For Europeans, the crisis was a sign that the Asian countries were falling back again. And despite clear signs of Asia today experiencing a long lasting upswing, Europe is not making any effort to develop extensive relations with the Asian nations.

Asia is finally on the way to leaving behind a 500-year long cycle of backwardness, poverty and subjugation. Today's generation of young Asians in most parts of the continent (with the possible exception of West Asia) has been the most optimistic for centuries. Most of the young people believe that development and modernisation of Asian society will continue inexorably, even if setbacks are hardly unavoidable. But the fact that the Asian nations are capable of recovering from crises and of developing further together, for example within the framework "ASEAN Plus Three" process, merely underlines the power the region possesses.

Another phenomenon that does not receive the deserved attention from Europe, is the simultaneous rise of China and India. Politically, these two societies could not be more different. China is governed by a communist party (which, however, acts in its economics policy rather capitalistically); India, on the other hand, is a democracy. Nevertheless, the two countries are successful at the same time. This shows that the

development in Asia is mainly pushed ahead by the cultural self-confidence of the young people.

Europe's reservation certainly differs from the intensive involvement of the Americans in Asia, especially in East Asia. The USA had treated the states of East Asia as partners, not as former colonies, already during the Cold War. They welcomed the economic boom in East Asia; trade across the Pacific grew faster than across the Atlantic. More importantly, hundreds of thousands of Asians were educated at the universities of North America. This led to the elites in most Asian countries having adopted the optimistic North American ethos. About 80,000 Indians and 62,000 Chinese are currently enrolled in North American universities. Despite all the problems, there is an amount of goodwill left in Asia towards America. There is no similar rest-goodwill towards Europe.

Considering the traumatic long history of European/Asian relations - most Asian states were either colonized by European powers or invaded - it is not surprising that Europeans have a hard time viewing Asians as equal partners. I know this phenomenon from my own experience. In the mid 90s, Luxembourg hosted a meeting of Asean and EU members. The Asean delegation was headed by a high ranking Malaysian civil servant. During the official lunch meeting he was refused admittance to the dining hall, since he was not carrying his invitation with him, even though the host from Luxembourg stood only a few meters behind him and could easily have confirmed his identity. One almost had the impressions that the Europeans were afraid the Asians would eat too much. This was an offence of a dimension I had never witnessed before in all my 33 years of diplomatic service. Most Europeans are not aware of the importance of hospitality in Asian cultures. When two Malays from Singapore meet they do not say: "How are you?" but "Have you eaten yet?" and they offer each other hospitality on the spot.

I report this incident because it shows that Europeans and Asians have different approaches in dealing with cooperation between states. Europeans believe that there are rules that must be formulated and adhered to. This is why, prior to every co-operation, institutional mechanisms have to be created. Europe has experienced that such a setting up of institutions must come before trade and investments. Asia did it the other way round. The setting up of regional institutions is lacking behind trade, investments and people's mobility. There may be no such thing as a "clash of civilisations" between Europe and Asia, but there is certainly such a thing as a crash of corporate cultures. This is why it is so important that each side understands the other side better.

Now Europe is investing in large scale in China's future. And it is enhancing its activities in India. This engagement should be continued and supplied with all encompassing relations from region to region. New patterns of co-operation are developing between the Asian states. The summit meeting of delegates from 16 nations meeting in KL in December will, for the first time ever, bring together the leaders of the 10 Asean states plus those of China, India, Japan, South Korea and probably Australia and New Zealand. More than half of the global population will be represented there. This meeting will show that regional co-operation in Asia goes beyond the traditional East Asian borders and will now also include South Asia, and maybe even Australia too. One significant characteristic of this new Asia is the fact that trade within Asia is growing faster than that within the EU (and even transatlantic and transpacific trade), even though Asia has only few formal mechanism for regional co-operation. Singapore's Foreign Minister, George Yeo, stated recently: "During a meeting of Asean Foreign Ministers some time ago, during our discussions we considered the possible reactions to an East-Asia summit of countries such as China, Japan, India, Australia and the USA. Europe did not play a role at all, since it had not shown any interest in such a meeting." Therefore, time is ripe for a consequential political decision: Europe must develop a comprehensive relationship with Asia. It is true that many Asian countries still have problems, especially in West and Central Asia. Individual countries, such as Myanmar and the Philippines, still have to fight. But if we just concentrate on the problem states, we ignore the broader picture: the fact that in many parts of Asia a new self-confidence is forming. Isn't it amazing that the three most populous Asian countries, China, India, and now Indonesia, are apparently marching in the same direction?

Obviously, Europe is still ahead of Asia in many areas. Europe has greatly contributed to civilising humanity by the complete elimination of wars on the continent as well as of the probability of violent conflicts between the EU members. Considering the centuries-long conflicts in Europe, especially the two world wars, this is an enormous achievement. It shows that European societies have reached the highest level in the development of human civilisation. The states of Asia have only recently reached zero position with regard to wars among themselves, but for Southeast Asia, Asia's Balkans, this is definitely a great step forward. Asia has a lot to do before it can reduce the probability of wars to zero, like Europe.

There is a lot Asians can still learn from Europe. And they want to learn

from Europe. The biggest psychological breakthrough Europeans must achieve, is recognising that Asia's rise will be a lasting one this time. If they do not achieve it, they will hardly be able to understand the Asian century. This century is not ahead - it has already begun.

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