

BUILDING THE FUTURE: A steel plant in China, where trade surpluses continue to soar



REVIEW

Mapping a New World

A provocative book on the rise of Asia highlights the need to move beyond old notions of East and West.

By JEFFREY E. GARTEN

HOW INEVITABLE IS THE ascendancy of Asia, and how should the West respond? That is the question that Kishore Mahbubani wrestles with in "The New Asian Hemisphere: The Irresistible Shift of Global Power to the East." In the book, he makes an impassioned plea for big changes in what he sees as the West's arrogant and ignorant approach to Asia. Mahbubani is right to say that the shift in political and economic gravity toward the East is bigger and faster than most Western policymakers grasp. He is on target with his contention that the West too often behaves as if Asian nations want to challenge its market-oriented capitalism, when in fact most want to join that system, albeit with more say in the Group of Eight and the International Monetary Fund. It is also hard to disagree with his concern that recent U.S. foreign policy has been wildly incompetent.

Still, Mahbubani heaps too much scorn on the West without taking Asia to task for its own missteps. He praises China for its enlightened diplomacy in East Asia, for example, but omits any discussion of its chronic neglect of intellectual-property protection, its brutal approach to human

rights, its obsession with controlling the media, its mercantilist exchange-rate policy or its coziness with pariah regimes such as Sudan's and Burma's. His proposal to enlarge the U.N. Security Council with Japan and India makes sense, but he stretches the argument too far with his notion that the U.N. General Assembly is a democratic global parliament that could manage many of the world's big problems.

That said, his ideas should be widely debated. Here are a few of the key issues:

In an era of such rapid globalization, how meaningful is it to think in terms of East and West? Mahbubani often conflates the United States and Europe, and implies that countries such as India, China and Japan see the world in similar terms. But surely trade, capital flows, technology transfers, immigration, environmental spillover and cultural transmission have blurred the sharp divide between two distinct halves of the world. A new way of thinking is required. Mahbubani is trying to promote such an approach through his enhanced vision of the United Nations, but involving fewer key countries in a non-U.N. forum might turn out to be more effective.

Will market forces or policymakers be the major instrument of change? Mahbubani gravitates toward government as the key force for fostering global integration. But the full participation of Asia in the global economic system is more likely to be driven by the market: millions of entrepreneurs creating new products and services that flow across borders; businesses that create global supply and distribution chains; technological advances that tie everyone together in ways not yet imaginable. In light of these trends, Mahbubani could be underestimating how fast east Asia is being fully integrated into the global economy.

How much are East-West relations determined by the policies of China and America? While Mahbubani gives a lot of thought to both, he doesn't come to grips with how these two giants will transform the global system. Aside from domestic challenges, the United States struggles with massive current-account deficits and China with soaring surpluses, both of which have profound implications for global trade. One question is whether Washington and Beijing can cooperate. Another issue is the role that Europe or India can play in helping to achieve a cooperative outcome (Mahbubani's vision for India as an East-West bridge is among the best parts of the book).

Can America still lead? Mahbubani thinks American dominance is over and its power in decline. But suppose the U.S. assumes the role of *primus inter pares*, adopting new domestic and international policies to invigorate trade, and takes a more active approach to climate change and to strengthening international institutions and alliances? In this scenario, it is at least possible that the American-led game could continue for many years to come.

Clearly, the questions are complex and open-ended. "The New Asian Hemisphere" is a valuable starting point for thinking about them. Whether or not you agree with everything Mahbubani says, he is making powerful arguments that will be at the center of global politics and economics well into this century.

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