

WHAT CHINA AND INDIA'S ECONOMIC DEVELOPMENT CAN BRING TO ASIA

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by

M.R. Sukhumbhand Paribatra

*Former Deputy Foreign Minister
(Panel speaker, Chairperson of
student selection panel
from Thailand)*



“...the economic development of China and India can continue to generate growth for Asia, and sustain the shift in the balance of economic power and political influence.”

Thank you Mr Chairman, Excellencies, ladies and gentlemen. It is a great honour and pleasure for me to be present at the 8th Hitachi Young Leaders Initiative. I would like to thank Hitachi for their invitation and hospitality.

As someone who has been involved in this process since the beginning, I am very happy that Hitachi is organising this 8th conference, and I am very happy also that Vietnam has been invited to join the process. I would like to take this opportunity to offer my congratulations to both Hitachi and Vietnam.

Today, I will be addressing the question: “What can China’s and India’s economic development bring to Asia?”

There are two parts to this question.

The first is: “what has China’s and India’s economic development already brought to Asia?”

I think it is beyond doubt that Asia as a whole has benefited from the opening up of China from the late 1970s and early 1980s, and the opening up of India from the early 1990s. Where economics is concerned, I think the successes of China and India have been a great impetus for economic growth in Asia, just at a time when the initial impetus generated by first Japan and then the four tigers – Korea, Taiwan, Hong Kong and Singapore – was just slowing down. Also, with the large reservoirs of manpower available both in China and India, there are very good prospects that there will be continued investment from outside the region, and that there can be sustained growth over a longer period.

Asia has benefited from the fact that the successes of China and India have helped to shift the balance of economic power from the U.S. and Europe, which, in the post-Cold War world, also means a shift in the political and diplomatic balance of influence.

Where geopolitics and diplomacy are concerned, I think that China’s and India’s successes have given them a more influential voice in international affairs. Nowadays, it is very difficult to see important problems in East Asia or South East Asia being addressed without consultation with China or without the consent of China. India’s role is also on the rise. I believe that this is fully recognised by the U.S., as evident in the nuclear pact of July 2005 between the U.S. and India. India is emerging as a very influential player in the global balance of power.

Both the importance of economics in the post-Cold War world and the economic successes of both China and India have also provided an impetus towards Sino-Indian rapprochement. Recently, the Sino-Indian land border was opened for the first time in decades. All these issues open up the prospect of a greater and more systematic diplomatic co-operation between ASEAN, China, Korea, Japan and India, which will give Asia increasingly greater clout in global affairs.

The second half of the question is: “What can China’s and India’s economic development bring to Asia in the future?”

There are two sets of possible answers – one easy, and the other not so easy. Let me address the easy answer first.

I think that the economic development of China and India can continue to generate growth for Asia, and sustain the shift in the balance of economic power and political influence. There are five conditions for this: (1) that China and India do not seriously quarrel with each other again; (2) that China and India do not quarrel too much with others, especially with the U.S.; (3) that there is no major crisis in Asia, like a crisis on the Korean Peninsula or a crisis in the Taiwan Straits; (4) that China and India maintain a commitment to the principles of openness and free trade; (5) and that both China and India address in earnest their respective domestic challenges, especially poverty, ignorance, environment, the depreciation of natural resources, and the need to develop institutions and infrastructures for sustainable economic development.

Now, the answer which is not so easy: the question is whether China's and India's economic development can contribute to a better Asia, which will in turn make Asia a much more influential and much more responsible global player.

The very first question which needs to be answered is this: "What is a better Asia?"

By a better Asia, I do not mean a perfect Asia, an earthly paradise where democracy is everywhere, where all men and women are equal and live a life of harmony, happiness and love – no, I don't mean that. When I speak of a better Asia, I mean an Asia in which there is progress or movement towards a geo-political environment comprising a number of key components.

One key component is co-operative peace and shared prosperity. The second component is economic development that is ecologically, socially and culturally sustainable. The third component is respect for what I call the trinity of humanity: human rights, civil liberties and human security. By human security, I mean freedom from want, freedom from fear and freedom from constraints against the development of the human potential. The fourth component is the empowerment of civil society and individual citizens. The fifth and the last is the existence of social environments where racial, ethnic, religious and cultural differences can be tolerated, understood and managed.

Can China's and India's economic development contribute to a better Asia, as defined? This is not an easy question to answer; there are far too many variables, but it may be fair to say that the extent and the quality of China's and India's contributions will depend on a number of conditions. The five conditions that I mentioned just now are necessary, but not sufficient in and of themselves. They are necessary especially where the two countries' ability to address their own domestic challenges is concerned. Neither China nor India can contribute fully to the international environment until and unless they resolve their own domestic problems as well.

However, there are other conditions which are also necessary. One such condition is the ability and willingness to integrate. The European experience teaches us that economic integration is a very important foundation of cooperative peace and shared prosperity. I acknowledge that there has indeed been progress towards integration in Asia. But if we are going to have a better Asia, this process of integration needs to be accelerated and energised to a higher level. How? By establishing sub-regional and horizontal collaborative arrangements, especially in certain strategically important areas: North East India, South West China, the West ASEAN sub-region, the Mekong River sub-region, and the region involving China, Central Asia and Mongolia. There needs to be sub-regional cooperation in order to accelerate the process of integration.

The second condition is the ability and willingness to participate in international efforts to address the problem of racial, ethnic and religious conflicts. In the present era, these are the most critical and the most divisive issues in international politics.

And the third condition is China's and India's ability and willingness to use scientific and technological development for global progress and for the betterment of mankind.

Over the last two decades in particular, there has been enormous progress in scientific and technological development. But I think this process of development has led the world onto a path which is ultimately unsustainable and dangerous. I'm talking about the global warming effects, I'm talking about the deterioration of the natural environment, I'm talking about the vast depletion of non-renewable resources, including air, water and top-soil – things which, in the past, we thought were totally renewable. And I am talking about the development of the modern technologies of war, including weapons of mass destruction.

Scientific and technological development cannot be stopped. No one can stop it. But this does not mean that scientific and technological development cannot be managed and used to provide solutions to major problems. These include not only problems concerning the environment and the proliferation of weapons of mass destruction, but also those related to poverty, education, human resource development, drugs, diseases and so on. Properly handled, science and technology can lay down the foundations for the kind of environmentally-conscious, knowledge-based, human-centred development that will help divert mankind from the unsustainable and dangerous course it is presently taking.

It is a tall order, of course, but one does not need to be unduly pessimistic. Oxford University Professor James Martin had something to say about this. A technology expert and a futurist, he calls today's young people the 'transition generation'. He said in a recent book, and I quote, "Think of the 21st century as a deep water canyon, with a narrow-bottomed lake at the centre. Think of humanity as river rafters heading downstream. As we head into the canyon, we will have to cope with a rate of change that becomes much more intense – a white-water raft trip with the currents becoming faster and rougher. The job of the transition generation is to get humanity through the canyon with as little mayhem as possible, into what we hope will be smoother waters beyond. Solutions exist or can exist to most of the serious problems."

Can China and India contribute to a better Asia? It is going to be a very difficult task. But if you grew up in the Cold War era, if you grew up in a period where China and India fought a war against each other, I think the present situation is far, far different – much, much improved. So I don't think one needs to be too pessimistic overall.

Before ending, let me just quote something that a great statesman, Winston Churchill, once said: "Man in this moment of his history has emerged in greater supremacy over the forces of nature than has ever been dreamed of before. He has it in his power to solve quite easily the problems of material existence. He has conquered the wild beasts, and he has even conquered the insects and the microbes. There lies before him, as he wishes, a golden age of peace and progress. All is in his hand. He has only to conquer his worst enemy – himself. With vision, faith and courage, it may be within our power to win a crowning victory for all."

Thank you.

