

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

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by

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(Panel speaker from Vietnam)*



Thank you Mr Chair, Honourable Mr Tadahiko Ishigaki, adult and young leaders, ladies and gentlemen,

I share the same fate as the Honourable Mr Sukhumbhand, in that I was invited at the last minute as a substitute. So instead of a gentleman, you are going to get one more woman from Vietnam, in addition to the distinguished chairperson of the initiative and the four young lady participants. Instead of a respected economist, you are going to get a layperson – but please be assured that I took up the invitation with pleasure and conviction.

Because I believe in the rise of Asia, I care about Asia and its constituents. My wish is that the countries, the societies, the cultures and the citizens of Asia will be responsible stakeholders of the global community. I speak from my position as a strong supporter of multilateralism and of a rules-based approach to global and regional issues and problems.

Allow me to begin by expressing how much I welcome the introduction of Vietnam into such an initiative as this. Deputy Prime Minister Vu Khoan already emphasised this in his speech, but I would like to emphasise here that engaging the young and networking among the young is indeed crucial. For us in Asia, much more than in other parts of the world, we know that there is no future that is not rooted properly in the past. That is why when DPM Vu Khoan said “I’m the past”, it occurred to me that the DPM is a member of that past that projects very powerfully into the future, and we are thankful for his contribution. And I am sure he will continue that contribution to Vietnam’s future and development.

As a layperson, I have also the advantage of being the last speaker. In a sense, you will not have such a structured, integrated presentation as was delivered by Mr Sukhumbhand, or such a pointed and specific presentation as from Mr Basri. I will rather share with you a few thoughts on what I understand to be the future of Asia, and the place and role of China and India in that future. By inference, we, the rest of the other countries of Asia, need to define this role for ourselves.

The theme that was offered to us was: “What China and India’s development can bring to Asia”. It suits me well to omit the word “economic” from the theme. I think we need to broaden the concept beyond just economics, because of the cultural importance of India and China in the arts, and also in a few other areas. Beyond just economics, there are also the realms of politics and culture. That is why I will deal with two of the theme’s key words in the following fashion.

In today’s theme, we have the concept of Asia. DPM Vu Khoan stated that the term ‘Asia’ comprises the whole of the continent – from East Asia, meaning Northeast and Southeast, to South Asia, Central Asia and West Asia (which is sometimes called the Middle East). This definition is the first point on which many people disagree. It is difficult at the present time to define what is encompassed by the concept of Asia. My opinion is that Asia is a concept in the making. The Asia of today definitely is not the Asia of centuries past, particularly that of the feudal era. But as for how far it stretches, we don’t have the answer yet.

A region is defined by far more than just geography – economy, politics, culture, etc. So for the purposes of this initiative, and of the integration process that is taking place in our part of the world, I think that the most feasible and practical

confines of the concept should be East Asia, meaning North and South East Asia, including South Asia.

The second key concept is the concept of development. Beyond economic growth, there is also social development, cultural diversity, sustainability of the environment and natural resources. Mr Vu Khoan also mentioned a point which I think should be foremost in our thoughts, especially for you, our future leaders, and that is the place and role of science and technology in development. More importantly, the role of Asia in contributing to science and technology, as Asia makes the transition into a knowledge-based society.

In this age of information and technology, Asia needs to make a difference. We need to leave our mark on the intellectual map of the world. Many Asians have already been making such contributions, but their awards and honours were garnered following a brain drain to Europe and the USA. The time is coming when Asians of excellence will want to reach such great heights as Asians, and not as migrants to foreign lands. That is our challenge.

With that in mind, I would like to share with you some words of optimism. I read with great interest and pleasure an article about a foundation in the USA that monitors developments in science and technology around the world, and the standing of US-based institutions in this respect. This article, published about a year ago, stated that American pre-eminence is beginning to erode – not just in the face of European competition, but more so from the threat of Asian competition. One of the indicators for this assertion was the proportion of registered patents. Japan, Singapore and Taiwan are making an increasing contribution to the number of internationally recognised registered patents. Another indicator was the number of scientific papers published in well-established, respected scientific journals. I was impressed by the fact that in a single year, Chinese physicists had contributed 1,000 papers to respected scientific journals worldwide. Those are the indicators of a budding trend that will lead Asia to a brighter future, if we will only nurture the growth of this trend and keep it increasing steadily.

My third thought as I looked into the theme was this: why do we ask about China and India's contribution to Asia and not the other way around? In other words, what can Asia bring to China and India's development? This is a two-way process, and my contention is that geo-politics and regional security concerns are just as relevant as the economic imperative. We, the smaller countries of Asia, are an integral part of the big picture. A case in point is, of course, ASEAN. It has been stated in various forums that the role of ASEAN is somewhat unclear, that it is not an assertive presence, that it is waning even. But I contend that, as East Asia continues to engage internally, ASEAN – the countries of Southeast Asia – will come to play an indispensable role as the most convenient facilitator and convenor of East Asian interaction and integration. Why? Because ASEAN is not a major power; it is but an association of nations who are trying to turn themselves into a community. And that is exactly why China, Japan and the Republic of Korea can not be the single convenors of the whole of East Asian integration. Only ASEAN, as a multilateral pole, is the most convenient and logical turnkey for East Asian integration. And my firm belief and conviction is that ASEAN is here to stay, primarily to serve this function.

Now, to address the first question properly: of course, the emergence of the Chinese economic prowess and that of India has created a stimulus that forces us, the rest of Asia, to be more competitive. But I would go a bit further to say that we have to compete in areas other than pricing. Frankly, I think it is a self-defeating objective – we are never going to beat China on pricing. This is because China has economies of scale, as alluded to by DPM Vu Khoan, which we will never have. The combined population of ASEAN is some 350 million strong, but that is still less than half the size of the Chinese market. Which is why the stimulus from the emergence of China and India will force us into brainstorming and defining the overall strategy which each ASEAN country should adopt for itself in this evolving region and globalised world. This should be an all-encompassing strategy, beyond just export and economics.

Consider the example of Singapore. Of the ten ASEAN countries, Singapore has the smallest critical mass and population density, but this country is employing a very definitive strategy. I follow the development of Singapore with great interest. Recently, I found that Singapore had embarked on a plan to become an educational hub, after its efforts to be a financial hub. From these developments, you can see the country's strategy emerging. It is one that makes sense, and shows evidence of a very conscious planning and effort.

I would like to quote Mr Vu Khoan again in making my second point. He truly is a source of inspiration. This is a story

from when he was serving in his former capacity as Vietnam's Minister of Trade. Several Vietnamese businesses and entrepreneurs spoke with him during the period of China's accession to the WTO. And the businesses were saying: we are worried, now that China is going to be inside WTO, there will be a deluge of Chinese goods on the global market and we will be swamped by the cheap goods of China. And Mr Vu Khoan reacted this way: he said, indeed, China, as a full member of the WTO, will be a challenge. But it is like how a glass can be both half empty and half full. You have to go look at it both ways: "Why don't you look at China, you entrepreneurs, as a market? While a lot of the trade to China and within China is concentrated on the coast, the inland areas are forgotten as they are out of the way. Perhaps Vietnamese export goods might find the right market, the right consumers in these areas." In other words, the best defence is taking the offensive. Rather than looking at China and India as threats, we should approach them as opportunities and as markets.

Thirdly, I believe we should take the right tone when engaging with China and India. The many workshops, seminars and conferences on the emergence of China and India all contain an undertone of concern or worry: beyond the challenges, we tend to see various risks and even threats from these two nations. To put this into perspective, we have lived with American hegemony for many decades; we have learned to adapt to the influence of this superpower. The news of any emerging major powers will inevitably give rise to some disquiet. But I think that we need to be cool-headed and to start off on the right foot when engaging them, to create a win-win situation.

And how are we to engage them correctly? First of all, by making our demands clear. As I said, we should ask ourselves what China is expecting of us. We should state fairly and squarely what we expect from such responsible global stakeholders and players like China and India. The more power you have, the more responsibility you hold. We need to make very clear the responsibilities, in terms of the environment, the sustainable use of energy and water resources, natural resources; in terms of safety in the common sea lanes, for most of the world's trade takes place in the waters in this part of the world.

I also believe we need to start a dialogue with these countries on the topic of inter-dependence. Inter-dependence lies at the heart of what we are discussing today, and these emerging major powers should be made conscious of this issue. With the rise of China, India and ASEAN comes the emergence of a multilateral world. This is a welcome development: a world where there are multiple centres of economic and political power, rather than a world where there is only one superpower. As rightly pointed out by M.R. Sukhumbhand and Mr Vu Khoan, we need to cooperate in order to achieve this reassuring and balanced state of affairs. Therefore, mutual engagement and networking across the region, such as we are doing today, is instrumental in shaping the mindsets of all parties involved, and particularly those of the young, towards a cooperative, peaceful and constructive spirit of engagement. This is crucial to the continued success of this region.

Let me finish by reflecting that the time of Asia is emerging. A good friend of mine, Kishore Mahbubani from Singapore, once wrote a book entitled "Can Asians Think?" He is preparing to publish a new book, to be titled "The Rise of Asia". And earlier, I offered a book to Mr Vu Khoan, entitled "Chasing the Sun", by Mr Morton Abramowitz and Mr Stephen Bosworth of the Fletcher School of Law and Diplomacy in the United States. It is a book about the emergence and assertion of East Asia, of a more integrated East Asia.

I will conclude by saying that, if East Asia can think right, and can develop the right kind of self-awareness, and the right sense of direction, Asia will make a difference in this century. I am Vietnamese; I am proud to be Vietnamese but I am equally proud to be Asian. Just as there are French, German and British citizens who take pride in being French, German or British but also in being European citizens in the making, I hope all of us here today will take as much pride in being Asian. Vietnam, as with the rest of Asia, should draw its sense of direction from the lessons of its history. This is the message from the past that we would like to pass on to you, the future leaders of Vietnam and of Asia.

Allow me to share one final anecdote with you. I once attended a similar event as this, a retreat organised by Hewlett Packard. At that retreat, I sat on a panel and was given a few minutes to speak about Vietnam. My message then was that Vietnam wants to develop, but that it is a latecomer to the race. Vietnam runs the race of development, but so does

everybody else. Running is not enough. In order to catch up, you have got to know how to run and where to run to – you need a plan and a sense of direction to run the race. Running in all directions does not help; you have to have a goal. And when you have a goal, you will run faster. Dr. Henry Kissinger was present when I spoke about this, and he corroborated the point I was trying to make: “Let me tell you, don’t stand between the Vietnamese people and their sense of direction I know!”

With that thought, I will end, and I ask you to forgive me for having exceeded my time. Thank you.



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