



24TH ASIA-PACIFIC ROUNDTABLE

7-9 JUNE 2010 • KUALA LUMPUR

**STRENGTHENING COMPREHENSIVE AND
COOPERATIVE SECURITY IN THE ASIA-PACIFIC**

**“The Dawn of the Asian Century: Southeast
Asian Perspectives ”**

by
Tan Sri Mohamed Jawhar Hassan
Chairman
Institute of Strategic and International Studies
(ISIS)
Malaysia

Sponsored by



Supported by



PLENARY SESSION THREE Tuesday, 08 June, 2010 1400hrs - 1530 hrs

DAWN OF AN ASIAN CENTURY

Mohamed Jawhar Hassan

This subject has fascinated and preoccupied academic and intellectual discourse for some two decades now. This essay addresses two sets of questions:

First, Asia is indeed resurging. But is this really the dawn of an Asian century? Who will this century belong to?

Second, to my mind, the real issue is not whether Asia will become the leading power of the 21st century. The real issue, for Asians at least, is what they make of the power that is returning to them. What can Asia do for itself and for its neighbours that will enhance mutual peace, stability and prosperity? And how can the rest of the world best respond to the resurgence of Asia? How can they, working with Asia, help make the 21st century a better century for all?

The 21st century: whose century?

That the global economic balance has been tipping towards Asia in recent decades is quite clear. This trend is also expected to persist in the foreseeable future. Asia's largest economy China grew spectacularly at an average rate of 9.5% each year in the last two decades, and India grew at 6%. China in effect has become the engine of economic growth in East Asia following the most recent financial crisis. While the East Asian and Indian share of the global economy grew, that of the West decreased. The US share of global GNI in fact declined severely from almost half in the middle of the last century to 28% in 2006 (although in fact it has steadily become much more prosperous).

A Carnegie Endowment study of what it termed "The World Order in 2050" projects China's average annual economic growth in the period 2009-2050 at 5.6%, India's at 5.9% and Indonesia's at 4.8%. This compares with the US at 2.7%, Germany at 1.4%,

UK at 2.1% and France at 2.1%. Increasingly therefore, relative economic weight will shift from the West towards East Asia and India.

By 2030 China will be almost as large as the US in real GDP terms, and India nearly the size of Japan. By 2050 China will be the world's biggest economy and India the third largest (See [Fig. 1](#)).

But does this mean that we are now at the dawn of the Asian century, and that the 21st century will belong to Asia?

I think it is too early to tell, and chances are it will not. The most dynamic, performing and largest Asian economies will be greatly empowered. Their voices will be heard and heeded more, their strategic reach will grow and their interests will be better represented in the regional and global order.

But this will not be the Asian century. It will be a century of several poles where the different dimensions of power will be shared among several major states and regional entities. The 16th-19th centuries were clearly Europe's. The 20th century was America's. In their time each wielded sufficient power to construct the regional and global order.

Europe produced the Treaty of Westphalia of 1648 which underpins the state and the state-based international order to this day. In their heyday European powers literally conquered or dominated every other continent. The global economy was made to serve the European economy.

In the last century America confronted the German, Japanese and Soviet challenges but it prevailed over all through the alliances it led. The US economy accounted for half the global output after the Second World War. The US was able to steer first the conceptualization then the actualization of the League of Nations and United Nations. It structured and dominated the global economic and financial order through the Washington Consensus and the Bretton Woods institutions. During the bipolar Cold War the US was the more comprehensive and potent power, and when the Berlin Wall fell 21 years ago the US effectively became the global hegemon.

American and the West have suffered reverses in the past, as in Vietnam. The West is probably in the midst of reverses now in Iraq, Afghanistan and the Middle East too. Western power is declining. But I do not see Asia as exercising anything like the kind of power the US and the West wielded in the foreseeable future to merit the 21st century being dubbed an Asian century.

There are a number of reasons for this assertion. Three are given below:

1. The global economic landscape will be multipolar rather than dominated by any one country. China will likely emerge as the world's largest economy, but the US will not be far behind. India and EU will be strong thirds. Japan, Brazil and Russia will be other large economies. And who knows, an integrated ASEAN will also be in the major leagues (Fig. 1).

But there is another reason too why Asia led by China and India will not dominate the economic landscape as much as Europe and the US did earlier. Size or quantity alone cannot be the measure of economic prowess. Quality matters very much too. In this regard China and India are expected to continue to lag behind the developed Western economies. As Table 2 and Fig. 3 show, China, the world's largest economy in 2050, will have tripled its per capita GDP by then, but it will still be just a third of the per capita GDP of US and half of Japan's, South Korea's, Germany's and the United Kingdom's. India will triple its per capita output too, but it will be only a tenth of US' in 2050.

2. While the world is likely to be multipolar in the economic sphere, it is expected to continue to be firmly unipolar in the military sphere as the century unfolds. In the case of China especially it will face not only the US, but a US-based alliance structure whose total military and strategic capacity will far outweigh China's unless current strategic alignments are fundamentally altered (Table 3 and Fig. 5). While China could well become the dominant regional military power, it is most unlikely that it will be even a regional hegemon, much less a global one. Military-wise, the 21st century will still be a US and Western-centric century.

3. Asia is a house deeply divided. Talk of “Asia” or an “Asian” century can even be meaningless. Asia is more individual economies and states sometimes at odds with one another rather than a collective and coherent whole. Indeed, Asia is more a geographical and cultural entity and little else, and it is difficult to envisage Asia as becoming much more in the years to come. When it suits them even individual Asian nations will stretch the meaning of ‘Asia’ to include non-Asian entities. Rivalries are strong and persistent and susceptible to becoming sharper when one or other state appears to be on the ascendency and threatening the existing balance. Regional states often prefer to align themselves with extra-regional states against each other on vital security issues. In such circumstances it is difficult to conceive of an ‘Asian’ century.

Nevertheless, while in my view it would be stretching credulity to call the century that is unfolding the Asian century, it cannot be denied that East Asia and South Asia are undergoing spectacular change. A once great region with great empires and civilizations that became a subject continent is now regaining its dignity and resuming its place at the table. Due largely to the sized of China and India, never before in history will so many millions have been rescued from human poverty and deprivation.

But the point I would really like to make in my brief presentation is not so much whether this is going to be a largely unipolar Asian century or a multipolar one, or the scale of the change that is taking place. Rather it is what Asia must do with its ascendant power to best serve its interests, and how the major powers in Asia and elsewhere as well as international institutions manage the profound change.

In the past as new powers emerged and others declined, the new challenged the resisting order of the old and replaced it with theirs. Often the process was bloody and destructive. The 21st century however appears to some extent to be different. Global economic and financial institutions are responding to the power shift by accommodating the rising nations. The G8 has become the G20, and the World Bank and IMF are granting stronger representation to emerging economies. The prevailing economic order therefore is adapting rather than resisting.

The picture however is not quite the same on the political and security front. Structurally the UN is still mired in the past and has failed to reflect and accommodate the emerging global balance. Japan and India at least are qualified to be permanent members of the UN Security Council, though prevailing values are that they do not possess veto power. The entire UN structure in fact requires reform.

Nations in the great arc from Japan to India that embraces East Asia and South Asia also require doing much more to be at peace with themselves and with the rest of the world to be more worthy stakeholders if not inheritors of the 21st century. Great statesmanship is called for on all sides to moderate suspicions, trim rivalries and defuse if not resolve territorial disputes.

The Prime Minister this morning dwelt at length on the regional architecture. I think architecture in the region must first place the greatest emphasis on bilateral relations as the basic building block of regional collaboration. If bilateral relations are good the region will take care of itself. The importance of bilateral relations is especially important in the constructive rise of Asia, and this applies to virtually every country and every neighbour in the region. The most important for the region as a whole of course are relations between China and Japan, and China and the US.

Next in importance would be the sub-regional mechanism of ASEAN. All Asia and the Asia Pacific have a fundamental stake in the success of ASEAN because ASEAN not only serves itself. It underpins the entire regional architecture for political, security and economic cooperation, excepting APEC. As Simon and others have said, if ASEAN desires leadership, it cannot be by default. ASEAN must be more worthy of leadership.

In this region where the forces of economic integration are powerful geopolitics is still very much out of synch with the evolving converging geo-economics. Problems like the one on the Korean peninsula and on-going violent conflicts present their own unique and complex challenges. Elsewhere however security cannot but be increasingly mutual, common and cooperative among the countries of East Asia and South Asia. Military alliances need to be more inclusive, not exclusive and further fortified when the

balance is already overwhelmingly in their favour. Persisting in doing this when there is no real need borders on the provocative, and encourages reactions which further feed on each other.

Gradually transforming and expanding exclusive alliances to become more inclusive ones would appear to be naïve and impractical if not impossible, especially to the hardcore realist. But once a bold and enlightened leader appears on the scene, challenges conventional wisdom and initiates a new paradigm, we wonder why we thought all this was so difficult before. When two or more such leaders meet, a whole new era begins.

In the end however, what this century will mean to Asia will depend most on what countries in Asia do within their own borders. Asia can only be the sum of its parts. If its parts are wanting, the whole must suffer. The rise of Asia must be meaningful not to presidents, prime ministers and princes, or to leaders deftly choreographing high policy among nations, but to their people. Unless the millions of deprived in Asia have a sure and healthy meal on their table, security when they step out of the door and a choice as to who will be their leaders and how they should be governed, an 'Asian' century would not be very meaningful.

Table 1
The G20 Economies

Average Annual GDP Growth <i>Percentage change (y/y)</i>				Real GDP <i>Figures are in US\$bn, in 2005 prices and exchange rates</i>		
	Pre-Crisis Trend (1997-2007)	Crisis Years (2007-2009)	Projections (2009-2050)	2009	2030	2050
Argentina	2.6	2.0	4.1	223	527	1,267
Australia	3.6	1.5	2.9	787	1,501	2,257
Brazil	2.8	2.2	4.1	1011	2,440	6,020
Canada	3.3	-1.0	2.6	1171	2,083	3,154
China	9.6	8.8	5.6	3,335	21,479	46,265
France	2.4	-1.0	2.1	2,203	3,323	4,528
Germany	1.6	-2.1	1.4	2,833	3,593	4,535
India	7.0	6.3	5.9	1,065	5,328	15,384
Indonesia	2.7	5.0	4.8	354	1,073	2,975
Italy	1.5	-3.1	1.3	1,732	2,197	2,580
Japan	1.1	-3.1	1.1	4,467	5,786	6,216
Korea	4.3	0.6	2.5	945	2,122	2,812
Mexico	3.3	-3.1	4.3	866	2,397	5,709
Russia	5.7	-1.2	3.3	869	2,487	4,297
Saudi Arabia	3.2	1.7	4.8	348	896	2,419
South Africa	3.7	0.4	4.3	271	791	1,919
Turkey	4.0	-2.9	4.4	509	1,437	3,536
United Kingdom	2.9	-1.9	2.1	2,320	3,597	4,997
United States	3.0	-1.2	2.7	12,949	22,258	38,646

Source: Uri Dadush and Bennett Stancil, *The World Order in 2050*, Washington, DC: Carnegie Endowment for International Peace, April 2010, at <http://www.carnegieendowment.org/publications/?fa=view&id=40648> [accessed 6 June 2010].

Figure 1
The 10 Largest Economies in 2050

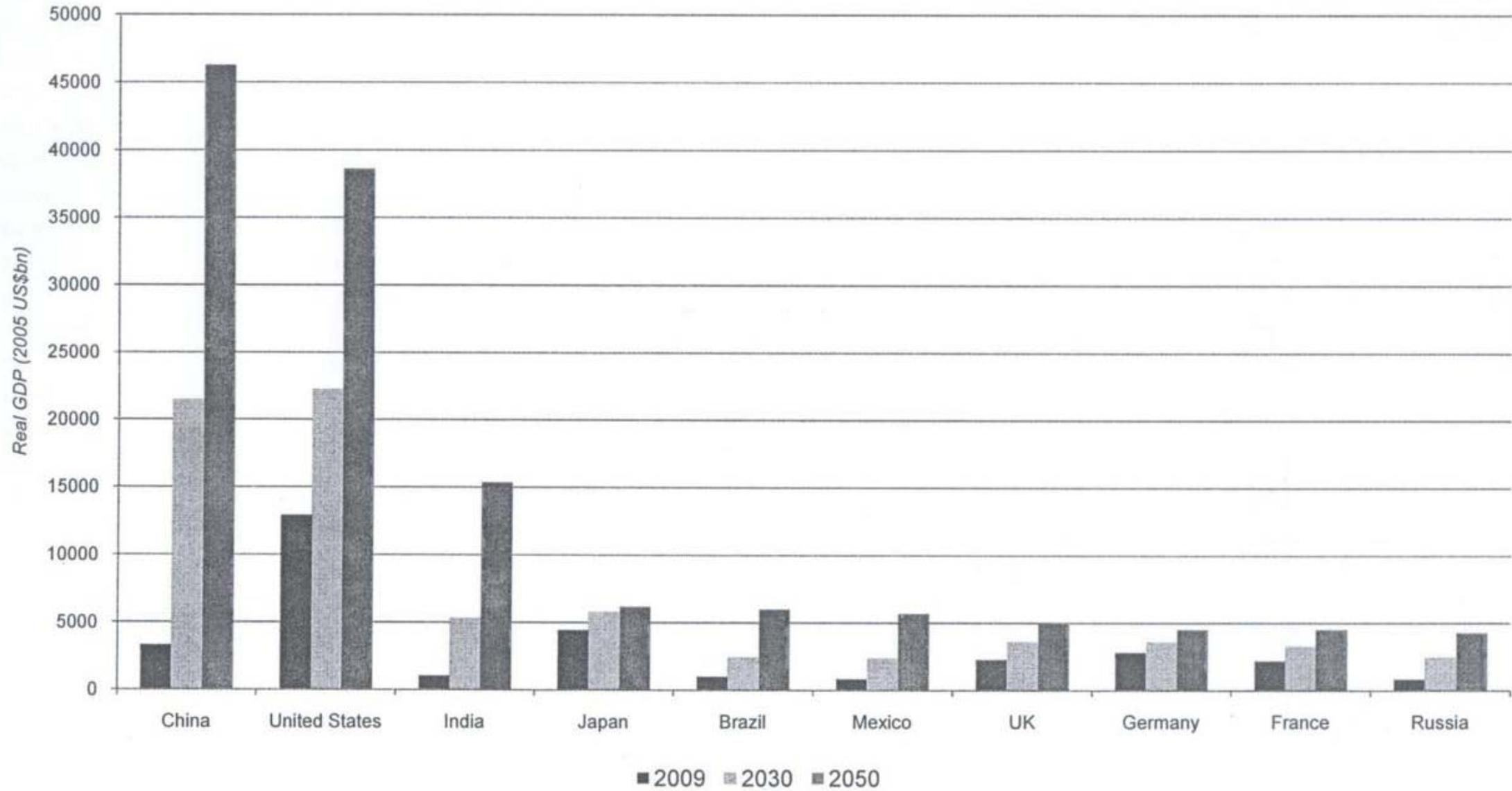


Table 2

GDP Per Capita of the G20 Economies*Figures are in US dollars*

Country	2009	2030*	2050*
Argentina	13,800	11,159	24,871
Australia	38,800	58,505	78,575
Brazil	10,200	11,237	27,550
Canada	38,400	51,950	71,014
China	6,600	14,687	32,649
France	32,800	49,989	66,915
Germany	34,100	46,150	64,323
India	3,100	3,589	9,533
Indonesia	4,000	3,952	10,326
Italy	30,300	36,894	45,211
Japan	32,600	49,274	61,146
Korea	28,000	43,177	63,797
Mexico	13,500	18,955	44,268
Russia	15,100	19,299	37,012
Saudi Arabia	20,400	24,518	55,408
South Africa	10,100	14,454	33,784
Turkey	11,200	15,900	36,308
UK	35,200	52,931	69,053
USA	46,400	60,160	95,675

* The figures for 2030 and 2050 are in 2005 prices and exchange rates

Sources: **GDP per capita estimates for 2009:** US Central Intelligence Agency, *The World Factbook 2009*, Washington, DC: CIA, 2009, at <https://www.cia.gov/library/publications/the-world-factbook/index.html> [accessed 6 June 2010]; **Total GDP projections for 2030 and 2050:** Uri Dadush and Bennett Stancil, *The World Order in 2050*, Washington, DC: Carnegie Endowment for International Peace, April 2010, at <http://www.carnegieendowment.org/publications/?fa=view&id=40648> [accessed 6 June 2010]; **Population figures for 2030 and 2050:** United Nations Population Division, *World Population Prospects: The 2008 Revision Population Database*, New York: United Nations, 2008, at <http://esa.un.org/unpp/index.asp?panel=1> [accessed 6 June 2010].

GDP Per capita of Selected Countries – 2009 and 2050

Figure 2: 2009

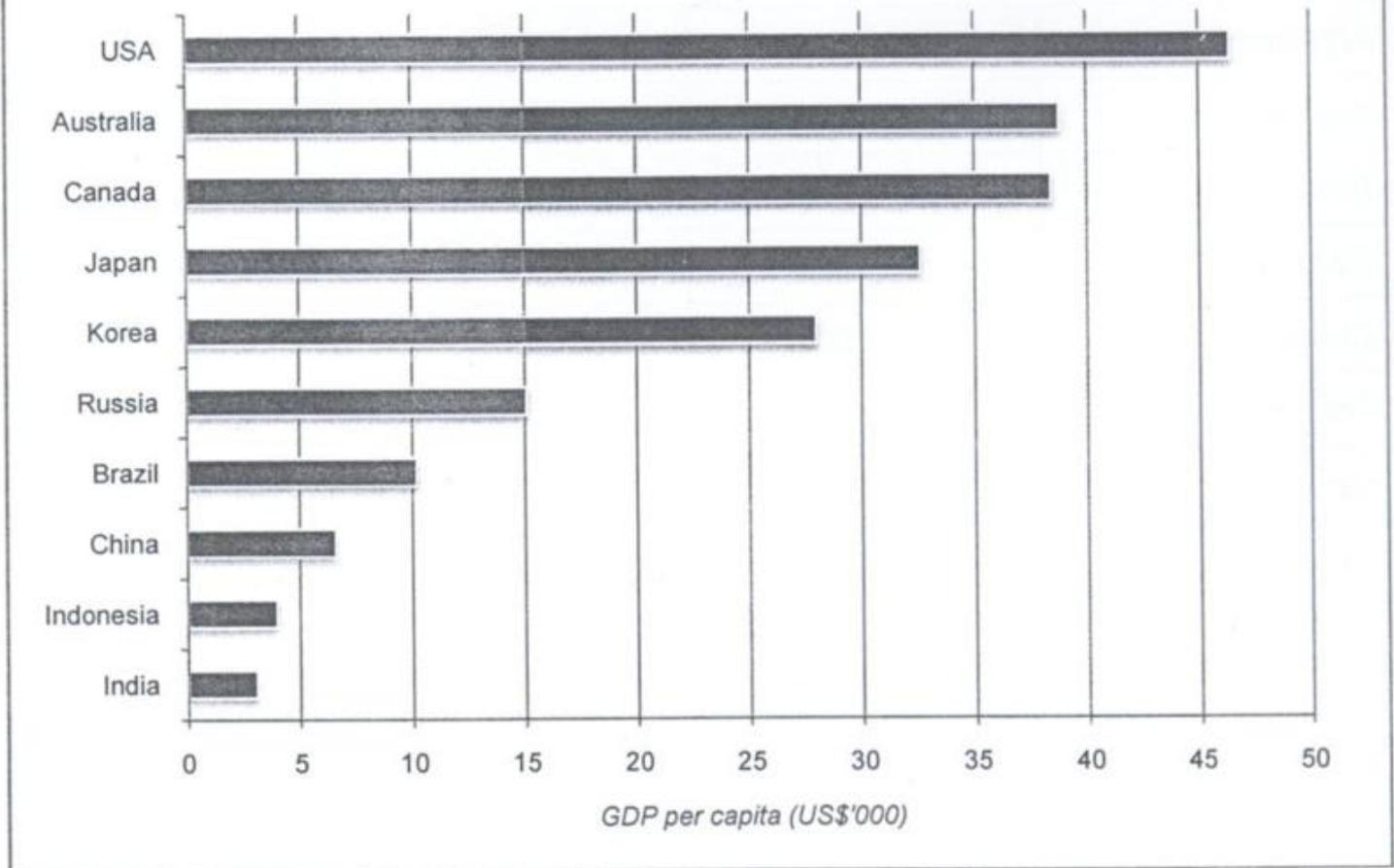


Figure 3: 2050

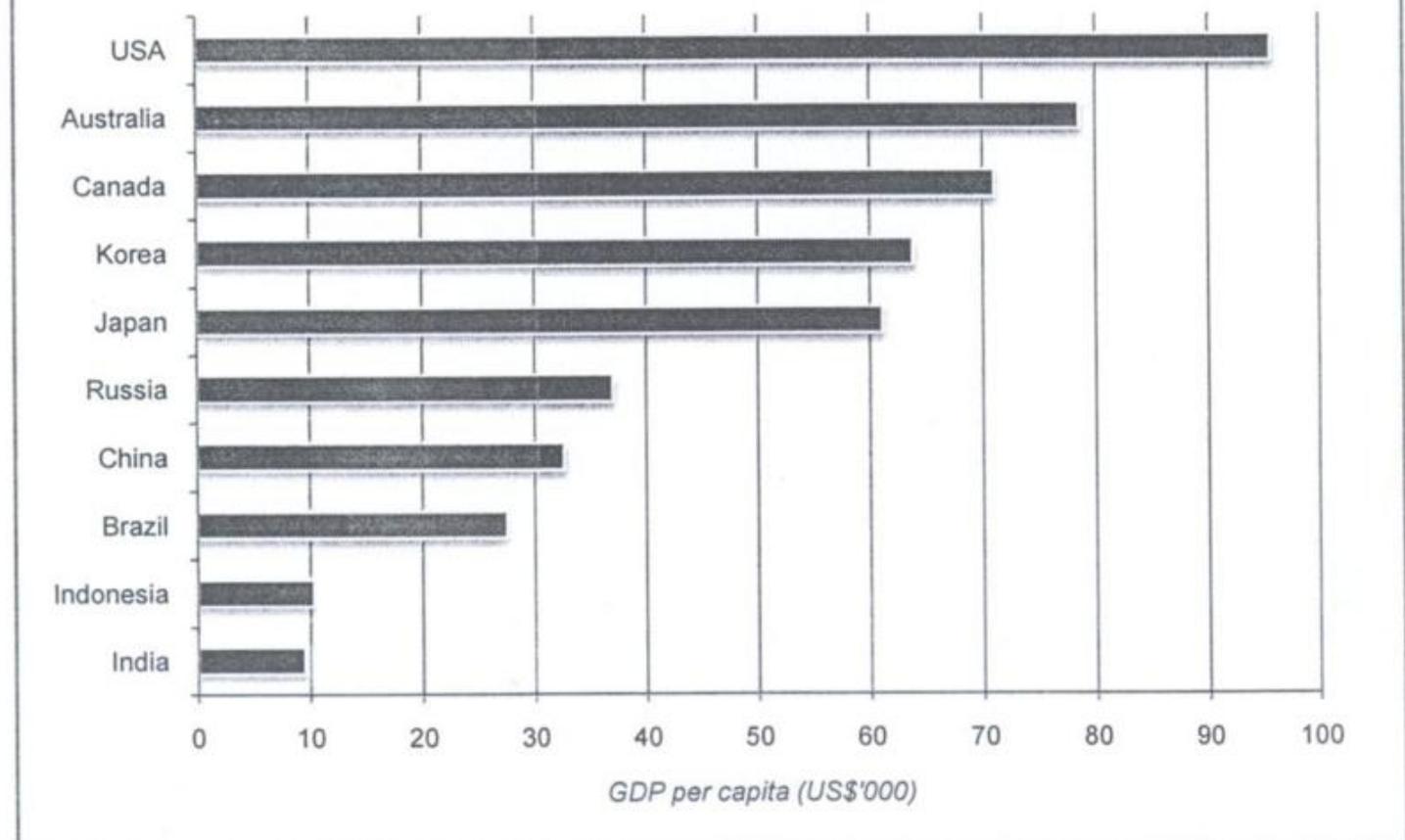


Table 3:
Military expenditure of selected countries in constant US dollars, 2000-2009

Figures are in US\$ million, at constant 2005 prices and exchange rates.

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total ^a
USA	377,228	380,271	426,982	485,975	529,673	554,930	563,549	578,340	616,073	663,255	5,176,276
France	62,707	62,496	63,779	65,716	67,520	66,096	66,449	66,673	66,009	67,316	654,761
UK	54,055	55,909	59,310	62,618	62,352	62,397	62,274	63,042	65,615	69,271	616,843
China ^b	31,200	38,400	44,400	48,500	53,100	59,000	68,800	77,900	86,200	98,800	606,300
Japan	47,496	48,009	48,496	48,596	48,225	47,888	47,347	47,124	46,296	46,859	476,336
Russia ^b	29,700	33,000	36,600	39,000	40,600	44,200	48,400	52,500	58,300	61,000	443,300

^a The final column shows total military expenditure by individual countries from 1999 to 2008.

^b Figures for China and Russia are estimates

Source: Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database (2010), at <http://milexdata.sipri.org> [accessed 6 June 2010].

Figure 4:
Top defence spenders for 2009

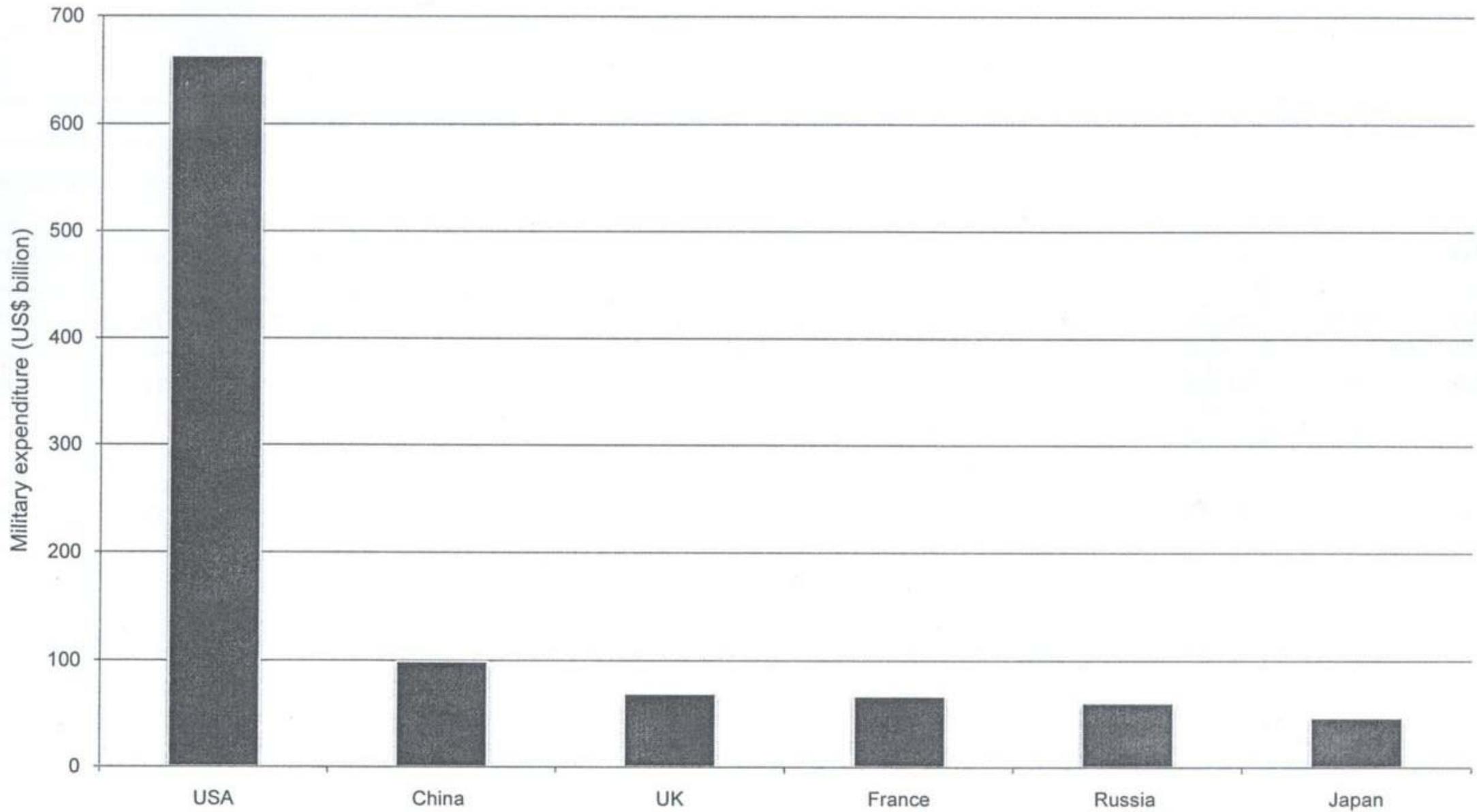


Figure 5:
Top defence spenders for the period 2000-2009

