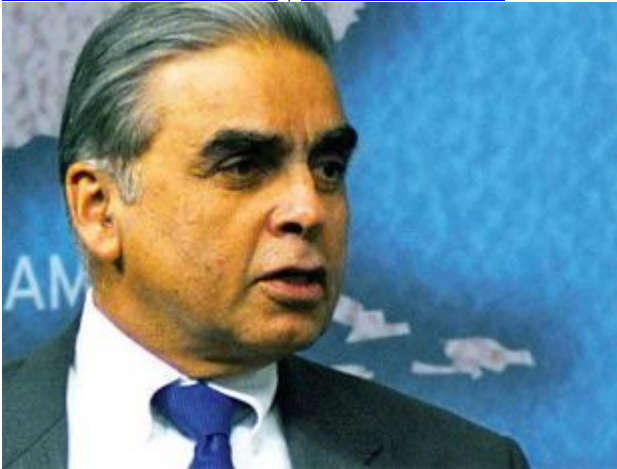


India and China have common long term interests and challenges: Kishore Mahbubani

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"While China is growing because of its government, India is growing despite its government. India has a far more dynamic private sector than China."

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*Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy at the [National University of Singapore](#), has closely studied the changing relationship between Asia and the US, and its consequences. These studies come together in his new book, *The Great Convergence: Asia, the West and the Logic of One World*. In an interview with **Kamini Banga**, he discusses the forces working for and against the creation of a universal standard of living:*

What is the main message of your book?

The world is getting to be a better place, with greater change for good in the last 30 years than in the last 300 years.

Globalisation, fewer wars, a decline in absolute poverty and the rise of education have seen growing numbers join the middle class, making the world more connected and resulting in the 'great convergence'.

Over the last 200 years, very few, mainly in Europe & North America, have enjoyed middle class living standards. Now, the remaining 88% of the world's population,

primarily from Asia, are moving to a similar quality of life.

By 2030, half the world will qualify as middle class meaning they will have discretionary income to spend on products such as refrigerators and televisions. A big change in mind-set is called where we drop the notion of national sovereignty being the most important concept in international relations.

What is needed is a new theory based on common goals and shared concerns. What are the factors driving this convergence? There are five: growth of free market economies, spread of logical reasoning with greater education, social contract between rulers and the ruled which prevents concentration and abuse of power, and finally, increasing multilateralism in global bodies with greater representation of new emerging powers in Asia and the rest of the world. However, this multilateralism is yet to be reflected in global institutions like the UN, the [World Bank](#) and others.

Of these free market economics is most critical. It is the best way to develop societies and progressively more nations are opening themselves up rather than shutting out the world.

Normally, something like the global financial crisis would have resulted in protectionism, but surprisingly, no country has taken that route as they realize they would be shooting themselves in the foot. This is truly remarkable.

What are the hurdles?

They come from global contradictions arising out of geo-political rivalries. While these will not disappear, I am optimistic that most of them can be resolved in one way or another, with a bit of careful management.

Throughout history the most important relationship is one between the world's greatest power and the world's greatest emerging power. Today it is the US and China. However, instead of rising levels of tension between the two nations, one sees a fairly stable relationship.

This too is an example of convergence because they have become inter-dependent and have begun to realize that they need to work with rather than against one another. Then there are global versus national interests. Today we have 193 governments working hard to protect their national interests and there is no established defender of global interests even though most of the new challenges are global in nature.

The other hurdle is West versus the rest conflict. 12% of the world lives in the West and 88% in the rest. Unfortunately, this is not being reflected in the global institutions; UN has five permanent members of which three are from the West. 12% of the population controls 60% of the seats in the UN and 50% of the votes in the IMF and the World Bank. In addition, the IMF and the World Bank have at their head a European and an American.

The world is beginning to feel squeezed by the explosion of Chinese migrants to Africa, Latin America and to several other parts of the world. A criticism from Egypt, "...Chinese come to Africa not just with engineers and scientists, they are coming with farmers, it is neo colonialism, there are no ethics, no values. "

The most dangerous barrier to convergence is Islam versus the West. China is easier to deal with since there is no religious conflict and China aspires to most things American. However, I am surprisingly optimistic about the Islamic world in general.

Indonesia and Malaysia are two Muslim countries that are doing quite well. Even Turkey, despite its recent problems. Prosperity will march into the Muslim world and West Asia just as it did in Asia. As Muslim states modernize themselves, and their populations become better educated, current levels of tension will reduce significantly.

Will China overtake the US?

Till 1820, China and India were the two largest economies in the world. It is only in the last 200 years that Europe and North America have taken off. So the last 200 years of world history have been a major historical aberration, and will come to a natural end. So, given the size of the population in Asia, they are bound to have economies larger than those of the West.

I am actually glad that the US and UK are bouncing back, but I am also frightened by the kind of wishful thinking that you see in the US because unemployment still remains high, [Congress](#) remains polarized and huge subsidies and entitlements continue. So frankly, I don't see the kind of long term thinking in the US as I see in China. So I am willing to take the bet that the Chinese economy will become bigger than the US economy.

What are the challenges that China faces?

China sceptics have been predicting China's collapse for the last 40 years. I think it is wishful thinking. It is not unusual for China, the most populous country to have problems.

The question is about the quality of the management in China. The quality of people in the highest echelons of the [Chinese Communist Party](#) is the highest it has ever been since the Party was founded. The intensity of the drive of the Chinese leaders is quite amazing and I know it firsthand.

The Party is as meritocratic as Harvard in the way that people are promoted and is the exact opposite of the Soviet Communist Party, where promotions are based on age and seniority. In China, the leaders are forced to step down after ten years. So there is constant renewal with fresh thinking inducted to lead the country.

China is the world's most populous country, so it is bound to have civil unrest. But there will be no revolution in China. Global survey results show that people are optimistic,

90% Chinese say 'yes' to the question "Will you and your children be better off 10 years from now ?" In the US it is a mere 30% to 40%. If China can turn democratic tomorrow, it should do so.

But the lesson of the Soviet Communist Party is that if you try and make a political transition too suddenly your economy implodes, your life expectancy goes down, your infant mortality rates go up and people suffer. The Chinese have suffered enough between 1842 and 1979 and they want to avoid that at all costs. I suspect they are aware that they have to change their political system, but they will be smarter if they do it slowly and carefully.

Meanwhile, Americans find it difficult to cede the number one position to anybody. The US-China relationship is unlike the USRussia one with its heavy baggage of history. Unfortunately, America misreads the political stability of China - they need to give it time to evolve into a democracy.

Why do you mistrust the West?

It is a myth that the West is benevolent. While the rest of the world aspires to be like the West, the West is opposed to 'all are equal'. They are like the rest, their history is tainted with colonisation, wars in Iraq and Afghanistan, and the US introduced torture in the 21st century. The issue of aid is highly controversial since the amounts are not significant. Further, it has been argued that aid is actually dysfunctional and promotes the national interest of the donor alone.

What of the relationship between [India and China](#)?

The relationship is competitive and marked by conflict, now and in the past. China has been aggressive on boundary claims and water sources. However, the two countries have common long term interests and challenges.

There is a need to collaborate on several issues particularly in dealing with the West. India's economy is slowing down. I hope, after the elections there is a stable government helping India to bounce back.

While China is growing because of its government, India is growing despite its government. India has a far more dynamic private sector than China does and I wouldn't be surprised if in a few years time India bounces back.

China and India need to share more costs and responsibilities related to the UN, IMF and the [World Bank](#). This is what I have been advocating. They cannot expect the West to act as a referee and custodian and agree to share authority and power with 'smaller nations' whose contributions are insignificant or next to nothing.

What will your next book be about?

Well my next book will probably be on South East Asia - I call it the most blessed corner of the world.

(Kamini Banga is a marketing consultant and author)