

**Speech by Ambassador Apichart Chinwanno  
At the Panel Discussion on the Asian Century  
At Vrije Universiteit Brussel, 21 February 2013**

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Thank you very much Prof. Jonathan Holslag for inviting me to speak at this panel discussion on the "Asian Century." It is nice to be back in an academic environment where fresh ideas and debates unshackle and stimulate your mind.

In today's discussion on the "Asian Century", I would like to offer **5 observations**.

**First**, instead of calling the phenomenon we are discussing today the "Rise of Asia", **I'd rather call it the "Re-emergence of Asia"**.

Let us take a long view of history. Western dominance of world's economy only started in early 19th century. Before 1820, the two largest economies in the world were always Asian, that is China and India. China's civilization is at least 5,000 years old. The compass, gunpowder, paper making and block printing invented by the ancient Chinese have contributed immensely to the progress of mankind. The Great Wall and Grand Canal, dated before Christ, are regarded as engineering feats even today. The trade route between China and the Roman Empire was called "Silk Road", and high-end pottery is still called "China", all for good reasons.

With such historical perspectives, it can be said that **the Asian Century is only a return of Asia to its natural place**. IMF statistics show that in purchasing power parity (PPP) terms, in 1980 America had a 25% share of global economy, while China only had 2.2%. By 2016, the American share will decline to 17.6% while China will rise to 18%. The study by the Asian Development Bank on the Asian Century puts it this way that as Asia's per capita income could rise six fold in PPP terms to reach Europe's levels by 2050, "Asia would regain the dominant economic position it held some 300 years ago, before the industrial revolution".

My **second** observation is that the impact from the Re-emergence of Asia will be manifold. Asia will create the world's largest middle class, projected to grow more than 3 fold from 500 million people in 2012 to 1.75 billion in 2020. What does that mean? It means massive demand for consumption of all kind of products. Already you may have noticed rising Chinese demand for luxury goods and Grand Cru wines. But there will be growing demand for electronic goods, cars, mobile phones, smartphones and the likes not just in China but also in ASEAN region and India. Tourism will also be flourishing bringing benefits to

hotel business as well as budget carriers and so on. Asia will become the major driver of the world economy.

My **third point** is that the road ahead will not be a smooth ride but certainly be strewn with many dangerous pitfalls, and the **Re-emergence of Asia is not preordained**. We cannot take it for granted.

Asia has beyond doubt some notable successes. The rapid growth in Asia has lifted hundreds of millions of peoples out of poverty and brought many benefits, including extended life spans, higher literacy, and improved health.

**But together with remarkable economic growth lie multiple risks and challenges, as well as some opportunities.** To climb up the ladder of development, Asian countries need to break away from the middle income trap, including by harnessing entrepreneurship and innovation. Economic growth might expand the middle class with high purchasing power. Yet it might also entail massive urbanization and rising inequality, thus necessitating inclusive growth strategy and good governance. Rapid economic growth might unintentionally serve as pull factor for migration, and might also cause rapid depletion of natural resources and degradation of environment. All of these challenges need to be addressed carefully, to ensure the advent of the Asian Century.

With its increasing economic prowess, Asian countries have emerged as important players in the transformation of global order from the post Cold War unipolar world to a multipolar world. This brings me to my **fourth point on what Thailand seeks to respond to the changing order of Asia**.

**In essence, Thailand, in close cooperation with our ASEAN friends, is aiming to play proactive, constructive role, in an ASEAN-led regional architecture that balances the strategic interests of both Asian and extra-regional powers.**

The rising wealth in Asia will inevitably lead to more defense spending with all the ramifications for regional peace and security. This will require a careful management of peace and effective regional security architecture. If the inevitable contest between America and China focuses on competing visions on how to create better forms of regional and global cooperation, that may be healthy for the region. If not, we are headed for interesting times. And here ASEAN can play a central role to maintain regional peace and stability.

ASEAN sees that Asia's peace and prosperity will depend on the ability of major powers such as China, Japan and India, and the superpower like the United States, to be at peace with one another, as well as to feel that their strategic interests in the region are

satisfactorily accommodated. But **these countries cannot come together by themselves in a cooperative framework due to historical legacy, deficit of trust, and clash of values.**

It is against this backdrop that ASEAN, being perceived as neutral and acceptable to all, **has consistently played useful roles of convenor, facilitator and the architect of the evolving regional architecture.**

To cite but a few examples, when the Cold War ended, ASEAN took the initiative to launch the Asian Regional Forum or ARF, bringing all the regional and extra-regional powers with a stake in security of the Asia-Pacific together.

After the 1997 Asian financial crisis, when the fall of Thai baht triggered the fall of Korean won and other Asian currencies, it became clear that the economies of Northeast Asia and Southeast Asia were closely intertwined. This was the rationale for ASEAN to launch the ASEAN + 3 (China, Japan and South Korea) forum. Bearing in mind the rise of India and the growing connectivity with India, Australia and New Zealand, ASEAN has taken a pragmatic approach by bringing these 3 countries on board to form the East Asia Summit (EAS). Recently EAS has expanded to include the United States and Russia.

The regional architecture today is getting more complicated. A series of foreign policy missteps by China since 2009 tore away the carefully nurtured perception of “Peaceful Rise” and raised concerns about China’s ascent. The United States has sent a strong signal that it will not allow China to dominate regional cooperation processes. President Obama has declared a clear Asia-Pacific policy, while pushing hard for an ambitious and next-generation trade agreement with the Pacific Rim countries called Trans Pacific Partnership, or TPP. It took the lead in the process of engagement and opening up of Myanmar. It has also joined hands with the European Union, its trusted allies, in strategic partnership towards Asia. It is only natural that the Chinese will observe such moves with some suspicion.

The European Union, on the other hand, has been preoccupied with its debt crisis and deeper integration and with its immediate neighbors. But last year the EU has again actively engaged ASEAN and made repeated requests for a member seat at the East Asia Summit (EAS).

Despite being a flawed organization, despite all the deficiencies in the design of regional architecture, despite the need for further development of such security framework, ASEAN pragmatic approach has so far worked and the EAS provides the best venue for the world’s two greatest powers to talk to each other as tensions rose. **ASEAN has served the purpose and that there are values in ASEAN's stewardship of this architecture of cooperation in East Asia.**

Prof Hol slag has asked me to conclude my talk with some stimulating food for thoughts. So this is my last point. The lesson we learn from the demise of China in early 19th century was that one **cannot stop others from rising, but the only way to survive the transformation of the world order is persistent adjustment and reform.**

A major factor for the fall of the Chinese Empire in the 19<sup>th</sup> century was its blind conviction in its supremacy over others, resisting necessary adjustments and reform in response to changes outside the "Middle Kingdom". Such conviction might ring the bell with the notion of manifest destiny, of the moral superiority which exposes itself in the form of the so-called "universal" values or "best practices", which must be replicated unconditionally everywhere.

We are more fortunate than the Chinese ancestors in the sense that in the globalized world of today nobody can turn blind eyes to changes outside their territory. Changes, challenges and shock waves have been brought right to our doorsteps with one click of the mouse. With such depth and pace of interdependence among countries, we should be able to expect that people will constantly be on high alert to adjust and reform themselves in line with changes, particularly after a series of wake-up calls in the form of economic crises. Unfortunately, **complacency is inbuilt in human nature once the intensity of shock fades**, resulting in dampening of reform efforts.

The food for thought that I would like to leave here is that **the Western world should not be apprehensive about the advancement of others**. Rather, one should take this as an **opportunity to adjust and undertake reform**, as well as **to cultivate mutual understanding and tolerance** toward existing diversity, and **to foster mutual respect for other people's values, constraints and potential**.

Thank you.