

**Closing Remarks by H.E. Mr. Apichart Chinwanno,
Ambassador of Thailand to Belgium and Luxembourg,
At a Luncheon Briefing “Is Asia more prosperous than Europe?”
Thursday 8 November 2012, 13.00-14.30 hrs, EU-Asia Centre**

Thank you very much Fraser for inviting me to make this closing remarks. I would like to also thank the EU-Asia Centre and the Legatum Institute, and Jeff Gedmin and Nathan Gamester, for this stimulating conversation.

Today’s discussion reflects the success of the Legatum Institute in enriching the definition of “prosperity,” by proposing a combination of traditional material wealth and subjective well-being and life satisfaction. The Institute’s experiences in developing this Index complements well with the global push toward the Millennium Development Goals, as well as the making of the post-MDGs development agenda, which was deliberated at length at Rio 4 months ago.

I would like to suggest that, to make the Index even more holistic, the Institute might add some Eastern wisdom into its rich prescriptions. One prominent example is the King of Thailand’s Sufficiency Economy, the development philosophy based on moderation, prudence, and social immunity, which has won praises from several international fora such as UNDP and UNCTAD. Other notable Asian propositions include King of Bhutan’s Gross National Happiness, Dalai Lama’s Art of Happiness, and Nobel Prize Lauriat Amartya Sen’s Development as Freedom, to name but a few.

Today we also attempt to find out whether Asia is more prosperous than Europe. My short response, after listening to the Institute’s finding, is no, Asia is not more prosperous than Europe – at least not yet.

The present Index shows that 20 European countries rank in the top 30 of the present overall Index, despite their obvious drop in economy sub-index. This indicates the existing strong fundamentals in this continent. On the Asian side, on the contrary, only the 6 top performers – namely Hong Kong, Singapore, Taiwan, Japan, South Korea and UAE – make it to top 30. Their impressive rankings should not catch anyone by surprise as the 5 East Asian economies have inspired the coining of “Asia’s Miracles” since late 1980s.

Only in the sub-index on economy do 4 more Asian countries – namely Kuwait, Malaysia, China and Thailand – make it to the top 30, while Vietnam, Indonesia and the Philippines come close. Again, this should not be surprising, as these ASEAN countries have been called the Asian Tiger Cubs since late 1980s, and China’s rise to economic prowess has been a clear trend since its opening up in early 1980s.

The Legatum Index thus reconfirms the 2-decade trend in Asia that remains consistent despite compound crisis and challenges. A study by the Asian Development Bank in 2011 predicts that, if Asia’s past success is extended into the future, by 2050 Asia’s combined GDP will be half of global GDP, and its per capita GDP will be similar to Europe’s today.

The UNDP also predicts that in 2050 East Asia's rank in the Human Development Index would be fairly close to the living standards of the EU and the US.

The road 40 years ahead will certainly be strewn with many dangerous pitfalls, and the Rise of Asia is not preordained. Yes, the last quarter of a century has had some notable successes. Certainly 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 multiple risks and challenges remain to be tackled, including to ensure inclusive growth, to harness entrepreneurship and innovation, to address massive urbanization, rising inequality and climate change, to strengthen governance and institutions, and to reverse rapid depletion of natural resources and degradation of environment. I note that the Legatum Index incorporates most of these factors, which Asia still ranks low.

If I am to recap the success of Asia so far in one word, I would go for "resilience." Boom and bust are natural course of development, and Asia has shown its intrinsic strength to emerge stronger after harsh storms. South Korea, for instance, was the worst-hit Asian Tiger during the Asian Financial Crisis in late 1990s with severe capital flight and stock market crash. But it has managed to triple its per capita GDP since then. Thailand has also taken many bitter pills to undertake important structural reforms, resulting in its ability to weather multiple internal and external challenges in the past 5 years.

Europe and Asia continue to have much to learn from one another's experiences. So my last words for our European friends here, derived from our Asian experience, are – do not waste a good crisis.

Finally, my congratulations to the Legatum Institute for making a serious attempt to measure prosperity. Please keep up and continue to improve.

Thank you.
