

Prof Kishore Mahbubani There Is No Need To Reinvent The Wheel



Prof Kishore Mahbubani was in Sri Lanka to inaugurate the ‘Eminent Speaker’s Seminar Series’ at Miloda, The Academy of Financial Studies. An academic, diplomat, author and eminent speaker who is known as one of the most influential people in the global economy, especially the Asian region, Prof Mahbubani is the Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore.

He stressed that Asia has changed dramatically over the past two decades and more and more Asian countries are doing better in the global economy, where Sri Lanka has the opportunity to fully participate in the Asian growth story.

Prof Mahbubani further says that, whenever a problem arises there will always be someone who has tried it before and that Sri Lanka is at an optimum phase where it can learn from the successes as well as the failures of the other countries, especially in the Asian region.

By Udeshi Amarasinghe | Photography Indika De Silva and Damith Wickramasinghe

How is Sri Lanka positioned in the new Asian Hemisphere?
Sri Lanka has a tremendous opportunity in the new Asian hemisphere. For many years Sri Lanka was held back from participating in the Asian growth story because of the country's preoccupation with the war which went on from 1983 to 2009. Now that the war is over it is time for Sri Lanka to re-emerge. Asia has changed dramatically over the past two decades and more and more Asian countries are doing better in the global economy. Sri Lanka has the opportunity to fully participate in the Asian growth story.

Sri Lanka can learn from the success stories of the other Asian countries and also from their mistakes. Therefore it is a tremendous opportunity.

It Is Good That Sri Lanka Has Strong Relationships With China, India And Other Countries.

Sri Lanka's location is of geopolitical as well as of global significance. We have strong relationships with China and India as well as to a certain degree the West including USA. How crucial is Sri Lanka to global dynamics?
It is good that Sri Lanka has strong relationships with China, India and other countries. The two biggest economies in the 21st Century will be China and India. One point that I always make is that from the year one to the year 1820, the two biggest economies in the world were China and India. It is only during the last 200 years that Europe and North America took off. The last 200 years of world history has been a major historical anomaly and all historical anomalies come to a natural end. It is quite natural for China and India to become number one and two again sometime in the 21st Century.

In that sense Sri Lanka is well positioned. If I had to give a message to Sri Lanka in one line it is that Sri Lanka can very easily be the Singapore of South Asia. Singapore plays a very critical role to serve as a hub for numerous activities in South East Asia. The ASEAN region especially is doing very well and trade is growing. Our total trade is three and a half times our GNP, we are the most trade dependent country in the whole world, and Sri Lanka can do the same. In a sense its

good for Sri Lanka to learn from other countries including Singapore.

Sri Lanka has emerged from a three decade long conflict and we have completed only four years since then. What are your thoughts on Sri Lanka's economic growth?
Sri Lanka has done quite well. In the past couple of years the country's growth rate reached seven to eight percent, which is a very good growth rate. Clearly you can do a lot more, Sri Lanka is geographically very well positioned and is on the major trade route between Europe and Asia.The country has the potential to serve as a logistics centre, an aviation centre and maybe even a regional banking centre, therefore the opportunitiesare there.

You speak about the rise of the Asian and worldwide middle class, where there is a greater convergence. How did this come about?
In my book, "The new Asian hemisphere", I explain that the reason why Asian countries are finally succeeding is because they have understood, absorbed, identified and implemented what I call the seven pillars of Western wisdom, which are: free market economy, the mastery of science and technology, culture of pragmatism, meritocracy, culture of peace, rule of law and education. The point is that other Asian countries have already implemented these pillars of Western wisdom so there's no reason why Sri Lanka cannot do the same.

On one side it is a positive to have a large middle class, but there are negatives as well. What are your thoughts on this, especially in terms of Asia and particularly Sri Lanka?
I would say the positives of having a middle class far outweigh the negatives. I grew up in Singapore in a relatively poor home living in a one bedroom house with no flush toilet. I was on a special feeding programme when I was young so I've experienced poverty first hand. Having experienced poverty and having experienced a middle class lifestyle, I can confirm that being middle class is much better than being poor.

One thing that people are unaware of is how much the Asian middle class is going to grow. Today, from East Asia to West Asia, the total size of the Asian middle class is about 500 million people but in 2020, that is seven years from now, that number

is going to grow from 500 million to 1.75 billion, which is an increase of three and a half times. The total size of the Asian middle class that will emerge in seven years is four times the size of the population of America. This is a dramatic change and we should be happy this is happening.

While there is greater convergence, there seems to be divergence as well. While the West is going through an economic crisis, Asia especially the emerging economies are growing stronger, while internet and other such technologies may bring cultures together, it has also entailed in many countries wanting to maintain their identity. What are your thoughts on this?

I have a two part answer; firstly it is quite clear that one of the most surprising things that have happened in the world is that at a time when optimism is rising in Asia, pessimism is rising in the West. Today, if you want to see the most pessimistic people in the world, you do not see them in Asia or Africa or Latin America, you see them in Europe. Spain has 50 percent unemployment, so it is natural that people feel pessimistic. Something that I always tell the West is that they too can participate in the Asian growth story and benefit from it too.

In The Past Due To The Dominance Of The West We Lived In A Monocivilizational World. Today With The Re-Emergence Of Other Cultures We Will Live In A Multicivilizational World. It Is More Interesting Than The Former.

Secondly in terms of the question of identity, I actually feel that there are two parts in the Asian growth story. In part one there is an economic renaissance, which is what you see in Asia today and in part two there is a cultural renaissance. Asian countries will rediscover their cultures and symbolisations and they will cut off the colonial period, so this renaissance will be a very exciting phase for the Asian countries and certainly we will become a diverse world in that sense. In the past due to the dominanceof the West we lived in a monocivilizational world. Today with the re-emergence of other cultures we will live in a multicivilizational world. It is more interesting than the former.

This is a question that many ask you on the relationship between USA and China, but with other Asian countries (for example India) also rising in

economic and political significance, will the USA-China dynamic be as relevant?

Yes. The world's most important geopolitical relationship is always the one between the world's greatest power and the world's greatest emerging power. Today the worlds greatest power is USA and the world's greatest emerging power is China. So the China-USA geopolitical relationship will be the most important one in the world for at least the next two to three decades. However, some say that around 2040 or 2050 China will be number one and India will be number two, so in 20 to 30 years from now the most important geopolitical relationship will be the one between the world's greatest power, China and world's greatest emerging power, India.

Then the China-India relationship will become more important, which is why the Lee Kuan Yew School of Public Policy, where I'm the Dean, has raised an eight million US dollar endowment to study the China-India relationship in great depth. Since Sri Lanka has a great interest in the China-India relationship – considering it affects the country directly as much as it affects Singapore – Sri Lanka can collaborate with the Lee Kuan Yew School of Public Policy to understand the China-India relationship better.

It Is Good To Have A Role Model And The Fact That The Four Tigers And The ASEAN Countries Are All Doing Well Is A Sign That Most Countries Can Do Well To Attain Economic Growth And Sri Lanka Can Learn From Them Too.

How will the four Asian Tigers; Taiwan, South Korea, Singapore and Hong Kong as well as Malaysia and Thailand affect this gaining Asian supremacy?

The good news about Asia is that more and more countries are doing well and the four tigers are doing well, especially South Korea, which is an amazing success story. The per capita income of South Korea in the 1960s was lower than some African countries including Ghana. Today, South Korea is a member of the OECD and is considered a developed country. What South Korea did yesterday, Sri Lanka can do tomorrow. It is good to have a role model and the fact that the four tigers and the ASEAN countries are all doing well is a sign that most countries can do well to attain economic growth and Sri lanka can learn from them too.

There are many collaborations between academic institutions of various countries. This is another way of sharing knowledge and technology. What is the significance of the Lee Kuan Yew School of Public Policy of the National University of Singapore signing a MoU with the Ministry of Finance and Planning in Sri Lanka?

We were very happy to sign the MoU with the Ministry of Finance. Even though we are based in Singapore, our mission is not just to try and improve governance in Singapore, but to also improve the governance of Asia speaking broadly. If you look at the ideal profile of the students of the Lee Kuan Yew School of Public Policy, only 20 percent of our students come from Singapore and the rest are from China, India, South East Asia and 20 percent from the rest of the world. We would love to see more Sri Lankan students studying at the School. We are also the second most generous school of public policy in the entire world after Princeton. We will be happy to provide scholarships for Sri Lankan students. Our mission is not to work just with Singapore, but to work with the world in general.

What is your outlook for 2013-2014 for the global economy?

There are many short term issues we have to deal with. We are yet to understand the consequences of the USA printing money. Europe and Japan too are to a certain extent printing money. No one quite knows what will be the outcome. But if you look beyond these short term, macro economic clouds towards the medium term and long term there is no doubt that the Asian growth story will continue. Sri Lanka too can continue to grow if it plugs into Asia. The export markets for Sri Lanka have traditionally been USA and Europe and that's been the centre of focus. Now Sri Lanka can turn around and say 'OK, we will continue to do business with them but we must now do more business with South East Asia and East Asia'.

Final thoughts?

There is tremendous potential for Sri Lanka and the good thing is that now that the war has ended the fastest way that Sri Lanka can develop is to learn from other countries. The architect of the Singapore economic miracle, the former Deputy Prime Minister of Singapore, Dr Goh Keng Swee was in fact once asked by the Sri Lankan Government to come and serve as an advisor and he did. He used to tell me something very simple -sometimes the greatest pieces of wisdom are very simple. He used to say, 'Kishore, no matter what problem Singapore encounters, somebody somewhere has already solved it so let's go and learn from that country and adapt

it intelligently to fit Singapore. We do not have to reinvent the wheel’.

Sri Lanka does not have to struggle and reinvent the wheel. If it wants to build a more developed port, one of the best developed ports in the world is in Singapore, Sri Lanka can learn from us. In fact, when I visited Rotterdam with the Prime Minister of Singapore in the 1990s, the CEO of the Port of Rotterdam said to the Prime Minister that Singapore should no longer learn from Rotterdam and that Rotterdam should learn from Singapore. If the Europeans are prepared to learn from Singapore there is no reason why Sri Lanka can’t do the same.

The advantage of learning in Singapore is that you do not just learn specific things. Singapore has developed an entire eco-system of growth and development and Sri Lanka can replicate the entire eco-system. To replicate the eco-system you cannot read it from books alone, you must visit Singapore and spend some time there. There are simple solutions that Singapore has worked out that Sri Lanka can emulate. This is in a sense very good news for Sri Lanka.




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