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President Mario Monti, Rector Tabellini, distinguished Professors, distinguished Guests, Ladies and Gentlemen,

I must begin by saying that it is indeed a great honor for me to be given this opportunity to speak at this auspicious occasion. And if you want to understand why it's truly a great honor, many of you in Italy think that Sicily is a very small island in the south of Italy, but I can tell you that Singapore is even smaller: it's only 700 square kilometers, and for someone from such a small island-state to come and speak to such a distinguished audience is of course a great honor. So why did I come? I decided to come because my friend, President Mario Monti, asked me to speak about the great European project and its impact on Asia, and as I began thinking about the subject whether Europe can inspire Asia I began to realize that it can and should indeed inspire Asia.

Now, I apologize for the fact that, unlike the distinguished Rector, I do not have a text to share with you, but you have a summary of my remarks, and in this summary you will notice that I will say there are three ways in which Europe can inspire Asia and – to be balanced – three ways in which it cannot. But I want to emphasize that the “yes” answer is a much more weighty answer.

One of the key surprising conclusions I came to is that as you look ahead in the 21st century, it is possible that Europe may replace the United States as this shining city on the hill. Now as you know, the United States has been very proud – justifiably – of the positive impact it has had on the world, it has inspired people around the world, but as I am going to explain in my remarks, in many ways the world today may have more to learn from Europe than from America. And this is particularly so because we are entering a new era of world history, and how do I characterize this new era of world history? I characterize it with two points. The first point is that we are going to see the end of the era of Western domination of world history. But I hasten to add that the end of this era is not the end of the West: the West remains the single strongest civilization. And the second point is that you will see the return of Asia. And why do I call it the return of Asia and not the rise of Asia? Because from the year 1 to the year 1820, the two largest economies consistently were China and India. So if you look back at the last 2000 years, for 1800 years, the largest economies were in Asia. And therefore when Goldman Sachs predicts that by 2050, the number one economy in the world will be China, the number two economy in the world will be India, the number three will be the United States, and number four Japan, that's a return to the historical norm and therefore the Asian century is inevitable. But the big question is, will the Asian century be a peaceful one, will it be a stable one, will things get better for the world? And we don't know. We honestly do not know what's going to happen in this century. But I do believe if Asia can take advantage of three big gifts that Europe has given to the world, then we might have a better century.

So what's the first gift that Europe has given to the world? This is of course what I call the culture of peace. I must say that when I come to Europe, I'm amazed how many Europeans take for granted the peace that you have in Europe, because in Europe you have actually accomplished the greatest civilizational achievement of humanity. And what is this greatest achievement? It is that you do not just have zero wars between any two European Union states, you have zero prospect of war. There is no danger that UK and

France will go to war with each other; there is no danger that Germany and France will go to war with each other again. And why is this achievement so important? It is because when you look ahead into the 21st century with all the great powers emerging in Asia – China, India, Japan is still a great power –, today we are fortunate that there are no wars between China and Japan, there are no wars between China and India. But you cannot say that there is zero prospect of war between China and Japan because, as you know, China and Japan have had a very troubled history starting from 1895 with the Sino-Japanese war, and continuing with the Japanese occupation of China. And even though on the surface things are peaceful between Japan and China, you saw recently how they had a big quarrel over some islands between Japan and China. And believe me, if we in Asia can achieve what you have achieved in Europe where you have zero prospects of war, it would be a huge achievement.

And I want to mention that when I say that you take it for granted, I say it partly because I read it. I read Pascal Lamy's wonderful, brilliant address to this group last year and when he spoke of all of Europe's contributions, he didn't even mention the culture of peace. That shows how much you take it for granted in your souls and you don't realize how the rest of the world aspires to have what you have. And if indeed Asia moves towards getting a culture of peace, it would be a better world in many ways.

Let me give you one concrete example. Because of your culture of peace in Europe, you don't have an arms race in Europe. Nobody is trying to buy new aircraft carriers in Europe, indeed by contrast, the United Kingdom and France are sharing one aircraft carrier. And believe me, I'm sure Winston Churchill and Charles de Gaulle are turning in their graves at the prospect of UK and France sharing an aircraft carrier. But if you can share an aircraft carrier, it shows how much trust you have in each other. In Asia we do not yet have that trust. Indeed sadly an arms race is there in Asia, and countries are buying new aircraft carriers in the region.

And you also showed your commitment to peace. I remember in the build-up to the Iraq war, I was in the United States at that point in time, serving as ambassador to the UN. And with the United States on the verge of going to a major war in Iraq, there was hardly any debate, hardly any questioning about the wisdom of going to war in Iraq. And by contrast, in Europe, there was this massive debate and so many European voices advising America, "Don't go to war in Iraq". And if only the United States had listened to the advice of Europe, it would have saved itself three trillion dollars, it would have saved itself a futile war and an incredible amount of misery and suffering of the people of Iraq. And I can tell you that while Europe has contributed to the culture of peace via positive examples, paradoxically the United States has contributed to the culture of peace through a negative example. Because when countries all over the world saw that the United States – which, at that point in time, spent more on defense than the rest of the world combined – could not defeat one small country called Iraq, this taught these countries a major lesson saying, "Hey, don't go to war". But that was a negative example and Europe provided a positive example. So I hope that Europe will continue to strengthen its culture of peace, and Europe will continue to share this culture of peace, because Asia's dream must be that someday Asia too will be as peaceful as Europe as is today, with zero prospect of war.

So what is the second gift that Europe has given to Asia? I describe it as the culture of compassion. And what is this? It is a culture which says that in any society, you must not just take care of the people on top of the society, the wealthiest people, but you must also take care of people at the very bottom. And of course, even though not all European governments would declare themselves to be democratic socialists, even the most conservative governments in Europe accept that you have to take care of people at the

bottom. And that's why the levels of inequality in Europe – by and large – are much lower than that in the United States of America.

I don't have the exact figures with me (we live in an era of Google however, so you can google and get the statistics), but if my memory serves me correctly, 80% of all the increase in income in America has gone to the top 1% and the bottom has not benefited at all from any increase of income. And when it comes to the wealth, 20% of the population owns over 80% of the wealth, and the bottom 40% own nothing. Now why is this important, and why do I say that Europe can provide a better model? Because if you don't provide people at the very bottom with opportunities to grow, then you will not have the meritocracy that the Rector spoke about. He mentioned meritocracy and how you provide opportunities to everybody. But if you don't take care of people at the bottom, if they don't have sufficient income and sufficient access to education and healthcare, they will not be able to succeed. And I can tell you that in the 1980s and 1990s Asia, like the rest of the world, was enchanted with the Reagan-Thatcher revolution. And what did this revolution say? It was captured brilliantly in Ronald Reagan's famous statement where he said, "Government is not the solution, government is the problem". So he said that all that governments have to do is stand aside and let the markets do what they want and the markets will even take care of poverty reduction.

Now the results are clear: markets do not take care of poverty reduction, indeed, as you know, markets can't even handle crisis. And there is suddenly a realization in Asia that perhaps we should move away from the American model of dismantling government and moving more to the European model where you have a balance between the visible hand of good governance and the invisible hand of free markets. And so your model – I remember – used to be criticized, it used to be attacked, it used to be saying that "Hey, the European model has failed, it is not succeeding in generating new wealth, it's not giving opportunities". And lo and behold that in many ways the European model has become a much more attractive model because it helps to take care of people at the very bottom. And the reason why this is important to Asia is that, as you know, the largest population of the world lives in Asia: 55% of the world's population. And for a long time the largest number of poor people in the world used to be in Asia. Now with development there is less poverty and the more that we go towards adopting the European model, the better it will be for the long term stability of Asian states.

As I talk about the culture of compassion, let me just add as a footnote that it is not just about your culture of compassion for the people at the bottom, for providing opportunities, but your culture of compassion for the environment is also a positive model for the world and as we look ahead, as you all know, one of the biggest challenges we face in the world is global warming, about how to cut greenhouse gas emissions. And it's remarkable that when the Kyoto protocol was adopted, the Europeans ratified it and the United States did not. Again, I mention that as an example of how the world would have looked different if more states had followed the European Union in ratifying the Kyoto protocol and not walking away from it as the United States did. So this too is another example of how Europe can inspire Asia.

Now I come to the third gift: the culture of cooperation. And in many ways, this culture of cooperation that you have developed may be the most important gift not just to Asia but to the world, because the world has changed fundamentally. Let me explain to you how it has changed fundamentally. What's happened is that as a result of globalization the world has shrunk. And to explain to people what it means that the world has shrunk, I use a very simple image. I say that before modern globalization when you lived in 192 separate countries, it was like living in 192 separate boats. So all you needed was rules to ensure that the boats didn't collide, and these are the rules of the multilateral order: to ensure that countries do not collide

with themselves. But today, as a result of globalization, a result of the world shrinking, the 7 billion people in the world no longer live in 192 separate boats: we live in 192 separate cabins on the same boat. But the problem we have is that while we live in 192 separate cabins on the same boat, we are all busy taking care of our cabins and nobody is taking care of the boat as a whole. And it is important to understand why we face global problems such as global warming, financial crisis, pandemics, terrorism, you name it. Why do we have these global challenges? Because the governments in the world are focused on taking care of their cabins and not taking care of the boat. And that's why the G-20 meeting in Seoul failed, because each government goes to this meeting to take care of its country and not to take care of the world.

So why is the European example important here? It's important because in Asia, because they are still enjoying their new independence, they are still clinging onto their sovereignty. Their sovereignty and their independence are so important to them and they cannot give them up. And by contrast, Europe has led the world in saying, "Hey, we can give up our sovereignty, we can cooperate and we can work together". And I am actually amazed at how much sovereignty Europe has given up. Today, all your international, economic and trade agreements are negotiated by the European Commission, you accept the European Court for your judicial rulings. I am told the number of hours that doctors can work in European hospitals, the size and shape of fruits in European supermarket counters. You allow European authorities to make these decisions, because you say, "Hey, if we cooperate together, we can do more with each other". You take it for granted, right? Now just imagine if other states in the world can learn to begin to give up their sovereignty and to say, "Hey, it's in the interest of the global order that we must sacrifice some of our sovereignty to take care of the world as a whole". Most countries in the world are reluctant to do this. The only continent that has been able to give up sovereignty is Europe. And here again, I apologize for the fact that I may be making some negative comments about the United States, but I am only doing so to illustrate the differences. And the big difference between the European Union and the United States of America is that the European Union traditionally has been one of the biggest defenders of multilateralism. You believe in multilateral institutions, you believe you can accept a court that can pass judgments on you, and, by contrast, the United States sadly has been weakening multilateralism, it has been weakening the International Court of Justice, it has been walking away from treaties, and, as you know, it cannot even ratify the START Treaty that we are talking about today. So you can see what a difference it would make to the world if it moved more towards the European model of adopting the culture of peace, the culture of compassion and the culture of cooperation: it would be a better world. That's why it's important to share the European project with the rest of the world.

But I also mentioned at the beginning of my remarks that there are also negative examples from Europe. I don't mean to spoil your celebrations today, but as I look at the young students out there and I look at the future that they will have to live in, the young ones will have to live in a very different world order than ones we have lived in the last 50 years and I guarantee you this. The next 50 years will be completely different from the last 50 years, and because you'll be different, Europe will have to change in some ways too. So let me mention three ways in which Europe will have to change and adapt.

One is that it's got to change its culture of insularity. Now, what do I mean by culture of insularity? Perhaps the best way to explain this is that – as I mentioned in the beginning of the remarks – we are moving towards ending the era of Western domination of world history. That also means we are moving from a mono-civilizational world, where you had one dominant civilization, Western civilization, to a multi-civilizational world. And in this multi-civilizational world you have to understand deeply other cultures and civilizations, and one of the biggest rifts in the world that has to be addressed and resolved is that between Islam and the West. Believe me, that is the most difficult civilizational fault-line in the world and as I look at

Italy, geographically Italy is much closer to the Islamic world than almost any other European state with the exception of Spain. You are a few kilometers away at the bottom from North Africa, and yet you spend more time negotiating agreements and cooperation with Scandinavia than North Africa. Scandinavia is not a threat to Italy, yet North Africa may be a threat to Italy. So, understanding this civilizational divide is an important one and this is where possibly – surprisingly – Asia may be ahead of Europe. Because if you look at the European Union, it remains a Christian club, whereas the Association of South East Asian Nations (ASEAN) has got members which are Christians, Muslims, Hindus, Buddhists, Confucianists and even Communists. So, we can handle a multi-civilizational world. And when Europe can admit a country like Turkey, then you can say that you too have entered a multi-civilizational world. And that's why we have to move away from the culture of insularity.

The second example I am going to give is about a culture of arrogance, and this is something that may not necessarily apply to Italy. But I can tell you that many in Asia do get upset by the lectures that they receive from Western intellectuals on how they should reform and improve their societies. And I can tell you that many Asians are puzzled that Western intellectuals continue to lecture Asians at a time when all the Western economies are in crisis, and at a time when India is going to grow by 8-9% this year, China is going to grow by 9-10%. And even tiny Singapore is going to grow by 15% this year. And we still get lectures on what we should be doing, and I can tell you if you want me to give you a very delicate, sensitive example – and here I must choose my words very carefully so that you don't misunderstand. I can tell you that when the Nobel Peace Prize Committee awarded the Peace Prize to the Chinese dissident, Liu Xiaobo, everyone in the West said that "Oh it's a great thing, wonderful. We're rewarding a dissident". And that award was received with almost total silence in Asia because they were saying that this award is so unfair. China has made an enormous contribution to peace and stability in the world by taking care of 1.2-1.3 billion people in the world. When Deng Xiaoping launched his reforms in 1979, there were 800 million people living on less than a dollar a day. Today less than 100 million live on less than a dollar a day. 700 million people – larger than the population of Europe – have been lifted up from absolute poverty and China gets no reward. Deng Xiaoping doesn't get a Nobel Peace Prize, but you find one defect in China, and you put your finger on it. And that's why you have to learn to be more sensitive when you come to handling Asian societies.

And the last thing that has to change, of course, is what I call the culture of ignorance. As we move into the 21st century and – as I hope by now you've been convinced that the Asian societies will be among the most successful societies in the world – it's important that you develop a deeper knowledge and understanding of Asian societies. And you've got to start studying Asian languages. That's very, very important because languages give you a window into other cultures. And I can tell you from my personal experience in the mid-1990s, when I used to be the permanent secretary of the Foreign Ministry of Singapore, the Government of Singapore asked me to work with the Governments of Europe to push for Asia-Europe cooperation at the Asia-Europe meetings. Now the Asia-Europe meetings have been held, but they still do not have a sufficient amount of drive and commitment from Europe. I give that as an example: if Europeans understand the importance of Asia, they will pay more attention to institutions that build bridges between Europe and Asia. And to get there you have to overcome the ignorance that many have about Asia. Now, I am sorry that I have to mention these negative things at a celebratory event like this, but I think that it's important for us to understand what a complex world is emerging out there.

Nobody knows, as I said at the beginning, what's going to happen in this century. And to illustrate that I can tell you that this morning, when I walked into Università Bocconi, President Mario Monti said to me, "Kishore, have you heard the news?" "What's the news?" I said. He replied, "Well, there has been an exchange of artillery fire across the Korean peninsula". The Korean peninsula is one of the most dangerous

spaces in the world today, and the last thing you want to see is exchange of artillery fire in one of the most dangerous spaces in the world, and it happened today. And if you see that, you will begin to understand how miraculous it is that you can live in Europe and wake up in the morning, and you may have to worry about the Greek economy, you have to worry about the Irish economy, but you don't have to worry about artillery fire. And for that, the world thanks you very much.

Thank you.