

Book Review:

The New Asian Hemisphere: The Irresistible Shift of
Global Power to the East

Authors: Mahbubani, K

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Australia's Prime Minister, Mr Kevin Rudd, may possibly have read *The New Asian Hemisphere* and been encouraged by its grand visionary register—"The time to restructure the world order has come. We should do it now." (p. 235)—in proposing his own vision of an Asia-Pacific community that would include among others the United States, China, Japan and India. Full of the enthusiasm and vigour appropriate to a newly appointed leader, Mr Rudd may well have seen himself and Australia in what Kishore Mahbubani suggests in this book is the vacant position of "natural global leader" on the mission of producing a better world. (But maybe Mr. Rudd didn't read it; if he had, he may have noted this observation by Mahbubani: "...it can often be fatal for a politician of any modern democracy to be accused of putting 'global' interests ahead of 'domestic' interests...": 243).

With their common career histories in diplomacy, Professor Mahbubani, once Singapore's ambassador to the UN, now Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore, would probably be positively inclined towards the spirit of the position statements made by Mr Rudd in enunciating his leadership vision. Mr Rudd is talking big and worthy ideas: international cooperation, nuclear disarmament, environmental responsibility, domestic reconciliation, approaching the global energy crisis diplomatically; and he is doing so in a fundamentally democratic spirit: as an elected representative he is contributing Australia's interested voice to the global forum. For Mahbubani, successful world restructuring depends on democratic principles.

Mahbubani may also sympathise with Rudd for the bad press he has received for such big talk. Mahbubani has received his share of negative reviews for his description of Western geopolitical incompetence and Asian competence, for his account of US and EU double standards on global trade and protectionism, for his description of the inequities and anachronisms in the governance of the UN (Australia's long held position on UNGA and UNSC reform would appear to be largely consistent with Mahbubani's; in fact, Mahbubani would like to see the role of global leadership filled by a reformed UN that gets back to its original charter while updating itself to new global conditions), for his 'anti Western polemic' and 'Asian triumphalism,' and for this 'humorless rant' of a book.

As a contribution to the discourses of international relations and affairs, and global politics, the book is certainly highly polemical, and not very subtle. Mahbubani no doubt relishes the combative responses it received from *The Economist*, *Bloomberg*, and *The International Herald Tribune* (in fact, he links to the book's many reviews on his website). The claim that the West is losing power to the East, and is not doing so willingly or graciously, is certainly a bold, broad and challenging one. It is not surprising that much of the negative reception comes from the West, and while many reviews of non Western provenance also refer to some of the book's potential weaknesses—its downplaying of the role of Asian nationalisms, and of the assertive sovereignties that are preventing greater economic integration within both Asia and the Middle East, as well as its perhaps simplistic 'The West and Rest' distinctions—most of these are distinctly less aggressive and

dismissive. Again, this is probably to be expected, given the value of politeness in Asian public discourse, and that this book is contributing to a global discourse—loudly, clearly, and unapologetically—a voice that represents Asian identities and interests in a way that has seldom been heard before. The voice is not populist, but nor is it academic; very public, but still intellectual; not very elegant, but urbane, punchy, and lucid.

As a contribution to the discourses of sociology, economics, and history, and many of its claims are couched in terms dependent on all three, the book is perhaps also lacking refinement in its main terms. The East is overtaking the West because, after an historical aberration of about 200 years, the East has been starting to absorb and implement (and should continue to do so) at least “seven pillars of Western wisdom”: free market economics, science and technology, meritocracy, pragmatism, a culture of peace, the rule of law, and education. This development has enabled a “March to Modernity” and an accompanying prosperity that has only recently provided billions of people with a new sense of self worth, freedom and optimism about the future. This development is part of the emergent “democratisation of the human spirit” (p. 7) globally, and a movement towards the “de-Westernisation” of the world (Chapter 4). This spirit is producing an explosion of cultural self confidence, and starting to level significantly the global playing field, whereby “...all 6.5 billion inhabitants of our planet should become equal stakeholders in the global order...”: 241). We’re all in this together: ‘The direction of world history is settled by the people of the world, all 6.5 billion of us’ (p. 17). But the West is slow to recognise these developments, which is why Mahbubani is writing this book: “to explain the world as it is seen through non Western eyes, so that the 900 million people who live in the West appreciate how the remaining 5.6 billion people view the world.” (p. 8).

Sweeping and crude as they may be, such broad statements and unsubtle distinctions are perhaps necessary, or inevitable, given the newness of the discursive frame here. The epigraph for the book is from John Maynard Keynes: “The difficulty lies not in the new ideas but in escaping from the old ones which ramify for those brought up as most of us have been into every corner of our minds”. The relevance of Mahbubani’s big talk to the discourse of HRM is that it can challenge it to examine some of its basic terms and frames of reference. Some of the practical, day-to-day challenges implied in the unfolding of Mahbubani’s envisioned restructuring of the world order are not dissimilar to those that might present to HRM as a globally conceptualised enterprise (or, indeed, to Rudd’s proposed new Asia Pacific community).

Some of the main challenges to HRM thinking lately, the difficulties it faces in adjusting its accustomed ideas to emergent conditions of work and human value, are encapsulated in the emergence of Strategic HRM (SHRM) as a sub discourse, especially as it tends very quickly to be conducted with reference to the imperatives and quandaries of globalisation as Strategic International HRM (or SIHR). At the minimum, there are three thematic problems. First, how can SHRM theories be generalised across countries and cultures, with different economic, regulatory, and demographic environments? Secondly, how can specifically identified SHRM practices be generally applied across such boundaries? And thirdly, what are the factors, contexts, and actors that affect HR systems and practices at this global level? (For an account of these themes, see Wright, Scott & Dyer 2005).

In some ways, SHRM and SIHR could be said to have been doing something similar to what Kevin Rudd was doing in his first few hectic months in office: making bold propositions to stake out a leadership claim, to help set the agenda with some of the main stakeholders of his milieu. Practically speaking, for HR, getting ‘strategic’ is largely about getting the HR Chief at the table with the Finance, IT, Operations, and Marketing Chiefs, not forgetting the CEO, of course. And the hard questions could be similar to those asked of Rudd: where’s the detail, haven’t we heard all this before, isn’t that someone else’s patch, and why worry about strategy, especially global strategy, when there are plenty of practical local (and administrative) issues to worry about?

Of course, such questions can be answered, and HRM thinkers are busy answering them. For SIHR, the focus tends to be on the complexities of the global sourcing, deployment, optimisation, and maintenance of talent (whether at the national, organisational, or individual level), and generally at

the knowledge end of economies (where knowledge talent is not the focus, the issues tend to be concentrated on labour markets and supply). An example of how some implications of Mahbubani's thesis can be related to actual practice in SIHR can be cited in how one Singaporean HR chief at the Asia Pacific head office of a European MNC has responded actively to a significant but often only tacitly acknowledged talent management problem.

In Singapore, the local workforce is renowned for its competence and reliability (with the latter quality often considered as compliance), and this is largely because of its first class education system, which includes world class business and management training. Such an advantage has attracted many MNCs to set up their Asia Pacific head offices in the city state. These Asia Pacific offices are run by both local managers and managers from the countries of origin of the MNCs (or from countries sharing the national and/or cultural milieu of the MNC's country), but in general, the senior management, of, say, a European MNC, will tend to be European. Now, the local management talent is technically first rate, and very often a local manager will be in his or job because of his or her affinity with the region, but also because of his or her ability understand the ethos of the MNC. Over time, such managers become more than equipped enough to move into senior roles in such companies as they become vacated by expatriates (who are often in Asia on some kind of career step posting, a system which involves high turnover rates). But a 'glass ceiling' effect has come to be recognised, whereby local, Singaporean managers are passed over for promotion in favour of yet more expatriates.

Sometimes, the issue is simply one of fit; the MNC is often not a global company, but remains firmly rooted in its original milieu, and senior management needs to have a deeply identified authority. It's not that the Singaporean employee is incompetent, but that he or she is somehow 'alien'. However, sometimes this lack of fit operates at a more sensitive cultural level, where it becomes a question of confidence. And this works both ways: sometimes the foreign firm does simply not have the confidence to give a local the necessary authority to move with agility and effectiveness with the firm; sometimes the local manager does not have the confidence to exercise an authority that may not be of the same kind as accustomed to formative periods (for example, Australian managers will often have much less trouble taking tough decisions without consulting their bosses than will Singaporeans of the same age; thus, they may get more country manager positions).

Because he'd seen it other firms, and because it was affecting him now, the HR chief of the European MNC of this example decided to do something about this glass ceiling, in a way that reflects exactly the kind of emerging confidence in Asia that Mahbubani is talking about. Being a Singaporean, the HR head was certainly not happy, on cultural identification grounds, to see what he considered perfectly capable Singaporeans being passed over for promotion in favour of Europeans who would be appointed on the grounds that their management training in the firm had taken place in Europe (England, actually). But more so, he was unhappy because this practice was costing the firm in terms of efficiency. The firm's macro strategy had been becoming increasingly Asia directed for years, and it was planning to move further in this direction. It was simply costing too much in terms of time and resources to orient senior expatriate managers to the market environment and its demands.

To cut a long story short: this HR head, with his influence and authority with respect of training and development for the regional management, undertook a campaign by which a significant part of the firm's formal management development was shifted from Europe to Asia. Instead of managers having to attend a corporate business school in London (in some cases, even from Asia), and then transfer to Singapore to have to learn what happens on the ground in the region, managers destined for Asia Pacific jobs in the firm could now attend a corporate university in Singapore. The HR head had to overcome significant resistance from HQ in Europe, where minds were largely closed to this shift in HRD policy (in fact, in this case, it was clear that the resistance was largely based on what Mahbubani has called an 'unwillingness to cede power'). As a function of the confidence it took to effect this change, which in turn generated more confidence for the HR head himself, Asian managers who previously would perhaps lack the manifest confidence needed for

the senior jobs started to consider their careers in a new light. With the new economies of scale effected by the shift in training venues, more Asian managers were recruited for training and development tracks leading to more senior appointments.

This is a good example of how an opening of minds can lead to the kind of success story that should, according to Mahbubani, give the West reason to “celebrate Asia’s rise . . . [which] will be good for the world” (p. 1). Of course, many of the complexities and practical details of the example have been elided (and they would comprise an interesting case study), and we’re still talking here about only the knowledge end of the world economy (and the firm in question is in one of the “ complex” industries, pharmaceuticals and diagnostics, where high end cognitive talent is the human resource). It is easy to be optimistic, as Mahbubani wants the West to be, in an already modernised situation such as the one described here.

But some difficult questions implicit in Mahbubani’s themes that touch on HR fundamentals (say, compensation and benefits, industrial relations, recruitment, selection and training) could be considered too big to be answered, with much practical significance, within any single frame of reference, and touch on major (macro) equity issues. One such question, explicitly posed, and which could be read in at least two distinct ways, is: “Are the poor a burden or a potentially rich resource waiting to be tapped?” (p. 69).

Some difficult questions implicit in Mahbubani’s explanations about why the West is so pessimistic right now, and why Asia is so optimistic, for instance, nevertheless challenge us to review our basic assumptions about what prosperity is, say, and how it is earned, or about what is a fair day’s pay for a fair day’s work, or about what security and freedom are, and who, exactly, has the right to them, and what they have to do with occupational health and safety.

While HRM is certainly and rightly concerned, as are other business disciplines, with Corporate Social Responsibility, Mahbubani’s observations about how interests often trump values pose some more fundamental ethical questions. His description of this effect in respect of the West, while not new, is something of a counterpoint, in this context, to the widespread cliché about poor governance, or corruption, in Asia. And Mahbubani’s analysis is carefully researched and his anecdotes from around the diplomatic traps authoritative and compelling enough, to place his case way beyond the anti American and anti Corporate populism that has such currency in Western culture, particularly in its sub cultures and popular entertainment, and in some of its intellectual elites.

Finally, there is a major theme in *The New Asian Hemisphere* that it might prove interesting for Mr Rudd, and indeed Australia, to reflect upon as he and the country settle into their post honeymoon relationship. The theme should also be interesting for those interested in relating the theory and practice of HRM, especially SIHR. Mahbubani suggests that one of the key attitudes that enabled the rise of the West is pragmatism, the philosophy of which is distinguished by its origin in America (again, here, Mahbubani is engaging the discourse of philosophy in only a rudimentary way). According to Mahbubani, in as much as it sometimes tries to avoid or deny the reality of its loss of power to the East, and the need to cooperate in a global dispensation that might see its share of global resources diminish, the West tends to revert to highly non pragmatic and ideological discourse, mobilising various kinds of absolute truth or value for political purposes. In contrast, Mahbubani praises the pragmatism of, say, China, in the way it has diplomatically bridged various deep ideological gaps in its recent dealings not only with Japan and Taiwan, but with the US. He finishes his book by quoting one of the great (political) pragmatists of the twentieth century, Deng Xiaoping: “It does not matter whether a cat is black or white; if it catches mice, it is a good cat.”

Now, a certain kind of pragmatism is also a traditional Chinese value (specifically, Confucian). Confucius distrusted rhetoric and words, preferring action. This value is manifest in the great emphasis placed in Chinese education on learning by example (often criticised as ‘rote learning’), and in politics and business on leading by example (do, don’t say; an idea manifest recently by Premier Wen Jiabao in his personal response to China’s earthquake disaster, even though some cynics might suggest that this was pragmatism of another kind—modern media savvy). Australians

also have a strong pragmatic streak, and one of the reasons Rudd has been castigated so much for his grand schemes is that they're just a lot of big talk, while what's needed is action. With respect to his proposed Asia Pacific union, just what kind of actions could Rudd imagine Australia possibly taking to help realise such a proposition as anything other than rhetorical?

At the moment, many people from ASEAN countries are also a bit tired of all the talk that surrounds the difficulties of meaningful collaboration and integration across the region. Singapore's *Straits Times*, commenting on Rudd's proposal, observes: "Asia is already suffering from a bout of fora indigestion. It has Apec, Asean, Asean Plus Three, Asean Regional Forum and the East Asia Summit, among other groupings" (Choong 2008). What could Australia, as a Western nation, possibly do, rather than say, by way of acknowledging and participating in the rise of Asia (apart from increasing the price of its iron and coal)?

This question could pose, by extension, an implicit challenge to Mahbubani's book as an act of diplomacy, rather than simply a burst of enthusiastic rhetoric. The book informs, explains, invites understanding and dialogue, praises and encourages, calls for good will (while not avoiding some hard words), and wants to "lead Western readers to open their minds" (p.175). But can such an opening up of minds, necessary for the West to celebrate the rise of Asia, really result in action that will help overcome the many real differences that might impede the successful restructuring of the world order that Mahbubani's sees as so necessary?

If part of having an open mind is being prepared to review basic assumptions by sometimes trying to understand them with reference to new contexts, then this book can possibly fulfill its objectives. For SIHR, such open mindedness might see it investigating, for example, the possible transferability of various HR practices across countries in the Asia Pacific region between which there are deep cultural, political, social, and ideological gaps (not to mention economic and regulatory differences). For example, Singapore needs and imports unskilled labour from quite a few Asian countries (for some of whom the export constitutes an significant economic benefit). Kevin Rudd's Immigration Minister Chris Evans has recently suggested that Australia needs "a great national debate over the next few years" about the need to import not just skilled but semi skilled and unskilled workers. "The system's creaking at the moment because it is unresponsive to new demands and new realities," he says (Kelly 2008). Australia's relative distinction from and identity with the Asia Pacific region has long been discussed in relation to this highly sensitive issue. Could the discourses of HRM or SIHR possibly contribute its practical and theoretical expertise to such a debate in such a way that helped it produce more than just more empty talk?

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