

**WORLD TRADE**

## What the rise of Asia means for Canadians

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When Canadian, Asian and American leaders and thinkers meet in Ottawa this week to discuss this country's place in the new Pacific century, many in the room will not like what they hear.

Global leadership is pivoting from the West to the East faster than anyone could have imagined. Canada's future – and your job – hinge on pivoting with it.

“Canada has been obsessed with the United States and Europe for the past 200 years. Now, frankly it has got to shift its focus to Asia,” Kishore Mahbubani said. The Singaporean academic, who is recognized globally for his writings on the Asian renaissance, is speaking at the conference, organized by the Canadian Council of Chief Executives.

Such a shift “requires a major psychological reorientation on the part of Canadian minds,” Mr. Mahbubani observed. “But if they don't wake up, they'll be left behind.”

The conference takes place in the wake of a proposal, reported in Saturday's Globe and Mail, from Chinese ambassador Zhang Junsai that Beijing and Ottawa begin work on a free-trade agreement.

In an interview that was as remarkable for its candour as its scope, Mr. Zhang dismissed the suggestion that Canada might have difficulty deepening trade ties with a country in which a nominally communist government shunned democratic freedoms and managed much of its economy through state-owned enterprises.

That government, he said, had taken 300 million people out of poverty and created the world's second largest economy in only two decades.

“Give us a break. Let us develop,” he urged. “...Our system is ours. It has nothing to do with Canada. And vice versa.”

The Harper government's reaction to the Chinese overture was muted.

“We haven't made any decisions yet,” Foreign Minister John Baird said Sunday, when asked by Global TV's Tom Clark about whether Canada was ready to talk free trade with China.

Given the different economic systems and record on human rights, “a free-trade agreement with China

would be very fundamentally different from that which we have with the United States or the one we're negotiating now with the European Union," he said.

For many Canadians, this rapidly evolving new world order is just plain frightening. After all, Canada has had it so easy for so long, with the world's largest economy next door, bound by a common history, culture and language.

Now businesses and politicians must deal with a plethora of Asian cultures, languages and laws, all of it incomprehensible to many Canadians – at least to many of European descent.

But for Anil Gupta, the University of Maryland professor whose views on globalization are widely quoted, and who is also speaking at the conference, Canadians have no choice but to accommodate themselves to this permanent global restructuring.

"It may slow down or it may accelerate but the trend is clearly irreversible," he said in an interview.

A decade or so from now, the Asian economy is likely to be larger than Europe and America's combined, with more than a billion people belonging to the new Asian middle class.

Western governments attempting to cope with these rising Asian powers must focus, he said, on reciprocity: securing equal access into Asian markets as a condition for allowing Asian investment in the West.

Which is exactly what Mr. Zhang is proposing through a Sino-Canadian free-trade accord.

The hardest thing of all to accept may be a world in which the United States and its Western allies are no longer the sole, or even dominant, global power.

But for Mr. Mahbubani, this is simply the world righting itself. China and India were, after all, the largest economies on the planet for centuries prior to the Industrial Revolution.

The rise of the West, he observes serenely, "was a historical aberration, and all historical aberrations come to an end.

"This is inevitable. It's just happening faster than anyone dreamt."