



bcw INSIGHTS

APAC PERSPECTIVES: ASIA'S RISE AND THE COMING GLOBAL ATTITUDE ADJUSTMENT

Part One

The rise of Asia and the Asian middle class is the biggest story of our times¹. We have entered the Asian century and are likely at the dawn of the Asian millennium – based on the historic transformations taking place in a region with nearly 60% of the world's people and now almost 50% of global GDP – and rising fast.

Yet these shifts have yet to permeate global consciousness. Many are still mentally stuck in a past dominated by the West or in denial about what Asia's rise will mean².

We expect this will change profoundly during this decade as we reach an “attitudinal tipping point” triggered by a deeper realization of Asia's growing economic weight and global influence³.

This will lead to a global attitude adjustment with significant changes in the way people perceive and evaluate Asia and Asians in myriad dimensions. It will also lead to a revaluation of the West and its standing and influence globally.

This attitude adjustment is going to have major implications for geopolitics, and local politics, as people in and outside of the region react to Asia's rise in various ways.

It will be one of the largest factors in politics in many parts of the world and will in many places lead to political turbulence and instability that plays out over decades. The politics of Asia's rise may indeed be

¹ COVID-19 is among competitors for this, but the rise of Asia is – and will arguably be in the decade to come and beyond – a more consequential driver of historical change than any other factor globally. It will be up to future historians to compare the rise of Asia, which has arguably been accelerated by COVID-19 and which will lead to massive “geopolitical climate change”, and many other global impacts with other historical forces such as climate change and assess which one was most consequential, to the extent these fundamentally interconnected dynamics can be separated.

² Encouraged by certain politicians and media outlets as well as academics who have either failed to perceive Asia's massive transformation or are in deliberate denial about it, the conversation about the Asian Century is too often one-dimensional and about zero-sum games and / or confrontation. Some also focus primarily on China ignoring the complexity and growth across the rest of the region. The switch to a new paradigm of Asia's rise and all it entails in terms of a transformed global power balance and other dimensions will not be easy.

³ The importance of Asia is increasingly being recognized by many governments and leaders, but there is a long way to go before societal attitudes shift and we expect an even greater recognition and comprehension of Asia's rise as it passes various milestones in the coming decade. A recent example of the importance attached to Asia (as opposed to a hyper focus on China alone) is the Biden administration's shift of its focus back to Asia. Asia experts not only constitute a significant portion of the White House National Security Council staff, but they are also seeded at nearly every agency at senior levels.

the biggest core driver of global political changes as we head towards mid-century. It will intersect and interact with a range of other dynamics, including the politics of climate change and the politics of social justice and inequality.

COVID-19 has likely brought this attitudinal tipping point forward by reinforcing many people's perceptions of Western decline and Asia's ascent and making it reality in certain ways, at least relatively⁴.

Regardless, as Asia becomes the leading region of the world in many more aspects and on many more measures in the next 10 years, Asians will think differently about themselves and the world will think differently about Asians and Asia.

A fact-based understanding of Asia and reactions to its rise will become more important than ever for global companies and business leaders⁵. They need to be informed about and thinking through these dynamics in advance rather than simply reacting to them if they want to maximize the opportunities and mitigate the risks of Asia's rise in the decade to come and beyond.

Meanwhile, Asian companies going global will have to navigate the reactions to Asia's rise and the countries in it, both within Asia and in other regions.

In this two-part article, we will explore key dynamics associated with the rise of Asia and related business and public affairs imperatives. This includes:

- Part One:
 - Potential triggers of an attitude adjustment in the next decade
 - Dimensions of attitude adjustments in Asia and around the world
 - Challenges for the West
- Part Two:
 - Key historical context
 - Limits on Asian labels and East West prism

⁴ Asian economies are likely set [to recover faster than the rest of the world](#) and regional multilateral organizations like the Association of Southeast Asian Nations (ASEAN) have convened countries to support each other and align. According to International Monetary Fund (IMF), China was the only growing economy among all the major global economies in 2020. At the same time, China has been criticized in relation to COVID-19 and according to research conducted by Pew in 2020, perceptions of China deteriorated in a range of aspects in many countries even while it was seen by many as the world's leading economic power. A more recent study of national soft power reportedly found China's soft power has remained strong in the developing world and that it remained in the top 10 countries globally for soft power. It will be interesting to see how this evolves as we move through different stages of tackling the virus and focus shifts even more on to economic recovery and other challenges where China has a large role to play, e.g., climate change.

⁵ Companies are already in the forefront of Western country engagement with Asia and many have established good reputations in the region which they can leverage in coming years. Businesses also have a high stake in Asia, given that for many the region is where they export most or where they have their investments and supply chains. In many ways, Western businesses have played a key role in Asia's rise and remain essential to the region's future.

We also define and make recommendations in relation to six interlinking dimensions of navigating Asia's rise and reactions to it:

1. Intelligent Asia Dashboard
2. Global Leadership and Strategy
3. Future Orientation
4. Cultural and Risk Communications Competence
5. Engagement and Alignment
6. Preparedness and Risk Mitigation

China and India – Asia's giants

What is true for Asia's rise is true in many ways on a national level for the two large continental scale countries that are contributing the most to this global power shift: China and India. We expect that India's rise – the implications of which, on a global level, have been much less contemplated and thought through than China's – could have an especially large impact on global attitudes as it permeates global consciousness⁶. These two countries, which combined represent almost 40% of the world's population, will loom even larger in the global imagination than they do today. They will also exert a much stronger gravitational pull on the rest of the world as richer and more dynamic engines of global prosperity and innovation.

However, it is important to see the larger picture of Asia and not to become overly focused and fixated on the two giants. The high-speed development trailblazers of the region, namely Japan, South Korea, Singapore and Taiwan, remain dynamic. It is also important to note the importance of the Association of Southeast Nations (ASEAN, home to a combined population of 650 million people), and the rising middle classes and robust growth rates in other South Asian nations, including Bangladesh, Sri Lanka and Pakistan, for example.

⁶ India is already a growing focus for many. For example, for private equity and venture capital firms, particularly within retail, technology and healthcare. We expect the focus on India to greatly increase in the next decade as its economic significance and geopolitical dimensions receive more attention globally and there is greater appreciation across societies. That said, India still needs to address a range of constraints that have contributed to a large gap with China on multiple dimensions of development since the middle of the 20th century (when they were similarly placed) if it is to realize its potential more fully in the 21st century.

Defining Rise

We have not attempted to apply a precise or limited definition of “rise” in this article. We are however mainly looking at it from the perspective of rising levels of development – as for example indicated by major poverty reduction (e.g., 800 million lifted from poverty in China in recent decades), an expanding middle class, increased innovation capacity and higher life expectancies and GDP per person – as well as the related increases in global weighting, influence, and relative performance.

There are obvious limits to looking only at economic indicators like national GDP. A country's GDP may be rising, while poverty levels, the wellbeing of lower and middle classes, and the wellbeing of minorities are not improving commensurately, if at all. A range of Asian countries continue to suffer from major income and developmental inequalities (as reflected in Gini co-efficient scores) with for example some regions in specific countries still very underdeveloped and experiencing poverty – while others rise up to achieve advanced development status. Social mobility can be a significant issue even in avowedly socialist countries in Asia. There is also a risk going forward that rapid technological progress and increasing technology competency may only further expand the divide between “haves” and “have nots” through labor saving technologies that eliminate jobs and generate high profits for a few.

Asia's rise needs to be inclusive and equitable for it to be sustainable. It is important to note in this regard the major improvements made by Asian countries such as China and India in recent decades of their Human Development Index and Multidimensional Poverty Index scores as assessed by the United Nations Development Program. These look at multiple aspects of human development beyond GDP. One fundamental indicator of success in very human terms that they take into account is life expectancy. Consider that India, Indonesia, and China – the three largest countries in Asia – have almost doubled the life expectancy of their people since they established independent republics* around the middle of the 20th century – narrowing the very large gap that existed with people in western countries. As the chart below indicates (United Nations – Population Division data and projections), this rise in life expectancy is predicted to continue in the coming decades. Note that some Asians already live longer than most people in western countries, such as people in Japan and Singapore who typically live until their mid-80s.

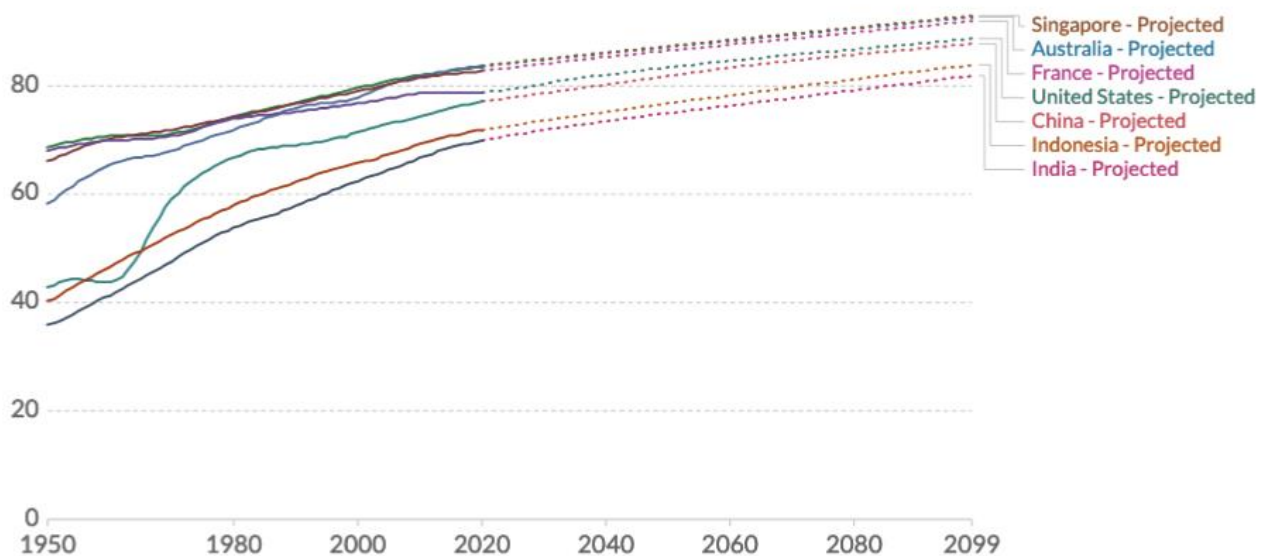


Chart source: <https://ourworldindata.org/>

*China had experience of “republican” government earlier than this - but it was not until mid-century that foreign powers departed China – coinciding with the establishment of the republic that continues to this day.

Triggers of an attitude adjustment

In the next decade, we will see Asia reach a range of milestones which will capture the attention of the world and make more people realize it really is the Asian century. A lot of it will be about economics – and indeed the hip-pocket nerve⁷ will be communicating very actively with and manipulating the brain as the world witnesses Asia's growth – as billions of Asians accumulate more wealth and achieve higher standards of living as all the major global financial institutions predict they will. Geopolitics associated with Asia's rise and its contributions to global innovation in a host of areas will be among myriad contributing factors⁸. There will be “sputnik moments” that capture the imagination and trigger people in other parts of the world to decide they need to do more to cooperate or compete with a rising Asia or Asian country.

Here are some of the developments that could trigger or contribute to a global attitude adjustment⁹:

- *With China just ahead of the United States now based on gross domestic product in purchasing power parity (PPP, the measure of GDP used by organizations including the International Monetary Fund), imagine how perceptions will shift if China's economy doubles the size of that of the U.S. by 2030, as several leading institutions have predicted.*
- *Imagine if India replaces the U.S. as the world's second largest economy behind China in nominal GDP. Note that some assert it is already larger than the U.S. in PPP terms.*
- *Imagine when Asia combined is producing 60% of global growth, the level expected by 2030. In 2000, Asia accounted for one-third of global GDP (in terms of PPP).*

⁷ Imaginary nerve which reacts based on perceived impacts to a person's financial situation or “wallet”.

⁸ Competition between China and the U.S. will obviously be a key aspect of this with the new U.S. administration predicting “extreme competition” with China to be the norm for the coming years. This will impact the region in many ways, with countries potentially facing growing pressure to take sides on a variety of issues. Western and other Asian countries will calibrate how they compete and collaborate with China in a range of areas beyond trade and technology, considering the evolving dynamics and long-term trajectory of Asia's rise (although some people may have a longer-term perspective than others based on cultural dynamics and historical literacy). It remains to be seen how the need for collaboration in combatting global challenges such as climate change, public health (e.g., preventing / combatting pandemics), reinforcing multilateral rules as well as in relation to managing key geopolitical risks that could have major negative consequences for all – influences approaches in other areas where a more confrontational approach is being called for. Historical and cultural lenses are essential to understanding how Asian countries will likely navigate the geopolitics of the region in the decades to come. This includes understanding of the historical dynamics that are alive today in the relationships between Asian countries such as India and China and Japan and South Korea. Cultural and historical awareness are essential to understanding how Asians themselves view various topics (e.g., the legitimacy of their own and neighboring governments) and avoiding flawed assumptions and fallacies.

⁹ There may be competing schools of thought about aspects of this growth trajectory. Some say China will surpass the U.S. even faster because of factors including COVID, while others point to China's challenges such as an aging population and say it will take longer. Some predict India will experience an economic acceleration later in the 2020s due to a comparatively young population and technology catch up. Overall, it is still considered more a ‘matter of time’ than of ‘if’ these countries will surpass the U.S. as “Number 1” in term of economic scale at least. There is little doubt that Asia collectively will become the world's more powerful economic engine. It does also need to be borne in mind that there is a big difference between quantity and quality. China, for example, while graduating huge numbers of engineers and scientists and registering huge volumes of patents, is not as strong in novel technology innovation as might be assumed and is still highly dependent on imported technologies in many areas, especially in the most challenging fields of science and technology. This is evident in the relatively low number of triadic patents (patents registered in United States, Europe and Japan simultaneously) and in data points such as the fact that it still spends more each year on imported semiconductors than on imported oil. China is very focused on changing this situation in the next 10 years, but it remains to be seen how successful it will be.

- *Imagine when China's financial markets begin to rival New York and London as a world financial center and an epochal realignment of global financial architecture takes shape. Six of the 10 top financial centers are already in Asia.*
- *Imagine when Chinese and Indian tourists represent 40% of global tourism. China alone is expected to account for a quarter of international tourism by 2030. An estimated 70 million Indians will travel overseas annually by 2035.*
- *Imagine if China cements a position as the hottest place in the world for Artificial Intelligence (AI) research and development in line with China's goal to secure the position of world leader in AI by 2030.*
- *Imagine when over 50% of Fortune 500 companies are headquartered in Asia (over 40% today).*
- *Imagine if the next big global social media platform following TikTok is another Asian app.*
- *Imagine if, during the next decade, Asia takes a clear and indisputable lead in realizing the promise of 5G¹⁰. It is what some have described as the next "general purpose technology" (GPT) which like electricity or the steam engine will become pervasive and act as growth and innovation engine to transform economies and societies in myriad dimensions. It would be the first time since the first industrial revolution that it was not the West leading in this way with a GPT.*
- *Imagine if Asian countries extend their newly acquired lead over the rest of the world in the Organization for Economic Co-operation and Development's Program for International Student Assessment survey, which evaluates the knowledge and skills of the world's 15-year-olds (particularly in math / science). This has massive implications for a future shaped by technology.*
- *Imagine when Asia accounts for more than 60% of STEM graduates in major economies as predicted by 2030 (China alone already accounts for over 50%) and over 60% of global patent applications (China alone already counts for over 40%).*
- *Imagine when Asia is home to six new megacities with populations over 10 million people, including Hyderabad, Ahmedabad, Chengdu, Nanjing, Seoul, and Ho Chi Minh City, as the United Nations predicts will happen by 2030. It has over 10 such cities already. The largest cities in Europe and North America typically have one to two million people, with just a couple of large exceptions in London and New York.*
- *Imagine if vaccine donations and other support provided by China and India to developing countries around the world during COVID-19 ultimately contrasts favorably with actions from the West (in those countries).*

¹⁰ Contemporary developments in a range of areas also give a sense of Asia's growing global role. By the end of 2020 for example, the number of 5G stations in China has reached to 0.7 million, 70 percent of the total 5G stations installed globally. Korea is following with approximately 0.1-0.2 million 5G stations installed. Asia will likely be the hub to unleash the potential of 5G commercialization, accelerating the transformation of industries and societies for the world. 5G is seen as an essential foundation for the fourth industrial revolution. Asia is already leading the way in implementing it and has contributed significantly to its development. AI is a related area of technology where Asia will play a globally significant role.

Attitude adjustments and zero-sum to positive-sum equations

So how will attitudes adjust or evolve and what are some of the key implications for global companies?

Asia and the two largest countries in it will become even more confident¹¹. They will also appear more attractive and alluring in the next decade as people from other regions hope to participate in the benefits of their rise, including their growing economies and technological capabilities. Global companies will need to manage and meet higher expectations for contributions to local goals in return for the right to operate in and benefit from Asia's growing markets.

As they grow in power, Asian countries will likely be more demanding, expecting others to operate on their terms and be perceived as more threatening by many. Global companies will need to be more adept at understanding where these countries' political "redlines" are and consider the price for crossing them. It will pay to know something of Asia's history to help put these "redlines" in context. They will also need to understand that Asians will want a bigger say in global governance, increasingly aspiring to become rule-makers not just rule-takers (while highlighting that this would of course be "democratic" considering the size of Asia's populations) and a higher expectation that they are genuinely being listened to, understood and respected¹².

As the rest of the world examines and scrutinizes Asia even more closely, there is major potential for misunderstanding and misperception. A key factor is differences in cultures¹³ and values which will manifest in different ways as Asians become more assertive and have renewed pride in their own civilizations.

When we look at great power transitions from the past, it is interesting to think about the fact they were often between societies that had much more in common than Asian and western societies do today. The power shift from the United Kingdom to the United States, or from Sparta to Athens, was impacted by the fact these cultures and societies had a great deal in common and knew each other well even while they magnified their differences (indeed they could be seen to be close relatives as opposed to "foreigners"). This cannot be said of the current global power shift, even if globalization and colonialism have led to a much greater degree of mutual understanding than in the past between east and west¹⁴. Some reactions to China's rise have already illustrated how culture gaps can exacerbate misunderstanding and mistrust.

¹¹ They are already becoming confident: India wants to join the UN Security Council and China heads several UN organizations. ASEAN is also playing a more dynamic global role.

¹² Western countries in turn will point out that to have a bigger say at the table for multilateral organizations, Asian countries will be expected to contribute assessments more in line with them.

¹³ Different cultures vary significantly across a range of key dimensions and there are major implications for crisis management and communications as we have seen during COVID-19. For example, high-power distance, collectivist cultures with long-term orientation and low indulgence may be more willing to accept and obey tough government measures regarding quarantine, mask wearing and testing. That said, we have also seen several countries with low-power distance cultures do well in containing COVID-19, and we should not overstate the role and significance of specific cultural differences.

¹⁴ It could also be said that familiarity in some ways increased misunderstanding!

Global companies will need to have a much more nuanced grasp of cultural differences and how they manifest in myriad ways as they navigate Asia's rise.

Meanwhile, Asia's rise – a profound story of human progress as hundreds of millions are lifted from poverty and join the global middle class – also has the potential to make people in other parts of the world feel like they are losers in a global zero-sum game. Across the world, we will see a mix of zero- and positive-sum thinking about different aspects of Asia's rise¹⁵, and there is major potential for conflict between stakeholders who hold opposing views and contest the facts on these topics. Companies will need to be even more adept at balancing competing stakeholder interests, recognizing that stakeholder attitudes and expectations may have evolved considerably given new dynamics and realities created by Asia's rise. One of the most interesting dynamics in the coming decade will be the role of global companies that benefit from Asia's rise in assuaging concerns about it among stakeholders in other countries, while also making sober assessments about how to respond to increased competition from Asia. Global companies are going to face and need to be able to respond effectively to increasing concerns in a range of areas which may be impacted by zero-sum game dynamics in the decade to come. This will range from worker rights and human rights to the sharing of technologies and environmental impacts and beyond¹⁶.

A challenge to the West

We see Asia's rise as being psychologically and mentally challenging for many people in Western countries in particular because of cultural differences and a potential sense that the West has lost out. For some this will be compounded by long held assumptions of superiority.

The West, which has arguably dominated the world since the 1700s¹⁷, is going to have to adjust its thinking and expectations in the new world being created by Asia's rise.

While we don't foresee "Western decline" in absolute terms and Western countries are likely to remain among the most dynamic and advanced globally, and to retain potent "soft power,"¹⁸ Western countries

¹⁵ One example is that some developing countries see China as a model of how to grow out of poverty, hence references to China as a "systemic rival."

¹⁶ Concerns in these areas will, of course, not only be a function of competitive zero-sum thinking. As Asia and its rise receive more global attention, concerns will arise for a myriad of reasons. That said, Asians may be suspicious that Western stakeholders may have hidden zero-sum agendas when raising concerns based on "values", for example. They may also be ready to brand such concerns as "hypocritical" or a "double-standard" considering the West's track record as it rose to a position of global dominance and the contemporary situation in Western countries in relation to inequality, resource consumption, racism, treatment of minorities, law enforcement and other dynamics. Similarly, Asians may frame any perceived attempts to contain or block their rise as a violation of the fundamental human right to development.

¹⁷ It has been argued that the West only surpassed Asia economically in the last 200 years, as until around 1820 China and India were still the major economies of the world.

¹⁸ With just 12% of the global population western countries will continue to have an outsized global impact.

and the people in them will have to reevaluate themselves in this new multi-civilizational and multipolar global order, one where the West and its power will have declined in relative terms.

Confidence and assumptions of superiority may be replaced to an even greater extent for many by feelings of anxiety, anger, fear and even inferiority. There is likely to be a sense of grievance, loss and threat to Western culture. We will also likely see an increase in the “politics of cultural despair” and “post-truth” opportunists who seek to capitalize on and monetize such concerns¹⁹.

This will stand in the way of an objective view of Asian societies and their governments and businesses.

People in Western cultures²⁰, with low acceptance of power distance²¹ and high emphasis on individual rights as opposed to collective responsibilities, may struggle to come to terms with more powerful Asian societies that have different, more paternalistic values. These cultural differences will play out differently as the power transition advances. It is one thing to have a high-power distance neighbor who is weak and another to have one which recently has become very strong! Meanwhile, people in Asian cultures that are less indulgent and more long-term in orientation may be less willing to take advice from people from the West as their relative fortunes rise and fall. Asians will grow increasingly confident in the wisdom of their own cultures as validated by their rising prosperity.

Some in the West will also potentially struggle to accept the stronger and more active role of government expected in many Asian societies that are exerting greater influence globally (although others may well see Asia's relative success with COVID-19 and in many other areas as reasons to re-evaluate the often-maligned role of government in their own societies)²².

There are myriad ways for culture to influence reactions: What a Westerner sees as malevolent, draconian or an intolerable interference in personal affairs might seem benign and sensible, if not enlightened, to someone in Asia. Again, reactions will be influenced by changes in power dynamics and relations. Westerners may become more outraged the less power they perceive they have to shape a situation.

¹⁹ People in a position of power and privilege in the West may not acknowledge feeling inferior or actually feel inferior. Some may meanwhile use practices, laws and attempts at control designed to preserve their advantages. This includes deflecting blame onto foreigners and foreign countries for problems they (the powerful westerners) helped create, e.g., massive and rising income inequality.

²⁰ We obviously need to be aware of the risks of overstating the importance of one form of identity – being from a certain culture, religion or civilization – and understating or ignoring the importance of other forms of identity such as class, gender, political affiliation, occupation, social status, and how people express them in relation to different topics and situations. Amartya Sen, the Nobel Prize winning Indian economist, has made this point partly in response to a “clash of civilizations” framing of the global situation.

²¹ Culture has been measured and explored relation to this and other dimensions in the pioneering work of Gert Hofstede and others who have looked at differences across countries.

²² It is interesting to note that competition with China in areas such as AI, 5G and new energy technologies has led to calls for governments in other countries to have a larger role and for industrial policies to be considered once again, when they had previously been rejected as constituting too much government interference. This is even in the bastions of free market economics in the West. This can obviously be looked at from the perspective of humanity's long history of governance system innovation and competition among states to be the most effective strategists, planners and organizers.

Cultural exchanges and “people to people” contacts, as well as balanced and informed perspectives from multipliers and influencers such as media and academics, will become ever more necessary to build trust and mutual understanding²³.

Turbo charged and amplified by social media, concerns about Asia's rise will generate nationalist, populist, protectionist, xenophobic²⁴, extremist and fundamentalist responses. Concerns may, of course, be directed against specific countries in Asia while impacting other Asians at the same time, especially given the limited understanding some in the West have about the differences and specifics of Asia. We cannot exclude the possibility of changes in governance systems in response to Asia's rise.

Consciously or not, cultural – and political – bias, orientalism, othering, racism and other lenses will affect how some may malign and misjudge the region when they view it.

Human psychology and biology both contribute to this, as studies²⁵ on racist impulses have shown even among people who consider themselves free of racial bias and are revolted by racist ideas. Perceived racial differences have a pronounced ability to trigger the brain's fear center, the amygdala gland, leading to the classic fight or flight response. Certain forms of politics and media²⁶ have worked out how to excite, amplify and harness these impulses to advance political and financial interests²⁷.

Reactions to Asia's rise will undoubtedly be influenced by racial politics and stereotyping. We have already seen this in reactions so far²⁸. There will also be attempts to frame Asia's rise and Asia in terms that are easy to understand or serve a specific agenda. Paradigms for viewing Asia and Asian countries have been simplifying and framing the region for people throughout history, e.g., *Asian backwardness*, *Asian authoritarianism*, *Asian exoticism*, and *Asian mysticism*, etc. Indeed, this type of framing was used to justify the colonization of Asia by the West²⁹. Whether reflecting positive or negative sentiments or

²³ It is important to understand that the public affairs ecosystem is evolving fast with traditional Asian hierarchies of power increasingly interacting with fluid digitally enabled networks of empowered stakeholders. Boundaries and categories are increasingly blurring thanks to technology and changing stakeholder expectations, for example, between activist groups and consumers and business.

²⁴ Some countries have already experienced a surge in anti-Asian and anti-Chinese views and conduct linked to factors including perceptions about COVID-19 and geopolitics.

²⁵ Sapolsky, R. M. (2017). *Behave: The Biology of Humans at Our Best and Worst*. Penguin Books. by Robert M. Sapolsky

²⁶ Both traditional and social media

²⁷ Neuroscientists argue that risk perception and risk-reduction behaviors are primarily driven by emotions rather than reason. The brain region most involved in feeling fear and anxiety is the amygdala. In decision-making, an activated amygdala can override the more recently evolved parts of the brain responsible for reasoning. This is known as “amygdala hijacking”. Fear and reactions to it are influenced by in-group and out-group dynamics (e.g., perceived threat of the other; vicarious traumatization). Media and information consumption patterns — along with psychological, social, economic, political and cultural factors — can determine how and which stimuli cause amygdala activation and evoke fear. Fear can be manipulated for political purposes (e.g., make someone more conservative; support specific policies / candidates; gain dominance / control).

²⁸ COVID-19 has also fueled increased anti-Asian racism in many countries.

²⁹ One of the reactions to Asia's rise is a form of western chauvinism and cultural conceit that is based on a flawed understanding or deliberate misstatement of history. For example, as Sen and others have noted, it ignores or is ignorant of the interactions and cross-fertilization of cultures and / civilizations through history and the major contributions of China, India, Persia, the Arab world and others to scientific and philosophical understanding. So, while a northern European or American living far distant from Greece or Italy can be celebrating the accomplishments and legacy of classical Athens and Rome, they can be ignorant of the role of Indian scientists in laying the foundations for modern mathematics and

goals, these frames all make what is a complex and diverse region simpler and easier to grasp and they are all misleading and lacking in nuance in different ways. Global leaders will need to be able to go beyond convenient or lazy stereotypes and archetypes to see a more complex picture that is evolving in Asia – and to come to terms with the many paradoxes and dualities of Asia – based on a nuanced understanding of the facts.

Meanwhile, Asian people's esteem for the West and Western countries will diminish relative to how they see themselves. We have already seen this in the last decade in stakeholder perception research benchmarking perceptions of Western countries. For example, as the confidence of Chinese people has grown, they have given lower scores to Western countries across the board (even while still rating them highly on many dimensions). When you listen to Chinese Millennials discuss Western countries in comparison to China, it is striking to hear the level of confidence they now have and the diminished (but not necessarily negative) perception they have of Western countries and people. Imagine in 10 years' time when China seems truly like the center of the world!

Asians' perceptions and estimations of other Asians may also be adjusted upwards. However, this may not only mean increased admiration or trust for Asian neighbors, as perceived strength may also cause fear and exacerbate mistrust within Asia. Asians may react differently to Westerners based on different cultures and historical experiences (different to Westerners similar to other Asians) and the fact they share immediate borders with the perceived threats.

The growing confidence and pride of Asians might also cause them to experience hubris or misjudge or underestimate other people, societies and countries.

Asians who have experienced rising fortunes and progress in recent decades – compared to the slow growth of the West – may be filled with a sense of competence, optimism and can-do spirit in contrast to many people in the West who feel like they are experiencing a decline or stagnation and facing intractable problems and gridlock. The West's handling of COVID-19 and recent political crises will have only served to accelerate some of this thinking.

Asians may see the West as the old and themselves as the new, a remarkable reversal in only a few decades! While continuing to admire and value much about Western societies, they may also increasingly see Western people as naïve, entitled, indulgent, lazy, slow and arrogant³⁰, and manifest grievances about what the West did to Asia during its period of imperial domination (referred to in China as the “century of humiliation” and in India as “as an era of darkness”). A range of positive and negative perceptions will coexist but overall, the balance will shift in a way not favorable to Westerners.

how Europeans ultimately came to acquire this knowledge through a process of transmission from India to the Middle East and finally Europe. There is often similar ignorance or denial when it comes to characterizations of governance systems, with China arguably having the most advanced, meritocratic, and dynamic governance system in the world for much of history.

³⁰ Analysis of social media conversations in Asia about people from different western countries is a useful way to illuminate the mix of positive and negative descriptors most of often used (though we need to calibrate for the negativity of social media conversation). People from a country who are often described as smart, friendly and self-confident can at the same time be described as ignorant, racist and unethical.

While we expect Asians to continue to have high esteem for Western brands (such preferences may not change as quickly as perceptions of the West in other aspects), we expect local brands to continue to gain preference in a range of segments.

As the world reacts to Asia's rise there is potential to exaggerate both strengths and weaknesses, for love and hate, for attraction and fear.

Asians will be even less likely to seek to emulate the West and more likely to assert the merits of their own values, stories and ways of doing things³¹.

As mentioned, they will expect and demand more in return for opportunities to benefit from their growth. This will include greater respect, understanding and greater acceptance of Asian value systems.

In part two of this article, we will address:

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- Limits on Asian labels and East West prism

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³¹ An Indian, for example, may be even more likely to say we have no great need to study Machiavelli when we have Kautilya "who makes Machiavelli seem like a schoolboy in comparison". Kautilya was a Hindu statesman and philosopher who lived around 300 B.C. and wrote a classic treatise on politics called the Artha-shastra ("The Science of Material Gain").

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