The expanding middle class in Asia

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The explosion of Asia’s middle class is stunning. The size of this group currently stands at 500 million and will mushroom to 1.7 billion by 2020 — more than a threefold increase in just seven years. The world has never seen anything like this before; it’s probably one of the biggest seismic shifts in history.

It’s little wonder that people all across Asia expect a bright future for their children – according to Pew Research Center data a massive 82% of Chinese respondents expect today’s children to grow up to be better off financially than their parents.

The reason these Asian societies are now succeeding in this way is because they have finally begun to understand, absorb and implement important reforms: free-market economics; mastery of science and technology; a culture of pragmatism; meritocracy; a culture of peace; the rule of law; and, of course, education.

All across Asia we are seeing a tremendous rise in living standards, with poverty disappearing everywhere you look. In China, for example, since initiating market reforms, more than 600 million people have been rescued from absolute poverty. We’ll see a far greater improvement in living standards within the region than we have seen in centuries. And, through all this, there will be many benefits.

One key positive outcome of these changes, for example, is the reduction of conflict within the region. Asia has yet to achieve the Western European gold standard of there being zero prospect of war between neighbouring states, but, because of the expansion of the middle class – a population that traditionally reduces the prospect of war – that’s something I think we are moving towards.

It’s not all good news, though. The biggest challenge we face is what this all means for the environment; if Asia’s expanding middle class citizens all aspire to Western living standards through the Western model, the strain placed on our

From the Survey

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The expansion of Asia’s middle class is changing the world as we know it. It’s a seismic shift that will have profound implications for the global economy, politics and environment.

The inexorable growth of the middle classes in Asia will put enormous stress on global resources: as the world becomes more urban, the demand for food, water and energy will increase. The challenge is to ensure that this growth is sustainable and that the region’s natural resources are not depleted.

The expanding middle class in Asia is a force for change. It’s a group that values education, technology and environmental sustainability. It’s a group that is pushing for greater equality and social justice. It’s a group that is driving innovation and economic growth.

The expanding middle class in Asia is also a force for instability. It’s a group that is demanding more freedom and democracy. It’s a group that is challenging the status quo.

The expanding middle class in Asia is a force for both opportunity and conflict. It’s a group that offers the potential to lift millions out of poverty and improve the quality of life for all. But it’s also a group that is pushing the limits of what the region can withstand.

The expanding middle class in Asia is a force for both progress and regression. It’s a group that is rewriting the rules of the global economy. It’s a group that is challenging the old order. It’s a group that is changing the world.
global environment could prove disastrous. Electric power consumption in the US was a staggering 13,395 kWh per capita in 2010, but by contrast, in China and India it was just 2,944 kWh and 626 kWh per capita respectively. That means China and India currently each have three times the population of the US but a fraction of the per capita electricity consumption. Clearly, we cannot stop the explosion of the Asian middle class, so the hope has to be that these societies will be more responsible in their impact on the environment. Asian leaders recognise they have to do something in this arena. But in terms of solutions it’s also important for the developed countries to lead by example. This is a big challenge for long-term policy thinkers – if you want the likes of China to emerge as a responsible stakeholder and one that pays attention to the global environment, you have to show the way through deeds, not words.

One way the Asian middle class could contribute to this dynamic is through the incredible amount of brainpower it will add to the realm of science and technology. Japan’s level of energy efficiency is 10 times better than China’s. So if lessons can be learned by China and the growing middle class there can contribute to areas such as the study of green tech, it may be possible to create greater economic growth while reducing resource use.

And so my advice is simple. The global trend of an expanding middle class, especially in Asia, is one to be embraced. People across the continent can see their lives improving by the decade and these Asian societies are experiencing a level of peace and prosperity that they haven’t enjoyed for centuries. If challenges like the environmental question can be tackled, there’s no reason why that shouldn’t continue for years to come.

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