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BOUND TOGETHER: HOW TRADERS, PREACHERS, ADVENTURERS, AND WARRIORS SHAPED GLOBALIZATION

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Introductory Remarks

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P R O C E E D I N G S

MR. TALBOTT: Good afternoon, everybody. And it is a very good afternoon. In fact, it's a beautiful afternoon, and I want to thank and express my admiration to all of you for being willing to come in out of such beautiful weather to be indoors. But I hope you'll feel it's a rewarding experience.

If Nayan didn't have a PowerPoint presentation, I would suggest that we simply adjourn and sit in the park and have the conversation there. But I think that would foul things up a little bit, Nayan.

I'm Strobe Talbott, and I'm the president of the Brookings Institution. And I have the pleasant and I might add very easy task of just saying a few words of welcome to all of you and then a couple of words to introduce two very dear friends and then get out of the way while they interact with each other a little bit and then we open the floor to all of you.

Brookings and the Asia Society have a lot in common. We're committed to the importance of ideas. We're committed to the principle that this large and complicated planet of ours is made up of well over six billion people who are bound together, and we need to figure out every possible way to understand the connections among the different cultures and the different countries that make up our world.

And I'm quite confident because I know the man and I know the

book that the discussion that Nayan and then Vishakha Desai are going to lead us in this afternoon is going to add a dimension to all of our understanding of that.

A quick word about Nayan. He and I have been friends for I hate to think how long, well over 30 years. It's a longer story than I have time to tell, but we're in effect, kind of brothers in law going back to the 1960's. And Nayan is a truly world class journalist, scholar, and thinker.

As I think all of you know, he was for quite some time the editor of the Far East Economic Review. He is an author, wrote one of the seminal books on Vietnam and Southeast Asia called Brother Enemy. And in 2001, he and his family moved to New Haven, Connecticut, where Nayan and I worked together in setting up the Yale Center for the Study of Globalization.

And then Nayan went on to create something new and unique and enduring, and that is an online magazine called Yale Global, which if I'm not mistaken recently celebrated its 100 millionth hit. So, it is a phenomenon, not only in the quantity of people who have come to rely on it for insights into the phenomenon of globalization but also in the quality of the work that it does week in and week out and day in and day out.

Nayan's book, which you will all have a chance to purchase outside and have Nayan sign, is a phenomenal piece of work. It is not a huge

volume in its weight or the number of pages, but it is incredibly capacious in the way in which it looks at a word, globalization, that's only been part of our vocabulary for a little over two decades or so. But that word stands for a phenomenon that is as old as the human race itself.

So, the scope of the book covers several tens of thousands of years. And it does so in a way that is immensely literate, entertaining, readable, and profound. And you're about to get a taste of it, and then I hope that you'll get to enjoy the full course when you actually can sit down and read the book.

Vishakha Desai is the president of the Asia Society, which is co-hosting this event with us here at Brookings. Vishakha too is a friend of mine and also a colleague and indeed, to be technical about it, a boss of mine because she is a trustee of the Brookings Institution.

And we're particularly grateful that Vishakha would make a special trip down here and brave the shuttle and whatever else that she had to put up with to be with us this afternoon. I think it says something about her commitment to Brookings but it particularly tells you something about her feelings about Nayan and this book.

I'm going to conclude just with a quick housekeeping point or two. You may have noticed that just before coming up here my colleague was

reminding me to turn off my cell phone. Please to the same. If your – we have recently installed ejection seats here in Brookings, and I have a little panel down here, so I can punish anybody whose cell phone goes off.

Second, when – we'll finish this presentation about 6:30. What we're going to do is Nayan is going to make some opening remarks illustrated, then Vishakha is going to make some comments on that. I will then join them here on the dais and we'll have a little bit of interchange among ourselves, and then we'll throw it open to you.

In addition to the books being available outside, we will also have a reception next door with some good food and a chance to talk a little further with Nayan. And the last thing I would say is for those of you who are not regulars here at Brookings, we not only want to welcome you here today, but we want to urge that the next time you're in New York City, you go to Park Avenue and 70th Street and look in on the Asia Society.

So, Nayan, the floor is yours.

MR. CHANDA: Strobe, thank you very much for your very generous introduction. The problem with that kind of introduction is that things can only go downhill after that. So, if I was wise, I would leave the stage right now but obviously cannot.

Thank you all very much for coming in this beautiful afternoon. Especially it has been for me a homecoming reunion with so many of my friends of 15-20 years have showed up here to fill this already and it's very heartwarming.

I was – I'm here this evening essentially because of this man. If he had not talked me into coming to New Haven in 2001, I would not have been at the Center for the Study of Globalization, nor would I have written this book. And so I owe all this to Strobe, and I also hold him responsible for anything that is wrong with the book. No, I'm kidding. Faults are all mine.

But when I arrived in New Haven, we moved to an apartment and an electrician came to the house to fix some non-working lights. And he asked me what did I do at Yale, and I said I worked at the Center for the Study of Globalization. And he looked shocked as if I had confessed to being a charter member of Columbian drug cartel. He said God help you, man. I said why do I need this help. He said isn't it true that the globalization destroys rainforests. I said yeah, it's possible, but the closest I have been to Amazon was to order some books.

I don't think I convinced him that I was not up to something really nefarious, but he actually had points, two points. One is that globalization indeed

in terms of increasing trade has had a tremendous effect on the environment. And if today Brazilian farmers are burning down rainforest and planting soybeans to export to China or you, and then that's one result.

But the second more important thing I found in his statement was that here is a New Haven electrician worrying about Brazilian rainforests. How much more globalized can you be in your outlook? And that is one of the aspects of globalization which is really, really impressive, that awareness of a global interconnectedness has been increasing at a dramatic rate.

But globalization is not just a gobbler of rainforests. It is much more. And I define globalization as a growing interconnectedness and interdependence of this world leading to global awareness.

And this awareness one could say began with the first creation of a globe. A gentlemen geographer called Martin Behain in 1492 created this globe. And the globe, of course, had a lot of errors. Like you can see in the background, the Atlantic Ocean – you cross the Atlantic Ocean and you go to Indian Ocean. And that is exactly what Columbus was trying to do when he set out for India.

Now, that world globe eventually spawned the word globalize and globalization. And the word globalization entered the dictionary in 1961. So, it's a very recent origin. But the definition of globalization has obviously matured

with time and I have this definition to start with for my purposes.

Globalization began, in my word, this interconnection began first with disconnection. Our human society, as emerged in Africa with a small group of people who left Africa and occupied the space of the earth in some 50,000 years. And then human societies were disjointed. They were in different places. And only the arrival of sedentary agricultures, they settled down and then they started connecting with each other. And that connection has grown over the years and created the world today.

So, in order to find out who I was, I sent my own DNA for testing. And they did not know who I was because there was only a serial number. And I went to the web to check out my results, and they told me I was Indian because I had M52 marker, which is an Indian marker, and my ancestors came from Africa. And they gave me this – the Y chromosome number. M168 is the earliest Y chromosome in my cell, and that is in the cell of every single male in this room. So, just imagine that we all came from one place. And that for me was a very uplifting information.

But then, societies emerged – history, different history, different culture, but they were not separate too long. And connections began and the connections were essentially the result of the action of four groups of people, very

broad categories, traders, preachers, adventurers, and warriors.

And for different motivations, they left home, went somewhere, and their travel and the goods and ideas they brought and moving of people starting creating the connection, which has since grown immensely, become much more ostentatious, more voluminous, creating a need to create this word globalization.

The word globalization is recent, but I submit that the phenomenon is very old. So, I'll just go over quickly the four actors, how they have brought us much closer together and have bound our lives together, and then a few remarks about the difference between the globalization of yesterday and today.

Now, the first actor was traders. In Mesopotamian civilization, the world writing developed partly as a result of trading initiative. People need to count, account for the number of ship or number of shipment of silver they are sending to other place. And it was done on a clear tablet. So, the clear tablets written in cuneiform script have become a major source to understand how the society worked there.

And I looked through many of the translations of the letters. And one of the letters I found was very interesting. This is the elements from war in Iraq, today's Iraq. And this was the kind of clear tablet on which people wrote

their letters. And one of the letters that I found was written by the wife of a trader who lived 800 miles away. And she was writing to her husband saying this that a neighbor has – neighbor Salimahoum has doubled the size of his house and so when can do ours.

And this letter was 4,000 years ago. So that was the motivation. Mr. Pusucan, the trader, Pusucan went to Caneese to basically bring home the bacon so that the wife could be happy with a bigger house.

And trading was the major factor in one way of getting rich. And Indians knew that. This was one of the sayings in India in the first century AD. And the reason it was so risky to go to Java was that this is the kind of boat that people would take to cross the Indian Ocean to go to Indonesia. And this is from the Temple of Barabudur in Java. This was built in ninth century AD.

And of course, the reason people went was to get gold, precious stones, forest productions. And people were coming to India right from the early years of the Christian year looking for spice, because in order to make food more palatable, they needed black pepper. And Kerala is the one place which was growing that. And then the Indians were importing Italian wine. In first century AD, first century of Christian year, you had Italian wine has been found in Indian, which was important and in exchange for black pepper and textile.

And then there are more divisions. The Europeans arrived, of course. Vasco de Gama arrived in Indian in 1498. And his messenger was asked why did they come to India, and he said simply we came here to look for Christians and spices.

And of course, the role of the traders, preachers, adventurers, and warriors, they are often rolled into one, sometimes two or three roles. And in the case of the Portuguese, clearly, the missionary role was there as well as the urge to make profit.

And in trying to create profit, they created – not only the Portuguese, all the European powers, created an economy which came to rely on more and more slaves. And that was one of the dark periods of globalization when 12 million Africans were forced to leave their home and come to the New World.

But that emergence of a slave society, the impact of that we see today. We have a very, very complex multi cultural society that is a consequence of what happened in the 16th-17th century.

And then, the second actors were preachers. People found God and they wanted to convince fellow human beings of their God and their prophet. And they left home and spent years traveling and trying to convert people to their

faith.

And one of the earliest preachers actually came from Buddhism. And Buddha himself, first thing he did was to tell his disciples to go out and preach the Terima to anybody.

And Chinese monk, Shu Wan Sun came to India in the seventh century and he spent 16 years in India, spoke fluent Sanskrit and after 16 years returned to China carrying 700 Buddhist texts and icons and images. And this is Shu Wan Sun returning to Chien carrying these Buddhist texts. And he not only carried Buddhist texts. The silk route trade that developed in consequence of the preaching became a major conveyer, conveyer belt of culture between China and India and the Eastern Nation region.

The Christian missionaries, they have done their job. Two billion people today are Christians. And not only they brought religion and culture, but one of the things that I thank the Christian missionaries for that they brought wine. You could not have communion without wine.

So, wherever they went, if they could, they would set up vineyards. And Father Hunibarosera, a Mexican – Spanish friar, he brought the first vineyard to San Diego. And so, I call him the father of Californian wine.

And it was not only wine, the Christian missionaries brought so

many other things. And one of the most important things was of course that they brought inquisition, torture, but they also brought the missionary who I call the father of human rights, Father Bartholomei De Los Casas of Spain.

He rose in protest against this inquisition and forcible conversion of Christians. He went to the Spanish Court and argued strongly that these people may be heathens, but they are humans, and they have rights. The concept that somebody could be non-Christian and still could be human was a revolutionary thought at the time.

And since then, that idea has been taken up by many other preachers of modern world. And I consider Peter Beninson the founder of Amnesty International as one such preacher. And there have been many more preachers spreading the word of human rights and good moral existence.

And the Human Rights Watch, Green Peace, all the environmental organizations, they have also a missionary zeal in defense of their faith. And they're trying to connect the world much more closely than anybody else could have imagined earlier.

And then the third actors are the adventurers, people who are curious, who left home to find out what is behind the next mountain, behind the next river. And their curiosity brought them in long to far field, and the

information and knowledge they came back with eventually led the way for preachers and traders and even warriors to go to these new places.

And of the most important of course of the early adventurers was Marco Polo. He was not only curious, but he was also a devout Christian. And he and his father and uncle carried the letters from the Pope to the Court of Kublai Khan. And on the side, he also wanted obviously to make some money.

And the time he spent in East Asia proved seminal for Europe's knowledge of Asia. He came back and wrote the book, The Travels of Marco Polo, which became instant best seller and actually transformed Europeans' attitude towards East Asia.

The other measures figured in adventurers category was the American traveler, Emelie Batuta. He left home at the age of 23, and for 30 years, he traveled. He traveled 70,000 miles in his lifetime. This is the first tourist in the world. He was riding donkey, camel, boat, horse. Anything that moved, he was riding on it. And he spent 30 years traveling. And his account of life in the 14th century Central Asia, Asia, Africa, remains a valuable source for knowledge for the world over.

And then of course, the Scottish missionary, who was also a major adventurer, David Livingston. He went to Africa in order to convert the heathens.

But he didn't have much luck in that. He converted only one African chief in his entire life. And that chief eventually gave up Christianity because he found the rigors of monogamy too much to take.

And – but Livingston succeeded where he failed as a preacher. He succeeded as an adventurer. He visited corners of Africa that nobody has seen. And he came back with accounts of life and especially of slave trade, which aroused great emotion in England and has been a major factor in the abolition of slavery since.

And then, today, we have millions – last year, 800 million people traveled internationally. So, we have now adventurers in the form of tourists who are traveling the world and bringing ideas and goods across and coming back with other ideas and goods. And this is kind of to show how much the adventurers of today have grown in numbers. And finally, the warriors. The human desire to dominate, control other human beings, to control territory, resources has been with us since the beginning of history. The first emperor in history was Sargon of Akkad in Mesopotamia. And Sargon thought the territory bound by one side by Mediterranean, other side by Persian Gulf was the world, and he was the emperor of the world.

And this was followed by Alexander the Great, who created the

first empire touching Eshia with Levant. And his empire had a huge impact in transfer of ideas and goods between the two zones.

But the most important in terms of establishing connections was the Mongol Empire of Genghis Khan. Genghis Khan's empire was the world's largest land empire. And this empire created a land bridge between Asia and Europe, moving an enormous amount of goods and ideas through the filter or protected by the Mongol Army. And many of the things that have moved – one thing has particularly peaked my interest was that the Mongols combined the Chinese gun powder technology with the Persian metallurgy to create the first rocket and the first cannon.

And the Indians got the Mongol technology, and the people of Tippu Sultan defeated the British with a surprise attack by rockets. The rockets used to fly about a mile and a half, but the British were too land prepared for the rockets to hit them. But eventually, British got the better of Tippu Sultan.

And after he was defeated, they collected 60 unused rockets and brought them to London. And a metallurgist named William Congrave reverse engineered and improved on the model and created a rocket which hit Washington, DC. So, when in 1814, the British attacked Washington, DC, they used this Congrave rocket to burn down the White House. So, from Mongol

Army to Washington, DC, that is how our world has been connected.

And then the Spanish Empire created a huge boost for trading with Asia, which is unusual because Spanish came to New World, to Mexico and South America, but what they got there is a huge quantity of silver. And that silver allowed the Europeans eventually to go to Asia and buy things that they always wanted but never had the money to buy. So, 16,000 tons of silver a year would be taken out of Latin America. And with those silver, they would buy silk, tea, porcelain, spice.

And British Empire created the first -- a new sort of electric arms network by creating the undersea cable that connected the whole world. It was possible because the British took radish seed from Brazil and planted them in Malaysia. And Malaysia was growing the world's largest quantity of rubber. And that rubber helped Henry Ford to build his model T. The car, the tires, 80 percent rubber came from Malaysia. But also that rubber allowed for the first insulated wire to be lain undersea and setting the cable network between London and Washington.

And in 1858, when the first cable arrived here, there was a huge revolution. The first cable arrived and New York City held a firework display and it went bad, and the city hall got burned down. But that did not prevent the

network from spreading and soon the world was aware as a result of the British Empire's efforts to connect the world.

So, this was what happened in the past. So, what is the difference between present globalization and past? I think mainly I would say three things. And the speed and volume is part of your world to see how fast we move and – but this speed and volume has been actually reinforced by a new factor, a new actor, which is the consumers.

The consumers all over the world want goods at a cheap price and better quality. And that has been possible because of the new technology allowing for speedy transfer and speedy distribution. So, here are the new actors of globalization, the consumers.

Now, this was the boat that Marco Polo's book has a picture of. And then it was – that was the type of boat people carried goods to a small country. Then the Dutch built the flute, which was the biggest ship of the time. And now, of course, you have giant container ships, which can carry goods throughout 20 miles long length of truck. That amount of goods can be carried by one container ship.

And then electronic transfer makes transactions absolutely instantaneous and a huge quantity. The one trillion dollar transfer, how much is it

in cash? The British political science, Antony Givens did a calculation. And he came up with the figure that if you put hundred dollar bills on top of each other, it would be – it would amount to 20 times the mount Everest. That would be the amount of money that is being transacted electronically everyday. It is possible because these are digits and they travel like the speed of light.

So, the result of this speed and volume has been of course very interesting because having one produce chili, which came from Mexico to Asia. And Asians are often shocked to know that chili didn't exist in Asia before the Europeans came there. They brought us chili. But, they brought chili and it was adapted by the locals. They liked the taste. They planted it in the backyard. They shared with the neighbors, and over 100 years, it spread throughout Asia from India to Japan, Southeast Asia to Korea.

But if – assume that Columbus had a company which set up to promote chili and it had a sort of huge budget, television budget to promote this product, there would be strong opposition because this is a foreign taste being imposed. But, the reason it didn't happen was that it was spontaneous. It was voluntary. People just took it and liked it.

And now when suddenly McDonald's or KFC shows up in a strange corner, people say who are these guys, why are they here, you know, what

do they sell. That is the anxiety about something new and sudden. And the speed of course caused huge trouble for many traditional societies.

India was the world's leader, champion in exporting cotton. For 2,000 years, India had the monopoly. And then came the industrial revolution, and Indians lost their place. British textile was flooding India. And the consequence was pretty dramatic. The British government at the time, William Benting, he wrote this controversial memo to London which sums up the tragedy that hit India. And this was perhaps one of the earliest cases of victims of globalization, the Indians.

But then, they got over it. They started developing products, nice colorful prints, and then they of course, imported missionary, and then, by the beginning of 20th century, India was again number two textile producer in the world. But they developed by – surviving by developing the English market. And this is a print that you can see the Japanese lady underneath European man carrying arms, so also that motives they are producing to attract foreign buyers.

And the other problem of course has been this huge gap that has developed. As a result of these technological changes, the countries which are behind technologically, they have great difficulty catching up. And there's a big gap growing, which is a major cause for resentment against globalization.

So, this resentment has been in the past, but now it is much more visible. And as a result, people feel much more aggrieved by this suffering. But, my bottom line is this, that the trend that has brought us here cannot be stopped. It can be slowed down. It can be blocked for a while. But it is something that is unstoppable.

I think I'll stop here. Thank you.

MS. DESAI: Thank you, Nayan for really – your PowerPoint just gets better and better. We actually had launched his book with Tom Friedman in New York at the Asian Society, so it's a thrill for me to be here.

I must say that the book title, Bound Together, suits us very well, because as Strobe suggested we are all bound together in multiple ways. I am here first and foremost as a friend of Nayan, also here as a colleague of Strobe on his board, but also here as not only the president of the Asia Society but also on behalf of our Washington Center here in Washington. So, it's a great pleasure for me to be here for this afternoon.

It's very hard to follow a great speaker who has wonderful slides. And as a recovering art historian, who is very used to images, it's kind of nervous making for me that he had slides and PowerPoint and I don't. But I think we'll survive.

What I thought I would do is just in a very brief time make some observations indeed as somebody who is trained in art history, a cultural historian who has been thinking about some of these issues for a long time, and then put a set of questions that I hope would be helpful to us as we begin our discussion afterwards.

As an art historian, one of the things that I've always been interested in is that images speak more and louder and clearly than almost any words that you can read, so that from very early on, those of us who were looking at Indus valley materials in India and recognizing that in fact, the small beads and small tablets that were found in ancient Samaria from India, this was something that would tell us that indeed there was a connection already as early as in 2500 BC to 1500 BC.

The presence of ancient Samarian coins on the Indian soil in one of the early ports in Western India or the subcontinent also suggest that level of connection, that indeed is very, very orally.

Similarly, something that in fact Nayan also talks about, we've known from the art historical side, the very earliest images of the Buddha, the very making of a human image of the Buddha had some connection to the Greco Roman world mediated through Persia and into some of the communities that

lived in what is now called the modern day Pakistan or the ancient Gontara region.

So, we've been thinking about these issues in all of these various art historical ways for a long time. Silk road of course is a classic example, something also Nayan talks about and where you not only have traders, you have preachers and you have other commercial establishments that occur.

What's interesting is that period between fifth and eighth century where you not only have silk road that connects China, India, and the classical world or the western world, if you will, there are also strong connections between India and Southeast Asia as you saw with in fact the image of Barabudur that Nayan showed you.

I think that all of those actually suggest that there is a great deal of interconnections indeed, and art objects have shown that for a very long time. The interesting thing about the fifth and eighth century and that's something I hope we will pick up again, is that here is a time where Asia actually has a sense of a community, but there is no central hegemonic power controlling it.

So, you have India and China both playing a very important regional role, China with Korea and Naira, Japan; India through the late period into Southeast Asia, in Cambodia, in Vietnam, in Indonesia, in Thailand, in

Burma, establishing new kingdoms that had the Hindu Buddhist world view that goes in that way.

So, you have the connections of both the traders and the preachers and yet, you don't have the same level of political power that's controlling it. One of the unique times, so we might think about that as go forward.

Then, of course, you come to the 12th and the 15th century, especially with the Mongol period but going on in terms of abjectness, story of textile, story of ceramics, the story of jade, all of these elements we have known for a long time.

So, just to give you two examples, one is a very beautiful Uan Dynasty 14th century blue and white ceramic plate in the Asia Society's collection given to us by Mr. Rockefeller, our founder. We know from an inscription on this plate that is was in the royal collection of Shah Jahan, the 17th century Mughal emperor, the builder of Taj Mahal. From the style, we know it's a 14th century plate coming from China. But we know that the plate went to Turkey or Iran possibly as a gift and from there, came as a royal gift into the Shah Jahan imperial collection.

Another example, a very interesting kind of moment of how objects travel and making of things travel for different kinds of audiences is that

there's a whole group of jades that are now in Taiwan made for Chien Lung, the great Qing Dynasty Chinese emperor but carved in India at the Mughal Court, jade sourced from Central Asia specifically for the imperial market in China.

So, we know that these connections were going on within Asia and between Asia and the West for a long time. In fact, often when we talk today that is Asia – one, can Asia be a community? The truth of the matter is that up until 15th-16th century, there was a great deal of intra-Asian connections. And it is the presence of the West that actually changes that equation.

And it is at that point that I must say I came across Nayan's work, first in a small article, where you were talking about the change and pattern of how trade function in Asia compared to when the Europeans come in, and that slowly, Asian connections all go via some European power or the other. And finally, you have a situation where European or the Western powers are really looking to establish political authority along with trade.

So one of the questions that we actually might think about is when do these pieces come together. And it's something that I think is something we need to discuss a little bit more.

But I must say that what Nayan has done is -- what Tom Friedman said in New York when we were discussing this is that he has rested away the

term globalization from the yolks of economics, that he has brought together a sense of history, culture, politics, and economy together. And that is no mean task. And to do it in the kind of lucid narrative that only a fine journalist can do is in itself an amazing accomplishment.

And I think that because of that, there's a sense of seamless narrative and a sense of excitement and discovery that I think comes through throughout his book. So, this brings us together really to think about what are the kind of questions that arise from the book that we might want to think about a little bit more.

As the subtitle of the book suggests and as he – Nayan pointed out in his presentation, that you have traders, preachers, adventurers, and warriors. So, you have commercial, religious, a general human sort of adventurous spirit, and political, all of these elements go into this interconnection of the world.

But what we might think about is what is the relationship among these elements, especially when it comes to I think between commercial and the political world. Are there some cultural differences? So, we go back to that idea of why is it that when westerners come into Asia there is a sense that it may begin with trade but very soon it begins to also be part of political power.

So, when the East India company first comes, it's a trade

establishment. And then very soon, it also becomes part of an imperial ambition. Why is it that from fifth to eighth century when Tong, China is coming up in the seventh century and laid group the period is part of the influential time in the subcontinent as well as in Southeast Asia? It doesn't have the same level of political imperial ambitions. Not good or bad, but just something to think about.

So, if we bring it to today's reality, how might we actually think about the current situation? We, Asia Society, just had a big business conference in Japan. And we had a whole discussion on building an Asian community. And a number of people pointed out that if you have the trade interdependence at the level that it is today and the way it's likely to continue that it should help with the political interconnections, that it might also temper some political problems.

Other scholars actually suggested that those two don't have to come together. They could actually go in separate direction, creating more tensions. So, it's something for us to really think through, the relationship among the traders and the imperial ambitions if you will or the political one.

The other one would be that are there cultural connections and cultural differences and what is the role of culture in all of this as we go forward into the 21st century. I think the other part that I would love for us to talk a little bit more about, which is something that Nayan did at the very end, and that is that

he brings up very clearly that the human urge to connect to the world beyond oneself is very real.

What you have today is really because of the scope and the speed with which interconnections occurs. So, the question I have is that is it just simply that it's more and more and more or it comes to a tipping point where it becomes a fundamentally different phenomenon. And if that is so, what can the past teach us as we go forward? Are there actually examples?

And there are some examples in the book that he does mention and that is that there are times when this kind of a pace of connectivity can actually result in greater barriers that can result in depression, which you point out in the book, or some people might say it causes World War II.

So, there might be ways that we might think about what are the barriers, but what are also the possible best practices from the earlier past and can they be helpful to us as we think about the future and in the last part of the book when you talk about going forward is that there is this sense of worlds spinning out of control and can we be better equipped to handle the kind of changes that are going on to put us on your phrase, a more harmonious course.

Because we don't really have a choice. We live in this planet that's getting smaller and smaller, and we are all in it together. But what would it

take? Where do we go from here? And you mentioned that I'm not really able or nobody is able to accurately gage the future. But, what would we have to do concretely to make sure that the world doesn't' spin out of control?

What is the role of leadership, political leadership especially in this new world? And with that, I would love for us to just think about the fact that we're living in a moment where there's also a tectonic geopolitical, geo-economic shift underway.

The weight is moving to Asia with the rise of China and coming up with India. Japan still is the second largest economy. You have this weight of economic growth, economic power that's going more towards a what I would call Asian American axis rather than a Euro American axis, which is where we have been for the last century in the context of globalization.

So, what should be the role of the new actors, new players in this global arena? And what would it take for us to make sure that the world doesn't spin out of control? What are the specific things that we need to do as we go forward, especially when it comes to American leadership, as well as leadership in Asia?

And the political leadership is one part of it. What are the other places and roles that other people need to think about, especially business leaders

who have the capacity to actually change? Because indeed, without everybody working together, we risk a situation where at the very worst you could have barriers that actually create greater problems as we go forward or with the open globalization if not checked in some ways for domestic concerns, you could have another set of issues.

So, let me leave all of us with that. And I hope that we will have a good interaction, and I look forward to talking with my colleagues and with all of you. Thank you.

MR. TALBOTT: We're going to take just a second for Vishakha and Nayan to be miked. I guess all set.

We have about a half an hour before we reward you all with food drink and books. And I think rather than my getting a conversation started between the two of them, which would obviously not be difficult, I want to throw it open to all of you as quickly as possible. But first, I do want to give Nayan a chance to say anything that comes to his mind in immediate response to what Vishakha has said. And then I'll invite all of you to join in.

MR. CHANDA: Just one quick thing. Vishakha mentioned the porcelain, the blue porcelain that they had. The blue color of Chinese porcelain actually is a consequence of the silk road trade. Because cobalt is the chemical

which produces that blue. And the cobalt was found in Persia. So, after the opening of the silk road trade, cobalt was taken from Persia to China. And that blue came to be known as the Islamic because that blue was so popular. So, Chinese were exporting huge quantity of blue porcelain to the Middle East. And so, that's the –

MS. DESAI: One more thing to add to that. That's very interesting. And that is that cobalt was found in ancient Persia, then they lost the technology. So they actually had one of the earliest blue and white found in Iran, and then by 9th and 10th century, they don't' have the technology. They don't know how to do it. And it's the Chinese who then pick it up and with the Mongols, you perfect the blue and white. So, it's another level of complexity.

MR. TALBOTT: When I worked for Time Magazine, we used to have an expression which was fun facts. And as you can tell, this conversation and this book are teaming with them.

Diane?

I think we – do we have – yes. Just wait for a mike. And t hen we'll go to the gentleman back there.

MS. NEGROPONTE: Diana Negroponte from Brookings. Professor Chanda, I want you to address resistance, the impact of resistance on

the traders and that effect in the light of the Aztecs, who throughout the 13th century and only 100 years traded extensively in what is the southern part of North America and way down into the hemisphere seen by the duels, the stones, the shells that we found.

But the Aztecs allowed autonomy among their defeated people so long as the trading could continue and the rents pass northward. The Aztecs were defeated, but they indicated a level of resistance, and I'd like you to share that within the Asian context. MR. CHANDA: In terms of trading, their issue was quite amazingly orphaned right from the beginning. It's one fun fact is that when the traders arrived on Indian shore, they were called something lost. Which other country would call the traders, foreign traders something lost? Maanchu poye in language in Kerala.

So, people actually came and they could not leave immediately because of the monsoon wind. They had to come and spend several months, to go back home on the return monsoon. And so, they started getting married and settling in India.

And so the openness towards foreign traders was an interesting factor. The same thing in throughout Southeast Asia. The economies prospered because they are totally open to trade. And trade became a major factor in

prosperity for the whole region. So, that's one thing.

At the same time, of course, there was opposition. Like, Chinese government wanted to control totally trade, and so foreigners were allowed to come only to one port and stay in designated areas. And the government collected duty from them for the privilege of trading with China. And other governments did too, but they were much more entrusted in trading as a way of boosting prosperity than simply collecting revenue.

MS. DESAI: I think that one of the things that -- I was also wondering about that, that are there stories of resistance, barriers that actually could be useful to us as we go forward and understand from that?

But the thing that I think comes through is Nayan's book is that that notion of interconnection of trade that's linkages and multiple fronts -- for example, on silk road, it's not that it was the Chinese that took the same object everywhere, but actually, objects pass through a number of different communities. And all of that was open trade.

So, you had groups of people who moved the objects that went all the way to Istanbul, rather than the same group of people trying to control it. So, that's an interesting phenomenon that we should be thinking about.

MR. TALBOTT: Yes, sir?

Just one second. The mike is coming your way.

MALE SPEAKER: Thank you. My name is Carlos (inaudible). I'm a Costa Rican citizen working here in Washington. And it has been very suggestive and something came to my mind that might be interesting and important.

There is a very small – or there was 500 years ago a very small country in Europe, very weak that had and developed and had colonies, big colonies and trading posts all over the world, including one in India, Agra, 20 million of Indians at least speak Portuguese nowadays, Macaw, Formosa, the Island of Formosa, even in Japan, Nagasaki, Hiroshima.

What was the secret of the Portuguese? Because I can understand the British with their boats in Hong Kong with their boats in the canyons in Hong Kong, but what was the deal of the Portuguese doing what they did? Because they had these places all over the world even until 30-40 years ago being such a weak small country in Europe.

MR. TALBOTT: Well, what's the deal with this Vasco de Gama guy that you had up there?

MR. CHANDA: Yeah. Well, it is a subject that you can spend whole evening talking. But essentially, the Europeans and Portuguese in

particular, the Henry the Navigator, the famous Prince Henry, he actually was the first to set up a navigation school, a school where systematically he started the reports of navigators, from sailors coming back from trips, not only studying the geography, study ships model, and keeping minute record of wind patterns, so that they knew when they were slowly sending out expeditions along the African Coast towards the Atlantic.

So, it was a knowledge built on a very scientific basis. That was one thing. So, they were fully prepared. And second, they had mastered the technology that the Mongols brought as gifts, the gun powder technology, the cannons. The Portuguese and the British actually made very good cannons, which could be then taken on board.

So, the gunships were a European invention. So, guns were invented by the Chinese 1,000 years earlier, but it was the Portuguese who put the guns on board and actually made it an offensive weapon. And when the Portuguese arrived in Asia, the first thing they did was to say stop the Muslims from trading. So, they ordered people that if you traded Muslims, we will be attacking you.

So, it was a very, very focused attack on the Muslim trading forces which were all over Southeast Asia and India. And one of the Muslim rulers very

plaintively said the ocean is God's creation, why should you only deserve it for the Christians? But the Portuguese weren't listening to logic. They used the logic of gun powder to take of Malacca and then of course, Macaw. And so it was the sort of mastery of technology and brutal and ruthless use of that technology to achieve their objective of domination.

MS. DESAI: Nayan, can I ask you a question?

MR. CHANDA: Yes.

MS. DESAI: In terms of this idea of Portuguese really saying Muslims are not going to be in this business, we are the sole players, and then other people compete, do you find examples of that at other times in history, especially in Asia, where somebody says no, no, I'm the only group that's going to be allowed to do this, and nobody else can trade in it? Are there any examples of this?

MR. CHANDA: No. This was – the Portuguese were the first to actually make religion as a key element in determining who was going to be trading.

MS. DESAI: So, the trade and religion come together.

MR. TALBOTT: Elizabeth and then the gentleman sitting right behind you will be next.

MS. BECKER: Elizabeth Becker, journalist and old colleague of Nayan's. I'm very happy you're here.

MR. TALBOTT: Young colleague of Nayan.

MS. BECKER: Old, please.

MS. DESAI: Long time, long time.

MS. BECKER: Long time. Listening to you, I had the idea that in this formula perhaps Mahatma Ghandi might have been the first anti-globalization because he very openly said the rules are wrong. The British are making the rules. We're going to go back and do our own homespun. We're going to go back and we're going to retake back salt. And he was a good citizen of the empire, and he said no, it's too – and he of course became someone we all admire.

So, within modern globalization, is it not then a lot of Ghandi saying we're not saying it's not global; we're saying that the rules aren't fair yet. I wanted particularly you of course to answer to that. Thank you.

MR. CHANDA: Yeah. Actually, Ghandiji used the professed against the British control of India and especially the way of Indian weaver class was decimated by the British industrial revolution effectively to mobilize because of British rule. But he was actually truly an international citizen. He went to England.

He went to the textile mills and he addressed the workers saying we are opposing your textiles in India. We are boycotting British textile. It has nothing to do against you. We respect you and you have every right to work in the factory. What we are objecting to is the British imposing this textile on India by giving them unfair tariff advantage and destroying our warehouse.

So, Ghandiji actually is a perfect example of who was standing up for the national – the nation's right, at the same time being totally international in his outlook. In fact, all of the prominent black leaders from San Francisco went to consult Ghandiji to launch the civil rights movement. So, Ghandiji was an international figure in terms of human rights and rights of national entities.

MS. BECKER: In challenging the inequality in –

MR. CHANDA: Yes. Absolutely, yeah.

MS. DESAI: But I think it is interesting that you raised that question because there are people in India today who feel that actually the isolationist and localizing tendencies that India went through was actually the legacy of Ghandiji. In other words, India not entering the global arena in a trade thing with certain tendency towards really keeping things local was actually what slowed India down.

So, some people would say that barrier was taken to a little too far

and extreme after independence and not thought through. I don't personally agree with that, but I do think there are people who are saying that that legacy of Ghandi was not a good legacy to continue. It was good for independence. But post '49, we should have thought about how we can change that course in a different way.

Nuruvian ideas do change to the industrialization but this notion of making things ourselves and making it better, some people would say it was a good thing for India because India actually developed local markets and local production and local capabilities. But some people are criticizing Ghandi for that very thing.

MR. TALBOTT: That gentleman there and then Bob and then the lady here if her hand went up.

MR. MAHAMOON: Good evening. I'm Haled Mahamoon from the Middle East. I'm interning here at international relationships. Back in the Middle East, the idea of globalization is attached to this image of its being a threat to the national and religious identities. And I'm saying religious because religion is a crucial element in the Middle Eastern lifestyle.

Now, how valid is it to attach globalization to this idea? And how much of modern globalization is planned and how much of it is spontaneous?

Thank you.

MR. CHANDA: Well, I think the reasons why there is opposition to globalization at the time, globalization has become toxic because globalization is defined as essentially a plot by the capitalists, by World Bank, IMF, and the big parts of the world, the G8 meeting in Germany, now there is a huge demonstration against it.

And so, globalization is being defined in a way that calls for protest. Now, I define globalization differently, but that doesn't mean that these people have no valid reason to feel angry about globalization the way they define it. Because the balance of power has changed.

As I pointed out, the difference between globalization today and globalization of past is that people who have got the capital or the technology are at a huge advantage over others, and the way rules are set, often favor those who have the power.

So, it is normal that those who feel that they have been done in by this inequality, they will oppose it. But I find also this kind of ironic that Islam has been the huge globalizing force in the world. In fact, most of our science and technology today, we owe it to Islamic civilization and the trade of globalization during the Islamic period.

Just one example, algorithm runs the world today. And what is the word algorithm? It comes from a scientist who was born in the Khwārizmī region of Persia. His name was Mohammed al-Khwārizmī. And al-Khwārizmī wrote the text which was translated into Latin and it went to the Europeans and gave them the idea of zero. Until al-Khwārizmī used these, what they call Hindu numerals, zero, Europeans were using Roman numerals and they could not do any math with that.

But with the arrival of al-Khwārizmī's book in which the first sentence says "dicsit al gorithme" and so al-Khwārizmī was transcribed as Al Gorithme, and that's where the word "algorithm" comes. So, here is Islamic civilization giving algorithm with which North Americans are bombing Iraq, right? So, that's the sort of turning of globalization in a way that perhaps was not foreseen by this.

MR. TALBOTT: Bob?

MR. SOLOMON: Robert Solomon, Brookings guest scholar. I think you've written a fascinating and a very important book and I congratulate you. I look forward to reading it. I wanted to comment a little bit on what's going on in the current election campaign in this country, which as we know has begun, and some of the critics of policy – there's some criticism of globalization

and their effects on wages of American workers, as I'm sure you know.

So, my question to you, how do you respond to that, even though as you told to us you've helped to drive globalization away from economics, quoting Tom Friedman, my question takes you back a little bit to economics.

MR. CHANDA: In fact, the word outsourcing actually in terms of number of times the word is used has surpassed the world globalization is used in the media. So, I have done some counting.

And outsourcing has come to represent globalization, which is a very narrow definition of globalization but it is true that outsourcing as a phenomenon where job of a particular operation, some part of job is transferred somewhere else because it is more efficient and cheaper to do. Corporations wanting to maximize their profit will do it.

And this actually goes back again very long time. In the 10th century, Arab and European traders were taking ivory in Africa, which is a soft ivory, to India, get it turned into icons, piano keyboard, and art objects and then exported back to Europe. And then I think Vishakha mentioned the jade work that was one in India. So, outsourcing of work is a pretty old thing because it made sense to go take the work where this can be done more efficiently or cheaply.

Now, the problem is that, as I said, that when industrial revolution came and wiped out India's weaving class, there was no CNN and there was no weaver's union that made noise, so people perished silently. Today's world, IBM decides to lay off 10,000 people and hire 1,000 in India, that hits the internet instantaneously. It brings out protesters. So, protest is inevitable when the winners and losers are in full view, full glare everyday.

Now, it is of course – so, my point is that this – the American industrial workers have lost out. From the 1960's, the percentage of America's industrial worker has gone down. Now it is about 16 percent of their work force is an industrial worker. And number of people who work in the service sector has gone up. And now, because some of the service sector jobs are also being transferred to India, China, or elsewhere, it is gaining attention of people because white collar workers are being affected.

But I want us to look at the actual numbers rather than simply this big notion that a lot of jobs are being outsourced. If you started the Labor Department's numbers, all together in one year, about 200,000 jobs could have been lost because of outsourcing. And America has 150 million workers, of that 200,000 jobs. But, if you read the newspaper, it appears this is a massive phenomenon. It is not.

MS. DESAI: But, if you can just follow up on that. I mean, one of the things you point out in the book is that at the same time, the multinational corporations, especially based in America or even in other parts of Europe, their profits have actually gone up precisely because of globalization.

So, one of the issues and I think the challenge would be and I wonder what your thoughts are on what do we do about the perception that this is just the beginning and it's going to get worse.

So, while the numbers may be small, what happens 20 years from now? First, it's the cheap call centers. First, it's the cheap processing. Now, you have doctors sending x-rays to be read in India. You have Turner Construction getting all of their plans. So, you're getting to the service chain to a much higher level.

So, what do you suggest if you were an advisor to an American political candidate? How should they talk about this?

MR. CHANDA: Well, thank God I am not one. No. I don't want to – my role is simply as a student of history. But, to address the specific question of the increasing importance of service job outsourcing, Allen Blender of economics at Princeton and former advisor to President Clinton, he has written a very important paper analyzing the number of jobs that could be outsourced over

the next decade or so.

And he has analyzed the 817 category of jobs and said these jobs can be done in here in the US and other jobs can actually be performed outside the United States. And so, he has, in totaling up the jobs which could be done outside the United States, he has come to a figure between 35 to 40 million jobs might be, potentially could be shipped overseas.

Now, that's fine. But my point is what is potential and what is real? There's a huge gap. A lot of countries have potential, but they don't make it. Now, in order for a job which can be done over the computer and you know, with some machines which can be done anywhere, potentially it can be done by an Indian or the Chinese. But the question is do they have the technological management capability to do it. And he doesn't answer that. He says this is not something that he is looking at. He is simply looking at how many of those potentially can go there.

So, my point is that potentially a lot of Indian young men who are possible potentially they can be all come to the United States. So, they will not. So, I think the things that block actually from this happening is the reality of huge gap in education in India. In India, already the companies are hurting for the shortage of skilled labor. And to imagine that India would be taking away 30-40

million jobs from the United States is absurd.

MR. TALBOTT: This lady there and then this gentleman here.

MS. HAYES: Thank you. Margaret Hayes. Much of the historical experience that you describe is – occurs in a world with a lot smaller population with slower movement. Life expectancy is lower and so forth.

And in the spirit of how do we keep this connecting from going out of control and perhaps imploding, I'm mindful of a statement of a South African colleague who noted that if all the population of China or of India should acquire the consumption patterns of North Americans, we would strip the earth and we'd be through.

Are there lessons then in the historical experience about issues of governance of the global commons and so forth that would be relevant to the dilemmas we confront today?

MR. CHANDA: Yeah. This is a very important question. I think the world's resources are finite, and we have enough examples in the past of how things have changes because of unlimited exploitation and unthinking exploitation of resources where – one classic example is the way Indus valley civilization and Mesopotamian civilization declined.

Archeologists believe that one of the reasons was that

Mesopotamia of course never had much trees, at least in the modern historical period. So, for making boats, they are all coming to India. India was the supplier of oak and for making boats and for buildings. And Indus valley civilization was based on trade, and they have many, many important in big port and wharfs, et cetera. But it is believed that deforestation on a massive scale might have caused silting of the river and resulting in the loss of boats could not come and the Indus valley civilization kind of withered away.

And this is one of the theories of course that is not, you know, absolutely convincing proof. But this is very likely that one of the reasons of the earliest ecological disasters was the reason why Indus valley civilization disappeared.

MR. TALBOTT: Yes, sir, right here.

MR. TIEM: Thank you. Hem Tiem from George Mason University. After listening to you presentation, I'm thinking other three kinds of people who helped facilitate the process of globalization. First, diplomats, for example, 2,000 years ago, a Chinese diplomat named Dong Chien went to Central Asia and he helped the cultural exchange between China and Central Asia.

Second, technicians, actually it was not Mongolian Army but the Chinese technicians in the Mongolian Army taught Arabs how to make gun

powder. And certain journalists, I think, people like you who report what's going on in every corner of the world.

So, what do you think of those three kinds of people? And why didn't you include them in your book? Thank you.

MR. CHANDA: Very good question. In fact, I do mention the Chinese diplomat who came and in fact, I mention him as part of the warriors, because it was actually the emperor, Hun emperor sent him to explore the region. And he was sent not so much to find out about life there but find out who are the potential enemies of China, who could attack China. So, he came, and in fact, his account of the hot, humid India is the first account that one has of the Chinese account going back 2,000 years ago. So, he was – I would count him among the warriors as the part of the warrior machine.

The traders, the technicians too, could be considered part of the trading class or part of the Mongol empire. So, you can – who they are serving is how you can determine which category they belong to. And I certainly consider myself an adventurer. I left home early to explore the world. So, journalists are adventurers, yes.

MR. TALBOTT: I'm going to take advantage of the chair to ask a last question and I'm going to pose it to both Nayan and Vishakha. And I'm

going to ask them both to be very personal in their answer. And you sort of headed in that direction with the tail end of your last answer, Nayan.

And my question has to do – it's a parochial question in a way – with the nature of America and the role of America. At the beginning of your talk, Nayan, you talked about global awareness as being a component of globalization. And I assume by that you mean an awareness on the part of all of us that we are part of a global community.

And Vishakha, at the end of your comments, you spoke about the challenge to leadership. Editorial comment, it seems to me that in the history of our planet there has never been a nation that is more globalized and more a result of globalization than ours, that is the United States of America.

Except for indigenous Americans or Native Americans, we're all descended from traders, preachers, adventurers, warriors, misfits, and slaves. And the two of you, I have heard you describe yourself in some contexts as a Gujarati and once upon a time, you thought of yourself as a Van Goghli, and yet, you're thought leaders in the United States of America.

From those two vantage points, how do you see the challenge to this country of making sure that globalization turns out okay?

And the second to last chapter in Nayan's book is called Who's

Afraid of Globalization, and the answer is a lot of people. How do we make it less fearful and more something that will serve all of us?

MR. CHANDA: Well, I think in writing this book has been for me satisfying my curiosity as to how things came together. How did we find ourselves using goods and ideas which don't belong to where I grew up? And this knowledge I think is very important for any of us to understand our existence today.

And the sources of this – just I think of myself in the globalization – the morning, the aroma of coffee reminds me that we live in a globalized world. This coffee grew only in Yemen and Ethiopia. Ethiopia was the only place where coffee grew, and then it was grown in Yemen. And from there, Europeans took coffee and planted it in the New World, Java, Sri Lanka, India. And so the coffee now grown in 80 countries, but it grew only in one country until the 16th century.

So, everything we – everything we are wearing, everything we use today had the roots going back centuries to many different parts of the world. And that – I think if we can make people aware that our existence is totally the result of globalization of centuries and this is something that is a result of something in our DNA, that we want to connect -- we want to use whatever is

good no matter where it comes from. We want to embrace something which we like no matter what the origin is.

And if you accept that, then perhaps we could see how better to use these global connections so that nobody feels that they have been done out with, they have been done in because they are weak and they have been imposed upon.

And so, I think this must be totally romantic or idealistic thing, but I think one has to start by understanding where we came from and who we are.

MS. DESAI: You asked us to be personal, so I would just say that sometimes I feel it's rather ironic that as you said this country is a result of this interconnectedness and it has the potential to really be in that idea of interconnectedness, and yet, it's ironic because the whole world is here.

And oftentimes, I almost feel coming here as a high school student compared to where we are today that we have more of a tendency to look inward. It's ironic that we have the internet. Anything is available to us with a just say flip of a button on our remote control on television. And we have a semblance of connection. I often say that it's three seconds of African safari and we might think we know Africa. So, you almost have a danger that the superficial connection is stopping us from having deeper understanding. And we

have to really do something about that because if we in this world, especially in America, don't become more aware of how globally interconnected we are and that our very survival depends on that, I think we do run the risk of putting barriers in a way that's going to be very negative.

But in my institution, we also do a lot of work with education. And we just had a wonderful panel with Bob Horomance and Joel Kline, both business leaders and education people. And they were saying that we're all saying that if we don't' begin to focus on global understanding cultural awareness, not just math and science, not just standards of no child left behind, but to infuse that world with the world awareness, that's one of the places to start.

Because if we don't do that for our kids, we're doing them a disservice. We did a study in 2001 and it was rather shocking to know that one out of every three high school students in this country could not name the ocean that separates America from Asia. And I think those two who knew it were in California.

You know, so we have a problem. And I do feel that the political leadership on all sides, if you hear it, there's not much discussion of this kind of an awareness that you want to get in. And one of the political candidates, I won't name names, but talking to that person, I said at what point will you discuss this

idea of interdependence, so the discussion on trade is elevated to another level. And I was told that it's going to be a very difficult discussion and difficult topic, and it would be just best not to talk about it.

MR. TALBOTT: Well, keep trying.

MS. DESAI: And so, I do think that for America, it has been such an important major monolithic power for so long, it's going to have to get used to accommodating the reality. And that is that it cannot be the sole superpower of the world. And how we talk about it, how we go there, I think is a responsibility for all of us because our future depends on it.

MR. TALBOTT: Well, as I think all of you can tell Vishakha and Nayan, both as individuals and also through the institutions that they're connected with are very much part of the solution.

So, please join me in thanking them for being with us and congratulate Nayan. Books back there. Food and good company and conversation in the room right next door.