

January 3, 2008  
(Mijas Pueblo, Spain)

## *Sidebar*

### **Is The USA Losing Ground To “Chindia”?**

**I The USA Is Still “#1” (For The Time being).** A Spanish newspaper—*La Razon*—on December 16, 2007, published an article on “Chindia.” (China and India have had religious contacts for more than 1500 years. Now, they share technology and workers.) India’s economic guru, Surjit Bhalla, presented his world economic study at the BBVA’s main office (in Bilbao, Spain). Bhalla is president and director of Oxus Investment, situated in New Delhi, India. In the study, he claims the world is changing, and that Chindia is leading that global change. But the US is still economic motor #1. **Comment:** *As you read the study, keep in mind the economic and social standards of the United States of America as compared to those of China and India.*

**II The Change.** The change, according to Bhalla, began in 1980. He points out that the rich are not getting richer, and that the poor are joining the middle class. That is amazing if one considers the middle class by western standards. The guru maintains that professionals and technocrats of XXI believe in a just economic system, based on the personal merits of its citizens. Personal wealth is based on personal values (“education”). He calls this status: “meritcracia.” The middle class wants a fair market place and an open society. What is good for the middle class also favors the rest of the population.

**III The Middle Class.** Presently, claims Bhalla, the middle class is one quarter of the world’s population. Bhalla asserts that by 2015 about 50% of the world’s population will be middle class. The members of this group will demand better politics from the leaders. In Asia democracy has evolved. China has been a determining factor. From Bhalla’s study a new world order is surging. One that is important in world economics.

**IV The Charts.** Bhalla presented three charts: Global Growth, Inequality, and Poverty. Growth is at 5% (historical highs). Inequality is down to 55% from 68% (it had not been that low since the end of WWII). Bhalla contends that the change is due to the silent growth of China and India—it grew without world acknowledgement. Poverty has also fallen especially in Asia. That is due to the growth of the countries that makeup the region. In technology, Bhalla contends, Asia has the potential to “laugh” at Silicon Valley. According to Bhalla’s study, the number of poor people who earn about one dollar per day fell to 600 million or 9% of world population.

**V Comments.** This study is perturbing to me in many ways. I accept only portions of Bhalla’s global study. For example, Global Growth is probably based on a reasonable standard. But Inequality and Poverty are not. The middle class standard (worldwide) is certainly way below American levels. Earning \$1 or \$2 a day is not an American average. (In Spain, the going *hourly* rate is about 10 euros.) Nevertheless, this study should open

our eyes. Wake up America! We must demand better politics and aggressive education. (Read, *Sidebar* dated December 31, 2007.) The developing new world order will become a real challenge to Americans especially to our young students who will aspire to find jobs in a new, developing world. Education, in all fields of global endeavors, will be defining. No one should be able to “laugh” at Silicon Valley. Finally, the World Bank recently stated that the economies of China and India are about 40% smaller than previously estimated. That is the stunning reality.