

## The Emerging Economies of East- and South Asia as Mayor Players in Future World Politics

Regional, International und Global Aspects

von *Jonas Seyppel*<sup>1</sup>

The most dynamic economies in the world are in East and South Asia. States in this region also have very large populations and an extensive development of foreign relations. Among the 'traditional' leading OECD-countries only the US seem to have the right attitude to keep up with emerging Asian nations. This is true in terms of decentralization and economic growth, the will to spend a larger share of the GDP on the military as well as the awareness of the dimension of the problem as basis for appropriate foreign policies. With the inability of modernizing its domestic economies, foreign affairs and military, as well as awareness Europe seems to be on the best way to be marginalized in world affairs. A theoretical meaning of the study of the two books lies in the basis they provide for an evaluation of current and future world affairs and Asia in it. This is of intermediate interesting for CEOs in the region, managers and policy makers.

Jochen Buchsteiner applies in his recent book from 2005 'Die Stunde der Asiaten, (Time of the Asians) a qualitative

approach on outlining the meaning of the emerging powers in Asia for world affairs and the Future of Europe. He derives his content and conclusions from his broad professional experience in Asia. He tries to explain a assumed structure of the future world order and examines this by the drivers of Asia energy. Case studies include China, India, the US and Europe.

Günter Schucher applies in his book from 2006 'Asiens neue Wirtschaftsdynamik' (Asia's new economic dynamic) a more quantitative approach. Also, the focus lies more on international dimensions, not so much on the political consequences for Europe. Schucher tries to apply a very structured and overall analysis of the emerging Asian economies and its international consequences. Schucher examines the pros and cons of an Asian century. Case studies include China, India and Japan.

Buchsteiner structures 'Die Stunde der Asiaten' in three chapters Asia's forces, forces in Asia, as well as 'the onlooker Europe'. For him the three dominant

<sup>1</sup> Jonas Seyppel M.A. ist Doktorand und arbeitet zur Zeit als Management Consultant bei Communications and Network Consulting in New York.

Asian forces are ambition, belief, and nationalism. Ambition is in Asia fostered by the ambition make up for lacks in the past, the pleasure in experimenting, as well as the ability to suffer. Among the major 'beliefs are Islam, Hinduism, Buddhism, as well as the secular majority. In line with nationalism, military affairs and the danger of war, his thesis is that the colonial heritage together with the conflicts in Kashmir, Taiwan and North Korea, as well as the smuggle of nuclear weapons and nuclear terrorisms supports armament. Mayor forces in Asia are China, India and the US. China is on its way to a mayor world power. India is a regional power with ambitions. The US is a hegemony under pressure. On the one hand in Asian countries everything what is not Asian seems to be American. On the other hand Asian powers increasingly try to compete with the US on various economic, military and diplomatic levels. Europe seems to be nothing more than an onlooker in Asian and world affairs with neither a serious ambition, will or plan to have a saying in future world affairs.

Schucher examines the cases Japan, China and India, as well as the issues of the capacity for innovation and the ability to compete in East Asia, free trade agreements in East Asia and the future of the world trading system, and a neo-regionalism in Asia's trade and finance policy. There still are a number of serious structural problems in the Japanese economy: An export driven economy and thus increased dependency on the world economy and external shocks, including rapid Yen-upgrading, rising oil prices and demand decreases in important trading partners, such as China or the US. Nevertheless, the chances of a sustainable recovery are bigger than during the past one and a half centuries, because Japanese enterprises are very competitive due to restructuring and a decreased number of bad loans at the large banks. Although

China has a large number of problems, Schucher foresees a positive future for the country, because of its size, and the huge chances for enterprises and individuals. Due to a slow, but steady restructuring in India and micro-driven economic growth India's future prospects can be even brighter than China's macro foreign and public investment driven economic growth. Especially for the developed economies of South Korea and Japan innovation is a very successful aspect of their economies. While India and especially China are more on the production side of the international division of labor, both economies have the potential to sustain a large economic growth. The trend to regional trade agreement will sustain in the near future, although global trade liberalization would increase the global GDP by 2,8 Billion USD according to World bank estimates. Also the future of the world financial system does not look bright, also due to regionalist and protectionist tendencies.

'Asiens neue Wirtschaftsdynamik' is an appropriate book for somebody with some, but not extensive knowledge in Asian economic affairs and provides a good evaluation of the mayor Asian economies, as well as East Asian political economy. 'Die Stunde der Asiaten' is good for people interested in Asian and world politics, and provides interesting and provocative thesis for discussions about world politics.

Both authors base their books on the underlying assumption of an Asian 21. Century. Schucher evaluate and cons, and tries to provide a more scientific basis for the evaluation of future prospects for mayor Asian players, and prospects for the world trading and financial system. Thereby, Schucher provides a relatively neutral structure of his book having a look on the three biggest Asian economies, as well as on innovation, international trade

and international finance. Buchsteiner certainly wrote a very interesting book with interesting opinions, based on extensive experience in Asia. The book is not scientific – nor is it meant to be scientific –, subjective and already the structure of the book suggests his thesis of a future Asian and American dominance in world affairs, with a European museum with-

out economic or diplomatic significance. A main criticism on Buchsteiner's book is that he mostly excludes problems in the Chinese development, such as environmental and social problems, that can seriously endanger the current Chinese economic model. And if he would acknowledge the Chinese problems what are the alternatives?

**Die Bücher:**

Jochen Buchsteiner: Die Stunde der Asiaten. Wie Europa verdrängt wird, [Rowohlt Verlag](#) 2005  
204 Seiten, 19,90€, ISBN 3-498-00646-0.

Günter Schucher (Hrsg.): Asiens neue Wirtschaftsdynamik. Regionale und internationale Dimensionen (Mitteilungen des Instituts für Asienkunde Hamburg; Bd. 391), [Institut für Asienkunde](#) 2006  
147 Seiten, 20,-€, ISBN 3-88910-322-7.

**Impressum:**

Die kostenlose Online-Publikation AGIPS-Rezensionen wird herausgegeben von der Arbeitsgemeinschaft für Internationale Politik und Sicherheit (AGIPS) und erscheint in unregelmäßigen Abständen mehrmals jährlich.

Redaktion: René Denzer / Internet: [www.agips.org](http://www.agips.org) / Email: [AR@agips.org](mailto:AR@agips.org)

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