

Asia and Europe: Coming together or Drifting apart

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I would like to briefly address five questions:

1. Is the current European financial crisis similar to what we saw here in Asia at the end of the nineties? Of course not:

- the scale is different
- Europe is at a tipping point in terms of its social development (and has been denying this shift for now almost a decade)
- The solutions need to come from a supranational organisation: Europeans have partially given up sovereignty

But one can always learn!

- Creating surpluses and reduce debt
- Need for a strong stabilising factor (China in the case of Asia)

2. Is the comparison between a weakening Europe and a strengthening Asia the right one:

- Overall Asia is still going for growth. There may be lots of caveats (e.g. the short term slowdown in China, the inflation in India, the middle income trap in Malaysia, etc.) but the direction is still clear. There is no clear direction in Europe
- Both Asia and Europe are not homogeneous: both are a patchwork of successes and challenges/problems
- Europe has a marketing problem (see Tommy Koh's presentation)

3. Mutual learning: see KP's article

- Need for the development of a new model: not the American capitalism, not the European social democracy, nor the wild exploitation of resources as is now practiced in rapidly growing economies.
- My chairman just wrote an article on "Communitarian Capitalism: an ethical form of wealth creation, where the interests of the community of stakeholders in an enterprise – owners, employees, customers and suppliers and the larger community – would be a higher consideration than return on capital". Asia's rising middle class is well placed to build on European achievements to provide thought leadership

4. Is there a new role for universities?

- Universities were invented by Europe, and the Von Humboldt model has been copied all over the world

- Till recently Asians went in droves to Europe to learn from these institutions
- We suddenly see a reversal: we have an unexpected high number of Europeans who want to come and study in Asia, and European universities are queuing up to sign agreements.
- We are also in need of reinventing the University: more life long learning, more open to the society at large, more interdisciplinary and more adapted to an environment where information is abundant (information overload)