The Impact of the Crisis on Regional Economic and Financial Integration in Asia and Europe

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Contribution at panel
Contents

• Rise of Asia is one of the 5 Global Transformations
• Impact even larger in a socially networked knowledge economy
• Global roads ahead
  – cross continental networks
  – completed markets
• European Road ahead
  – reform or decline
  – talent, sun, institutions
  – one size does not fit all
ABCDE of grand transformations

- automation and abundance
- BRICs and globalization
- climate change and energy
- demography
- e-everything
Asia is coming returning
ABCDE: GDP in year 1
ABCDE: GDP in 1500 – (BR)IC
ABCDEF: GDP 1990
“In the creative knowledge economy of the future, human talent is the ultimate economic resource”

Richard Florida
ABCDE: Population Talent, GDP in 2050
And if this was not impressive enough ...
Economic Importance of not only Social Capital but also Social Networks

Comment: Social networks key to economic growth
By Christine Doel Monday, 16 May 2011
Two laws

• Moore’s
  – computing performance doubles every 1.5 years
• Metcalf’s law
  – the value of the social network is related to the square of the number of the members
  – social network of 3 has a value 9
  – social network of 5 has a value of 25

• The value in Internet Economy is in the People, not in CPUs
• Metcalf’s Law applies!
Mobile Internet Users

Internet Users in the World by Geographic Regions - 2011

- Asia: 922.3 million
- Europe: 476.2 million
- North America: 272.1 million
- Latin America / Caribbean: 215.9 million
- Africa: 110.9 million
- Middle East: 68.6 million
- Oceania / Australia: 21.3 million

Source: Internet World Stats - www.internetworldstats.com/stats.htm
Estimated Internet users are 2,095,006,005 on March 31, 2011
Copyright © 2011, Miniwatts Marketing Group
How to address advantage of Asia in numbers?

• cross border/continent social networks!
• integration of West and East

• but will it work?
Top languages on the Internet

- English: 536.6 million
- Chinese: 444.9 million
- Spanish: 153.3 million
- Japanese: 99.1 million
- Portuguese: 82.5 million
- German: 75.2 million
- Arabic: 65.4 million
- French: 59.8 million
- Russian: 59.7 million
- Korean: 39.4 million
- All the rest: 350.6 million

China:

- 485 million Internet users (cover 36.2% population)
- 91.3% go online at home via broadband Internet
- 318 million mobile Internet users (65.5%)
- Using the Internet 18.7 hours per week
- 1.87 million Websites
- 7.86 million domain names

By CNNIC, July 19, 2011

Source: http://www.internetworldstats.com/
So what can Europe do?
Reflection group results in ½ of a tweet\(^1\)

Europe has a choice: reform or decline

\(^1\) Tweet = 140 characters
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<tbody>
<tr>
<td></td>
<td>restructure for post industrial society</td>
<td>agent of change, trend setter, player</td>
<td>build walls for migrants and dams for seas</td>
<td>family and immigration friendly</td>
<td>embrace digital like we embraced print</td>
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<tr>
<td></td>
<td>cherish industrial traditions</td>
<td>bunch of passive selfish former superpowers</td>
<td>maintain technological and political lead</td>
<td>a continent of grumpy old men (an women)</td>
<td>defend the ways of paper based society</td>
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Europe has three resources

• Power of the sun
• The hearts and minds of the people of Europe
• The tools of the Union
Integration of Asia into global economy

✓ trade of goods
✓ flow of capital

☐ trade of currencies, exchange rates

• growth in Asia possible, catching up, 20\textsuperscript{th} century paradigm
• growth in West stalled: searching for new paradigm. How?
Integration in Europe and Asia

• Europe was innovative when its parts were competing
  – think Ancient Greek City States, Cities of Tuscany and Lombardy, Hanseatic League, competition Portugal vs. Spain, France vs. England, Germany vs. Russia ...

• Asia was strong when united
  – Arab empire, Ottoman Empire, United India, China under strong dynasties ...

• Perhaps one model does not fit all.
PS.
When you are on the top, it seems all paths leads down.
Or it may get more crowded at the top...
... which is in fact more fun!
The End
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charts:
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more information, author contact at
www.zTurk.com