

THE GEOPOLITICAL SHIFT OF POWER FROM THE TRANSATLANTIC REGION TO ASIA

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Asia's recent economic and political rise challenges the West. The geopolitical shift of power from the Euro-Atlantic to the Asian and Asia-Pacific region is going on while the USA and Europe are labouring to cope with the worst recession since the thirties. Because of their potential, the Americans are better equipped than the Europeans to confront the new task successfully. What, then, will be the latter's place in the future array of powers? The USA already is an Asia-Pacific power, a status which Europe would have to acquire.

Germany and Europe have their own interests in Asia – economic, political, and global. Germany's and Europe's foreign policy should aim to locate reliable partners in the region, partners who share their values and convictions. From the European point of view, upholding democracy, the rule of law, social justice, and human rights is not negotiable.

Asia's rise is leaving traces not only in the fields of economy and ecology but also in politics, geostrategy, and security. China's growth especially was accompanied by an increase in political, diplomatic, cultural, and strategic influence. There are many regional and global issues that can hardly be resolved today without China.

Yet China is not the only major player in this new power structure. As much as ever, the USA constitutes – now and in the future – an anchor of security in Asia whose relations with China are marked equally by partnership and rivalry. China's relations with Japan are also of considerable importance, although both parties bear a great historical burden both in the region and worldwide. Another local power on the rise is India, which is currently extending its hegemony especially in South Asia. Pakistan, too, is of crucial importance for the stability of South and Central Asia, although the political fragility of the nuclear power is giving rise to concern. Finally, there is ASEAN, Asia's leading regional organisation whose members are well on the way to democracy, some of them to a respectable extent.

In point of fact, Asia's rise, which is mainly supported by the two most populous countries of the world, China and India, is having a profound impact on the global economy. Within the space of two decades, China has made its way from the periphery to the centre of the global economy. It is likely that it will soon deprive Germany of its title of world export leader, and by 2035 it will probably become the largest national economy before the USA. India is similarly well placed, although its development lags ten to 15 years behind.

It is this very development which has propelled the two countries into the group of large CO2 emitters, together with the USA and the EU.

The currently second-largest national economy of the world, Japan, still outranks China. With a GDP two and a half times the size of China's, a per-capita GDP that is 25 times higher, and an outstanding technological capacity, the country is well equipped to play in the team of Asia's great nations. South Korea is not cutting a bad figure either, for its GDP is higher than that of India, despite the latter's far larger territory. The South Asian countries are similarly benefiting from China's and India's dynamism. Chinese, Indians, and other Asians clearly view the future in a more optimistic spirit than Germans or Europeans.

While this may not be an occasion for the Europeans to indulge in pessimism, there is cause for concern, for their influence on the international agenda will certainly wane as Asia's rise goes on. Any threat to Asia's stability and development may endanger their security. Potential threats include the military buildup, the proliferation of weapons of mass destruction, terrorists operating in and from Asia, and the fragility of some of the region's states. Moreover, Asia's rise constitutes an economic challenge that puts considerable pressure on Europe's national economies to compete and adapt.

Although integration is progressing in the Asian region, diverse regional flashpoints remain active, including the status of Taiwan, the situation in North Korea, and the never-ending dispute over Cashmere between India and Pakistan. Another cause for concern is the rapidity with which armament spending is growing in the region, creating new threat perceptions and enhancing others. It is true that China and the EU do not regard each other as rivals in security and geopolitics. Even so, it is in the best interest of Europe that existing conflict potentials in the region should be diffused and not fanned, all the more so because there are now four nuclear powers in Asia, namely China, India, Pakistan, and North Korea.

There are yet more threats to stability: polarization within the region progresses as the level of bad governance and disregard for human rights increases. In Afghanistan, the Taliban have set up an extremely repressive Islamist regime among a Muslim population that is normally moderate in religious matters. Perceiving itself as threatened by the warriors of God, Islamabad is now increasing its pressure on their retreats in Pakistani territory. Moreover, relations between India and Pakistan are under stress because of the terrorists' activities in India.

The rising cost of energy, commodities, and produce is alarming as well. China's interest in securing its supplies increasingly motivates Beijing to fight

for energy reserves in the Middle East, Central Asia, and Russia as well as in Africa and Latin America.

In the field of order policy, both the Chinese and the Indians are clamouring for more leadership on the global stage. China, a state that is neither democratic nor liberal, has set itself up as a geopolitical and economic model that many developing countries find attractive, particularly as China's strategy is always the same: loans are offered on concessional terms without any of the strings that are normally attached by the West in the form of social, environmental, and constitutional standards. Beijing's close relations with governments that are ostracized worldwide, such as those of Zimbabwe, the Sudan, Burma, North Korea, and Venezuela, need no further comment.

In socio-economic terms, Asia's rise is forcing other regions of the world to adapt. As payroll costs in China and elsewhere will probably remain low for some time to come, industrial companies in Europe and the USA have cause to fear Chinese exports. Even today, numerous Western corporations are creating more jobs in Asia than at home.

Asia is also closing the technology gap. Many governments seek to enhance the qualification of their domestic labour force, particularly in the major emerging countries. Major global players move their research and development departments to Asia, seeking access to the local pool of low-cost talent. While Japan still is the undisputed technology leader, South Korea, Singapore, and Taiwan are catching up, and China and India are on the make as well.

Defects in the protection of intellectual property constitute a challenge to Western enterprises that is in a class of its own. Product piracy is an issue especially in China. German companies are currently busy trying to close gaps in patent legislation before it is too late. Nor should we forget the problem that arises from the fact that China's industrial policy is promoting 'national industries' and 'enforced technology transfers' at an increasing pace. Moreover, there is some concern about the aggressive investment policy operated in Europe and the USA by companies from all over Asia, occasionally through quasi-sovereign funds.

It would certainly make sense to discuss the challenges and opportunities with which Asia's rise confronts both Europe and Germany. By tradition, Germany's foreign and security policy revolves around transatlantic relations and European integration. Adding the Euro-Asian component to the agenda is a matter of urgency. Asia's rise is forcing the Europeans to change their orientation, especially because the Americans turned their attention to the Asia-Pacific region a long time ago without, however, neglecting the transatlantic bridge. Europe and Germany share certain interests in Asia that must be

formulated. To counter Asia's competition effectively, Europe's governments and enterprises will have to cooperate and abolish national barriers. Moreover, it would be important to enhance the competitiveness of certain industries in Germany as well as elsewhere. Universities and institutions, labour markets and enterprises must be adequately equipped to meet the Asian challenge. And last but not least, we must know more about Asia. It would certainly be out of place to streamline or close those German university institutes that are dedicated to Asian studies.

Germany and Europe need to develop an Asian policy that is based on partnership and covers foreign and development policy as well as security and the export economy. This is predicated on a realistic assessment of Asia's self-confidence and the challenges which its rise implies on the national, regional, and global plane. It is equally necessary, however, that we should be prepared to defend our own values and convictions and articulate our own interests.

On their part, the Asians too are interested in the Europeans' success in their region. As Europe's security is more closely intertwined than ever with that of Asia, China for one is bound to welcome a successful outcome of NATO's operations in Afghanistan. This being so, Europe should enhance its strategic dialogue with Asia and connect it up with the transatlantic dialogue. For the US is bound to consider Europe a relevant partner as long as it has sound relations with Asia.

Moreover, Asia's rise offers challenges and opportunities to Russia, too, which is why Europe should seek a dialogue with Moscow, particularly in view of the common interests both parties have in Asia.

The geopolitical shift of power from the Euro-Atlantic to the Asia-Pacific region is irreversible. All major players in global politics – Asians and Americans, Russians and Europeans – should be interested in ensuring that this shift proceeds peacefully.

IN: *Auslandsinformationen* 9/2009, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.133-137