

## Querdenkerplattform: Wien – Europa

### Policy Crossover Center: Vienna – Europe (PCC)



## Reads and Gifts for Christmas 2017

This 'read of the year' indicates that the world in 2030 will be very different from that of today. And the role Europe or individual European countries can play in this new global landscape will depend on today's decisions, as well as most certainly those up to 2020. We first propose books about the *role of China*, secondly whether *Europe will be able to cooperate with its neighbors in Africa, the Arab world and the East* or be taken hostage by "my country first" strategies and thirdly on the question *whether Europe will fall apart or reform* its model and governance opportunity to shape globalization.

China is predicted to dominate the world in all quantitative terms. It started to invest in a new "silk road" of ports, highways and logistic centers, wherever helpful for selling products or getting access to natural resources. It will enlarge its political influence in international organizations and eagerly assist countries and firms short of finance. In its Congress 2017, the Communist Party decided to take the lead in globalization, alternative energy and transport, and invest in new technologies and the rural population. Europe – with its share in world population shrinking towards 5% – will either be torn apart by its internal problems, populist desire to regain past glory and negative spillovers of conflicts in its neighbourhood. Or it will engage in new partnerships, responsible globalization and sustainability. Africa, on the other side of "mare nostrum", has to overcome internal conflicts, autocratic regimes, and environmental catastrophes. But it can become the China of tomorrow, heading towards a population of 2 billion people in 2100, more than China and India together. The extremely young population is searching for opportunities either at home or in Europe. But it intends to "arise" on its own, requiring improved business conditions, education, vocational training, but no "preaching" from Europe or the US.

It has never been so important to read and think about these chances and challenges and to persuade European politicians (including the upcoming Austrian presidency) to take the chance of actively shaping the future.

Have fun reading and enjoy the Christmas holidays!

The Team of the "Policy Crossover Center: Vienna-Europe"

### A. Books on China

#### 1) Karin Kneissl: Wachablöse - Auf dem Weg in eine chinesische Weltordnung, Frank & Frei (2017)

This is a primer about China's prospective route and behavior as the dominant world power. The book is well written, a little bit on the journalistic side, based on anecdotal evidence and aphorisms. It does not cite many scientific papers, leaves terms unexplained, and in rare cases cites wrong figures (as in the cost estimate for the belt and road initiative). But it is extremely informative, and it is based on sound personal and professional experience. The role China is going to play is described according to its pros (less interventionistic, less preaching, investing heavily) and cons (land grabbing, following own interests, disregarding social and ecological problems). This underscores the chances of Europe to define its role in a world in which the US is about to retreat, and when in Africa and the Arab world new groups of citizens are challenging the old system while confronted by new alliances striving for regional dominance. It indicates how Russia and Turkey are building bridges into the vacuum and how China is connecting with Eastern European countries sidelining EU policy in Brussels. It describes how Switzerland is aware of the importance of intense cooperation with China, while Austria's government was not represented in the meeting in which the "one belt, one road" initiative was introduced.



## **2) Ann Lee: Will China's Economy Collapse?, Polity Press (2017)**

As China's annual GDP growth rates have gradually receded from double-digit levels to less than 7% by 2016, concerns have been voiced that the Chinese economy might be dangerously close to economic meltdown, dragging the world economy with it. Ann Lee, a former visiting professor at Peking University and recognized authority on China's political economy, counters such fears. The sturdiness of China's economic, financial and government structures are analyzed, as well as overcapacities in some sectors, the indebtedness of many publicly-owned enterprises, and the emergence of shadow banking. Meanwhile, China is shifting towards a more consumption-based model state, state owned enterprises are being reformed, the Renminbi is being internationalized, development banks are being founded with international participation, and corruption is being addressed. As health care improves, the rest of rural populations should gradually become part of the middle class. Innovation expenditures relative to GDP will be higher than in Europe, the end of the combustion engine is in planning along with a reduction in the use of coal. The best experts in the fields of science and technology throughout the world are being actively recruited.

The main conclusion is that China will master the key challenges. The book should be recommended to anyone who is interested in China's future and its global implications.

## **3) Stephan Barisitz: Central Asia and the Silk Road. Economic Rise and Decline over Several Millennia, Springer (2017)**

Stephan Barisitz is a senior researcher at the Austrian central bank, specialized in central Asian countries, formerly working at the Russia CIS Bulgaria desk of the OECD and at the WIIW. The book "Central Asia and the Silk road" describes the ups and down of China, the geography of the Silk Road, its predecessors and its demise. It shows how the Silk Road was connected to the rise of the "Mongol Eurasian Empire", the largest economic region in the world at the time. It then analyses how the Kingdom of the Middle was sidelined from the center to the periphery of the world economy by Europe and Russia, before it spectacularly recovered in the past decade. It created large financial reserves through export orientation plus domestic political discipline. China now uses its financial leverage for its return into the center based on its new "road and belt initiative". The book is interesting for everybody interested in history and geography, how the combination of dynasties and infrastructure can shape economic development. It will present too many details for some readers, but valuable insights and maps for others.

## **B. Books on Europe's neighbours**

### **4) Philipp Ther: Die Außenseiter. Flucht, Flüchtlinge und Integration im modernen Europa, Suhrkamp Verlag (2017)**

Philipp Ther describes refugee movements of the past. He looks back at religious persecution, post-colonial migration, political refugees and nationalist-driven displacements, and warns against the renaissance of nationalism. The book criticizes the lack of a harmonized refugee policy within the EU and sees the task of migration history to put the current debate in perspective. After some examples of successful integration, such as the Huguenots and German refugees of the postwar period, he mentions both obstacles and favorable conditions for the current refugees. Poor language skills, low qualifications and the lack of private contacts are barriers to labor participation. There are significantly more male refugees, which can lead to frustration in a heavily family-oriented population. Favorable conditions for the integration process are that refugees are predominantly young and have good impressions of the host country. Furthermore, a large proportion of the immigrants have positive feelings about democracy and gender equality.

Ther shows that humanitarianism towards refugees has always been fragile, but solidarity lines towards refugees from the Middle East have helped to integrate immigrants in the past. The negative impact of disruptive migrations dominates, even if destination countries have almost always benefited from refugee protection – a message important for a broad readership as well as for political decision-makers.



### **5) Carlos Lopes, Abdalla Hamdok, Adam Elhiraika (Eds.): Macroeconomic Policy Framework for Africa's Structural Transformation, Springer (2017)**

In this collection of essays the focus lies on the patterns and determinants of Africa's structural transformation. The authors analyse past, present and future directions of the development trajectory, and they assess the effectiveness of fiscal and monetary policies in order to further long-term economic growth. In addition, the impact of sectoral policies (agriculture) and structural policies (trade, technology and innovation) is evaluated. Based on theoretical and empirical underpinnings, and taking account of the diversity of African countries, the authors establish linkages between macroeconomic policy variables and the key sources of growth and development. As a result, they suggest a macroeconomic framework for Africa's long-term growth and economic transformation.

### **6) Alexander Betts, Paul Collier: Gestrandet. Warum unsere Flüchtlingspolitik allen schadet - und was jetzt zu tun ist, Siedler (2017)**

A political scientist from the Refugee Studies Center at Oxford University and an economist and former World Bank Research director describe refugee streams in history and the typical reaction of countries of destination to forbid them to work. A Jordanian think tank investigated a refugee camp in which 83.000 refugees had spent four years under miserable conditions, while only fifteen kilometers away a modern economic zone existed. The book criticizes that the international community and human rights organizations tend to concentrate on humanitarian help instead of providing work near the countries of origin. Money should be shifted to the creation of economic free zones providing alternative governance structure and work possibilities. Other grassroots experiments are described in [PCC Policy Report 1/2017, Fostering Dynamics and Fighting Root Causes of Flight. \(Karl Aiginger, Heinz Handler\)](#).

Instead of [preaching to Africa](#), telling it how its population should behave, Europe should create a partnership, investing in infrastructure as well as schools and vocational training. Otherwise, Europe will be sidelined by China which does not preach but invests in a rising Africa. The book by Collier and Betts is an excellent read to widen the understanding of European citizens and leaders about what problems, but also what solutions, exist in an improved partnership between Europe and Africa. It should be complemented by considering the results of the summit, its meetings of youth organizations as well as business partners and the comments in the international press.

## **C. Books on Europe**

### **7) Heinrich August Winkler: Zerbricht der Westen? Über die gegenwärtige Krise in Europa und Amerika, C.H. Beck (2017)**

Heinrich August Winkler wrote an informative book about the crisis, in which Europe and the United States have been "caught for some time", specifically since the breakdown of the Soviet Union. Crises such as the empty chair policy of President De Gaulle, the negative referenda in France, Ireland and Wallonia, the Financial Crisis revealing the North South divide, the refugee crisis and the East-West divide are recalled. Questions posed include how the Brexit came to be and what will follow; whether there are European or western values; and whether it makes sense to define Europe up to the Euphrates. The book underscores the differences between the extension of the EU to the first eight CEE countries and then to Bulgaria and Romania. Furthermore, Winkler explains the anti-European and Great Hungary rhetoric of Victor Orban as a late result of the "Trianon dilemma". The author speculates on where Europe might go, whether more Europe will mean less democracy as well as on US policy after Obama and the success of Trump. His conclusion is that the liberal democracy is in retreat, challenged by authoritarian regimes (as China is characterized) as well as by populism in Europe. That Europe spoke 'with one tongue' at the last G20 meeting is mentioned as a positive sign. Let us take this positive assessment home after reading a book addressing too many problems and challenges.



**8) Ivan Krastev: After Europe, Combined Academic Publisher (2017)**

European citizens and politicians should be aware that EU disintegration – until recently “unthinkable” – is beginning to be perceived as “inevitable”. The forces behind the scene are a lack of solidarity among member states and a rise in nationalist and populist tendencies, which are fueled by migration waves and becoming manifest in phenomena such as Brexit. However, Krastev regards it as paradoxical that “Europeans live in fear of disintegration while the union looks more than ever like a community of fate”. The various crises also appear to have strengthened the appreciation of Europe as a common and unifying polity. Krastev is against fighting the numerous EU antagonists, and instead recommends marginalising them by being responsive to their arguments. The book highlights the dangers of the forces of disintegration, but also hints at ways out of the possible mess.

**9) Richard Youngs: Europe Reset - New Directions for the EU, I.B. Tauris (2017)**

Youngs is convinced that the EU must reinvent itself if it is to survive. In his view, the much-discussed option of creating a multi-speed EU (favored by Jean Claude Juncker for some time) is unworkable. Instead, the EU must reconfigure its basic structures so that citizens play a greater role in decision-making, that the process of integration becomes more flexible, and that Europe adopts a more coherent approach to questions of defense and security. This “reset” version of the European model would be based on an explicit recognition of the EU’s social, economic and cultural diversity. Youngs proposes a “compact of European citizens”, organized as civic assemblies at the local, national and EU level. To balance any unwarranted outcomes of instruments of direct democracy, Young emphasizes the need for stronger central institutions and better leadership at the EU level.

