

Lumea cu două viteze. Puterile emergente și țările dezvoltate (Two-Speed World: Emerging Powers and Developed Countries), Paul Dobrescu. Bucharest, Romania: Comunicare.ro, 2013, pp. 205, ISBN: 978-973-711-457-0

Book Review by **Bogdan Mureșan**¹

Abstract: *This review analyses Paul Dobrescu's Two-Speed World: Emerging Powers and Developed Countries, a brief volume made up of a collection of articles on various international relations and European affairs topics initially published by the Romanian professor in the "CLIPA" magazine in the 2010-2013 timeframe. Although sometimes lacking narrative consistency, the book emphasises the idea that the world in which we find ourselves is one with two speeds of development, characterised by a shifting centre of gravity from the West to the East, a tendency especially highlighted by the first decade of this century. By asking if the next century is going to be a Western one and if the European Union project, deeply hurt by the financial crisis, still has a future, Paul Dobrescu challenges his readers to think outside the box and paints a rather grim picture of things to come, with a society dominated by consumerism and a shortage in morality.*

Keywords: *geopolitics, globalisation, development, rising powers, financial crisis*

The so-called "decline of the West and the rise of the Rest" is probably one of the most recurrent themes of interest and reflection for scholars, academics and political leaders worldwide, spurring endless debates. And, truth be told, the first decade of this century has given us sufficient proofs in support for this scenario, one of them being the very fast rates at which emerging states, or rising powers, are developing. In just a decade, these rates have enabled them to achieve fifty percent of world GDP at purchasing power parity. And conventional logic, supported by statistics, seems to point to the fact that the gaps between the developed and the emerging worlds will continue to decrease, while the domestic inequalities are on the rise in the established economies, where the rich are getting richer and the poor are getting poorer. The end of the last decade has been marked by the world financial crisis, which, on a less superficial level of analysis, has not been that global at all. While it did hit at full-throttle the United States and the European Union, the crisis gave a pass to the BRICS countries, the main emerging countries, who after 2009 resumed their growth. In professor Dobrescu's words, "globalisation intensified the

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tension between growth and sustainability up to the point where that relation needs to be rethought and rebuilt" (p. 25).

The financial crisis of the developed world – with its two components: the crisis that broke out on Wall Street and the crisis that is still gripping Europe in general and the euro zone in particular – arose against the backdrop of an increasingly pronounced tendency towards the financialisation of the economic life and the mirage of "economic extremism". Through the 21 articles comprised in the *Two-Speed World: Emerging Powers and Developed Countries*, the reputable Romanian globalisation theorist and geopolitical analyst Paul Dobrescu offers his readers a somewhat depressing book (at least from a Western point of view), which critically highlights the effects of poor or untimely political decisions, depicting the world as it is and not as it was intended to be. In making sure that his critique retains its constructive dimension, Dobrescu does not shy away from formulating educated solutions to structural flaws. Nevertheless, the articles, which lack academic rigor, have some repeating ideas and some outdated facts and figures, the latter explainable through the fact that the pieces were written in the 2010-2013 timeframe.

The first article of the book, and one of the more interesting and comprehensive ones, serves its role well as an introduction and revolves around the concept of *innovation*. According to the author, *social innovation* provides the necessary framework in which *technological innovation* may take place (p. 15). "It is not about making hierarchies, but rather about pointing out that each time we encountered a flourishing technical innovation, it was preceded by a system innovation or by a period of great social openness" (p. 16). In linking the discussion with the present and, of course, the financial crisis, Dobrescu points to the European Union, as the first economic region of the world, offering a new model of development, a regional response to the ambivalent forces of globalisation. A model which facilitated a great leap forward for the Member States and was emulated worldwide due to its economic prowess and its competitive appeal. However, the financial crisis highlighted the need to rethink this model, which suffers from an "imbalance in the relation between the state and the market and is hurt by the perception that regulation is the enemy" (p. 24). The proposed solution therefore envisages a recalibration of that relation, in the dynamics between the public and the private, the latter suspected of wanting to subordinate economic activity for its own interest and profit. The author considers that only the state can truly promote the general interests of a nation. A debatable assertion, especially when having in mind authoritarian political regimes, which usually govern over *predatory states*.

Not since Rome has one nation loomed so large above all others. As global interdependence has increased and became more complex, many have argued that globalisation is simply a figure of speech and a disguise for American imperialism, while others portrayed the superpower as a reluctant hegemon of the "free world". The United States is undoubtedly the world's number one power, in terms of aggregate resources and capabilities, but how long can this situation last? In order to answer this question, Paul Dobrescu goes on to talk about the danger posed by the possible decline and collapse of the *American dream*, against the backdrop of the financial crisis, considering that "it would be the greatest loss of the American society" (p. 28). The American dream formula,

which condensates the American contribution to the capitalist society, emphasises an emblematic truth: nationwide success stems from individual success, echoing the Protestant creed. Empires begin to decay when the people's efforts and dedication begin to wear down (p. 58). The author believes that the secret ingredient behind the success of the American nation is closely related to the fact that its elites were dedicated to values that were always complementary to the larger aspirations of the common American citizens, in their respective eras. The financial crisis, which raised questions about a shift in the identity of the capitalist society, proved that morality lost the battle against material profit on Wall Street. "The American dream simply cannot survive if its elites stray away from its moral pillar" (p. 32). But how will the relative decline of the US impact upon the way the current century will look like?

In the specialist literature there is a debate as to whether *the twenty-first century* will be another American century or a Chinese or Asian one. In sum, professor Dobrescu believes that it *will be the century of the emerging powers*, with Asia at its forefront. But the main discussion is not about that. "It is not about powers changing places between them, but rather about the set of values that guides the world, of its general orientation" (p. 39), explains the author, talking about a world order centred on Western values. China may as well surpass, at least economically, the US – because in terms of military and strategic pre-eminence the Chinese are still far off by all accounts – , but it is very unlikely that it will also actively search to override the Western order. And, in fact, in late 2014, for the first time in more than 140 years, the US has lost the title of the world's largest economy to China, according to the IMF, which calculated these figures by using purchasing power parity. However, even if China's economy may be the largest in the world, it is still far off from being the wealthiest as well, in terms of GDP per capita. Powered by its booming economy and demographics, China's rise took place in the current world order (p. 42). So, at least for the next ten years, China will be interested in maintaining and even consolidating this order, boosting in the process its own modernisation (p. 43). Maybe a separate article dedicated to India, the other "elephant in the room" and the world's biggest democracy, would have been a welcomed addition.

But what about Australia? "Australia has never experienced a crisis for the past 20 years, including the latest one" (p. 105). The key to its success, according to the author, resides in its persistent structural reforms, embraced by the whole political spectrum and implemented by each party that came into power, with a fair degree of flexibility. But is Australia gravitating more towards Europe or towards Asia? "Traditionally, Australia used to be assimilated to the Western countries (...) nowadays, Australia distances itself more and more from its traditional partners and integrates in the Asian sphere of co-prosperity" (p. 108). Australia's evolution raises another problem, of great geopolitical importance. The *economic pattern* of Australia is Asian, while the *security pattern* is American. Which one will gain the upper hand? Also, Japan finds itself in a similar position (p. 111). However, the historical rivalry between Japan and China, which reached new heights in the past couple of years, can by no means be ignored. Professor Dobrescu perceives both Australia and Japan as *balancing powers* in the region, interested in avoiding major regional turbulences primarily for economic inducements.

Due to obvious space limitations, I will now make a very brief summary of some of the main ideas that transpire throughout the many articles dedicated to the European Union, increasingly confronted with the spectre of geopolitical irrelevance, and the financial crisis, which lies at the core of the volume just like the banking crisis lies at the core of the financial crisis. The relationship with the “periphery” (p. 147), the euro crisis (p. 155), and the widening of gaps within the Union, even at its summits, where France can no longer stand shoulder to shoulder next to Germany (p. 177), are all layers of a structural crisis that has weakened Europe. The superposition of these crises has created a complex and thorny situation, which characterises the European crisis, with no end in sight. From the start, the euro has rested on a gamble – the German compromise (p. 155). When European leaders opted for monetary union in 1992, they optimistically (or naively?) assumed that European economies would converge toward one another: the deficit-prone countries of southern Europe would adopt German economic standards and, in return, Germany would become a little more like them, by giving in to more government and private spending and higher wage and price inflation. This did not occur and bankruptcy in southern Europe and prosperity in Germany are two sides of the same coin. “The disease of Greece is ultimately the disease of the European Union” (p. 123).

Now, with the euro in crisis, the true implications of this gamble are becoming clear and this is why “Europe needs a new *Treaty of Maastricht*, aimed at rethinking the convergence policy and identifying solutions for the common root of the European economic divide: the competitiveness gaps” (p. 163). On the other hand, professor Dobrescu talks about the *identity crisis* of the EU, associated not with the lack of economic strength, but with the absence of a united leadership and a unitary strategy (p. 130). At least initially, “the Union did not react as a Union to the crisis. The individual countries of the Union acted, but not the Union” (p. 76). In this context, the author looks up to Germany as a “power of global scale” (p. 136), the economic powerhouse and diesel engine of the European Union and, at the same time, the greatest beneficiary of financial stability and the common currency. It became almost common knowledge that a sudden default by a euro zone country or the collapse of the currency itself would devastate the German economy, particularly its export industry. However, “in a world dominated by continental size powers (the US, China, Russia, Brazil, India), Germany remains but a ‘geopolitical dwarf’” (p. 137), which needs a strong European Union in order to project its interests worldwide.

Overall, professor Dobrescu provides an accessible collection of selected articles recommended for casual readers, students and scholars interested in Geopolitics, the current iteration of the Globalisation phenomenon and European Affairs in general. I would strongly recommend those who find this collection engaging to follow it with another one of Paul Dobrescu’s books published that same year, which touches upon the same topics in a much more refined and elaborated manner, a cogent narrative: *Un deceniu cât un secol. Secolul lumii emergente* (*A Decade to Last a Century: The Century of the Emerging World*).