Asia – The Future Center of the World Economy

Overview

Asia is by far the most populous continent. It accounts for 56% of the world’s population or 3.31 billion people. By the year 2025 its population is expected to increase by 60% to 5.26 billion or just a little less than today’s world population. Of this population, 42% or about 2.2 billion will inhabit South Asia, 38% East Asia, 5% Central Asia, and 15% Southeast Asia. In other words, the population of India, Pakistan, and Bangladesh will exceed that of China, Japan, Taiwan, and Korea. By the year 2010, around 35% of Asia’s people will reside in urban areas and the number of Asian cities with one million or greater population will be 101, including 38 in China and 24 in India.

Asians who are largely Buddhists, Hindus or Moslems consider family ties most important and family takes priority in deals and business. Families and not government agencies are responsible for individual members and families usually have their own hierarchies and rules of behavior. This has a major impact on the structure of society and business. Society is assumed to be self regulating and families are expected to solve their own problems. At the same time, there are uneven distributions of the benefits of development. Women, tribal and ethnic minorities, disabled and illiterate people are often not treated equally or fairly. Societies are still largely wedded to traditional cultural and religious norms and the legal system is quite undeveloped by comparison with western societies.

Asia is divided into highly diverse economic regions. Among them, the East and Southeast Asian regions have natural and human resources and millions of potential consumers that are attracting world attention as future markets. At the same time, South Asia, the fastest growing Asian region, has the worst problems of poverty and unequal distribution of income. With comparatively limited reserves of oil and gas, Asia depends largely on its coal reserves. As increase in fuel wood consumption accelerated the deforestation process and the curtailment of its production to save the forests may cause a shortage of fuel wood.
While education has made impressive advances in East and South East Asia, South and Central Asia suffer under low literacy and inadequate education. About 4.4 billion people will inhabit Asia by the year 2010, and the age distribution is expected to show major growths of the very young and the very old, as health care improves but population planning has limited success.

Growing urbanization in Asia will accentuate problems associated with migration, housing, family breakdown, crime, disease, and will put an increasing pressure on the infrastructure which is already highly inadequate. While cultural identities will continue to remain strong, fostering tradition in the midst of modernity, technological and life style changes will pose increasing social problems. The result may be declining quality in the social and physical environment as traditional norms and values are submerged under the opportunities offered by the more affluent modern life. There are efforts at sustainable development which may halt this social and environmental deterioration, but they require greater commitment by government and people.

The alleviation of poverty will remain a difficult goal as narrow and parochial, religious, and ethnic loyalties continue to surface. Three decades after the caste system in India was outlawed, for example, caste discrimination is still very much in place and is probably the major factor delaying India’s social and economic development. Similarly, the role of religion and law in society is so different from that assumed in the West that it may be difficult – if not impossible – to simply transfer Western societal concepts. The most important are the responsibility of the individual to himself in the West versus the Asian concept that the principal responsibility of individuals is to family and society. Disputes should be resolved within societal organizations, such as families or other groupings, and not in public forums such as law courts. Similarly, religion and worship is an intimate and personal affair and not a guided public demonstration of faith. “Asians pray with their heart and not their voice” is a common statement.

The developing countries of Asia are different from those in Africa, South and Central America, and even Europe. This applies particularly to those in East and South East Asia or on the Pacific Rim, and to a lesser extent to those in South Asia, and probably not at all to those in the Middle East. Asia has achieved an impressive record in poverty reduction, with the proportion of people living on less than a dollar a day fell from 32% in 1990 to 22% in 2000, according to a recent Asian Development Bank survey. South East Asia led in this development.

The population of the developing countries of East and South East Asia is in excess of 1,700,000,000 or nearly one-third of the world’s population. It contains not only China but many other countries whose cultures are largely influenced by Confucianism. Similarly India has a population of