



The pedal heroes: rickshaw drivers in Dhaka, Bangladesh

ON A FLYING CARPET

How the East changed the West: the emerging economic performance of the so-called BRICS countries is leading to new ways – not only for goods transport but also in the areas of communications and culture

East is East, and West is West, and never the twain shall meet,” wrote Rudyard Kipling (1865–1936), the British author who was born in India. The author of *The Jungle Book* saw insurmountable cultural differences between the East and the West, between Europe and Asia. Kipling knew the world of the Empire, but knew nothing of globalisation. He could never have guessed that the world would grow so close together as a result of communications technology and modern logistics.

However, globalisation has always existed. Long before the Augsburg merchant Jakob Fugger (1459–1525) developed a global trading empire, inter-cultural

transport routes had existed for sought-after goods, for example the “flint road” of the Stone Age. The salt and amber routes of antiquity and the iron routes of the early Middle Ages crossed the entire European continent. Caravan routes such as the incense and silk roads or the tea road linked Arabia and Asia with the Mediterranean area. And once Europe had discovered the sea route to India, the famous spice route came into being.

The exchange of goods and values continued at a gentle pace right up to the middle of the 20th century. Then came containers and, later, computers, and suddenly the distances between the continents had shrunk, trade routes became

much faster and the flow of goods could grow unabated.

Logisticians know best how rapidly the international situation is changing, how dynamic economic developments are and how quickly the focal points shift. They helped global trade to grow 30-fold between 1950 and 2010 and were there when the one-way street of goods from industrialised Europe to the developing Asian region changed direction. 300,000 containers are still transported to the Far East every year, but there are now 500,000 coming in the opposite direction.

The economic dominance of the western industrialised nations has now been broken. New economic powers are conquering the world market. The

so-called BRICS countries in particular – Brazil, Russia, India, China and South Africa – are turning heads in this context. The currently account for more than 40% of the world’s population. And experts have forecast that their economic power will in 40 years be bigger than that of the current industrial powers – the United States, Japan, Germany, Great Britain, France and Italy – put together.

Other countries also want a place on the flying carpet of world trade. They are known as the “Next Eleven”: Egypt, Bangladesh, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey and Vietnam.

The focus is clearly on Asia. At the moment, all experts are

spellbound by what is happening in Brazil, Russia, India and China. Economists hope that these countries can give new impetus to the world economy. Russia’s great asset is its natural resources, above all its considerable supplies of oil and natural gas. India is seen as the “thought factory” of the world economy and as an emerging economic power in the areas of pharmaceuticals and software. China is often called the “workshop of the world”, but is now turning into a huge market for sales.

The future of the Asian states is closely inter-related. Russia supplies the raw materials that are processed in China, while India deals with the advanced technology that is



Piling it high: a moped rider in Saigon, Vietnam

required. Higher incomes in Russia and India are in turn good for sales of Chinese goods. In China, incomes are rising and more raw materials and technology are being used – thereby creating a self-perpetuating cycle.

The large corporations of the western industrialised countries have noticed the emerging countries' potential and want in on their boom. Hermes is already building its own ParcelShop system in Russia, and is procuring goods from India and China and has its own testing laboratories there. And the Otto Group is pushing its expansion towards Brazil.

The West invested over a billion US dollars in the emerging

industrialised countries in 2011. Despite some restrictions, this investment is generally welcome, but victory is far from decisive on the battlefield of global investment. The RIC empire is now fighting back.

Russian, Chinese and Indian companies are buying into the West. Not only has the flow of goods changed direction but also that of capital. What initially seems to be a simple shift of capital shares from one portfolio to another is concealing interesting cultural challenges. Are “the Russians”, “the Chinese” and “the Indians” – which together are 2.7 billion individuals after all – not different to “us”? Do “they” not operate completely different business cultures? Can we get on

with each other? Or will there be conflicts within companies that operate globally because the owners, managers and employees come from different cultures?

Every company that has a presence abroad is aware of the inter-cultural pitfalls that await wherever one wishes to set up business. A “yes” or nod of the head in China only means “I have listened” and does not signify agreement. In Russia, the role of strong women in economic life should not be underestimated, and it is necessary to be aware that flat hierarchies are not understood in China and India. The pace of work, sense of time, etiquette and communication styles are very

different from each other in non-European cultures.

Will the reversal of the flow of goods and investment lead to Europe having to adopt Eastern habits and customs? Will we soon not only eat Indian and Chinese food but also adopt certain words or behaviour? Will the next trend of popular culture be born in Vladivostok? Will Bollywood, with its ornate aesthetics, determine what we watch on television? Will we live in a hyper-culture in which ideas, symbols and rituals from various civilisations are mixed together? Is a subtle Asianisation already taking place, not only in terms of our consumption but also in our daily conduct?

There doesn't have to be a war of civilisations if we manage to develop inter-cultural skills and learn from each other – which can also be great fun. It is not only the managers of global companies who face the challenge, but everybody involved.

That means all of us.

Then Rudyard Kipling, winner of the Nobel Prize for Literature, would be proved wrong: The twain, East and West, would meet. And Goethe's words from the “West-Eastern Divan” would sound like a prophesy barely 200 years after they were written:

“Those who know themselves and others will recognise here, too, that the Orient and the Occident can no longer be separated.”