

CHAPTER 04 ALTERNATIVE CENTRES OF ECONOMIC & POLITICAL POWER

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Introduction

At present we are living in a unipolar World in which USA is playing headman's role. USA is leading on all fronts. But some states individually and some combinations are progressing in such a way that it is hoped that there developing powers can prove themselves as alternative Centre of economic and political powers.

At present China is developing at a fast rate and is considered as an alternative Centre of economic power. European Union and ASEAN organization too are not behind. They too can be put in the category of alternative Centre of economic and political power as is proving by their worth and virtues.

India too has shown its capability, thus is considered as an alternative Centre of economic and political power.

Assessment of China as an Economic Power?

China becomes independent state in 1949. Its economy was initially based on Soviet model. But it did not work up to the expectations as per China's population growth. Therefore during Seventies Chinese leadership took major policy decision for a change. China ended its political and economic isolation with world. It in 1972 established relation with USA. Premier Zhou Enlai introduced the modernization in agriculture, industry, science and technology and Military in 1973. By 1978, the then leaders Ding Xionping announced the "Open Door" policy and economic reforms in China.

China adopted the changes but gradually. It did go for shock therapy but step by step. The privatization of agriculture in 1982 was followed by privatization of industries in 1998. Trade barriers were eliminated only in special economic zones where foreign investment was allowed to set up enterprises. Today China has become most important destinations for foreign direct investment in the world. China has large foreign exchange reserves that now allow it to make big investments in other countries. China's economy is continually growing at that rate, that it is believed that thus would become the largest economy of the world by 2040.

The integration of China's economy and the interdependencies that this has created has enabled China to have a considerable influence with its trade partners. Hence its outstanding issues with Japan, The US, ASEAN and Russia have been tempered by economic considerations. It hopes to resolve its differences with Taiwan by integrating it closely into its economy. Its investments and aid policies are increasing that project it as a global player in developing economies.

To conclude China's economic trump since 1978 is posing China as a great power. China has a fastest growing economy since the reforms began there. The strength of economy, population, landmass, resources regional location and political influence adds to its power in a significant way. At crucial stages, it has got the capability and capacity to overcome any kind of deadlock or stagnation. This is because of the strength of China, it is deemed to be an alternative economic and political power against USA.

Creation & Expansion of European Union?

After the end of bi-polar structure in world politics it was expected that unipolarity will dominate too long. But after 90's it become clear that alternative Centre's of political and economic powers could limit USA dominance. One such example as Alternative Centre of economic and political power can be put forth as "European Union".

Evolution

Before getting its name as "European Union" in 1992, it has passed a variety of stages.

Its evolution is given below:-

- To overall European economy USA extended financial aid under Marshal Plan in June-5-1947.
- Under Marshal Plan an organization of European Economic co-operation was established in 1948 to Channel aid to western European states.
- In 1949 "the council of Europe" for political cooperation was established.
- In April 1951 six west European countries France, West Germany, Italy, Belgium, Neither land & Luxmburg signed treaty of pairs establishing "ECSC" European coal and Steel community.
- In 1957 on March 25 these six countries signed the treaties of Rome establishing "EEC" European Economic community and (EAEC) European Atomic Energy Community.
- In 1973 European community came into light.
- In June 1979 First direct election to European parliament was held.
- In June 1985 the "Schengen agreement was held to abolish the border controls among European community members.
- And finally on the 7th Feb 1992 the treaty of Moastrisht was signed to Establish "European Union".

Objectives of European Union

European Union was formed in 1992 under treaty of Mastrisht by 28 member states of European. This Union has a parliament which works for the development and prosperity of European region. The main objectives of this union are as under:-

- To become most powerful economic and political organization.
- Equal protection to its members.
- Joint security.
- Co-ordinate for obtaining goals of union.
- To settle disputes to bring consistency in all round development.
- To share information regarding update knowledge.

In nutshell it is the result of these objectives which has become the world's biggest economy. Its currency "Euro" is now in a position to challenge this dominance. European Union also exercise political and diplomatic influence. It has two permanent members in UNO's Security Council. This power in UNO has enabled European Union to influence the decision making in world affairs. More over European Union combined armed force as are the 2nd largest in the world. It has its own flag and anthem, founding date and currency. It has a common market and has said no to borders.

This all has made European union a super national organization. Thus can play an aggressive as well as progressive role in economic, political and social issues of the world. It certainly can act as an alternative Centre of power against USA hegemony.

NOW BE ABLE TO ANSWER

1. Assess China as an alternative Centre of power?
2. It is said "China will be largest economy by 2040" Explain?
3. Introduction of Modernization helped China to grow. Discuss?
4. What do you know about evolution of European Union?
5. European Union is 2nd largest economy of world. Explain?
6. European Union due to its objectives has become strong. Discuss?
7. European Union has great influence on world. Explain?

ASEAN (Association of South East Asian States)

Before and during 2nd world war was Asian Region suffered economically a lot due to the colonialism. Latter the region has to confront with the problem of nation building. Since NAM & Bandung conference were in effective in establishing convention for informal co-operation and interaction. So South Asian nation worked out for establishment of an association for South Asian nations namely ASEAN. It was established on 8th August 1967. Five founding members are Indonesia, Malaysia, Singapore, Thailand, and Philippines signed declaration at Bangkok (Thailand). This declaration led to the formation of an organization "ASEAN" with the passage of time other countries like Brume, Darusalam, Vietnam, Loas PDR, Burma and Cambodia joined this Association. India, China & Japan are dialogue and regional partners of ASEAN.

Aims and Objectives of ASEAN

The aims and objectives of ASEAN are as under:-

- To accelerate economic growth through social progress and culture development.
- To promote regional peace and stability based on rule of law and the principles of UNO.
- To solve disputes peacefully.
- To work for non-confrontation and cooperation.
- To promote trade and commerce in region.
- To have mutual respect for independence, sovereignty, equality and territorial integrity of all nations.
- To integrate the region with world economy.

In its 12th summit 2003 the leaders of the association affirmed establishment of ASEAN community of three pillars

- The ASEAN Security Community.
- The ASEAN Economic Community.
- The ASEAN Socio Culture Community.

IMPORTANCE OF ASEAN

Along with the fast growing economic with world ASEAN has broadened its objectives beyond the economic and social sphere. As mentioned above in 2003 ASEAN agreed to establish ASEAN community comprising of three pillars.

The ASEAN Security community is there to see peaceful solutions to the outstanding territorial disputes by 2003 ASEAN had several agreements with which members states promised to up held peace, neutrality, co-operation and respect for national differences and sovereign rights. In 1994 ASEAN Regional Forum (ARF) was formed to carry out the coordination of security and foreign policy.

The ASEAN Economic community is there to create a common market and production base within ASEAN states and to aid social and economic development in the region. It will also like to improve the existing ASEAN disputes settlement mechanism to resolve economic disputes. It has focused on FTA (Free Trade Area) for investment, labour and services.

The ASEAN socio culture community helps this association for development of culture and social progress.

ASEAN economy though being smaller than US, EU, and Japan but it is growing much faster than these. This progress has helped ASEAN to have its influence both in its region and beyond. It is rapidly growing into a very important regional organization. It has been able to end the Cambodian conflict, the east timor crises. It meets regularly to discuss East Asian co-operation. The current economic strength of ASEAN is of such worth that attracts other countries. India too has signed FTAS with some countries of ASEAN.

In short ASEAN is becoming a decent organization which not fulfills the aspiration of its member states but beyond that it plays a significant role. Its strength lies in its policies of interaction and consultation with member states, dialogue partners and with other non-regional organization. This association provides a platform where Asian countries and major powers can discuss political and security concerns. All this has marked ASEAN as an alternative Centre of power.

NOW BE ABLE TO ANSWER

1. Write a note on ASEAN?
2. What are main aims and objectives of ASEAN?
3. ASEAN is proving to be an alternative Centre of power. How?
4. ASEAN is an all-round organization. Explain?

India's changing relation with China

India and China are considered two giants of Asia. They are also close neighbor but the history of relation reveals that there are ups and downs in their relations.

Though both countries after obtaining freedom from foreign rule started with a positive note India was first to recognize China as an independent state. On first April 1950 diplomatic relation were established. In 1954 bilateral agreements were signed.

Signing of Panchsheel in June 1954 was an historical event. There was a popular slogan "Hindu, China Bahi Bahi" But this did not last long from 1957 the relation took an ugly shape. A military conflict over a border dispute marred the hope that these two giants of Asia would shape the future of developing world and of Asia particularly.

There were indifference arising from the Chinese takeover of Tibet border dispute resulted in a full scale war in 1962. India suffered a lot which had long term implications for India China relations. Diplomatic relations between the two were downgraded until 1976.

Afterward's Chinese policies become more pragmatic and less ideological. So both countries decided to set aside the core issues of dispute but to work for improving relations.

Now the relations have a strategic as well as economic dimension. Leaders from both sides have frequent visits to have bilateral agreements both have taken measures to contain conflict and maintain peace and tranquility. Many agreements on cultural exchange and co-operation in science and technology were signed. Many border posts have been thrown open for trade and commerce.

At international level both India and China have adopted similar approach for WTO etc. They show common concern over issues of global warming etc.

In short the relations between the two countries have shown up's and downs. Although both countries almost from mid-seventies have put their relation on a progressive track. But still there are some core issues confronting each other. The Chinese involvement in Pakistan is of great concern for India. Recent stand over J & K of China has annoyed India border issue is still core issues between India and China. Despite of these hindrance's both India and China are trying to improve their relation day by day.

NOW ANSWER THESE QUESTIONS

- India and China are trying to improve relations. Explain?
- How would you assess India China relations?
- What core issues confronting India and China?
- How would you assess China as an Alternative Centre of economic and political power?
- How was European Union organized?
- What are main objectives of European Union?
- What do you know about ASEAN?
- Discuss Indo-China changing relations?