

CH 4. ALTERNATIVE CENTRE OF POWER

EUROPEAN UNION

Introduction

After the second world war, Europe shattered the assumptions and structures on which the European states had based their relations.

To revive European, the US introduced 'Marshall plan' to establish Organisation for European Economic Cooperation in 1948. (OECC). Through OECC, Western European states began to cooperate on trade and economic issues.

'European Union' was established in 1992 after the collapse of the Soviet Union. The European Union was started as an Economic union but over time it has evolved from European Union to increasingly political one. Hence, the EU now has started to act more as a nation-state.

- a) It has tried to expand areas of cooperation while acquiring new members, especially from the erstwhile Soviet Bloc.
- b) Besides, EU has its own flag, currency, anthem and founding date.
- c) It has also some form of a common foreign and security policy in its dealings with other nations.
- d) The currency Euro can pose threat to American dollar in terms of value.
- e) EU's share in international trade is three times more than the US.
- f) Two member countries of European Union, Britain and France are the member of UN Security Council and possess about 550 nuclear warheads.

- a) EU has the second largest army in the world after US. Its defence budget is at par with US.
- b) Its Gross Domestic product (GDP) is more than that of US.

ROLE OF EUROPEAN UNION AS A SUPER NATIONAL ORGANISATION.

As a super national organisation, the European Union intermixes in economic, political and social arenas. It has thus, economic, political, diplomatic and military influence.

THE INFLUENCE OF EU

- ← Economic areas
- ← political and diplomatic
- ← military influence.

1. Economic Areas

As far as the economic nature/aspect of the European Union is concerned, it is considered as the world's biggest economy with a GDP of more than \$12 trillion in 2005, slightly larger than that of the United States.

- (i) European Union's economic power gives it influence over its closest neighbours as well as in Asia and Africa.
- (ii) Its share of world trade is three times larger than that of United States.
- (iii) Its uniform currency, the Euro can pose as a threat to the dominating US dollar.
- (iv) Moreover, the European Union also functions as an important bloc in international organisations such as the world trade organisation (WTO).

2. Political and Diplomatic areas.

Besides being the world's biggest economy, European Union also has political and diplomatic influence on the world arenas.

The EU has great influence on some of the UN policies because its two members, Britain and France, hold permanent seats in the UN Security Council. It also includes several non-permanents of the UN Sec.

Not only this, EU has its very effective influence in the arenas of diplomacy, economic investments and negotiations except coercion and military force.

For example, EU's dialogue with China on human rights and important environmental degradation appears to be very effective.

3. Military influence

'European Union' was established in 1992 after the collapse of Soviet Union. The European Union was started as an economic union ~~in to an increasingly~~ but overtime it has evolved from Economic Union to an increasingly political as well as military arena. It has the second largest economy after the US and its GDP is larger than the US. Its defence budget is at par with the US.

ASEAN

INTRODUCTION

Before and during the Second world war, South east regions of Asia suffered economic and political consequences of repeated colonialism as well as at the end of war, it ~~confronted~~ confronted with the problems of nation building which gave the Association of South East Asian Nations popularly known as ASEAN for uniform cooperation and interaction. ASEAN was established in 1967 by five countries of the region, Indonesia, Malaysia, Philippines, Singapore and Thailand by signing the Bangkok declaration. Over the years, Brunei, Darussalam, Vietnam, Myanmar, and Cambodia made its strength its ten.

OBJECTIVES OF ASEAN

Like the EU in 2003, ASEAN countries also followed the path of establishing an ASEAN Community its broader its objectives beyond the economic and social spheres. The ASEAN Community comprises mainly three pillars. Namely -

- a) The primary objective of ASEAN were its accelerate economic growth followed by 'social progress and cultural development'.
- b) Another important objective was its promote regional peace and stability based on the rule of law and the principles of the United Nations charter.
- c) In the present global world with the fastest growing economies, ASEAN broadened its objectives beyond the economic and social ~~spheres~~ spheres by establishing an 'ASEAN Community'.

The ASEAN is the only three pillars regional association in Asia that handsly provides a political forum where ASie countries and the major powers can discuss the political and security concerns.

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

As ASEAN is rapidly growing into a very important regional organisation, its vision 2020 has defined an outworld leading role for ASEAN in the international community.

- a) The vision 2020 builds on the existing ASEAN policy to encourage negotiation over conflicts in the region.
- b) For instance, ASEAN has mediated the end of the Cambodian conflict and the East Timor crisis and meets annually to discuss East Asian Cooperation.

The components of the ASEAN vision 2020 are -

1. Outworld leading role.
2. Encouragement to negotiations.
3. mediatory role of ASEAN.

INDIA RELATION WITH ASEAN

In recent years, India has also tried to make negotiations and agreements with ASEAN by signing free trade areas with two ASEAN members, Singapore and Thailand as well as signed an FTA with ASEAN itself.

THE RISE OF THE CHINESE ECONOMY

China has emerged as the third alternative since its economic reforms of 1978. China has been the fastest growing economy since the reforms first began there. Now, it is projected to take over the US as the world's largest economy by 2040.

2. Its economic integration into the region makes it the driver of the East Asian growth, giving it enormous influence in regional affairs.

3. Besides, the strength of its economy, together with other factors of population, land mass, resources, regional location and political influence have added to its power in a significant way and made it the third alternative power in the world sphere.

CRISIS OF CHINA BEFORE ENDING POLITICAL AND ECONOMIC PROBLEMS.

After the inception of people's republic of China in 1949, China followed Soviet model of economy which allowed China to use its resources to establish the foundations of an industrial economy. Since then, China was completely isolated in politics and economic areas. But at the same time in the following years, China faced problems like -

1. Economic growth was insufficient to meet the needs of a growing population.
2. Agricultural production was not sufficient to generate surplus for an industry.
3. China's industrial production was not growing fast enough.
4. International trade was minimal.

5. Per capita income very less.
6. Due to these crisis, China ended its political and economic isolation with the establishment of relations with the United States in 1972.

MAJOR POLICY DECISIONS TAKEN IN 1970's.

China ended its political and economic isolation with many policy decisions taken in 1970's.

These included -

1. China US relations establishment in 1972.
2. Four areas of modernisation (agriculture, industry, science and technology) in 1973.
3. Open door policy in 1978, privatisation of agriculture and industry in 1982 and 1990.
4. Setting up specific economic zones.

CHINA IS GOING TO BE RECOGNISED AS AN ECONOMIC POWER.

Regionally and globally, China is going to be recognised as an economic power due to contributory factors i.e -

1. Integration and interdependency have tempered its issues with Japan, the US, ASEAN, Russia, Taiwan.
2. Even China's outward looking investment and aid policies in Latin America and Africa are projecting it as a global player.

INDO - CHINA RELATIONS

India's relation with China after independence started off very well due to a number of friendly gestures on part of India. In 1954, India signed the famous panchsheel, which started a new era of Sino India friendship.

But after 1957 variations, 'contentions issue' arose in Sino Indian relations like -

1. Tibet problem.
2. Sikkim Issue.
3. Border issue in AP
4. Chinese attack in 1962.
5. Chinese assistance to Pakistan.
6. Nuclear Test Issue.

From 1958 to 1975, China saw India as its major geostrategic rival and wanted to keep it down.

(i) Attempt at normalisation of relations b/w the two were taken at the Indian initiative in 1976. Due to this, Sino Indian relations were restored with the exchange of ambassadors.

(ii) Joint work group (JWG) was set up by the two countries to find a solution to the border dispute.

(iii) Both countries also decided to reduce forces along the Sino Indian frontiers and both pledged not to use or threaten the use of force against the other.

(iv) The process of mending fences and emphasis on 'friendly competition' has started. This could be done through mutual understanding and bilateral agreements. Both countries should come together to fight global challenges like terrorism, economic disparity and nuclear arms race.

(v) In the bipolar world, there have been significant changes in Indo - China relations. Their relations now have a strategic as well as an economic dimension.

Both countries view themselves as rising powers in global politics and both would like to play a major role in the Asian economy and politics.

While concluding we can say that a long term stable relationship and peace between the two is important for the mutual benefit of both the countries. Increasing transportation and communications links, common economic interests and global concerns should help to establish a more positive and sound relationship b/w the next popular countries of the world.

More recently in 2006, both countries signed an agreement on cooperation when the Chinese president, Hu Jintao visited India.

Both countries have agreed to cooperate with each other in areas that could otherwise create conflict b/w the two, such as bidding for energy deals abroad.

At the global level, India and China thus, have adopted similar policies in international economic institutions like the World Trade Organisation.

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