Chapter - 2

Contemporary Centres of power.

After end of bipolar structure of world politics.

↳ It became clear that alternative centres of political and economic power could limit America's dominance.

In Europe - European union
In Asia - ASEAN

European Union (Timeline)

After WW II, during Cold War America aided Europe's economy under Marshall Plan.

Also created organisation for European Economic Cooperation $\boxed{\text{OEEC}}$ In 1948.

↳ for trade and economic issues

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→ Council of Europe. [1949].
economic integration led to
→ Sign treaties of Rome, estabilishing the European Economic community 1957

→ Schengen area :- worlds largest's border free travel area among EEC members

→ Collapse of Soviet bloc fast tracked European and establishment of European Union in 1992

Common foreign and Security policy, home affairs and creation of a single currency [Euro].

↓ Treaty of Maastricht

France permanent UNSC [seat]
GDP of EU → $19.35 trillion (2024)

↓ EU has economic, political, diplomatic and military influence.

- EU has world's second largest armed forces after U.S.A
- Second most source of space and communication technology.

Association of South East Asian Nation [ASEAN]

Est => 1967

Founding Members => Indonesia, Malaysia, Philippines, Singapore and Thailand.

↳ Under Bangkok Declaration

Objective: Primary

↳ accelerate economic growth and through it Social progress and cultural development.

- Secondary

↳ Promote regional peace.

It broadened its objective in 2003 establish an ASEAN Community

three pillars.

- ASEAN Security community
- ASEAN Economic Community
  - to create a common market and production base within ASEAN States
- ASEAN Socio-cultural community

Fact: ASEAN Logo had ten stalks of paddy [10 members] and circle symbolises unity.

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→ ASEAN Regional Forum [ARF] established 1994 is the organisation that carries out coordination of security and foreign policy.

→ ASEAN - India FTA → 2010

Rise of Chinese Economy.

↳ Third major alternative Centre of power.
- After Inception of People's Republic of china in 1949.

↳ Economy was based on Soviet Union model under communist government

↳ Later economically backward china decided to substitute imports by domestic goods

↳ Employment and social welfare was assured to all citizens

↳ But its industrial production was not growing fast enough, international trade was minimal and per capita income was very low.

Zhou Enlai 1973 [Four modernisations]

- Agriculture
- Industry
- Science and tech
- military

1978 - Deng Xiaoping
↓
'Open door' policy

↳ aim was to generate higher productivity by investments of capital and technology from abroad.

- China did not go for 'Shock therapy' but opened their economy step by step.

Privatisation of agri - 1982
Privatisation of industry 1998

↳ Trade barriers were eliminated only in Special Economic Zones [SEZs]

- While Chinese economy has improved dramatically not everyone in China has received the benefits of the reforms, result unemployment, Environmental degradation and corruption and rise in economic inequality.

India - China
Relations

① Historical Background
- They both were among the great civilisation of Asia.
- China's influence → Mongolia, Tibet, Korea
- India's influence → trade, religion, culture

② After independence
↳ • India's independence - 1947
- China become People's Republic of China [1949].
- "Hindi - Chini Bhai - Bhai" symbolised friendship.

③ Causes of Deterioration in relations
(i) Tibet issue (1950)
(ii) Border Dispute (1962)
- Aksai Chin [Ladakh]
- Arunachal pradesh.

(iii) 1962 India - China War.

(iv) Improvement in Relations
↳ China's policy become more pragmatic and less ideological.
- Formal border ~~talks~~ in 1981

(v) Rajiv Gandhi's visit [1988]
- Outcomes
↳ Relations improved significantly

- Agruments on
  - cultural exchanges
  - Science and technology

- Four border trading posts were opened.

Trade growth
- 1992 - $ 338 million
- 2017 - $ 84 Billion

→ 30% per year after 1999, increased

Chapter Question answer

(i) What are the objectives of establishing regional organisations?

→ Objectives of establishing regional organisations are

(i) **Promote Economic cooperation**
- Increase trade and investment among member countries.
- Reduce trade barriers.

(ii) **Maintain Peace and Security**
- Strengthen regional stability
- Prevent conflict.

(iii) **Strengthen Regional integration** by facilitating free movements of goods, service, investment and among people