

Chapter-4

Alternative Centres of Power

1. After the Second World War, Europe shattered the assumptions and structures on which the European states had based their relations.
2. To revive European economy, the US introduced 'Marshall Plan' to establish organisation for European Economic Cooperation in 1948. Through OEEL, Western European States began to cooperate on trade and economic issues.
3. European Union established in 1992 .It was
 - A group of European Capitalist countries with a common foreign and security policy,
 - Cooperation on justice and home affairs and
 - Creation of single currency.
 - It has its own flag, anthem and founding date.
4. The European Union has economic, political, diplomatic and military influence as the EU is the world's biggest economy which gives it influence over its closest neighbours and in Asia and Africa. And it functions as an important bloc in international world economic organisation as the World Trade Organisation.
5. In political and diplomatic u.fluence, two members of EU, Britain and France hold permanent seat in the UN Security Council as well as non-permanent members in UNSC which enabled to influence the US policies i.e. current position on Iran's nuclear programme, use of diplomacy, economic investment and in case of a dialogue with China on human rights and environmental degradation.
6. Militarily, the EU's combined armed forces are the second largest in the world by spending second after the US and Britain and France also have nuclear arsenal. And it is the most important source of space and communications technology also.
7. Though EU bears common interests. Still its member states have their own foreign relations and defence policies that are often at odds with each other i.e. Britain favoured the US's Iraq invasion which other members of EU Germany and France opposed America's this policy. All these limit the ability of the EU to act in matters of foreign

relations and defence.

8. Before and during the Second World War South East regions of Asia suffered economic political consequences of repeated colonialism as well as at the end of war it confronted with the problems of nation building which gave birth to Association of South East Asian Nations popularly known as ASEAN for uniform cooperation and interaction.
9. ASEAN was established in 1967 by five countries of this region-Indonesia, Malaysia, Philippines, Singapore and Thailand by signing the Bangkok Declaration. Over the years Brunei, Darussalam, Vietnam, Lao PDR, Myanmar, and Cambodia made its strength to ten. Some objectives of ASEAN :
 - Accelerate economic growth.
 - Social progress and cultural development.
 - To Promote regional peace.
10. ASEAN countries celebrated the ASEAN WAY', a form of informal interaction, non-confrontation and cooperation standing on three pillars in 2003 i.e. ASEAN Security Committee, ASEAN Economic Committee and ASEAN Socio-Cultural Committee.
11. The ASEAN regional Forum (ARF), was established in 1994.
12. The ASEAN has focused on creating a Free Trade Area (FTA) for investment.
13. ASEAN VISION 2020 encourages negotiations over the conflicts in the region by mediating the end of Cambodian conflict, East U mar Crisis and meets annually to discuss East Asian Cooperation.
14. In recent years, India has also tried to make agreements with ASEAN by signing Free Trade Areas with two ASEAN members-Singapore and Thailand as well as signed on FTA with ASEAN itself.
15. China emerged as the fastest growing economy since economic reforms of 1978 to be projected to overtake the US as the world's largest economy by 2040 with the economic strength of population, land-mass, resources, regional location and political influence.
16. After independence of People's Republic of China in 1949, Soviet model of economy was adopted under the leadership of Mao by :
 - Assuring employment,
 - Social welfare,
 - Education to all and better health as China began to use its own resources
 - Grow Chinese economy at the rate of 5-6 percent.

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17. China ended its political and economic isolation with major policy decisions taken in 1970s. These included :
- China-US relations establishment in 1972,
 - Four areas of modernisation (Agriculture, Industry, Science and Technology) in 1973,
 - Open door policy in 1978, privatisation of agriculture and industries in 1982 and 1990
 - Setting up of special Economic Zones.
18. Regionally and globally China is going to be recognised as an economic power due to contributory factors i.e.
- Integration and interdependency have tempered its issues with Japan, the US, ASEAN, Russia, Taiwan.
 - Even China's outward looking investment and aid policies in Latin America and Africa are projecting it as a global player.
19. Indo-China relations experienced friendly gestures at the moments, but 1950 onwards both the nations were involved in the differences on the issues of :
- Tibet problem,
 - Border issues in Arunachal Pradesh
 - Aksai Chin area of Ladakh,
 - Chinese attack in 1962 and
 - Chinese contribution to Pakistan's nuclear programme.
20. Relations between India and China began to improve slowly from the mid 1970s, by a series of talks to resolve border issues in 1981 and now these relations have strategic and economic dimensions.
21. Rajiv Gandhi's visit to China in 1988, Atal Behari Vajpayee's visit in 2003 have accommodated both the countries to maintain peace and tranquility on the border.