

CHAPTER 2

Contemporary Centres of Power

EXERCISE QUESTIONS

1. Arrange the following in chronological order:

- (a) China's accession to WTO**
- (b) Establishment of the EEC**
- (c) Establishment of the EU**
- (d) Birth of ARF**

Answer: (b) Establishment of the EEC – 1957

(c) Establishment of the EU – 1992

(d) Birth of ARF – 1994

(a) China's accession to WTO

2. The ASEAN WAY:

(a) Reflects the lifestyle of ASEAN members.

(b) A form of interaction among ASEAN members that is informal and cooperative.

(c) The defence policy followed by the ASEAN members.

(d) The road that connects all the ASEAN members.

Answer: (b) A form of interaction among ASEAN members that is informal and cooperative.

3. Who among the following adopted an 'open door' policy?

(a) China (b) EU

(c) Japan (d) USA

Answer: (a) China

4. Fill in the blanks:

(a) The border conflict between China and India in 1962 was principally over.....and.....region.

(b) ARF was established in the year.....

(c) China entered into bilateral relations with(a major country) in 1972.

(d)plan influenced the establishment of the organisation for European Economic Cooperation in 1948.

(e)..... is the organisation of ASEAN that deals with security.

Answer: (a) Arunachal Pradesh, Aksai Chin,

(b) 1994, (c) the US, (d) Marshall,

(e) Asian Regional Forum.

5. What are the objectives of establishing regional organisations?

Answer: The regional organisations are established with the following objectives:

1. To make regional development at par the fast growing global economy.
2. To accelerate economic growth through the social progress and cultural development.
3. To promote regional peace and stability based on the rule of law and the principles of United Nations Charter.

6. How does the geographical proximity influence the formation of regional organisations?

Answer: The geographical proximity influences the formation of regional organisations because:

1. It is influenced by almost some historical enmities and weaknesses.
2. Sometimes the similar interests come together.
3. Even fruitful areas for regional economy are also the result of geographical proximity.

7. What are the components of the ASEAN Vision 2020?

Answer: The components of ASEAN Vision 2020 can be summed up as follows:

1. An outward looking role in international community.
2. To encourage negotiations over conflicts in the region.
3. To mediate to end the conflicts i.e. Cambodian conflict, East Timor Crisis, annual discussion on East Asian Cooperation through meetings.

8. Name the pillars and objectives of ASEAN community.

Answer: The ASEAN community established the following three pillars:

1. The ASEAN Security Community
2. The ASEAN Economic Community
3. The ASEAN Socio-cultural Community.

The objectives of ASEAN community are as follows:

1. Territorial disputes should not escalate into armed confrontations.
2. To accelerate economic growth through social progress and cultural development.
3. To promote regional peace and stability based on the rule of law and the principles of the United Nations Charter.
4. To establish dispute settlement mechanism to resolve economic disputes.
5. To create Free Trade Areas for investments, labour and services.

9. In what ways does the present Chinese economy differ from its command economy?

Answer: The present Chinese economy has adopted the 'open door policy' to generate higher productivity by investments of capital and technology. It differed from its command economy in the following manner:

1. It broke stagnancy of command economy.
2. Command economy lagged behind the industrial production but Chinese economy recovered it by privatisation of agriculture and industry.
3. The present Chinese economy established new trading laws and created Special Economic Zones leading higher rise in foreign trade. During Command economy the international trade was minimal and per capita income was very low.

10. How did the European countries resolve their Post Second World War problem? Briefly outline the attempts that led to the formation of the European Union.

Answer: After the end of Second World War in 1945, the European States confronted the ruin of their economies and the destruction of assumptions and structures on which Europe had been founded.

European countries resolved their Post Second World War problems in the following manner:

1. Under the 'Marshall Plan' the USA provided financial help to revive European economy.
2. The US also created a new collective security structure under NATO.
3. Under the 'Marshall Plan' the organisation for European Economic Cooperation was established in 1948 to extend cooperation on trade and economic issues among the Western European States.
4. European Union was founded in 1992 for a common foreign and security policy, cooperation on justice and home affairs and creation of a single currency. It evolved from an economic union to political one over time.

The following attempts led to the formation of European Union:

1. The Council of Europe was established in 1949 for political cooperation.
2. The process of economic integration of European Capitalist countries led to the formation of European Economic Community in 1957.
3. The above mentioned processes acquired a political dimension with the creation of European Parliament.
4. The collapse of Soviet bloc put Europe on a fast track and resulted in the establishment of European Union in 1992.

11. What makes the European Union a highly influential regional organisation?

Answer: As a supernational organisation, the European Union bears economic, political diplomacy and military influence as a regional organisation in the following manner:

1. Economic Influence:

- (a) Three times larger share in world trade than the US.
- (b) Its currency Euro, can pose a threat to the dominance of the US dollar.
- (c) The EU functions as an important bloc in the World Trade Organisation (WTO).

2. Political and Diplomatic Influences:

- (a) Two members of the EU, Britain and France hold permanent seats

in the Security Council to influence the UN policies.

(b) The EU also includes various non-permanent members of the UNSC.

(c) The European Union play an influential role in diplomacy and negotiations except the military force i.e. the EU's dialogue with China on human rights and environmental degradation is remarkable.

3. Military Influence:

(a) The EU's combined armed forces are second largest in the world.

(b) Its total expenditure on military is second to the US.

(c) Its two important members— Britain and France also experience nuclear arsenals of 550 nuclear warheads.

(d) The EU is world's second most important source of space and communications technology.

12. The emerging economies of China and India have great potential to challenge the unipolar world. Do you agree with the statement? Substantiate your arguments.

Answer: The Indo-China relations experience strategically organised as rising economic powers in global politics and to play a major role in Asian economy after the end of Cold War. It can be proved on the following grounds:

1. The new economic policies of India and China have broken their economy from stagnancy.

2. The creation of special economic zones led to a phenomenal rise in foreign trade.

3. China has become the most important destination for foreign direct investment anywhere in the world. Hence, it has large reserves for foreign exchange to allow it to make big investment in other countries.

4. At the global level also, India and China have adopted similar policies in World Trade Organisation to deepen integration with the world economy to challenge unipolar world.

13. Identify the contentious issues between China and India. How could these be resolved for greater cooperation? Give your suggestions.

Answer: The relations with China experience friendly gestures from India as India signed popular 'Panchsheel' to develop Indo-China relations in 1954 and advocated China's membership to the United Nations. Still, after 1957, various contentious issues arose in Indo-China relations:

1. In 1962, military conflict over a border dispute of MacMohan Line resulted on unwarranted claim by China which now lie in Arunachal Pradesh and Aksai Chin region of Ladakh.
2. Differences arose from Chinese take over of Tibet in 1950 which was protested by India against China.
3. After Panchsheel, attack by China on India in 1962, to occupy larger territories of India, created humiliation.
4. China's assistance to Pakistan's nuclear programme also created differences.
5. China's military relations with Bangladesh and Myanmar were viewed as hostile to Indian interests.

All the above mentioned differences/ disputes could be resolved for greater cooperation-

1. Both the countries should make some more efforts to revive harmonious attitude between themselves.
2. Both the countries should move hand-in-hand to fight against terrorism, nuclear race and economic disparities.
3. Both the countries should develop understanding and respect.
4. Hence, both of them have signed agreements on cultural exchange and cooperation in science and technology.

2MARKS

1. Which four common symbols make the European Union look like a nation state?

Answer: The European Union has its own flag, anthem, founding date and currency.

2. Mention any two steps taken by China to improve its economy.

Answer: 1. Special Economic Zones (SEZs) were created to invite foreign investors to set up their own enterprises.

2. The privatisation of agriculture and industry in 1982 and 1998.

3. Mention the agreements signed between India and ASEAN.

Answer: 1. India signed Free Trade Areas (FTAs) with two ASEAN members, Singapore and Thailand.

2. India is trying to sign on FTA with ASEAN itself.

4. What are the odds which limit the ability of EU?

Answer: European Union is a supernational organisation but in many areas its member states have their own foreign relations and defence policies that are often at odds as-

1. British Prime Minister Tony Blair supported the US's Iraq invasion and many new members made US led 'coalition of willing' while Germany and France opposed it.

2. Denmark and Sweden have resisted the Maastricht treaty and the adoption of the Euro.

5. "The European Union is a nation state more than a Economic Union". Justify the statement.

Answer: The European Union has now started to act more as a nation state because:

1. European Union has its own flag, anthem, founding date and common currency.

2. European Union bears common foreign and security policy.

3. The EU has made efforts to expand areas of cooperation while acquiring new members especially from Soviet bloc.

6. How can we say that ASEAN is an economic association?

Answer: To more extent it can be said that ASEAN is an economic association:

1. ASEAN Economic Community aims at to create open market and production based activities within ASEAN states.
2. ASEAN has created Free Trade Areas (FTAs) for investment, labour and services.
3. The current economic strength of ASEAN as a trading and investment partner to the growing Asian economies as India and China make this attractive proposition.

7. What are the objectives of ASEAN Economic Community?

Answer: The objectives of ASEAN Economic Community are as follows:

1. To create common market and production based activities within ASEAN states.
2. To aid social and economic development.
3. To resolve economic disputes, the existing dispute settlement mechanism has been improved.
4. Free Trade Areas for investment, labour and services have also been created.

8. How do ASEAN members commit to uphold peace and neutrality?

Answer: ASEAN members commit to uphold peace and neutrality-

1. ASEAN security community is based on the conviction that territorial disputes should not escalate into armed confrontation.
2. By 2003, ASEAN had several agreements among members states to uphold peace, neutrality, cooperation, non-interference, respect for national differences and sovereign rights.
3. ASEAN Regional Forum was established in 1994 to coordinate security and foreign policy.

9. What are economic challenges of China despite its economic development?

Answer: Though the Chinese economy has improved dramatically, still everyone in China has not been benefitted by the reforms which

can be judged by the following facts-

1. Unemployment has risen. About 100 million people are looking for jobs.
2. Female employment and conditions are bad as in Europe of 18th and 19th centuries.
3. Increasing environmental degradation and corruption.
4. Rising economic inequality between rural and urban residents.

10. How did relations improve after the conflict of 1962 between India and China?

Answer: Indo-China war of 1962 had complicated Indo-China relations. After 1976 the relations began to improve slowly because:

1. China's policy became more pragmatic and less ideological due to change in China's political leadership in the late 1970s when China got ready to settle the contentious issues.
2. A series of talks to resolve the border issues were also initiated to develop harmonious relations

5MARKS

1. How has the European Union evolved over time from an economic union to an increasingly political one?

Answer: The European Union has evolved over time from an economic union to an increasingly political one. The EU has started to act more as a nation state. While the attempts to have a constitution for the EU have failed, it has its own flag, anthem, founding date, and currency. It also has some form of a common foreign and security policy in its dealings with other nations. The European Union has tried to expand areas of cooperation while acquiring new members, especially from the erstwhile Soviet bloc. The process has not proved easy, for people in many countries are not very enthusiastic in giving the EU powers that were exercised by the government of their country. There are also reservations about including some new countries within the European Union.

2. Explain the political, diplomatic influence of European Union as a supernational organisation.

Answer: Political and Diplomatic Influences:

- (a) Two members of the EU — Britain and France hold permanent seats in the Security Council to influence the UN policies.
- (b) The EU also includes various non-permanent members of the UNSC.
- (c) The European Union plays an influential role in diplomacy and negotiations except the military force
 - i. e. the EU's dialogue with China on human rights and environmental degradation is remarkable.

3. What led to the evolution of the EU from an economic union to an increasingly political one?

Answer: The European Union has now started to act more as a nation state because-

- (i) European Union has its own flag, anthem, founding date and common currency.
- (ii) European Union bears common foreign and security policy.
- (iii) The EU has made efforts to expand areas of cooperation while acquiring new members especially from Soviet bloc.

4. What are the objectives behind the formation of ASEAN?

Answer: The objectives behind the formation of ASEAN are as follows:

1. Territorial disputes should not escalate into armed confrontations.
2. To accelerate economic growth through social progress and cultural development.
3. To promote regional peace and stability based on the rule of law and the principles of United Nations ; charter.
4. To establish Dispute Settlement Mechanism to resolve economic disputes.
5. To create Free Trade Areas for investment, labour and services.

5. Describe any four significant characteristics of ASEAN.

Answer: 1. To create common market and production based activities within ASEAN States.
2. To aid social and economic development.
3. To resolve economic disputes, the existing dispute settlement mechanism has been improved.
4. Free Trade Areas for investment, labour and services have also been created.

6. What role has been played by European Union in solving the problems of the European countries?

Answer: 1. The EU functions as an important bloc in international organisation as World Trade Organisation to intervene in economic areas.
2. The EU has expanded areas of cooperation while acquiring new members especially from Soviet bloc.
3. The EU has an influential role in the UN policies because its two members—Britain and France hold permanent seats in the UN Security Council.
4. The EU is influential in the areas of diplomacy, economic investments and negotiation.

7. Why India and China both view themselves as rising powers in global politics in spite of tensions between them? Substantiate your answer by giving any four events that have brought cordiality in their relationship.

Answer: Due to Indian initiatives, Indo-China relations improved. In 1954, India signed famous Panchsheel starting a new era of Indo-China friendship. But after 1957 some contentious issues had been arisen between them:

- (i) Tibet Problem
- (ii) Border Issues
- (iii) Chinese Attack in 1962
- (iv) Chinese Assistance to Pakistan.

Gradually, both the countries came together to develop harmonious relations between themselves:

- 1. Attempt to normalise relations were restored by exchange of

ambassadors.

2. Joint Working Group was set up by both the countries to resolve border dispute.
3. Both of them committed to reduce the forces on Indo-China border.
4. Indian and Chinese leadership and official visits with great frequency.
5. Increasing transportation and communication links, common economic interests and global concerns.

8. Why was European Union founded? What were its objectives and significance?

Answer: The European Union was founded in 1992 for a common foreign and security policy, cooperation on justice and home affairs and to create a single currency. Objectives:

1. The circle of gold stars on the flag stands for solidarity and harmony between European Union States.
2. To expand areas of co-operation while acquiring new members especially from Soviet bloc.

9. Why ASEAN was established?

Answer: ASEAN is the regional association to provide a political forum to discuss political and security concerns-

1. Before and during the Second World War, the southeastern region of Asia suffered the economic and political consequences of repeated colonialism, both European and Japanese.
2. At the end of war it confronted problems of nation building, the progress of poverty and economic backwardness and the pressure to align with one great power or another during cold war.

10. “China has emerged as third alternative to world power”. Examine.

Answer: China emerged as the third alternative to world power since its economic reforms of 1978 as China has been the fastest growing economy since the reforms first began there-

1. China is projected to overtake the US as the world’s largest economy by 2040.
2. Its economic integration into the region makes it drive of East

Asian growth.

3. Its strength of economy are population, landmass, resources, regional location, political influence, added to its power.

11. How did China end its political and economic isolation?

Answer: China had adopted Soviet model of economy. Despite development, China faced economic crisis as industrial production was not growing fast, international trade was minimal. Under these situations some major policy decisions were taken-

1. China established relations with the US in 1972.
2. China proposed four areas of modernisation as agriculture, industry, science and technology in 1973.
3. Open door policy was introduced to generate higher productivity by investment of capital and technology from abroad.
4. Privatisation of agriculture and industry in 1982 and 1998.
5. China set Special Economic Zones to remove trade barriers.

12. “Chinese economy has been recognised at the global level”. Justify.

Answer: China has introduced open market economy which is moving China towards global economy due to following facts-

1. The integration of Chinese-economy and interdependencies has enabled China to have considerable influence with its trade partners.
2. The open door policy has stabilised the ASEAN economy.
3. China’s outward looking for investment and aid policies in Latin America and Africa are protecting China as a global player.

7MARKS

1. How did China rise to be an economic superpower? Assess.

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8. China's outward looking for investment and aid policies in Latin America and Africa are projecting China as a global player.

2. Why is the EU considered a highly influential regional organisation in the economic, political and military fields?

Answer: Because-

1. Economic Influence:

- (a) Three times larger share in World trade than the US.
- (b) Its currency Euro can pose a threat to the dominance of US Dollar.
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(d) The EU is world's second most important source of space and communication technology.

3. Discuss Indo-China relations.

Answer: The relations with China experienced friendly gestures from India as India signed popular 'Panchsheel' to develop Indo-China relations in 1954 and advocated China's membership to the United Nations still, after 1957, various contentious issues arose in Indo-China relations-

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4. China's assistance to Pakistan's nuclear programme also created differences.

5. China's military relations with Bangladesh and Myanmar were viewed as hostile to Indian interests.

All the above mentioned differences/ disputes could be resolved for greater cooperation.

1. Both the countries should make some more efforts to revive harmonious attitude between themselves.

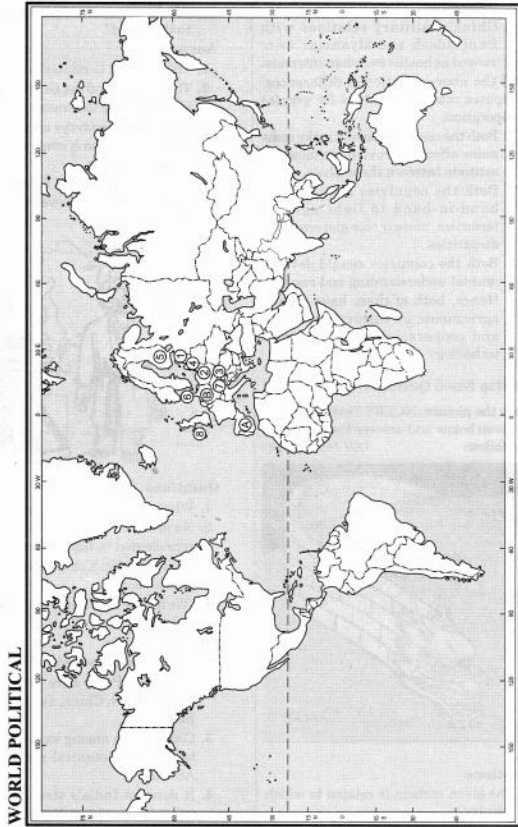
2. Both the countries should move hand-in-hand to fight against terrorism, nuclear race and economic disparities.

3. Both the countries should develop mutual understanding and respect.

4. Hence, both of them have signed agreements on cultural exchange and cooperation in science and technology.

MAPPING

1. On a political outline map of world locate and label the following and symbolise them as indicated:



Questions

1. An older member of EU between Portugal and France. Symbolise (A)
2. An older member near Belgium and Netherlands. Symbolise (B)
3. The four new members of EU. Symbolise 1, 2, 3, 4.
4. Four old members of EU. Symbolise 5, 6, 7, 8.

Answer:

1. Spain
2. Germany
3. 1. Estonia 2. Poland
3. Hungary 4. Lithuania
4. 5. Finland 6. Denmark
7. Austria 8. Ireland