

Post-Cold War World and the European Union

1. Transformation of Global Power After the Cold War

- The collapse of the **bipolar structure of world politics** in the early 1990s created space for **alternative centres of political and economic power**.
- Regional organisations such as the **European Union (EU)** in Europe and **ASEAN** in Asia emerged as stabilising forces that fostered **peaceful cooperation, economic prosperity, and institutional innovation**.
- Simultaneously, **China's economic rise** significantly reshaped global political and economic dynamics.
- The chapter therefore evaluates these **new power centres and their prospective global role**.

2. Origins and Evolution of European Integration

- After **World War II**, Europe faced **economic ruin and institutional collapse**, prompting leaders to reconsider whether rivalry or cooperation should define the continent's future.
- Integration was accelerated by:
 - **Marshall Plan assistance** from the United States.
 - Creation of cooperative institutions such as the **OEEC (1948)** and **Council of Europe (1949)**.
- Gradual economic integration produced:
 - **European Economic Community (1957)**
 - Eventual transformation into the **European Union (1992)** with:
 - Common foreign and security policy
 - Cooperation on justice and internal affairs
 - A **single currency**.

3. From Economic Union to Political Actor

- The EU evolved from a **purely economic arrangement** into an entity resembling a **supranational political system** with:

- Flag, anthem, founding date, and currency.
- Expanding areas of cooperation and enlarged membership, particularly from the **former Soviet bloc**.
- However, **sovereignty concerns** and resistance to deeper integration persist among member populations and governments.

4. Economic, Political, and Military Power of the EU

- Major indicators of influence:
 - **GDP around \$19.35 trillion (projected 2024)**.
 - The **euro** as a potential challenger to the **US dollar**.
 - A **larger share of world trade than the United States**, enabling assertiveness in global trade disputes.
- Political-diplomatic influence:
 - Representation in the **UN Security Council** and global organisations such as the **WTO**.
 - Preference for **diplomacy, negotiations, and economic engagement** rather than coercive force.
- Military dimension:
 - **Second-largest combined armed forces** and defence expenditure after the US.
 - Presence of **French nuclear capability** and advanced **space-communication technology**.

5. Limits and Internal Contradictions

- Divergent foreign policies among member states (e.g., **Iraq War divisions**).
- Persistent **Eurocepticism** and resistance to:
 - Common constitution
 - Euro adoption in some countries
 - Transfer of sovereign powers to EU institutions.
- These tensions constrain the EU's ability to act as a **fully unified global power**.

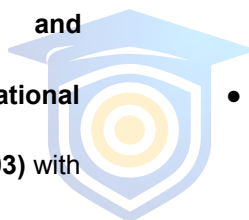
ASEAN and the Rise of China

1. Historical Context Behind ASEAN's Formation

- Southeast Asia experienced:
 - **Colonial domination,**
 - **Post-war poverty and instability,**
 - **Cold War alignment pressures.**
- Failure of broader Afro-Asian unity initiatives led regional states to create **ASEAN in 1967** (Indonesia, Malaysia, Philippines, Singapore, Thailand).
- Core objectives:
 - **Economic growth, social progress, cultural development**
 - **Regional peace and stability based on UN principles.**
- Expansion to **ten members** over time.
- **Import substitution,**
- Universal employment and welfare but **slow growth and low trade.**
- Reform phase:
 - **US relations (1972)**
 - **Four Modernisations**
 - **Open Door policy (1978)** introducing gradual market reforms and **Special Economic Zones.**
- Outcomes:
 - Rapid growth in **agriculture, industry, trade, and FDI.**
 - Entry into **WTO (2001)** and deepening global integration.

2. The “ASEAN Way” and Institutional Character

- Unlike the EU, ASEAN avoids **supranational authority.**
- Emphasises:
 - **Informality, cooperation, and non-confrontation**
 - **Respect for sovereignty and national differences.**
- Creation of the **ASEAN Community (2003)** with three pillars:
 - Security
 - Economic
 - Socio-cultural.



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3. Security, Economic Integration, and Global Role

- **ASEAN Security Community** prevents disputes from escalating into conflict.
- **ASEAN Regional Forum (1994)** coordinates security and foreign policy.
- Economic significance:
 - Rapid growth rates exceeding major global economies.
 - Aim of **common market and production base**, improved dispute settlement, and **Free Trade Area.**
 - Increasing strategic relevance for **India, China, and global trade partners.**

4. China’s Transformation into an Economic Power

- Post-1949 communist model:
 - **State-owned heavy industry,**

5. Contradictions of China’s Growth

- Persistent challenges:
 - **Unemployment,** gender inequality,
 - **Environmental degradation and corruption,**
 - **Regional and rural-urban inequality.**
- Nevertheless, China’s economic interdependence grants it **major regional and global influence**, including stabilising roles in Asia and expanding investment in **Africa and Latin America.**



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India–China Relations and Other Asian Power Centres

1. Historical Background of India–China Relations

- Both were **ancient Asian powers** with limited historical interaction.
- Early post-independence optimism (“**Hindi-Chini bhai-bhai**”) collapsed due to:
 - **Tibet issue (1950)**
 - **Border conflict of 1962** (Arunachal Pradesh and Aksai Chin).
- Relations remained strained until **diplomatic normalisation after 1976** and renewed dialogue from **1981 onward**.
- OECD membership,
- Major global economy and military spender,
- High human development due to **land reform, education, infrastructure, and governance**.
- Expanding economic and cultural ties with **India** and global markets.

2. Post-Cold War Rapprochement and Cooperation

- Shift toward **pragmatism and economic engagement**.
- Key developments:
 - **Rajiv Gandhi’s 1988 visit** initiating improvement.
 - Confidence-building, border peace measures, and expanding **trade and cooperation**.
 - Rapid trade growth and shared positions in **global economic institutions**.
- Despite tensions (nuclear issues, Pakistan factor, border disputes), **conflict avoidance and dialogue** persist.

3. Japan as an Alternative Centre of Power

- Characteristics:
 - **Technological leadership despite scarce resources**.
 - **Third-largest global economy**, OECD and G-7 membership.
 - Strong **UN contribution** and **US security alliance**.
 - Constitutional commitment to **renouncing war**, yet significant defence capability.
- Raises debate on Japan’s capacity to function as an **independent global power centre**.

4. South Korea’s Emergence

- Division after WWII and Korean War tensions.
- Rapid industrialisation (“**Miracle on the Han River**”) leading to: