

ASSIGNMENT # 4

Alternative Centres Of Power

Q·What is Marshal Plan ?

A·1·Marshal plan was introduced by US to provide financial help for the revival of European economy· Under the Marshal Plan, Organisation For European Economic Cooperation (OECC) was established in 1948 to channel aid to west European states·

2·It became a forum where the western European states began to cooperate on trade & economic issues·

3·The Council of Europe, established in 1949, was another step forward in political cooperation·

4·The process of economic integration of European capitalist countries proceeded step by step leading to the formation of the European Economic Community in 1957·

Q·What is Schengen Visa ?

A·Under the Schengen agreement, you have to get a visa from just one of the EU countries & that allows you entry most of the European Union countries·

Q·When did European Union Established?

A·EU was established in 1992· The foundation was thus laid for a common foreign and security policy, cooperation on justice and home affairs, and the creation of a single currency·

Q·When & how did ASEAN was established ?What are its objectives ?

*A.*ASEAN was established in 1967 by five countries of this region — Indonesia, Malaysia, the Philippines, Singapore and Thailand — by signing the Bangkok Declaration.*

**The 1st objective of ASEAN were primarily to accelerate economic growth and through that 'social progress and cultural development'.*

**A secondary objective was to promote regional peace and stability based on the rule of law and the principles of the United Nations Charter.*

Q.What is ASEAN WAY ?

A. It is a form of interaction that is informal, non-confrontationist and cooperative. It was initiated to promote ASEAN as supranational structures and institutions.

Q.What is ASEAN Regional Forum ?

A. It is the organization that promotes coordination of security and foreign policy. This forum was established in 1994.

Q.Name 3 pillars and their objectives of ASEAN Community ?

A.

**ASEAN SECURITY COMMUNITY : The ASEAN security community was based on the conviction that outstanding territorial disputes should not escalate into armed fights. By 2003, ASEAN had several agreements in place by which member states promised to uphold peace, neutrality, cooperation, non-interference, and respect for national differences and sovereign rights.*

**ASEAN ECONOMIC COMMUNITY : The ASEAN region as a whole is a much smaller economy compared to the US, the EU, and Japan, its economy is growing much faster than all these.*

**The objectives of the ASEAN Economic Community are to create a common market and production base within ASEAN states and to aid social and economic development in the region.*

**ASEAN has focused on creating a Free Trade Area (FTA) for investment, labour, and services.*

***ASEAN SOCIO-CULTURAL COMMUNITY:** The main motive of this community is to maintain peace and prosperity amongst the member countries as well as to resolve disputes.

Q·In what way Soviet model to Chinese economy made it a developed nation ?

A·

- Immediately after its independence in 1949 the people's republic of china adopted the soviet model of economy under the leadership of Mao. The model was to create a state-owned heavy industries sector from the capital accumulated from agriculture.
- This model allowed China to use its resources to establish the foundations of an industrial economy on a scale that did not exist before.
- Under this model, Employment and social welfare was assured to all citizens, and China moved ahead of most developing countries in
- educating its citizens and ensuring better health for them. The economy also grew at a respectable rate of 5-6 percent.
- But an annual growth of 2-3% in population meant that economic growth was insufficient to meet the needs of growing population.
- Agriculture production was not sufficient to generate a surplus for industry.

Q·How did china end its political & economic isolation ? Examine the steps towards setting up market economy in China.

A·China faced state controlled economic crises its industrial production was not growing fast enough, international trade was minimal and per capita income was very low. The Chinese leadership took major policy decisions in the 1970s.

End of political and economic isolation :China ended its political and economic isolation with the establishment of relations with the United States in 1972.

4 areas of Modernization : Premier Zhou Enlai proposed the four modernizations (agriculture, industry, science and technology and military) in 1973.

Open door policy: By 1978, the then leader Deng Xiaoping announced the 'open door' policy and economic reforms in China. The policy was to generate higher productivity by investments of capital and technology from abroad.

Privatisation: China followed its own path in introducing a market economy. The Chinese did not go for 'shock therapy' but opened their economy step by step. The privatisation of agriculture in 1982 was followed by the privatisation of industry in 1998.

Special Economic Zones: Trade barriers were eliminated only in Special Economic Zones (SEZs) where foreign investors could set up enterprises. In China, the state played and continues to play a central role in setting up a market economy.