

## GEO-POLITICAL RIGHTS AND EMERGING ECONOMIC REALITIES IN 21<sup>ST</sup> CENTURY\*

*Pervez A. Pathan\*\**

### ABSTRACT

21<sup>st</sup> century during its course of probably several decades to come is beset by three different geopolitical rifts, which interact with each other but have separate dynamics. These three rifts are : (1) the struggle among the so-called Triad – the United States, the European union, and Japan – in their search to be the primary focus of capital accumulation in the coming decades; (2) the struggle between North and South, or between core zones and other zones of the world-economy, given the continuing polarization – economic, social, and demographic – of the world-system; (3) the struggle between the spirit of world economic forum and world social forums about the kind of world-system we collectively intend to build. The first two conflicts are locatable geographically, and involve interstate relations *per se*, although not exclusively. The third conflict is *not* an interstate conflict. This paper largely examines future by evaluating these three conflicts and spells out its processes and likely developments during the 21<sup>st</sup> century.

**Key Words:** *Geo-politics; Geo-economics; Interstate Conflicts; Proxy War; Economic & Social Indicators; Structural Changes; and Superpower Rivalry.*

### INTRODUCTION

End of the Cold War and the succeeding disintegration of the Soviet Union, the 1990 opened as a decade promising structural change in a geopolitical system premised on the overall stability of superpower rivalry. Yet as the decade came to close, challenges to the structure of global politics grown deeper and

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\*\* Associate Professor, Sindh Development Studies Centre, University of Sindh, Jamshoro.

more pervasive than could have been conceived only ten years before. The established principles of pre-cold war scenario (i.e. two world power politics) were challenged through invasions, territorial disputes and civil wars over the past decade. From Afghanistan to Lebanon, from Sierra Leone to Liberia, as well as in Bosnia, Haiti, Rwanda and Kashmir, has created conditions, which produced human miseries through number of deaths and significant refugee movements. The Indian subcontinent in post cold war era by virtue of its geo-strategic location and population remained the central area of the geo-politics and economic influence by the north. Many scholars who have a very close analytical eye, consider 21<sup>st</sup> century as beset by at least three major divisions of conflicts that would dominate both geo-politics and emerging economic scenario in future. The paper examines all three divisions of conflicts and explains those triadic powers i.e., USA, Europe and Japan have been competing with each other to score capital gains over one and another. North and South divisions and the domineering influence of north over south has further damaged the political stability and economic development especially of developing countries in the world. It also suggests that both the economic and social forums are representative of north as majorities of these forums are largely dependent upon the financial support by north. North's financial support to these forums in return works as an effective tool. For example, the political as well economic events designed to achieve desired objectives by the north are propagated through those forums. Finally, situation analysis for future outcomes is presented with conclusions.

### **THE TRIADIC DIVISION**

According to Wallerstein (2002), the concept of the Triad first became popular in the 1970s. It had its first institutional expression in the Trilateral Commission. The Commission itself came into existence as a consequence of two economic realities: the improved economic performance of Western Europe and

Japan, allowing them to "catch up to the United States during the 1960s; and the economic difficulties in the world economy of the 1970s, signaled by the radical rise in oil prices as a result of OPEC decisions. The first new economic reality meant that Western Europe and Japan could no longer be treated so cavalierly by the United States since they were no longer in any significant sense dependent economically on decisions of the US government. The second economic reality meant that there was a reduction in profit rates worldwide, and that there was, therefore, new acute competition among the three members of the Triad, each seeking to minimize its losses inevitably at the expense of the others. The triad competed with each other by an effort to export unemployment to each other in order to maximize the maintenance and increase of national wealth. It was a situation in which all three could not do well simultaneously. Kenichi Ohmae (1985), and Shelton Kodikara (2000) narrated that Europe did best relatively in the 1970s, Japan in the 1980s, and the United States in the 1990s. None of them saw a significant drop in their standard of living, something, which did happen in other parts of the world-economy but the differences between the members of the Triad were quite important in each decade. The media seemed to think that in the 1970s the oil states plus Germany were unbeatable. In the 1980s Japan was acclaimed as world champion, to be replaced in the 1990s by the United States as the sole superpower of the world-system in the twenty-first century. It emerged as overwhelming sole military strength, which far exceeds that of even of many countries combined - a superpower who claim to superiority in the world arena is its investment in military hardware. United States seeks to maintain its military superiority by discouraging all others from engaging in similar activities, especially in terms of cutting-edge technology. This applies not least of all to Western Europe and Japan. To be sure, neither Western Europe nor Japan shows much interest in competing seriously with the United States in this arena. Or rather they are inclined to devote a much smaller percentage of their national budgets to the military arena, now and in the decades to come. The combination of US pressure and the

inclination of Western Europe and Japan meant that in fact the latter are not competitive militarily with the US nor are they about to become so. But the other fact is that they do intend to compete vigorously in all kinds of strictly economic innovations.

### THE NORTH-SOUTH DIVISION

In the North-South conflict, it is the three members of the Triad that constitute the North. They, therefore, share geopolitical interests in this conflict, but of course they have followed somewhat different policies with regard to them, and have different relationships with various parts of the South. In North-South conflicts, at the present time, the United States takes the lead as protagonist of the North, by virtue both of its military strength and its high degree of influence in the IMF and the World Bank.

As the North is not always a unified bloc, so neither is the South. The south is politically divided in two ways. There are regimes in power in the South that are essentially client regimes of the North, virtually paid agents of the North, and others that are not. But, regardless of the particular regimes, there are also objective differences between relatively strong semi-peripheral zones and what is sometimes referred to as the Fourth World (that is, the weakest, poorest, and smallest states). Indeed, in the South there are some very large states, which have actual or potential real geopolitical power – Russia, China, India, Brazil, Indonesia, Korea, to name the few and the list could continue.

Nonetheless, the North-South rivalry is real and is part of the fundamental structure of the capitalist world-country. Economically, there is a continuing polarization, which, although occasionally slows down, on the whole expands geometrically. The North maintains this structure by its monopolization of advanced productive processes, its control of world financial institutions, its dominance of world scholarship and world media, and most importantly by its military strength. If the conflicts among the

Triad usually seem restrained, that is only because of the strengths of each vis-à-vis the others. North-South conflicts are seldom similarly restrained. The North uses an iron fist, even if once in a while enclosed in a velvet glove (see Wallerstein, 2002).

#### WORLD ECONOMIC AND SOCIAL FORUM DIVISIONS

The World Economic Forum (WEF) was established in 1971; it is regarded as an independent organization committed to improving the state of the world by creating partnership between and among business, political, intellectual and other leaders of society to define, discuss and advance key issues on the global agenda. It describes itself as an open meeting place where groups and movements of civil society opposed to neo-liberalism and a world dominated by capital or by any form of imperialism, but engaged in building a planetary society centered on the human person, who come together to pursue their thinking, to debate ideas democratically, in order to formulate proposals, share their experiences freely and network for effective actions. Overall, both these forums are regarded as the arenas where the conflicts of the Triad can be displayed, debated, and perhaps attenuated. It is a locale in which the North can pursue its objectives, through occurrence of some political event, economic, and intellectual leaders located in the South. They both are built on the premise that major structural changes are possible, imminent, and desirable. But their vision of what else should be or can be is substantially different, even diametrically opposed. They represent reactions to a world-system in structural crisis, a world-system, therefore, in chaotic bifurcation, a world-system in which there, is real political and moral choices to be made on, in which such choices have a realistic possibility of affecting the outcome. The conflicts between the spirit of economic and social forums have no geographical localization. It is clearly the most fundamental division of the three, because it is the one that is concerned with the future of the world not over the next 25-50 years but over the next 500 years. But its actual trajectory is enormously constrained by, and will be

deeply affected by, the evolution of the two other divisions in the next few decades – that among the Triad, and that of North vs. South.

#### SITUATION ANALYSIS AND CONCLUSION

While the euro is going strong and is likely that the holdouts (Great Britain, Sweden, and Denmark) will soon join it, Europe has two interlocked problems that are not easily solved. It needs to create a responsible political structure of some kind, and applicants are besieging it. The two pressures do not necessarily go in the same direction. If Europe could not establish a viable political structure, it will be quite weakened in the inter-Triadic struggle. Europe's interests in permitting the entry of east-central European states and its interests in closer relations with Russia do not necessarily go in the same direction. Failure to come to terms with Russia will also weaken Europe in the inter-Triadic struggle.

Both Russia and China are giant powers. Both of them have the problem of remaining unified states, expanding the base of their productive enterprises, and strengthening their armed forces. If they succeed, the geopolitics of the world will be transformed quite suddenly. If they fail, the chaotic consequences would reverberate across the globe.

The drive towards Korean unification is as strong as was the drive for German unification. Although, the two situations are not identical but with new generations are thriving to gain power, Korean unification is definitely on the agenda, in one form or another. A reunified Korea would be a powerful actor in East Asia, and might make more possible an East Asian trinity of China-Korea-Japan, if only because the presence of Korea would cushion the inevitable tensions between China and Japan. A reunited Korea could reduce radically the military role of the United States in East Asia.

Despite the possession of nuclear weapons by India and Pakistan, there is a realization that the nuclear weapons have only deterrent value and war is not the solution to any problem in the region. (see Human Development Reports, (1998 and 1999); and Hardgrave (1984). Only cooperation can help in fostering peace and economic stability in the region. The intervention of the outside powers is exacerbating the conflict, which could be solved through trust and confidence in each other, but may lead otherwise to devastating effects.

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