

THE GEOPOLITICAL AND GEOECONOMIC PICTURE OF ASIA: CHALLENGES AND OPPORTUNITIES FOR THE FUTURE

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Since the beginning of the new millennium, Asia has shown an unprecedented level of economic growth in absolute terms, but growth itself is not always an indicator of wealth and well being for the majority of the people.

Asia is the biggest and most populated continent on earth with two countries alone, China and India, holding about one-third of the world population¹. Before the beginning of European colonialism, it enjoyed periods of glory and wealth. The continent was divided into five main regions which were ruled by local empires. Those were 1) the Central Asian region, 2) the Far East region, 3) the Indian subcontinent that is the geographical area below the Himalayas Mountains, 4) the South East Asian region, 5) the Islands that include Japan, Taiwan and the Philippines. From the sixteenth century until the end of WWI, Asia lost most of its glory and wealth as a direct consequence of the European colonial expansion. During that period, many of the Asian countries fell under the European imperialist domain, becoming a periphery of the economic and financial capitals in Europe. With the exception of Japan, the majority of Asian

¹ China population in 2015 by the World Bank data is estimated to be 1.371 billion; the same estimate for India is 1.311 for a total 2.682 billion. The total world population in 2015 is estimated to be about 7.347. Source the World Bank, 2017. Available at: <http://data.worldbank.org/>

countries were at some point invaded and colonised by one of the European empires that imposed a system based on the exploitation of natural resources, the monopoly of trade and the concentration of industrial production in Europe. All trade was controlled and managed by transnational corporations based in the European countries. The first of these corporations was the Dutch East India Company, which established a network of trade bases all over the world, sealing the beginning of the Dutch hegemony in the international system. The trade bases had a double purpose 1) control the monopoly on the Dutch spice trade, 2) serve the fleet of the Hanseatic League as a trade and refuelling stations.

Following the decline of the Dutch hegemony, the British and French colonial Empires emerged, taking control of all the trade activities that once belonged to the Dutch East India Company. The British Empire acquired the majority of the Dutch trade routes, becoming the new hegemon of the international system for a period of over hundred years. The Dutch East India Company became the British East India Company, or simply the East India Company. The British copied the successful multinational trade model of its Dutch predecessors and expanded throughout the Asian continent establishing some of its most important colonies and trade basis in India, China and the Southeast Asian region. The British and French colonial rule in Asia lasted until the end of WWII with important consequences for the political and economic development of the entire region.

In the aftermath of the Second World War, the European colonial powers found themselves in the midst of a new geopolitical situation, the rise of two new superpowers the U.S. and the U.S.S.R. and the need to rebuild their nations. This led to the beginning of the decolonisation process that lasted until the early 1970s. In the meantime, a new form of hegemony was born, the imperialism of the 20th century, based on the idea of co-optation and hegemonic indirect rule. The old colonial model of direct control of foreign land was substitute

with the creation of geopolitical alliances, such as NATO and the Warsaw Pact, whose main goal was to guarantee political and economic security. The Asian continent was caught in this new game with some of their countries falling under either one or the other side of the newly created political blocs. The countries that joined NATO have had a consistent path of economic growth and a substantial level of development, while the countries that joined either the communist bloc or the Non-Aligned Movement (NAM) fell behind, both under the aspects of economic growth and development. In particular, the countries that experienced conflict and a long period of undemocratic rule and isolation paid the highest price. China, for example, suffered a long period of sluggish economic growth, famine and chronic underdevelopment. However, this situation changed in the late 1970s after the death of Chairman Mao Zedong, when the new Chairman Advisor for Economic Reforms Deng Xiaoping drove the country into the current phase of industrialization. His strategy was based on two main points, 1) the opening of China to international trade, 2) the start of the process of industrialization of the country that up to that point had an agrarian-based economy. Cambodia, Vietnam, Laos and North Korea followed a similar historical and development pattern, even though they have transformed greatly since the Cold War days.

Today's picture of the Asian continent is quite mixed. On one hand, we have the developed fast-growing Far-East and Southeast Asian countries, nominally China, Japan, South Korea, Malaysia, Brunei, Taiwan and Singapore that at different stages have achieved a high level of economic growth and development. On the other hand, we have the countries of south, southeast and central Asia like India, Thailand, Cambodia, Vietnam, Laos, Bangladesh, Pakistan, Turkmenistan, Azerbaijan and Uzbekistan that are catching up quite quickly with the rest of the Asian countries, and that to some extent have already a certain level of influence in world economy and world political affairs. India, in particular, has undertaken a remarkable

path of economic growth and development becoming one of the new world economic powerhouses. Finally, there is a third group of small Asian countries, like Nepal, Bhutan, Tibet, Myanmar and Kirgizstan that are either in a situation of voluntary semi-isolation or that are struggling to join the train of progress and development.

The recent development of world political affairs with the European Union in demise due to Brexit, the economic crisis and its fundamental lack of internal cohesion, summed to the new US foreign policy may give way to new scenarios, where Russia and China play a bigger role. The actual geopolitical picture suggests that Russia will keep strengthening its hegemony in the central Asian region, while China will try to expand and co-opt the biggest number of allies possible in the region of east and southeast Asia, pushing gradually the US out of the region. The problem with these projections is that they will gradually clash with the European interests in the West, and with the autonomy and independence of Japan, Taiwan and South Korea in the East. What may happen in the future is a big unknown, and could mark the beginning of a new period of prolonged diplomatic and military confrontations. The problem with this scenario is that at the moment there is not an effective substantial organism —such as the U.N.— that can rule out these kinds of territorial disputes with legal authority, having at the same time the power and the capacity to enforce those ruling for the sake of global peace and well-being.

About the Author



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