

Sang-Chul Park

Korea Polytechnic University

COOPERATION VERSUS COMPETITION: PRECONDITIONS FOR BALANCED GLOBAL POLITICS¹

Politics are regarded as a comprehensive art orchestrated by various actors such as leading, supporting, participating roles, etc. It is also a state of art how to compromise, protect and arrange national interests among and between nations. Therefore, it is very significant to understand how world politics are structured and operated in order to protect and maximize their interests as well as maintain peace and the status quo. Since the Second World War, the new world order was created by the U.S. leadership based on her overwhelming economic and military dominance that lasted till the end of the twentieth century. However, the global political situation started to change dramatically with the end of the Cold War caused by the collapse of the Berlin Wall in 1989.

After the harsh competition between the East and the West, the U.S. established unilateral world leadership, although the European Union (EU) attempted to create the political union of United Europe at the beginning of the 2000s to challenge the U.S. leadership in global politics. Unfortunately, the EU's political union could not be realized once France and the Netherlands rejected it. At the same time, however, the EU has remained the largest economic bloc and had competed with the U.S. in terms of the global economy, until Brexit was realized in 2016. Despite its economic primacy before and the current position of being the second-largest economy in terms of size, the EU has a fundamental weakness because it does not have any

¹ The research was financed from the project „Research on COVID-19” from the funds of the Adam Mickiewicz University, Poznan

unified financial system at the EU level. Under such circumstances, China emerged as the second-largest economy in 2010.

Since then, the U.S. has been facing challenges to the economic superpower due to the rise of China. After China started its open policy in 1978, China's economic scale, foreign trade, and technological development have been growing rapidly. As a result, it took over German position as the third-largest economy in 2009 and a year later became the second largest in the world, which was rather dramatic and very fast. China's role in the global economy has grown to be even more significant particularly since the global financial crisis (GFC) in 2008 because the major economies such as the U.S., the EU, Japan, Korea suffered from the long term sluggish economic conditions after the GFC. Compared to the low economic low growth in the advanced countries, China generated high and medium levels of economic growth till the mid of the 2010s. Therefore, it is widely recognized that the bilateral relationship between the USA and China will be a crucial determinant of the world's direction in the twenty-first century because China has tried to build a new form of the cooperative platform in world politics and the global economy by creating G2 in 2013 when President Xi, Jinping took the power. (Kirton, 2013; Xi, 2017; Park, 2020, 2021).

Under the Obama government, G2 Summit was held regularly, and China pushed hard to be recognized as a competitor and a partner to the U.S. The EU's position on how to deal with such a structural transformation in the world was unclear because the EU had to tackle its own agenda to solve economic difficulties after the GFC and the sovereign debt crisis in 2010/2011. Under such a power vacuum, China moved fast to strengthen its economic and political leadership in East Asia by negotiating the trilateral FTA between China, Japan, and Korea as well as the Mega FTA of RCEP, in order to compete with the U.S.-led TPP in Asia and create a regional economic integration led by China. At the same time, China initiated the One Belt and One Road Project (OBOR) in 2013 that turned to the Belt and Road Initiative (BRI) in 2018. The BRI is an ambitious project connecting over 100 countries by six land and three sea routes and represents the Chinese dream as an economic and political superpower along with the USA in the twenty-first century. For it, President Xi addressed in the Summit with President Obama in Washington D. C. in 2013 that the Pacific is big and wide enough to share for two superpowers with each other. Unfortunately, however, President Obama did not understand what it means. Since then, China has tried hard to realize its dream coming true and expand its military bases in the

Southeast Sea or South China Sea that was claimed strongly by Southeast Asian neighbor countries as well as other major powers such as the USA, the EU, Japan, and Australia. (Asia Development Bank, 2017; OECD, 2018; Chinese Government, 2016; Xi, 2017; Zong, 2020).

To become a real superpower, China needed to develop and upgrade the industry because its industrial structure was still weak in terms of high-tech areas. Still, China has to import approximately 70% of high-tech parts and components in order to complete its end products to export to the advanced markets. China imports these mainly from Korea, Japan, Taiwan, the U.S., and the EU. Such a structural weakness was regarded as Achilles Hill for Chinese further development. Therefore, China set up its industrial long-term plan known as China Manufacturing 2025 focusing on strategic high tech areas such as 5G telecommunication technology, AI, IoT, big data, advanced robotics, etc. that are closely related to the Fourth Industrial Revolution (FIR).

In order to catch up with the technological level of advanced countries, China tried to purchase foreign companies through aggressive M & A, as well as strongly demanded that foreign companies operating in China transfer high technologies, treating them in a discriminative manner and generally – unfairly, compared with the treatment of domestic companies in China. The Chinese government has provided financial subsidies only to Chinese companies and excluded foreign companies operating in China to catch up with the technological level of advanced countries. Given the rule of WTO, it violates the Most Favored Nation Clause. Therefore, developed countries started to suspect Chinese M & A approaches in the high technology sectors and felt threatened on the level of national security. Finally, they suspended Chinese purchases in national security-related industries. Since then, trade conflicts and disputes between China and advanced countries have rapidly increased.

The Trump Administration started the trade war with China by exposing high tariffs to Chinese imports and vice versa in 2017, which lasted till the end of his government in January of 2021. The new Biden government expressed clearly that the U.S. trade policy is based on the Buy American Products instead of America First carried out by the Trump Administration. It means that the Biden government is ready to fight against Chinese unfair trade behaviors violating the U.S. IPRs and discriminating against the U.S. companies' business activities in China. It means that the trade conflicts between the two economic superpowers will continue in the near future as

Radosław Fiedler

Adam Mickiewicz University, Poznan

ORCID 0000-0003-1573-9898

COMPETITION OR COOPERATION IN THE COVID-19 (POST)- PANDEMIC WORLD¹

The world in November 2019 was in a satisfying economic shape, although this does not mean that there were no threats to undermine this global economic growth. The annual growth of the global economy was almost 3% (International Monetary Fund 2019). Moreover, the total international tourist arrivals reached 1,4 billion in 2019 (International tourism receipts, plus passenger transport) altogether of an extremely high amount of USD 1.7 trillion (International Tourism Highlights 2019). Another example of very intensive connectivity was the busiest air traffic on July 25, 2019, with more than 230, 000 flights taken around the globe. It was the busiest day in the history of aviation. Almost 90% of goods in global trade are carried by the ocean shipping industry each year. Just in November 2019, before the COVID-19 pandemic, we enjoyed the benefits of intensification of connections, mass tourism, the business that knows no borders, free movement of capital, people, services, and technology, have argued that the world has not only got smaller but is also intertwined in many different ways and that the process of globalization cannot be reversed. Indicators showing the multidimensionality of globalization is much more, such as capital flows, international trade, offshoring, globalization of production, and the most important message of the whole process has to be primarily beneficial to the key actors which are transnational corporations (Fiedler 2020: 5).

Globalization as a multidimensional process has been accelerated by big corporations due to the apparent economic and financial apparent advan-

¹ The research was financed from the project „Research on COVID-19” from the funds of the Adam Mickiewicz University, Poznan

tages. As noted by Robert Reich, American corporations have no special allegiance to the United States and no responsibility for the well-being of Americans, but having an impact on US politics (Reich 2020: 61). As he accounted, American-based global corporations added 2.4 million workers outside the United States in the first decade of the twenty-first century while cutting their American workforce by 2.9 million. Nearly 60% of their revenue growth has come from outside of America. Apple employs 43,000 people in the United States but has more than 700,000 workers contracted abroad (Reich 2020: 61–63). The main concern now is to indicate the taxation of corporation and closure of the possibilities of registering income in tax havens.

What should be especially emphasized from January 2020, is that the rise of the COVID-19 pandemic forced the closure of factories, warehouses, ports, airports, and many different sectors, which has resulted in enormous disruptions in global supply chains. It is still very difficult to assess all the effects of COVID-19, as the pandemic is an ongoing global challenge, and re-processing of enormous data is needed. Also, we deal with many variables and their negative impact on the life of individuals and society. Social groups need to be analyzed, and a separate issue would be data collection on children and adolescents, specifically their disrupted relationships due to social distancing, and the effects of online education. Are we dealing with a generation that is less successful in social, personal, and professional life? Besides, many industries have suffered and still are suffering severe losses and it is not clear yet in what condition and whether they will return to economic activity. This concerns primarily the tourism, culture, and gastronomy industries. The civil airline industry is an illustration of a deep crisis. In 2019, it had a capacity for 4.5 billion passengers and over 100,000 air connections a day – globally, the industry employed 10 million people, not including additional services as follows: TAXI, gastronomy, multiple information and logistics services, and many others offering services and subcontractors of giant airport terminals - generating approximately income of \$ 170 billion (Economist, August 1, 2020).

Due to economic forecasts, the coronavirus crisis will leave emerging economies on average 4 % smaller in 2024 than has been expected before the pandemic. Losses in Latin America will be over 6% and almost 8% in emerging Asia with the exception of China (Gliles 2021). The post-pandemic world could face renewed social tensions and rising instability both on an internal and regional level.