

CONFLICT AND COOPERATION - THE INTEGRATION AND BALANCE OF GEO-POLITICS AND GEO-ECONOMICS

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Abstract: *The deepening of global economic integration challenge the traditional concept of geopolitics, and thus put a profound impact on the inter-State conflict and cooperation situations. Some scholars argue that the traditional geopolitics is based on conflict and confrontation, while the geo-economics is based on cooperation. Therefore, currently we should take the geo-economic thought as theoretical basis while abandon the traditional geopolitical thought to develop peaceful grand strategies. In this paper, the authors' puts forward that the theoretical foundation of peaceful development grand strategy should not abandon or unilaterally emphasis on geopolitical or geo-economics thought, the theoretical foundation of national peaceful development grand strategy should be the interaction and balance of geopolitics and geo-economics. This paper includes four parts. The first part is literature survey on the representative theories that emerged in recent years in this field. In the second part, the authors discusses the role of cooperation in geopolitics considering that a state is a rational beings, the national interests is the resources to maintain its life, the state's ultimate goal of cooperation is to deprive each other's sovereignty, and obtains all living resources of other states with lower cost, and thus to obtain comparative advantage and a head start for repeated games. So cooperation itself is a geopolitical competition means. in the third part, the authors discusses the role of competition in geo-economics and points out that the most basic concept of economics is not advocating that the actors achieve absolute benefit maximization through cooperation, but stresses the scarcity of resources, emphasizes the independence of market players. Economical activities can not achieve the goal of optimal allocation of resources and improving efficiency without competition. So competition is a basic concept of geo-economics that can not be ignored. In the fourth part, the authors discuss how to develop the Chinese peaceful development grand strategy which is based on the integration and balance of geopolitics and geo-economics. The author believes that, politics and cooperation, economics and competition can both be integrated. States should make comprehensive use of political and military power to ensure fair economical cooperation and safeguard national economical interests. At the same time, the state should use the economical resources to strengthen political and military power, and to fulfill Chinese peaceful development grand strategy with the interaction and balance of politics and economics.*

Keywords: *Geo-economics; Cooperation; Conflict*

1. THE ORIGIN OF THE PROBLEM

In 1990s, the Cold War ended and the world situation experienced tremendous change. The deepening of economic integration processes challenged the traditional geopolitical concepts, at the same time, geo-economics, as a branch of geo-science, is ascendant. Many Chinese scholars have done a lot of comparative study of geo-economics and geopolitics, and have formed many geo-science thoughts which were rich in Chinese characteristics.

The thoughts that have wide-range implications including the following perspectives.

Dr. Zhao Kejin, Center for American Studies, Fudan University, said that the country's values have changed, the country will gradually shift from the pursuit of power to the pursuit of peace, development and cooperation.

The change of concept lead to the change of behavior.

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The country will gradually give up force conflict in the competition process, on contrary, and they would choose the competition focus on institution, in this way, international relations tend to become co-governance in certain area and certain field.

On this basis, his new cooperation geo-science doctrine advocate that the basic logic of geopolitical science will change from the vicious circle of 'National pursuit of power

- the geopolitical scramble key areas
- the establishment of the geographical advantage
- the challenges facing the power of other countries
- geopolitical conflict and war 'into a virtuous circle of 'national pursuit of peace, development and cooperation
- a key competitive geographic area
- the establishment of geo-systems
- the geographical system of the crisis of legitimacy
- the geographical system reform and reconstruction', and this virtuous circle represents the future of geo-science.

Professor Pan Zhongqi, International Relations and Public Affairs school, Fudan University and Researcher Huang Renwei, the vice president of Shanghai Academy of Social Science described their geo-economics thought systematically in the article "China's geo-economic strategy". They argue that the traditional geopolitics based on confrontation, and geo-economics based on cooperation, China should abandon the traditional geopolitical thought, strengthen the geo-economic concepts and build a national grand strategy on this foundation to achieve the peaceful development.

Prof. Ni Shixiong, the former director of Center for American Studies, Fudan University, combine the new geopolitical theory and the concept of harmonious world together, he suggested that 'In the era of globalization, geopolitics gained a new development. In such an increasingly interdependent international community, the competitive nature of geopolitics has been injected into the composition of cooperation, especially in global issues, cooperation has become the best choice for actors on all sides to win their own interests. China's 'harmonious world' diplomatic strategy is a part of the cooperation of geo-economics.

In short, some scholars hold the opinion that the start point of traditional geopolitical is conflict confrontation, while the start point of geo-economics is cooperation, therefore, the theoretical foundation of formulating national peaceful development strategy requires to abandon the traditional geopolitical aspects and take geo-economic thinking as the core.

However, after analyzing geopolitics and geo-economics theoretically, and observing the neutrality of conflict and cooperation from the history and reality, we believe that the metaphysical interpretation that 'the start point of traditional geopolitical is conflict confrontation, while the start point of geo-economics is cooperation' is questionable.

2. THEORY ANALYSIS OF THE GEO-POLITICS AND GEO-ECONOMICS

Geopolitics is an ancient theory of international relations, the concept of geo-economics rose with the arising of economical factors status in international relations, geo-economics emerged much later than geopolitics. While there are great differences in historical background, theoretical system and discourse symbols between geopolitics and geo-economics, their theory is essentially the same strain.

According to a summary of the Lute Walker thought, we can group the links of geopolitics and geo-economics into the following three points.

First, both theories have the function of countermeasure tool of sovereign state. Second, both theories claim to obtain the power of controlling rivals and resources.

Third, both theories agree that the competition and confrontation of national interests.

According to the comparison, we can see that the current geo-economical thoughts advocated by Chinese scholars have changed a lot from the primitive geo-economical theory.

First, the initial geo-economics emphasizes the confrontation, it is still an international political theory guiding the competition among nations, but in China it has been interpreted economical activity theory which is used to guide international cooperation.

Second, the initial geo-economics emphasizes power; focus on obtaining competition advantage by power. However, we ignore the political and military conditions of the formation of economical cooperation; we just see the cooperation as a natural existence.

Third, the initial geo-economics has point out that developing countries are not able to implement geo-economic policies, geo-economical competition exists only among developed countries, while Chinese scholars have used it to explain international relations in general sense.

Fourth, there is no fixed form of cooperation or conflict about geo-economics, it is just a game strategy, but Chinese scholars see it as unilateral static form, and believe that cooperation is the priori features of geo-economics.

3. THE ANALYSIS OF NATURAL OF COOPERATION AND CONFLICT IN THE GEO-SCIENCE

Conflicts are diverse, some are overt, and others are hidden, some are intense, and some are relatively calm. Undoubtedly, geopolitical conflicts are the most deadly. The vast majority of national interests involved in geopolitics take geographical element as carrier, this kind of interests can not be divided, it has the basic function for the survival of the nation, and it determined the identity of the nation. Under the effect of geographical elements, the geopolitics become the conflict-prone areas. This creates an illusion that geopolitics is based on conflict. In fact, geopolitics is just a strategy which is used to guide international games. The proposals that can be chosen not only include conflict, but also cooperation, there is a series of geopolitical cooperation theory in the cooperation history based on competition, it will be helpful for us to understand the cooperation in geopolitics.

In the traditional history of international relations, the conflict is more easily to be remembered by people due to tension senses, violent struggles and heroes. But the cooperation based on geopolitics in international relations is also wonderful.

When different self-help nations are threatened by one powerful rival, they will unit to protect themselves, in this way, they can increase the cost of the rival with the help of partners, thus force the rival to abandon the hostile policy, and achieve collective security. Similarly, opposing sides try to expand the scope of their alliance to exceed their opponents and share cost. And the 'balancer' who independent from every side will cooperate with the weaker side, thus decrease the cost of the competition with the stronger side, then the "balance" can make profits from their competition.

Although the form of international relations have changed, but the cooperation based on balance of power is still being used again and again. Geopolitical masters such as Mitternich and Bismarck are all masters of cooperation, the Vienna System manipulated by Mitternich and the Continent Alliance System constructed by Bismarck are both classic cases of cooperation of geopolitics; they made tremendous profits for weak Austria and the newborn Germany at a very low cost.

Cooperation is based on the common interests of both sides, and they should build the effective expectation before the start of the cooperation. States that have experienced the harsh environment of the anarchy do not believe each other, especially the weaker side doesn't believe the stronger side, though they know the benefits, they would not like to cooperate first, in case they were betrayed by the stronger side. However the stronger side may be more self-confident, while cooperating with weaker ones, the stronger country will punish the weaker countries if they were betrayed. In order to avoid being punished the weaker countries would not betray, it provides the condition of existence and development for cooperation.

It is because of the unbalanced position of both sides in cooperation that the stronger countries have to take the first move of cooperation, and provide enough public goods for the future cooperation to decrease the cooperation cost of the weaker countries. Before starting the cooperation the stronger countries must construct the effective expectation of cooperation earnings.

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The stronger countries have to bear heavier cost burden and allow “free riders”, but the stability of institutions could stabilize the future gains, the cost of a single game will decline gradually, and the total income will increase, so cooperation is still the rational choice for the developed countries.

In the process of distributing the hegemonies cooperation, the hegemonies countries have bundled their own interests and their partners’ together. Cooperation demands the transfer of resources among members of the institution, the hegemonies countries export capital, technology to their partners in order to share the market of their partners; and their partners are employed in other industries such as production, transportation and service, the hegemonies countries give a small share of their common interests, in this way, they construct the interdependence between like workers and employers.

With the deepening of the penetration of interests, the initial cooperation will reach a steady state, and the division of work between countries become more clear as a result of the large-scale industry transfer and international trade, so the cooperation reaches a higher level which can be called coexistence.

From the reasoning we can see that the independence is a result of that the hegemonies countries want to strengthen their current position by institutions, and participants of cooperation reduced the development cost in practice, so they would like to make more efforts to deepen the cooperation. But this does not mean that the cooperation will produce interdependence and interdependence will produce peace inevitably. If one country find that some issues is not good for it, will resist, even refuse next cooperation. So cooperation is not the aim of countries, cooperation is just a means of making profits.

The extension of interdependence is expanding gradually, so it presents synchronized within the system; adding the differences of natural resources and policy, it lead to the unbalance among participants, some countries may develop more quickly, narrowing the gap between hegemony.

If we study all the theories comprehensively, we can see that cooperation of international relations is based on geopolitical mind, and it was produced earlier than geo-economics. Geopolitics make great contributions to international cooperation, so the theory that geopolitics is based on conflict is debatable.

Economical communicate does not have the fierce collision of diplomatic negotiate, nor does it have the death of battlefield, so it is often seen as a civilized form of allocation of resources. But it is easy to find that very few countries perished because of war, more countries died from exhaustion of resources, or the loss of national sovereignty. Economics has the ability to meet these two points; that is to say, economical conflict is a form of warfare which effects the survival of the country.

The processes of integration and modernization started from economy, during the early development of capitalism the primitive accumulation is the most important, so funds is treated as the ultimate form of wealth, in that spirit, economy did not bring the expected cooperation and peace, on the contrary, the competition around wealth brought us boycott and exclusion against each other leading to damage to trade between each other. We can say that the modern economy carries the gene of competition and conflict.

For instance, from 1929-1933, the world has experienced a depression due to excessive claims of liberalism, during this period, none government had intervined economy effectively, they insisted on the liberal creed faithfully instead. The means they used included encouraging the dumping of exporting goods, raising tariffs on importing goods and destroying a large scale of goods to keep the high price. Obviously, these purely economic means intensified international relations and resulted of the Second World War.

The cooperation and conflict in US-Japan alliance can explain the conflict in geo-economics well. This alliance was born in cold war and took the Soviet Union and China as the common enemies. With the help of political cooperation, Japan got a lot of American investment and its economy recovered from the Second World War.

In 1969, Japan had become the second largest economy in capitalist world. After the adjustment of industrial structure, Japan was no longer the primary products plant at this stage, instead, it had become a strong rival of America.

The convergence of economic structure between the two countries leads to the fierce competition of raw materials and market. In 1980s, the US-Japan trade war occurred and impacted the alliance. In the end, the United States force Japan to make concessions to avoid the future deterioration of the bilateral relations. One prominent feature of the wrestling is that: the economical competition threatened the stability of cooperation, it is the political force that protected the cooperation to continue.

In the 21st century, economical factors have not evolved into collaboration engines. What had happened in Libya in early 2011 is a very convincing example. In fact, it is the oil share in Libya urged NATO countries to attract Gaddafi after 42 years stalemate.

There were indications that the French government had signed the agreement about the oil distribution after war with Gaddafi's opposition before NATO started the war, France monopolized 35% of oil resource in Libya. And the new government in Libya declared that they will distribute the reconstruction project according to the contributions to Libyan revolution made by different countries. There is no doubt that billions of dollars Libyan gold reserves will flow to NATO countries and Chinese investment will expel Libya.

Although the conflict occurred in Libya is of limited size, it is the reflection of the capital expansion in the 21st century and the result of the competition between the great powers. It described the current situation that the great powers agents in the war in order to obtain resources and commercial benefits.

According to the observation of conflicts in geopolitics, we can see that the cooperation in geo-economics is just a special form of conflict, the endless conflict is changing the balance of power, once the balance is broken, the institution which was constructed by the former hegemony will face the danger of subversion, and the former hegemony will choose the war to protect the vested interests.

4."PURSUE PEACE BY STRENGTH, PURSUE HARMONY BY COOPERATION" DEVELOPMENT STRATEGY OF CHINA

As noted above, it isn't a fixed correlation between "Cooperation - geo-economic" and "confrontation - geopolitics". There is a complex conflict, confrontation and even war in geo-economic conditions; however, it is full of some typical cooperation examples in geopolitical theory and practice. Every country, therefore, cannot be the first to set to cooperate or confront in the interaction of international relations. Which also can never promise to bring peace to the world for international relations is a dynamic process. When opponents take the conflict means, which will get free from the interests of the country, and undermine the country's living conditions if one country lack measures to deal with conflict; if a country is in a cooperative environment, which cannot be easily take conflict and confrontation measures, or it will suffer from the opponent's retaliation and even the collective retaliation, and will bring a heavy cost burden to themselves.

Thus, whether geopolitics or geo-economic, they are be uncertain the trend of conflict and peace in international relations, and cannot be restrict countries to take cooperative or confrontational means. Geo-economic and geopolitics are the strategies of international relations practice, which are a combination means of cooperation and competition, that can really make a distinguish between them, is not by what means are taken, but their research interests or difference in types of resources.

Comprehensive the above analysis, China's future development strategy should not be defined as "peace" or "non-peaceful". Because peace is not determined by china party policy, which need cooperation of each other. China's competition in the future should follow "Recompense injury with justice and recompense kindness with kindness." Strategy, and implement "competition for peace, and cooperation for development" in the diplomatic strategy.

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In Chinese traditional philosophy, which always regarded competition as disharmonious element, so China has always adhered to avoid and aside disputes, tolerate and indulge their opponents' betrayal and hostility action, the outcome of this kind of diplomatic policy is that Chinese kindness is seen as weak by the big or small country, which also steal China's resources, implement trade discrimination, even occupy the territory of China. China's tough back on these behaviors, appear to lead to temporary cooling between the two sides, however, which creates conditions for long-term cooperation; if allow it freely develop, the final will result in each other relations' Comprehensive fully backwards, increased contradictions, even war. Thus, at the appropriate time, using the means of competition and confrontation will not only lead to war, but will help maintain global peace.

The new period of competition and cooperation means is multiple, But there is a premise that can not be shaken, that the two sides in the balance of terror." Pursue Peace by Strength", that is to achieve long-term cooperation with other countries, China must have sufficient capacity to act against the others' betrayal and revenge action, force to abandon its hostile behavior, and back to the normal track of cooperation, ensure both healthy competition.

In revenge and retaliation against the contest, eventually the two sides will embark on mutual threat of force, Who has the final revenge ability, who can win in the competition and get more benefits; China must ensure that he can survive in the final revenge, or have the ability to destroy each other with the most powerful opponents, Establish the balanced terrorist and maintain win-win cooperation.

War is the ultimate form of revenge, possessing this revenge ability requires China establish a strong national defense forces to ensure that China has the ultimate retaliatory capability when traitors appear in the bilateral cooperation or multilateral cooperation within the worldwide, which is China's fundamental premise and guarantee of international cooperation and security and which is also the obligations of China as a responsible big country in the world, China's powerful defense is the Gospel of the world.

"Pursue Harmony by Cooperation " means China will not first betray other countries in the bilateral cooperation or multilateral cooperation within the worldwide., and China will adhere to the spirit of good cooperation relations with other countries, China's choice of cooperation is not without based on Ideology sermon, but because cooperation contributes to realize China's interests, kind cooperation is the result of rational choice of China.

Kind cooperation Requires that China will not take the initiative to promote large-scale revenge, even opponents' betrayal occurs, but control the revenge in the warning range, as long as others receive warning sign and abandon betrayal and revenge action, China will not repeat revenge, and will still cooperate with them in the new starting point. Although for this China will bear the risk of suffering from betrayal and hostile attack, China's approach reduces the risk of international cooperation, and provides public goods for international cooperation and prompts the harmony of world, which is china's promise that it is a responsible big country to the world. Therefore, China's economic prosperity is not a threat to his country, but the barrier to protect the world's economic prosperity, and promote world development.

In China's own terms, " Pursue Peace by Strength, Pursue Harmony by Cooperation" this development strategy can provide a long-term stable external security environment for their economic development; sustained economic prosperity can also promote the continuous progress of national defense; defense and economic development will further promote the domestic political progress and enhance China's international political status, political, military and economic form a positive interaction of mutually pushing each other and going hand in hand.

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