The Editor’s foreword

Questioning the (happy) narrative of geoeconomics

Péter Marton¹

A quarter of a century ago, as the tensions of the Cold War were already winding down or virtually gone in fact, Edward Luttwak’s thesis (1990) predicted that states would continue to find themselves in a competitive situation in trying to secure the resources and modalities of their economic development. Luttwak explained this competition in terms of states’ interest in securing the welfare of their populations through employment, the state’s inherent drive to rival with other states around it and to outdo them as much as possible („relative advantage”), bureaucracies’ „urge of role preservation” connected to the latter, and domestic interest groups’ pressure on governments to make them work to their advantage.

This would not lead to military conflict in an age of interdependence, Luttwak argued, as it does not make sense to sink a ship carrying a cargo of export cars to beat the competition on the automobile market. In an interdependent economy one has to find other, different ways of securing advantages for one’s economic agents. Regulatory means, strategic investments, and careful manoeuvring in economic diplomacy will thus be the key instruments of statecraft in the coming era.

Writing with the benefit of hindsight it is easy to pose a myriad of critical questions as to what part of Luttwak’s predictions worked or did not work, and why and to what extent this may be the case. Picking but a random assumption from the 1990 text (1990: 126): is it really true that states do not design infrastructure to maximise its transnational utility, as Luttwak implies? Is it true in all cases? And if states do calculate with transnational utility in certain ways, is this necessarily against the logic of geoeconomics described by Luttwak? Following but one thread such as this, one may pose an endless string of ever broader questions, with ever further-reaching implications.

¹ Dr. Péter Marton is Deputy Director of the Institute of International Studies and Editor-in-Chief of COJOURN.
With this in mind, in our call for articles for the present issue of COJOURN, we asked:

„At a time of military tension in Eastern Europe, can we still speak of the „waning” significance of military power? In the wake of the global financial crisis of 2007-08, at a time of armed intra-state conflicts with global implications, and in the context of large-scale movements of migration, global public health crises and climate change, can we still see states as the predominant actors of world affairs?”

In spite of the rhetorically implied answer to the questions above, a discourse of geoeconomics is present in current discussions of world politics related to a host of issues, for example the planned Transatlantic Trade and Investment Partnership (TTIP). For instance, back in 2013, Philip Stephens called for a geoeconomic perspective in the Financial Times:

„Stop counting carrier fleets, fighter jets and cruise missiles. (…) Today’s great games revolve around another dimension of power. Geopolitics is making way for geoeconomics.” (Stephens, 2013)

Ashley Tellis of the London-based International Institute for Strategic Studies went so far as to connect „the geopolitics of TTIP” (and that of its Asia-Pacific analogue, the TPP, i.e. the Trans-Pacific Partnership) with „the geoeconomic containment of China” (Tellis, 2013). Peter Rasish spoke about TTIP in an article in The National Interest, invoking a Clinton-era slogan through paraphrasal, to define its essence, concluding „It’s the Geoeconomy, Stupid!” (Rashish, 2014).

Without a comprehensive review of all that is currently the subject of discussions framed as „geopolitics,” it may be interesting to ask if it is really so self-evident that TTIP and similar agreements are about geoeconomics? By what benchmark do we claim this? What counterfactuals do we address when we claim one future is better than another? What are the fundamental assumptions based on which we hope to understand the prospective implications of an agreement of this kind? What implications are we interested in in the first place? What implications are seriously discussed and institutionally assessed in their broader social and environmental context?

The articles in the present issue of COJOURN delve into such and other questions, and more. Mary Durfee’s analysis offers a take on how the negotiations for TTIP and CETA (the Canada-Europe Trade Agreement) address, or at times and in certain respects fail to address, social and environmental implications of these agreements, using the
example of the Arctic as a sub-region facing diverse prospective effects stemming from these agreements. She asks if negotiations failing the standard of a truly comprehensive consideration of the consequences really qualify as „geoeconomics,” i.e. if they really fit the („happy”) narrative of states creating more jobs on the basis of carefully defined collective interests? Aiken Samuel Chew Márquez’ article reads as important illustration and follow-up after this, looking at the complex social context of the production of African palm oil in Guatemala and its manifold impact on local communities that are often exploited and dispossessed in the process. His assessment of how the seemingly happy constellation of jobs created for poor indigenous communities (as a superficial reading of the implications of palm oil production would have it) may lead to „ecocide” in certain cases is stark warning of the often problematic nature of „the social life of things.”

Tamás Péter Baranyi’s article is third in the present issue and complements it in a fundamental way: by placing the Clintonian approach to geopolitics as „engagement” (of those willing) and „enlargement” in an historical perspective, the article gives us a rich discussion of how a concept that was partly the product of policy discourse, and partly that of academia, came to define practices and shape grand strategy. Baranyi draws attention to the mixed record of the Clinton administration in this respect, along with some of the contradictions of the set of policies in question.

In the fourth article of this issue, Kálmán Mizsei discusses the way a process of multiple transition unfolded over the last decades in Ukraine and Moldova where the interaction between the West and Russia is informed lately by considerations of a „geopolitical” rather than a „geoeconomic” nature. A focal point of the analysis is the failure of fundamental governance reform in the two countries, and what the most important obstacles to it may be. The pluralistic oligarchic system seen in Ukraine at the present is clearly a challenge to Luttwak’s general assumption of utility-maximising state and bureaucratic actors and the primacy of domestic influences on state policy. Even more importantly perhaps, it is a key strategic challenge of world politics as well, with major ramifications for Central and Eastern Europe – and beyond.

References
