THE SUBJECT OF GEOECONOMICS – POLEMICS AROUND A NEW DISCIPLINE

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The term of "Geoeconomics" was introduced by Mr. E. Luttwak and used against not only the terms of "Geopolitics", but "Mercantilism" and "Economic War" as well (E. Luttwak 1990).

According to Mr. E. Luttwak, after the dissolution of double poled system, the military strength had a great impact on north – east and north – north relations as well. In other words, it means that its influence had a great importance between the poles of developed countries. According to Mr. E. Luttwak, an economical competition between "Gold Milliard" countries differs from the previous period, because states are not able to use force, as the tool for resolving the question of economic security. Armed forces are too subversive, as "Gold Milliard" countries are in the demographic crisis, which does not let them use wide mass of youth in war process.

Correspondingly, intergovernmental competition must be produced with economic methods. Nowadays, taking into account that the use of military force is passing on the second stage, the hierarchy of states is being defined only by economical strength on the international level. Today, we see that Geoeconomics has already partially replaced Geopolitics.

It would be appropriate to compare the subjects of Geoeconomics with political discussions concerning USA and its interests in the world after the winning in cold war period. This should be done accord with Mr. E. Luttwak's understanding in order to clear up the meaning and mechanism of Geoeconomics.

According to Mr. E. Luttwak, contradistinction between Geopolitics and Geoeconomics acts like an apology of American kolberism, which is directed to the restitution of society's socio–economical roots. For USA it means dealing with such difficulties, which are linked with fast flow of bashing Japan and clearly defined protectionism in accordance with European competition. But then, what happens with Geopolitics, what we have for it. Considerably, Mr. E. Luttwak opposes those, who actually defend the constant military – political partnership of USA and Europe and thus are afraid of, that it may be discredited by neo – protectionistical policy, which may itself deepen the conflict in transatlantic economic relations.

In a broader sense, Geoeconomics does not oppose Geopolitics. For reaching geopolitical goals, it is essential to prepare and use geoeconomical methods in accordance with its concrete analysis and theory exactly in the way, as Geostrategy indicates on the analysis and theory of utilization of armed forces. The structural and conjectural rise of own economic competition is included in geopolitical goals. Shortly to say, politics does not exist on the level of mercantilistical understanding, although their role has been increased in the global context of states' aspiration. Accordingly, Geoeconomics is the method and not the substitute of Geopolitics, the proving of which Mr. E. Lutwakk is trying here.

From our point of view, Geoeconomics is based not only on logic, but also on the syntax of Geopolitics, particularly in a broader sense on the whole practice of conflict rituals. The difference is seen in the speciality of each tool's "grammar". If we remind thesis of Klauzevic about the difference, which exists between politics and strategy, "grammar" changes, as it reverberates an originality of means used already. But in return for it, different "grammars" use the same logic, often the same syntax.

Main difference between Geoeconomics and Geostrategy is inspired by politics and uses the means (which in nature differs from its reasons), that are of political character. As a result, it is evident, that only political and not military victory has significance.

On other hand, economic goals, which are followed by Geoeconomics, structurally are more close to reaching state's final ambitions (creating wealth, economic rise and social wealth are not only economical, but political goals as well). So, it is quite logic to speak about "economic victory". But at the same time, Geoeconomics can make clear political aims, for example an increase of its role, supremacy and influence in the whole world. Economics is not only goal, but also mean of politics as well.

Thirdly, if geostrategic game can exist as zero sums up, the zero sums are guaranteed in geoeconomics. Geoeconomical conflict is not mortal. Although we must notice, that "games" in war are rarely the sum of zero. Wars are not seeking to destroy the enemy and finally are not ended with the whole destruction of it. It is more efficient "to buy" enemy, than destroy it in the bloody war, which has a higher cost. It's more desirable if the enemy is deceived and taken a prisoner. History remembers only extreme occasions, when battle is producing for death and not life under slogans such as "Delenda Carthago" or "Victory First". It is impossible to fight for destruction, when both subjects own the nuclear weapon.

Rules exist in Geoeconomics as well, which cannot be abolished, even openly (tariff agreements), as it will cause responsive actions from other states. In accordance with general Biufe's action strategy definitions, that consider "an art of free action utilization, which is available by nuclear quieting system", geoeconomical strategy uses "niche", which does not include international economic rules. This involves those rules, which are created by disfiguring initial and basic ones or changing their context and goals, but do not leave that framework, that is followed by strict international reaction. The using of economic strength is mainly achievable by potential means. Common interests include the avoidance of direct economic collision, which will have a great price for everyone.

Fourthly, if there is only one opponent in Geostrategy, in Geoeconomics we have a list of all states and geoeconomical subjects, who try to achieve inadmissible economic priority.

In the fifth course, if state's strategy has a full control of its possibilities, such power only partially is implemented in Geoeconomics. It incurs the impact of transnational forces, which does not subordinate state's control. Though, states can make them act in favor of own interests (for example, in the spheres such as taxes, service, infrastructure and so on).

Theoretically, in the rational world, it would be better to have an absolute board of economic administrators for providing the maximum rise. But this is a dream like the World Governance and the United World. There is an absolute different situation in the worlds of "Real Politics" and "Real Economics": private interests dominate common ones, because the latter exists only in our imagination. Short – term aims dominate long – term goals. Ruling classes and bureaucracy strengthen internal authority, which they explain by international competition and the existence of economic "enemy". Political leaders get legitimized and go to the consensus. An existence of "enemy" ties the "city". If any state does an aggressive economic action, others have to react adequately. In any case, they should have ability of this in order to make the potential aggressors make more comparative and moderate geopolitical and geoeconomical course.

Geoeconomical competition is similar with political – strategic one. According to Mr. Poll Cragsman, state plays an effective role in increasing the level of international competition of its industry (Raymond Vemon 1993 - 1934). This primarily concerns those basic factors such as knowledge, scientific researches, infrastructure and spheres, which are ruled by the system of "High Technological Kolberism" (Cazes B. - 1998) (on which Mr. E. Luttwak indicates). It is written in the framework of those measures, which are intended for increasing the competition policy of economics, in this concrete case to the rise of American Economy Competition Policy in the entire world (For more detailed information, see the following: Omnibus Trade and Competitiveness Act - 1988).

Such similar measures fall in the category of preparing arrangements, which are produced by states at the edge of geoeconomical war and is linked to "the preparation of nation for total war", as it was at the beginning of the 20th century. In addition to this, state contributes its economy and thus uses its geoeconomical force for attack and self-defense as well on the international scale.

Geoeconomics differs from economic war and mercantilism and protectionism as well. The dependence has three characteristics between wars and economics: **economics as a premise of military strength; economics as a reason of war; economics as a tool of war from the side of "geopolitical" and economical war as well (Jean K. 1990).**

Economic war, which has its geopolitical goals, in the similarity with the "hot war", represents the "war" and differs from the simple Economic Competition Policy. These two "wars' are united, because their strategic task is "the victory" over enemy. In this mentioned context, normal economical influence tools are used not for production or trade, but as a mean for achieving the goal, approximately like it happens with the help of military force, in other words for overcoming the resistance of enemy.

Everything occurs differently in the economical war, which has economic aims. There exists something similar between means and goals. Both are carrying an economical characteristic like expenditures and outcome. The logics of forced total war, which represents the logic of zero - sum up, is being replaced by the logic of limited war, which is mostly characteristic for economical type of war. The latter is derived from zero – sum up principles and mainly is based more on world arrangements, than on mortal attack. In this case, the main goal is to increase your wealth with investments, which gives the possibility to increase productivity even by the means of openly abolishing free trade rules. Bringing damage to the enemy means result and not aim. And exactly here is hidden an essential difference: state remained territorial while market and enterprises became transnational or separated from inter-governmental border in case of extreme need. Their organizational structure represents the web and not hierarchy at all. Correspondingly, state has a less possibility of control not only on production and trade, but on financial and fiscal levers as well, which earlier represented the main instrument of economic policy.

In difference to the economical war, geoeconomical competition does not intend to weaken the economy of an opponent. Its goal is to strengthen own economy and increase its competitiveness. From normal trade is differs in the way, that does not keep and follow the good tone rules. In fact, it abolishes all GATT and WTO agreements, which concern competition. Every state tries to implement those rules that are beneficial for them and thus dictate other competitive countries. Geoeconomical rivalry in its sense means competition, which aims to improve the competitive situation on the world market and create conditions for economical growth. According to Mr. E. Luttwak, geoeconomical rivalry may become the common threat for Global Economic System and National Systems as well. It may give the meaning to nation – states, as it has the function of the “Welfare State” and the function of war in the creation of modern states, especially after World War II period (E. Luttwak, 1993).

Merchantilism is characteristic both for Geoeconomics and Geopolitics. It brings enough damage to the world economy and market, as it always was in a service of military – political interests. Nonetheless, the goal of Geoeconomics is more socio – economical and principally, it causes the infringements of world market union and economical dependence. On contrary, it is essential to take care about it. This must be done for a higher common wealth and for a better use of geoeconomical tool, which is mostly directed to the better and more qualitative way of producing wealth.

Geoeconomical rivalry is being produced by means such as improved infrastructure, high level of education and professional practice, service improvement, export support and finally the improvement of researches for industry development. Essentially, the case is about the modern form of kolberism, the one of high technologies (Gates B. 1994). Mr. E. Luttwak takes into consideration exactly this second aspect, while proving that “offensive tool dominates in Geoeconomics”; that “hunting financial policy” represents its final mean; that Geoeconomics’ last goal is to have own place in world economy (Luttwak E. 1993).

Mr. Robert Solow criticizes Mr. E. Luttwak that he simply brings military strategy in an economical sphere and does not take into account the difficulty of whole market and all necessary details of economics (Solow R. 1994). He rejects any possibility encouraging scientific activity and the opportunity of owning “World Industrial Territory”. He also rejects Mr. E. Luttwak’s criticism of liberalism in the period of Reagan in the USA, which caused the poorness of all Americans. The utilization of protectionistical measures for decreasing social reaction will cause only worse results for the internal union of American society and for America’s position in the whole world.

Mr. Paul Krugman refuses the meaning of competitiveness and proves that state’s wealth and population living standards are basically defined by internal factors (Krugman P. 1994). The experience shows, that big states do not feel the results of competition between each – other. According to Mr. P. Krugman, the “rhetoric about competitiveness” is inspired by mobilization of internal consensus, which gives an opportunity to blame irregular, incorrective and the more effective action of other states in the reasons of economic difficulty. According to Mr. P. Krugman, the replacement of competition topic in the center of political discussions may have enough dangerous results, as it will deepen international contradistinction and will lead to the real economic wars, which will end regrettably for everyone.

The President of Competition Council has a middle position between Mr. E. Luttwak’s thesis and its critics. This council unites more than hundred world business experts. Mr. Prig denotes the meaning of the role of state’s system competitiveness in a new global economy. Mr. Peterson pays attention to the increase of economic globalization and the possibility of implementing protectionistic measures, taking into consideration different periods of economic integration in comparison with political integration (Daniel F.

Burton Ir. – 1994., Preeg H. 1994., Peterson E. R - 1994).

Shortly to say, the polemics are being enough actual around Geoeconomics, especially in the USA. This term is used everywhere. In this direction, specific stimulus became so called “Geoeconomical War”, which was produced between France and USA in 1994s. The informative officials of both countries were involved in it to support their companies on the world market with the assistance of dishonest trade competition. In any way, there is one aspect in Mr. E. Lutwakk’s geoeconomical theories, where all aspects coincide with each other. Here, we have a conversation about the pressing task of permanent improvement of education system and professionals as well. Finally, here we also see the debates about those directions, which will contribute to the demands of global economics.

Thus, almost everybody, who is working on the topics being discussed in the article, uses that idea, which is understandable only for them. Because of this, it is not achievable to agree on the acceptable for everyone definition. We consider that in the case if the researcher does not point out the geoeconomical object of the research, the definition of Geoeconomics gets an abstract form.

Finally, we will offer you our own interpretation of Geoeconomics: **Geoeconomics studies: the political space economization process, with utilization of which actors of Global Economy try to establish the control on the concrete territories being interesting for them by the utilization of geopolitical levers.**

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