

CHINA GOES GLOBAL

Never too late. China is a late comer and yet it is the first runner in perfecting capitalist success, nationally and internationally. In contemporary China what counts most is development, rather growth and this calls for pursuing outward march. Their aim is to build a moderately prosperous society in all respects within a very short span of time and this pushes China to capture global market more vigorously than even before as domestic market is not enough to sustain a neck-breaking growth rate. Indian big businesses are not really big when compared with their Chinese counterparts. And there is not much to read between the lines despite the hype that is being generated in every foreign acquisition by an Indian firm. Interestingly Indian acquisition takes place in the main in the Sterling zone, in former colonies and in commonwealth countries while China targets America in addition to its traditional overwhelming presence in South-East Asia. Roadblocks and discriminatory rules continue to hinder the entry of limited Indian investment and Chinese investment as well in overseas markets. And protectionism is nowhere so obnoxious as in the US. WTO has not created level playing fields though it was the expressed purpose at the time of its launch. It is an instrument for the US and its western allies at large to dominate third world economies despite China's forward march in protected zones.

Having failed to penetrate the American concrete wall much, China is looking forward to developing and underdeveloped countries to sustain its miraculous growth. China's foreign direct investment (FDI) in developing countries is increasing in leaps and bounds much to the agony of major global players while the USA is erecting one barrier after another to arrest Chinese expansion in its sphere of influence. As per official data by the end of 2009 the total amount of China's FDI in the US was just \$3.338 billion, a small sum if judged against recent global capital outflow.

Faced with stiff protectionism from the West despite overplayed swan-song about globalisation and equal opportunities for all, China is basically targeting developing countries to export its surplus capital. By the end of 2009, only 7.4 percent—more precisely \$18.17 billion—of China's total FDI was in developed countries while the rest found its way in developing countries, particularly in Africa and South East Asia.

While they continually exert pressure on the governments of developing countries to open their economies to American and western multinationals, they themselves resort to worst type of protectionism, even naked government intervention to block the entry of foreign companies into their markets. In 1990 former American president George Bush utilised his special power—rather privilege—to stop the China National Aero-technology Import-Export Corporation from acquiring Mamco, a Seattle-based aircraft parts manufacturer under the spacious plea of security risk. Then China's Huawei, the leading telecom solutions provider, failed to purchase assets of 3 Leaf Systems, an American manufacturer of advanced cloud computing technology in February 2011—it was actually Huawei's third take-over bid—because of US government's objection though 3 Leaf Systems is not even a recognised leader in the field, again on the same ground of security. For one thing this Huawei Technologies Co Ltd, based in Shenzhen by the end of 2010, had more than 110,000 employees from 150 countries and regions—truly a Chinese multinational.

The point at issue is the capitalist roaders who violently broke with the past from the third plenary session of the eleventh central committee of the Communist Party of China, have come of age, notwithstanding their late entry into market economy. America and West Europe are not threatened by Chinese communism anymore but they are visibly worried about competition or rivalry from Chinese capitalism.

Unlike former Soviet Union China has charted a different course to implement its global agenda of peaceful competition and co-existence. And in all fairness it works. It seems China being a new player in global market, is not unwilling to invest more time and patience to enable more countries and stakeholders to accept the Chinese investment overseas.

This year China marks the 90th anniversary of the founding of the Communist Party of China. In another 10 years, it is quite likely, that 'East is Red' saga might be changed completely into its opposite. That the rise of capitalist China can no longer be ignored, is recognised by America, subtly though. In late May members of the US Congress introduced bipartisan resolutions in both chambers, calling on the federal legislature to acknowledge formally and express regret for the notorious legislation—The Chinese Exclusion Act—hopefully to correct past wrongs. No doubt all this American gesture stems from the ever growing Chinese economic clout in global theatre. □□□