

Week 4 discussion - intl 5645

[History](#)



The recent growth in China has been characterized by the country's desire to take its place in history and in the future global economy. China's economy has risen dramatically for the last two years. This has been propelled by increasing urbanization and decline of fertility. This has led to increase in the economic productivity (Naughton, 19). China has been accused of stifling the creativity of its professionals. China's economic growth has been unprecedented (Hu, 89). The country has grown at an average of 9.6 percent from 1990 to 2010. The Chinese economy had been able to overcome both inflation and global economic crunch. China has been facing both political and structural barriers that have limited the economic growth. The growth of the Chinese economy has been fundamental and well spread. The international policy and long term economic strategies shall determine the sustainability of Chinese economy. The Chinese government has been asserting the need for action on the imbalance between trades with the United States. The Chinese believe that the United States should add the high technology exports (Pei, 23). Chinese goods have been flooding the markets of the United States. The Chinese government has reduced the barriers to imports substantially. The policy barriers and currency wars with the United States are aimed to slow the Chinese economy. This has made China a major driver in the global economy. China has too many regulations which are bad for growth sustainability. The country has been accountable for the 12 percent rise in the global trade. China has invested in labor intensive goods. However, studies show that the country is weighed by the downward pressure of unskilled laborers and poor wages. The United States and OECD countries have invested in Chinese labor market. The bilateral ties between the United States and China have been turbulent. The influence of <https://assignbuster.com/week-4-discussion-intl-5645/>

the Chinese government has been declining. The Chinese government is perceived to be authoritarian and communist. Analysts in the United States view the rise of China as a threat to the United States. The Chinese have had to develop strong networks in Asia when it comes to production. The investments in China for the foreign markets grew in the field of manufacturing (Gilboy, 21). The United States is trying to compete with the Chinese labor intensive products.

China is facing obstacles from the strict labor law that discouraged many international investors. The growth in China has been said to be unstructured. China faces extreme challenges because of political upheaval (Bobones 4). China is populous and can fall below the growth trajectory if it allows the asset bubbles. Compared to the United States, the Chinese education system is inferior (Subramanian 74). China's economy has extremely cheap capital that has led to excessive investment. The exchange rate has been undervalued and this has led to pollution and inefficient use. The disparities in the Chinese economy are perceived to be costly if they are corrected. The Chinese firms have been infiltrating the global market and have expanded the global sales. However, the Chinese have to contend with the Western states and the USA. China is a middle and upper middle income country unlike the United Kingdom and the United States. The rapid growth of China is said to have a negative effect in the long term. Compared to the developed countries, the per capita income is low. The economic disparities in China between the rich and poor coupled with authoritarian government pose the biggest threat for the growth of China.

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