

# The interest of consumer

Sociology



China by devaluing Yuan has provided a platform that the customers across the world have access to relatively cheaper products. This has gelled perfectly with the policy of Smith in working for the benefit of customers every time. We can safely assume here is China, by providing cheaper goods to the customers is providing the basic facilities of good food, shelter, and clothing directly or indirectly to each and every individual across different nations. Three decades of uninterrupted economic growth and five years of double-digit increase in output has made China as an unstoppable force. Already the fourth-biggest economy in the world, China is becoming one of the largest trading nations.

" When the quantity of any commodity which is brought to market falls short of the effectual demand, all those who are willing to pay... cannot be supplied with the quantity which they want... Some of them will be willing to give more. The competition will begin among them, and the market price will rise... When the quantity brought to market exceeds the effectual demand, it cannot be all sold to those who are willing to pay the whole value of the rent, wages, and profit, which must be paid in order to bring it thither... The market price will sink..." -Smith (The Wealth of Nations, Chap. 7)

2. China by showing its presence in the world market has forced different producers to work for meritocracy and thus every producer is competing for producing better quality products. Earlier, in the absence of Chinese competitors, consumers did not have any other option but to accept their product as is. This also has worked perfectly for the benefit of consumers.

3. Every country wants the balance of trade (which is the difference between the exports and the imports) to be in its favor. Every country wants to export more and import lesser. Exporting more is fine, but, when a country will

resort to curb in imports by adding import duties, its counterpart will also resort to the same measure and if every country does so the fundamental of globalization will vanish and hence the end consumer of each and every country will suffer. Therefore other countries should not stop China by introducing an import barrier, but, by producing matching services that are at par with Chinese products, thereby working for the consumer.

4. China, by undervalued currency, is no doubts working for the favor of its people but this is getting worked for the betterment of society as a whole as is explained in the fundamental of invisible hands by Adam Smith and has been mentioned earlier in this article.

So, by holding the dollar high against the Yuan, Chinese goods (priced in Yuan) are cheap to US consumers, and hence they are more likely to buy goods from Chinese firms rather than from domestic competitors. This policy of the Chinese government increased the competition and thus will result in the provision of those goods that society wants; in the quantities it desires; and at the prices, society is prepared to pay.