

Economic chinese government assignment



Huh and Khan, 1997 analyses the reasons of Chinese economy rapid growth. They suggested that economy boost in China is a reality and began in 1978 (economic reform program). The annual growth rate increased by 3 to 7% and the individual annual Income increased four times. There are factors helping the rapid growth of Chinese economy, first is the political stability of the post 1978 era compared to the environment before. Change from Marxism Mao beliefs, the Sino-Russian conflict, the Cultural Revolution and the Great Leap are examples to political instability prior to 1978.

Second, before 1978, China directed most investments to urban area, because of the economic reform policy, starting from 1978 investments were directed to rural areas and the government encouraged rural and private businesses investments. This produced an increase in China's capital assets in the form of new factories and industrial machinery besides increasing the number of skilled workers. Third, developments in China's economy are not stationary; the dynamically progressing economy reflects that Chinese government transferred the preliminary productivity gains to develop other economy area.

Fourth is the change in workers pattern and striation, before 1978 80% of Chinese workers practiced agricultural work, in post 1978 era only 50% are working in agriculture. Fifth, enterprises managers were given autonomy to determine their goals, sell some goods in private market at competitive prices, however full scale pricing reform remained the responsibility of central authorities to contain the possibilities of inflation.

Finally, China's Open Door policy gave advantages to investors (tax, open coastal areas, implement free market economic policies) resulting in increased investment, more Jobs, more factories, and increased links with international markets. If that is the case, what made China's authorities re-evaluate the strategy of economic growth? In 2004 Chinese officials expressed their view that rapid economic growth can not be maintained, not in the sense of slowing it down, but more to restructuring demands and augment efficiency of investments (Lardy, 2007).

Lardy, 2007 explained four factors lead to Chinese re-evaluating their rapid economic growth. First, accumulating evidence displayed that investment driven growth managing China's resources. Second, such re-evaluation aims at increasing individual spending and improving the income difference gap between Chinese rockers. The third reason was to look at the fairly small gains in terms of employment compared to growth rates. Finally, the ever increasing energy consumption with its repercussions on economic development and of equal importance on ecological environment is another driving factor for re-evaluation.

The word triangle in international politics points to the inclusive foreign policy objectives of the relationship configuration among certain countries. These countries have special strengths that can affect or induce power either global or regional. After Vietnam War and the economic boost of Chinese economy, USA and other countries legalized that China's effect in the world economy can be contained or opposed by alliances. Moreover, such alliances will not achieve stability at least in the region of East Asia, so triangles like us-China-Japan and Sino-Japanese-Russian triangles were formed.

The native indigenous political, cultural and religious concepts of the region of East Asia are different from western and even Russian concepts (Vogel, Mining and Tanana 2004). Despite political and economic differences, it would seem natural and logic if a strategic triangle is formed among China, Hong Kong, and Taiwan. The aim of this thesis is to provider a deeper look to the principle of one China, China, Hong Kong and Taiwan economic strategic triangle.

The work also aims to clarify whether economic differences are a diversity or complementary and how to create synergy with the advantages each limb of the triangle has. The principle of one China The concept of China's mainland sovereignty over all China land dates back to late 19th and early 20th. Century (the late period of King Dynasty ruled between 1644-1911). During World War II, Cairo declaration (1943) and Potsdam declaration 1945) recognized that all Chinese land occupied by Japan were to return to the sovereignty of the Republic of China when the war ends.

In 1949, the communists ended the era of the Republic of China and exiled the nationalists lead by Aching Aka-seek to Taiwan, and China mainland is now the People's Republic of China (PRE). The involvement of PRE in the Korean and Vietnam wars deepened the belief that Taiwan is an essential ally to the west in that period of the cold war and accordingly deepened the economic, political and cultural differences between China and Taiwan owe, 2005). 2. 1 . The principle of one China: Basic keys

The core of the one china principle as declared by the Central People's Government and stated in the constitution of the PRE is that all Chinese land

including Taiwan is one land and the duty of all Chinese people to complete the process of unifying the nation. In simple words, the whole essence is Taiwan is a part of China. It rejects the the two Chinas or one China, one Taiwan or the independence of Taiwan. Based on recognizing this principle, China mainland will decide its diplomatic relations with other countries.

Other key points are: the only way to achieve a peaceful reunification

IS the recognition and compliance to the one China principle. Second, the Chinese government supports people's contacts, economic and cultural exchange, third, recognizing the principle, all issues and matters are liable to discussion. Fourth, after unification of all Chinese land, the principle of one China two systems can be applied as with Hong Kong and Macaw. However what rose worries was the statement that China does not rule out the use of force if need calls (The Taiwan Affairs Office and the Information Office of the State Council, 2000). 2. 2. One China two systems