

The us and china: fundamental differences



**ASSIGN
BUSTER**

Historically, the presence of the United States of America in the international arena has been fundamentally influenced by global historical events, which ultimately have shaped it into the global entity that it is. Having been founded in the year 1776 (July 4), the Declaration of Independence by a confederation of 13 former British colonies, the US went ahead to defeat its former colonial master through the aid of allies and a spirited sense of nationalism. Its Constitution, adopted eleven years later, in 1787, September, 17, espouses the very essence of its existence.

From the first 10 amendments the ' Bill of Rights' fundamentally guarantees all of its citizens civil freedoms and rights and are the focal point of its democratic existence. Furtherance is its doctrine/ideal of manifest destiny in embarking on the various expansionist measures since its inception. With the American Civil War came the final defeat of the British supported colonies (southern states), which were in support of slave trade. This decisive victory marked the end of slavery in the United States, precipitating America's gradual economic growth, as all states were amalgamated into the Federal Union of States.

With the decisive impacts America had in both the Second World War, and the Spanish-American War, it was able to solidify itself as the sole global military power. This was influenced by, among other things, the United States' superior military might, as well as by its vast logistical capabilities and the economic might, which backed its different ventures in protecting and, hence, influencing the global politics. The ' Cold War' marked a period of uncertainty, as the American hegemonic influence in balancing the global

arena was endangered by a new power in the form of the USSR (Union of Soviet Socialist Republics).

The above pitted the two dominant global ideologies Liberalism/Capitalism (as espoused by the USA), and Communism/Socialism (as was espoused by the USSR) and majorly so, by the Peoples Republic of China, of which we shall be discussing shortly about. The fall of the German Wall marked the end of the USSR and its associated Socialist/Communist Ideology, bringing about the Unification of Germany and solidifying the USA's status as the sole global superpower in terms of military, political, and economic capabilities (Fang, 2007).

The Peoples Republic of China, on the other hand, refers to a sovereign state geographically located in the East Asian Region. Being the world's most populous country with an estimated population of 1.3 billion people, it is critical to note the fundamental uniqueness of the state as is espoused by, among other factors, its cultural heritage, socio-economic dynamics (as influenced by the existent population dynamics), and the single-party governance system by the Communist Party based in Beijing. Furthermore, there is also the geo-political influence, through which the legal entity has endeared itself to not only its geographical neighbors, but the global arena at large.

While the United States of America (the North American entity) is a federal union of 50 American States united, 13 being the initial former colonies aforementioned; the PRC is, on the other hand, comprised of 22 provinces, in addition to claims on the four municipalities (Beijing, Chongqing, Shanghai,

and Tianjin) directly controlled. Others include the two regions of Macau and Hong Kong (majorly self-governing entities/unique administrative entities), the regional entity of Taiwan, and five other autonomous regions.

From the above it is worthwhile to note of the uniqueness of the geo-political arena as espoused by the above entity, this being the world's 2nd largest entity by land ratio vis-a-vis America being the third largest in terms of similar categorization. From its diverse and vast landscape, the deserts, such as the Taklamakan and Gobi, forest steppes (towards Mongolia and Central Asia), mountain ranges, such as the Himalaya, Pamir, Karakoram and Tian Shan to the Yellow and Yangtze Rivers, this entity is endowed with different environmental aspects, all of which are critical to the form of governance present.

America (the US), on the other hand, espouses an environmental diversity enhanced by a mega-diverse aquatic ecology coastline, coastal plains, deciduous forests, the Appalachian Mountain, Cascade and Sierra Nevada ranges, the unique Great Lakes region, the Midwest grass plains, the Great Plains' flat and fertile prairies, the southeast highland region, the Rocky Mountain region, and the deserts of Mojave and Chihuahua among others. By the factor of population size, the US is peaked at an estimate of 320 million people inclusive of overall illegal alien numbers. It is the 3rd most populous nation, being after China and India (Schwab, 2012).

Noteworthy, America remains the sole major industrial nation-state entity, where projections are indicative of population increases; a younger population vis-a-vis the aging citizen ratio. This is converse to the indications

in major Western/European industrial nations, in addition to a majority of industrializing Asian nation entities, which are projecting a stagnation or worse still, a decline in population growth vis-a-vis a growing aged-citizen volume ration. The above scenario to economists, policy makers, educationists, political, economic, military, and union leaders among others, is fundamental to the shift in future economic prospects.

While the US, by land size, is endowed in addition to vast resources and its already matured socio-economic and political arena, the aspect of a young vibrant and skilled population portends an aspect of future and presents competitiveness in the global economic arena. Furtherance is the fact that with a smaller aged population, a majority of its financial resources, though channeled into economic welfare/social programs, will find useful avenues of performance. This is in contrast to the PRC, whose unique ' One Child' policy has produced a resultant control of population, despite the gender ratio imbalance brought forth.

As a result, a more mature and fast aging population ratio is developing, vis-a-vis a small and fast shrinking young population; the latter being the economic backbone of any state-entities development. Furtherance is the future portended costs being in taking care of the large aged population, considering China's global standing as the most populous nation. This will entail higher costs/expenditures on the socio-welfare initiative and programs being vital to other potential economic enhancers (Schrank, 2010).

Economic aspects, as pertaining to the above two entities, are unique in terms of either common characteristics or distinguishable factors. The US

constitutes the biggest global economy, followed by the PRC as the second biggest, in addition to the prerequisite socio-cultural and geo-political influences on the larger global arena. Fundamentally, the two are existent basically as competitors, but more so as market-partner states. The USA, driven by a mixed-capitalist economy, based fundamentally on the principles of Liberalism/democracy, Capitalism, and free-trade has over the years grown to become the biggest single economy presently.

Its annual GDP of US \$15 trillion makes up for roughly a fifth part of global GDP; it is an indicative factor of its economic might, considering its population size vis-a-vis contemporary global populations. Highly productive and fundamentally principled on its well-developed infrastructure, in addition to an abundance of natural resources, the US is clearly an economic giant worth mentioning. Being the largest goods and services importer, and the second place as the largest exporter, the USA is an economic global power, which is fundamental to the overall global economy.

The American private sector constitutes a rough estimated 85% of the total economic output to the federal government's output of a rough 4.5%, with local and state governments contributing the remaining rough estimate of 9%. Its economy can be categorized as having attained the 'post-industrial' stage, with the service sector constituting around 68% of its GDP. Leading in terms of gross volume (receipt) sales volumes are America's retail and wholesale arena, while in terms of net income, is its Manufacturing/industrial base (IMF, 2012).

America is by far the leading manufacturer of chemical products, leading producer of both nuclear and electrical energy, in addition to a host of other products. Its labor force consists of around 155 million people, with the government being the leading employer at 22 million people rough estimate. Both social welfare and healthcare are the leading private employment facets of the America's economy.

China (the PRC), on the other hand, following the USA, in terms of economic growth and capabilities, attains an annual turnover of about US \$ 8. 3 trillion. It is critical to note that unlike the United States that is founded on the principles of Democracy and Capitalist (free trade), China, from its recent founding (1949) engaged in the Soviet-styled central economic planning without the prerequisite capitalist basics or private business entities. Its one party-rule characteristics further strengthened the state's outreach in terms of policy enforcement, planning, and articulation, as the federal government engaged in all aspects of its economy.

These SOEs - State-owned enterprises, in addition to collectivized agricultural land ownership, provided the avenue for Mao Zedong's Great Leap Forward (1960s), a Cultural Revolution, which achieved a mixed result of economic effects. Deng Xiaoping, backed by the new leadership in Beijing, instituted economic reforms, which espoused a shift from his predecessor's ideals, and more towards a mixed, market-oriented economy, driven by the existent one-party rule under the Communist Ideology (Chang, 1987).

State-owned enterprises and their inefficiencies were restructured through the introduction of western-styled systems of management, in addition to

mass closure of the enterprises deemed unprofitable; hence, en masse job losses. Notwithstanding the above is contemporary China's market economy, which is characteristically based on private-property ownership, a leading example of 'State-capitalism'. With this, the state is able to maintain its hold on 'key/pillar' industrial arenas of heavy manufacturing and energy, while the 30 million-strong private business sector further enhances its private enterprises.

This contrasts to America's free-market capitalist system, which is based on private property ownership and enterprise. The federal government is active in the enhancement and overall protection of American enterprises, though not necessarily controlling them as is espoused by the PRC example above. In terms of the political ideology, China remains a de facto one-party state under the guidance of the Communist Party, though practicing some Capitalist ideals in its economic arena. The USA, on the other hand, is a fully-fledged democracy, which is characterized by vibrancy in its political space in addition to freedoms and rights.

Being a multi-partial state though fundamentally under the administration of either the Democratic or Republican Party, America is a multi-faceted society, whose divergent cultures enhance its core principles of democracy and free-market economy. China, on the other hand, is fundamentally made up of ethnic Chinese groups (56) and emigrant expatriates; thus, limited in cultural interaction. The USA, on the other hand, is multi-cultured; therefore, more open to other ideologies, perspectives, and views.

In terms of education standards, China provides compulsory education, which is free for all elementary and middle age children, solidifying its workforce base through a production of large volumes of skilled personnel. With high literacy rates, especially in its urban and peri-urban trade/manufacturing regional zones, provides a boost for its current and future economic output. With a huge manufacturing base (high productivity) in tandem with moderately good and solid infrastructure, in addition to low labor costs - huge labor-force pool, China continues to attract numerous firms as partners or direct foreign investors; thus, boosting its economic arena.

The education arena of the USA may not be as competitive as that of the PRC, but with many of the acclaimed global institution of higher learning, the US continues to produce many skilled personnel; though it should be noted that a majority of skilled labor in the US is often in the hands of immigrants. Thus, the USA implements a foreign policy of 'attracting/drawing in' the world's best labor/talent; hence, enhancing its future economic outlook (Roach, 2011).

In conclusion, firms/enterprises, which venture into either the USA or the PRC, should entail a knowledgeable aspect as pertaining to the political, socio-cultural, and economic factors present. Though endeavoring in freeing up itself, China still remains stringent on the aspects of foreign-owned business ventures, while pursuing a 'non-interference' stance, wherever it prospers in terms of economic growth. On the other hand, the USA is critical of the kind of ideology present in its economic partner states; thus, limits trading mainly to democracies as itself. China is, hence, able to compete

<https://assignbuster.com/the-us-and-china-fundamental-differences/>

more effectively; thus, enhancing its current place as the international leader in the manufacture and sale of goods and services.