Answer to China: competitiveness

Greenville News, The (SC) - November 1, 2004
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Furman program a valuable exploration of pros and cons of China**'s** rise, its impact on our state and nation.

EDITORIAL

When the United States sneezes, the world gets a cold -- or so goes the old saw often used to illustrate our economic dominance. Is the same now true of China? Is this communist nation friend or foe? Are its 1 billion people the world's largest underdeveloped consumer market? Or, is the most populous nation on the planet a threat to U.S. manufacturers because of China**'s** intentionally devalued currency, government-subsidized companies and cheap -- and sometimes forced -- labor?

We know the politics. But seldom do we dispense with the hot rhetoric and rationally debate the global consequences of the rapid rise of the Chinese economy. Seldom do we examine how this nation's political evolution will either push China toward friendship with the United States or deepen the division. The Richard W. Riley Institute of Government, Politics and Public Leadership at Furman University held a conference last week that raised the pertinent questions and provided some answers and insight that help to define our complicated relationship with China.

Among the featured speakers and panelists were Pieter Bottelier, an international economist and China scholar at Johns Hopkins University, and Albert Keidel, a senior associate with the Carnegie Endowment and the former deputy director for the Office of East Asian Nations at the U.S. Treasury Department.

There is honest disagreement on whether the United States will come out ahead in its relationship with China, disagreement that was on display during this conference. Not in dispute is that both nations' economic fortunes are inextricably bound. We produce more goods than anyone in the world. China has more potential consumers than anyone in the world. China has grown into a manufacturing giant. The United States, by far, has the world's richest consumer base.

Our cultural identity and our textile roots have created plenty of distrust of the Chinese. China has used its advantages of cheap labor and artificially devalued currency to dominate the textile industry.

How we compete -- and on whose terms -- will determine how many manufacturing jobs we eventually cede to China. Directly impacting that is how we regulate and tax American businesses, how we draft future trade agreements and how forceful we are in holding China accountable for trade abuses within the framework of the World Trade Organization.

Of course South Carolina thrives off foreign investment. This state is home to the largest

Chinese-owned manufacturing plant in the United States, the 350-employee Haier refrigeration plant in Camden. Our state government is courting more investment and some local business leaders are establishing a sales office here to attract more Chinese companies in hopes of establishing more trading partnerships. Simultaneously, we are competing against and working with China.

The Riley Institute series will continue next year with an exploration of political transition in China. This portion of the five-part series provided fruitful and needed discussion without the raw politics, half-truths and shouting that too often passes for dialogue.