

A Chinese Whisper

China likes to mind its own business. It wants to have as little involvement abroad as it can get away with. Instead of acting for the "greater good of humanity" it responds pragmatically when its own interests are at stake.

IN OTHER WORDS



AMITAVA KAR

TO understand why and how China has emerged as a great power, we have to look beyond what experts usually point to. The Chinese have opened up the economy, they have invested heavily in R&D, goods made in China flood stores in the United States, Europe and elsewhere, they

are a patriotic bunch. They are industrious. These are good reasons. But what are the real ones? Why can't other nations do the same? The United States used to be a major manufacturing country. Now it's a consumption economy with an astounding number of obese people. Why?

What drives the way the Chinese do things and conduct themselves at the personal as well as national level? I have seen Chinese graduate students in the US who kept quiet in the classroom when the Professor asked a question, but at the end of the semester, managed to score all A's. They have no intention of showing off. They are advancing slowly but surely without making a lot of noise.

Despite all its strength and ambition, China is not bent on global domination. Although its influence is undeniably rising, its engagement is transactional, not imperial. Its interest beyond Asia is mainly in countries that can provide it with raw materials and markets. Talk of China's "big footprints" in Africa, for example, is overstated. Its stock of direct investment in the continent still lags far behind that of Great Britain and France and amounts to only a third of the United States'. In Africa and Latin America it is concentrating more on taking stakes in local companies, not just buying up land and resources.

China likes to mind its own business. It wants to have as little involvement abroad as it can get away with. Instead of acting for the "greater good



China searches for modern values in its ancient past.

PHOTO: AP

of humanity" it responds pragmatically when its own interests are at stake. Its navy has begun to participate in anti-piracy operations off the Horn of Africa and in UN peacekeeping in Africa. In 2011 it sent a ship to co-ordinate the evacuation of 36,000 Chinese workers from Libya. The world may anticipate more such actions as its companies get more deeply involved around the globe. It is also making inroads into the use of soft power through Confucius Institutes all over the world that try to demonstrate that China and its culture are benign.

What China is against is easier to comprehend

than what it is for. It opposed Bush's incursion into Iraq in 2003, vetoed the interventions Western powers sought in Syria and Darfur and took no position on the Russian annexation of Crimea. Chinese leaders are not great fans of the existing system of alliances but offer no alternative system of collective security. They talk about sharing resources in the South and East China Seas, but have offered no definite proposals to this end.

Disappointed by what it sees as its lack of influence in international organisations, China led the establishment of the Shanghai-based New

Development Bank in 2014, of which all the BRICS countries are members and which looks like a tenderfoot to the World Bank. It has also set up an Asian Infrastructure Investment Bank to rival the ADB.

A late appearance is not unusual for a great power. It took a world war to draw the US irreversibly onto the world stage. Over 200 years, through much pain and suffering, China has transformed the very centre of its identity, changing itself from an inward- and backward-looking society to an outward- and forward-looking power. Since 1978, it has shown both flexibility and firm resolve in its continued pursuit of wealth and power.

Many countries around the world respect, and would like to imitate, the undemocratic but efficient way that China has managed its decades of growth. But how exactly to go about it? What do they know that the rest of the world doesn't? Well, for one thing, they don't believe that they are superior to others or destined by the Divine to be great. They know they have to work for it.

They are honest with themselves. More importantly, they know how. While the Western culture teaches people to be 'themselves'—there could be no advice more hollow than this—Confucius, Mencius, Zhuangzi and other Chinese thinkers, more than 2,000 years ago taught that we shouldn't be looking for our essential self, let alone seeking to embrace it, because there is no true, absolute self to begin with. As they understood, human beings are messy, multidimensional beings, a tangle of conflicting emotions and capabilities living in a messy, ever-changing world. We are who we are by constantly reacting to one another. It's no wonder that the Chinese leadership is turning to ancient philosophy for support.

That's something to learn from China.

The writer is a member of the Editorial Team of The Daily Star.

PROJECT SYNDICATE

Why Trump?

BUSINESS & FINANCE



JOSEPH E. STIGLITZ

AS I have traveled around the world in recent weeks, I am repeatedly asked two questions: Is it conceivable that Donald Trump could

win the US presidency? And how did his candidacy get this far in the first place?

As for the first question, though political forecasting is even more difficult than economic forecasting, the odds are strongly in favour of Hillary Clinton. Still, the closeness of the race (at least until very recently) has been a mystery: Clinton is one of the most qualified and well prepared presidential candidates that the United States has had, while Trump is one of the least qualified and worst prepared.

Moreover, Trump's campaign has survived behaviour by him that would have ended a candidate's chances in the past.

So why would Americans be playing Russian roulette (for that is what even a one-in-six chance of a Trump victory means)? Those outside the US want to know the answer, because the outcome affects them, too, though they have no influence over it.

And that brings us to the second question: why did the US Republican Party nominate a candidate that even its leaders rejected?

Obviously, many factors helped Trump beat 16 Republican primary challengers to get this far. Personalities matter, and some people do seem to warm up to Trump's reality-TV persona.

But several underlying factors also appear to have contributed to the closeness of the race. For starters, many Americans are economically worse off than they were a quarter-

century ago. The median income of full-time male employees is lower than it was 42 years ago, and it is increasingly difficult for those with limited education to get a full-time job that pays decent wages.

Indeed, real (inflation-adjusted) wages at the bottom of the income distribution are roughly where they were 60 years ago. So it is no surprise that Trump finds a large, receptive audience when he says the state

political leaders promised would ensure prosperity for all – such as trade and financial liberalisation – have not delivered. Far from it. And those whose standard of living has stagnated or declined have reached a simple conclusion: America's political leaders either didn't know what they were talking about or were lying (or both).

Trump wants to blame all of America's problems on trade and

America's companies have done well, and it is the Republicans who have blocked efforts to ensure that Americans made worse off by trade agreements would share the benefits.

Thus, many Americans feel buffeted by forces outside their control, leading to outcomes that are distinctly unfair. Long-standing assumptions – that America is a land of opportunity and that each generation will be better off than the last – have been called into question. The global financial crisis may have represented a turning point for many voters: their government saved the rich bankers who had brought the US to the brink of ruin, while seemingly doing almost nothing for the millions of ordinary Americans who lost their jobs and homes. The system not only produced unfair results, but seemed rigged to do so.

Support for Trump is based, at least partly, on the widespread anger stemming from that loss of trust in government. But Trump's proposed policies would make a bad situation much worse. Surely, another dose of trickle-down economics of the kind he promises, with tax cuts aimed almost entirely at rich Americans and corporations, would produce results no better than the last time they were tried.

In fact, launching a trade war with China, Mexico, and other US trading partners, as Trump promises, would make all Americans poorer and create new impediments to the global cooperation needed to address critical global problems like the Islamic State, global terrorism, and climate change. Using

money that could be invested in technology, education, or infrastructure to build a wall between the US and Mexico is a twofer in terms of wasting resources.

There are two messages US political elites should be hearing. The simplistic neo-liberal market-fundamentalist theories that have shaped so much economic policy during the last four decades are badly misleading, with GDP growth coming at the price of soaring inequality. Trickle-down economics hasn't and won't work. Markets don't exist in a vacuum. The Thatcher-Reagan "revolution," which rewrote the rules and restructured markets for the benefit of those at the top, succeeded all too well in increasing inequality, but utterly failed in its mission to increase growth.

This leads to the second message: we need to rewrite the rules of the economy once again, this time to ensure that ordinary citizens benefit. Politicians in the US and elsewhere who ignore this lesson will be held accountable. Change entails risk. But the Trump phenomenon – and more than a few similar political developments in Europe – has revealed the far greater risks entailed by failing to heed this message: societies divided, democracies undermined, and economies weakened.

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PHOTO: AFP

of the economy is rotten. But Trump is wrong both about the diagnosis and the prescription. The US economy as a whole has done well for the last six decades: GDP has increased nearly six-fold. But the fruits of that growth have gone to a relatively few at the top – people like Trump, owing partly to massive tax cuts that he would extend and deepen.

At the same time, reforms that

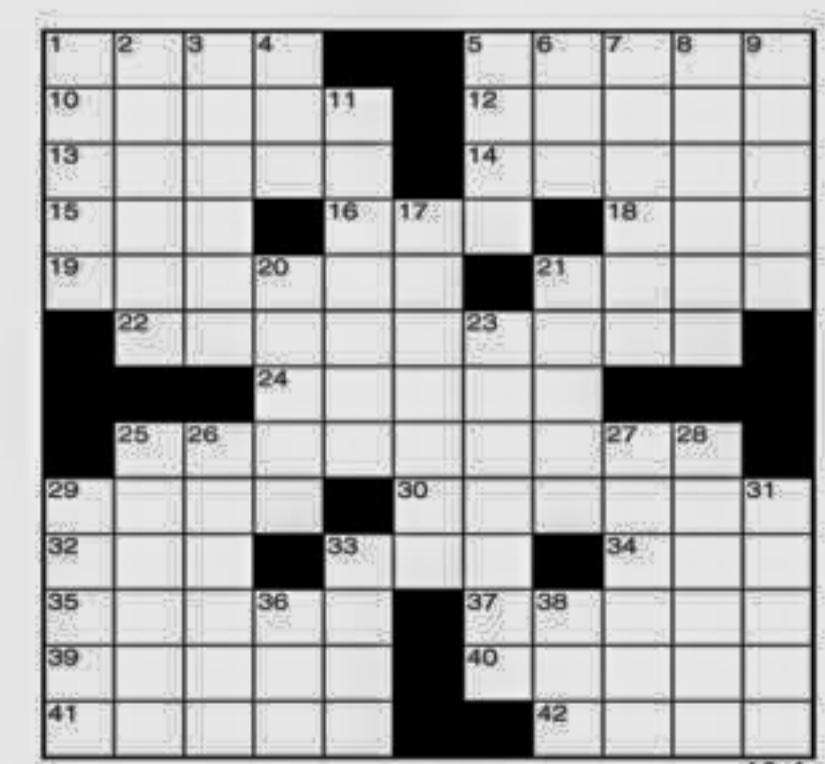
immigration. He's wrong. The US would have faced deindustrialisation even without freer trade: global employment in manufacturing has been declining, with productivity gains exceeding demand growth.

Where the trade agreements failed, it was not because the US was outsmarted by its trading partners; it was because the US trade agenda was shaped by corporate interests.

CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- Sandbox toy
 - Diner Choice
 - Dogpatch Fellow
 - Even If, Informally
 - Washer cycle
 - Underground
 - Lupino of film
 - Reb's org.
 - Help out
 - Becomes prevalent
 - Cobbler's tools
 - Like some sofas
 - Do some tailoring
 - Country's edge, often
 - Complain
 - Emerson works
 - Metal source
 - Place of refuge
 - Brewed drink
 - Enter a password, say
 - Collectively
 - Up in the air
 - "Honest!"
 - Good judgment

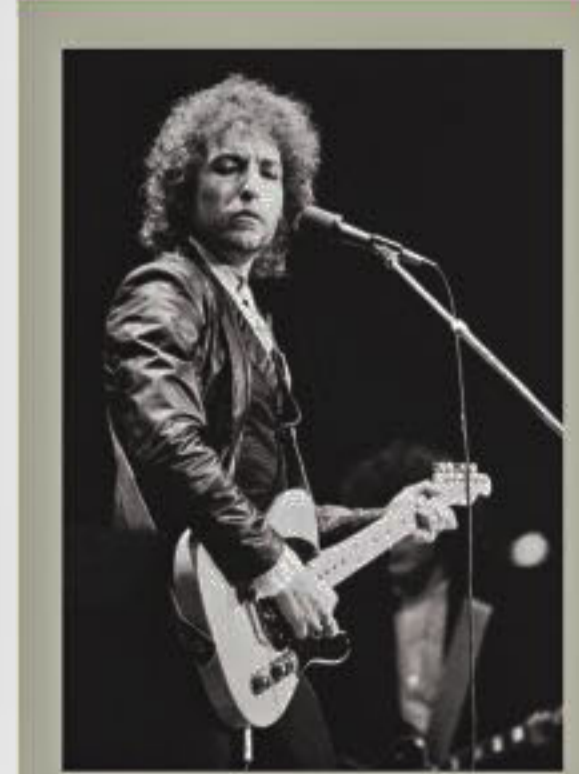
- DOWN**
- Unites
 - Seine straddler
 - Tolerates
 - Essential
 - Trumpeter Elgart
 - Crimson Tide school
 - Corrida cheer
 - Northern capital
 - Tickle pink
 - Parka parts
 - Speaks from memory
 - Brandy glass
 - Throw away
 - Opposition force
 - Raincoat type
 - King of music
 - Eugene setting
 - Christmat St. Peter's
 - Lens cover
 - Fizzy drinks
 - Store events
 - Player's fee
 - Conditions
 - Right away



YESTERDAY'S ANSWER

JAMES SLACKS
 ADORE PLANO
 CHURN HOMER
 KEN STEEPLE
 ART EAR ALS
 LEAP REGIS
 I AM SAG
 ONTAP SNAG
 APT DOS TVA
 VERANDA REF
 ANAXE DWARF
 STIES ARISE
 TOLLS TYLER

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