

# China's competitive advantage

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Research from Jack McCann of Lincoln Memorial University, in Tennessee, suggests that China could become the dominant economic power within a few years if it exploits the competitive advantages it is creating politically, culturally, legally and economically.

Writing in the current issue of the *International Journal of Sustainable Strategic Management*, Jack McCann suggests that China's business and political leaders have long worked to build strong relationships with developing countries. However, it is strengthening of its global political presence that is closely aligned with economic expansion, which could lead to a sustainable dominant position in the world.

The Chinese Communist Party has governed [China](#) for the past 55 years and remains secure in its position as the sole political party in China. Despite its seeming inability to respond with ease to changes in Chinese society, the Party has nevertheless witnessed an average annual growth of about 10% for nearly two decades and unique stability during the current world economic crises. Indeed, China's merchandise trade has been growing at about 14%, three times faster than world trade, making China the third largest economy as of 2008.

"On paper, globalization poses the long-term potential to raise living standards and reduce the costs of goods and services for people everywhere," says McCann. However, globalization does not mean equitability. China currently produces almost three-quarters of the world's today, nearly two-thirds of its bicycles, a third of its [television sets](#) and air conditioners, and half of the world's microwave ovens.

"China's pool of cheap labor may dominate world labor markets for decades, giving it a monopoly on cheaply manufactured goods," McCann explains.

There is an intriguing undercurrent to China's development and trade practices that concerns those in the West. "Competitive strategies, currency manipulation, and piracy of intellectual property are causing concern in the [global economy](#) and creating protectionist reactions in many countries," adds McCann. It is interesting to note that as China utilizes its various competitive advantages, not least those ethical considerations, it has in recent years become the world's second-largest oil consumer after the US while the US trade deficit with China increases year after year into the hundreds of billions of dollars. Globalization has wrought new opportunities for many nations. China is no different than any other in attempting to make the most of this emerging world order.

**More information:** "The Chinese competitive advantage" in *Int. J. Sustainable Strategic Management*, 2011, 3, 1-12

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