

Question 28, Analyse the impact of protectionist policies on the domestic and global economies.

There are many impacts on globalisation in each and every country around the world. The country which is the largest and biggest economy in the world is China. The Asian country is a closed society, with brutal government and denies its people many of the freedom associated with economic success.

Throughout this essay, many information would be included. The following information are the performance in the economy, policies, problems, etc.

China's economic performance has seen a rapid economic growth accompany structural transformation.

Gain in productivity and strong growth permitted improvement in real incomes and living standards. The Government needs to deal with a range of political problems, including the internal demand for greater freedom, the inequality between the

poor northern provinces and the increasingly rich Southern provinces.

The most significant element is the reforms introduced in China named Special Economic Zones in 1980.

The major elements of the reforms strategy is to create infrastructure, and make macroeconomic management effect. Reforms aims is to transform state-owned enterprises to make business efficient. The Government's aim is to make fully accountable for profits and losses, and give control over their operation.

China has a good performance in the level of the economy. It has successfully achieved outstanding economic performance in the 1990's.

Economic growth run at around 10% per year.

Earnings on trade boomed, and

the domestic savings were remarkably high

at 40% of GDP. Also China has seen sharp

increases in the current account receipts

successfully using foreign borrowings in a way which stimulates exports.

There are a range of unique problems that China faces. It faces a challenge in determining whether the business condition enterprises should become the norm of the entire country. China still has to deal with poverty of hundreds and millions of people suffering between the north and south provinces and between the urban and rural populations. This threatens China's political stability.

China lacks an efficient instrument on the macroeconomic management, which makes the economy prone to high inflation and cycle on macroeconomic stability. Government spending has fallen as of proportion of GDP, China is not to allow a reduction in deficit. State enterprises remain poor, the government spending is high. Many workers in

inefficient firms lose their jobs.

China is highly dependent on the foreign investors for the success of goods and services.

Social problems still need to be dealt with, in all areas of China. Poor improvement on saving the people in China. China has a frosty relationship with the United States because of its brutal government (a government that has to deal with difficult issues, not as organised as the government in Australia, it a harsh government). China finds it hard to gather support from other nations in order to get an application to join the World Trade Organisation (WTO).