

Title: National Interest vs. Global Ethic: “Made in China 2025” at the Expense of the World Economy

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To transform from a “world’s factory” into a technology-intensive powerhouse, China’s government established “Made in China 2025” (MIC 2025); this project, however, generates economic implications for the global market. Within MIC 2025, China exerts pressure to attain intellectual properties from abroad, reduces foreign participation in China’s market, and provides large subsidies and protection to domestic firms (Morrison 36). This paper, based on economic models, argues that MIC 2025 exacerbates the global economy because of the market distortion and trade conflicts generated by these government interventions. According to Alden Abbott, government interventions that empower competitive advantages of domestic firms over foreign rivals are considered “anti-competitive market distortions,” which dampen competition from foreign producers. For example, before MIC 2025, China has practiced a comparable state-led policy to provide large subsidies to its domestic solar industry, leading to overcapacity and dumping of low-priced solar panels. Kevin Bullis claimed the 60% drop in the price of solar panels from 2011 to 2013 caused the fall of major US firms such as Solyndra and SolarWorld. MIC 2025 proposes the expansion of this policy to ten other key Chinese industries, generating conflicts with foreign nations. Starting in 2018, the escalating US-China trade war has aggravated the world economy to the point that Global Economic Prospects expected global economic growth to decline to 2.6% in 2019. MIC 2025 promises prospective development for China; however, it implies threats to the world economy because of its state-led policy that distorts the global market and provokes trade conflicts.

Works Cited

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