

Perspectives on China's Systematic Impact on Late Industrialization: A Critical Appraisal

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ABSTRACT

Since the turn of the century, China's influence on world development has increased enormously. This has given rise to the proliferation of scholarly studies on the dynamics and ramifications of the influence. A large number of the studies have coalesced around the thesis of 'China reinforcing Southern de-industrialization', and that of 'China under-cutting Southern labour'. The first thesis dwells on verifying whether Chinese manufactures exports have been crowding-out exports from other developing countries in the world market, and/or whether China's imports of primary commodities have been inducing the export countries to exceedingly specialize in primary commodities production. The second thesis dwells on verifying whether Chinese manufactures exports have been driving other developing countries to rely on 'cheap labour' for the competitiveness of their industries, and/or whether China's direct investment in other developing countries has been mainly pursuing 'cheap labour'. This paper offers a critical appraisal of the theses. Looking at the overall picture of China's 'going out' and the actual performance of Southern industrialization, it is submitted that the ramifications of the Chinese influence are far more complex. Furthermore, looking at the direction of China's domestic economic development, it is submitted that the nature of China's 'going out' deviates fundamentally from the afore-mentioned theses.

Keywords: China, trade, investment, world development

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