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# Building trade and relations with China

Lately, the tension between the United States and China, vis-a-vis human rights and most-favored-nation trade status and the discomfort between the United States and Japan in trade deficit and access to Japanese markets have reached a critical high point, intensifying the role of U.S. foreign policy to the competitiveness of U.S. businesses in the Asian market.

China's biggest trade partners, in descending order, are Hong Kong, Japan, U.S., Germany, and Russia. Japan's are the United States, China, Taiwan, Korea, and Germany. While some of us are gratified by the recent triumph of NAFTA integrating the North American economies of Canada, the U.S. and Mexico into a large free-trade association, we should not overlook the potentially gigantic economy of China. NAFTA will serve less than 400 million people of the three countries combined. China alone has population of 1.4

billion with an economic yearly growth rate around 13.5%, whereas the U.S. growth rate hovers around 3%.

There is every indication that China is the world's most promising market. However, between the United States and China, there is a tremendous gap in the relative level of industrialization. Also, there is a huge disparity in the fundamental elements upon which each nation is built. In addition, China is faced with overwhelming challenges during the transition stage of economic reform. Internally, China's uncertainty of political transformation further complicates social and economic issues. To work with China, all these factors and others, comprehensively, call for an unprecedented high level of deliberation, understanding and patience in forming working strategies . . . that take into account cultural and historical diversities.

How can U.S.-China trade be put into a mutually acceptable environment of a win-win situation? Before trying to answer this question, we need to consider how best to normalize the political relationship between the two governments so that both countries can benefit economically.

In our daily lives, we often experience some pleasant or not-so-pleasant dealings. Seemingly, those situations where both parties have established a communication channel and have a good baseline of mutual understanding tend to be harmonic and more ready to reach amicable agreements. In the absence of this environment, misinterpretation, overreaction and animosity could be quickly manifested.

The delicate "people factor" and "interpersonal chemistry" cannot be lightly dismissed even in the negotiation between nations. Perhaps some "do's" and "don'ts" that

are commonly recognized and effectively worked in the business world and in people management can be incorporated in the political policy-making as well. After all, countries are made of people and led by people. Generally, human nature does not differ regardless of national history, culture, race, gender, and age. Courtesy consideration and respect are of prime importance. There is a vivid distinction between kowtow and courtesy and respect to the human receiving antenna. The process of creating a healthy rapport through courtesy and respect and mutual trust has been a valuable tool in business ventures. This tool can be equally useful in handling international affairs.

Modern leadership is defined as the ability to influence and to pull rather than to command and to push.

As the democracy movement in China continues showing the sign

of progress, albeit slowly, there is good reason to be optimistic. Human rights are the direct reflection of democracy. Ensuring human rights should be a priority in any nation. Yet the subtlety and complexity of politics and trade intertwined with other critical events in the rest of the world make the issue not as tangible and straightforward as "either have human rights or have no MFN trade status."

Today, there is no other country in the world that offers more opportunities of growth and capital gains than China. It is not an exaggeration to state: "The future prosperity of the world rests in Asia and the future prosperity of Asia rests in the hands of China." It is certainly worth extraordinary effort to cultivate a healthy relationship and to "manage" the tenacious issues with China. By doing so, our nation can benefit from this emerging huge market.

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