

Question Paper Code : 3784

MBA (CBCS) Examination, 2018

(Semester-IV)

INTERNATIONAL TRADE AND GEO-POLITICS

[SE-453]

Time : Three Hours]

[Maximum Marks : 70

Note : Answer **five** questions in all. Question **No.1** is **compulsory**. Besides this, **one** question is to be attempted from each unit.

1. Read the case given below and answer the questions that follow :

CASE

Innovation in China today must closely align with of what Communist Party General Secretary Xi Jinping calls the "National Rejuvenation," including a revival of the economic trajectory toward self-sufficiency and independence. This singular bent on self-sufficiency may be familiar with "America First" observers in the U.S.,

but it has roots stretching back almost to the foundation of the People's Republic of China. Even Feigenbaum of the Paulson institute traced China's ambitions for economic self-sufficiency to the 1950s, when Mao Zedong emphasized the need for Chinese government-driven security solutions. Reeling from the departures of Soviet Union academics and resources, China's leadership identified the need for cutting-edge technology as a means for preservation and survival. The current iteration of the Chinese government, complete with a newly anointed leader-for-life, presents China-led private sector organizations with something of an ultimatum out of this survival instinct that predated China's market economy. Firms either cooperate with Party initiatives and directives or inhibit their own capacity to survive. Wang Xiaochun, head of search engine Sogou, said as much himself: "If you think clearly about this, you can resonate together with the State ... But if it's in your nature to go your own way... then you'll find that things are more painful than the past."

This newfound necessity of corporate loyalty to the Party and government is an important component of China's "National Rejuvenation." The last few years have seen

as to why on one hand, India is not a part of any economic union and on the other, there are 30 countries comfortable with being a member of the European Union. [10]

7. Discuss the importance of the following : [5+5=10]
- (a) India and EPZs
 - (b) ASEAN

UNIT-IV

8. How does the Asian Development Bank support the region through its schemes ? Discuss various steps that the institution has taken since inception. [10]
9. How have the IMF and World Bank charted out geopolitical landscape of the globe ? [10]

----- X -----

- (c) How does 'America First' change the geopolitical scenario between the two countries ? [10]

UNIT-I

2. Discuss the importance of location, locale and sense of place in understanding geopolitics. [10]
3. Discuss the contributions of John Agnew and Massey towards geopolitics. [10]

UNIT-II

4. Differentiate by identifying how the following theories contribute to the understanding of foreign direct investment : [10]
- (a) Dunning's Eclectic Theory
- (b) Factor Mobility Theory
- (c) Ownership Advantage Theory

5. 'Globe is witnessing deglobalisation' Critically examine the statement with respect to patterns of global F.D.I.[10]

UNIT-III

6. "Economic Unions create strong geopolitical presence and give countries a firm economic character." Analyse

3784/200

(6)

the China-first ideology rapidly codified into the cybersecurity and corporate governance laws that domestic and foreign firms must follow. Media and technology firms are likely to face future scrutiny by new reform moves that move key media regulation and cybersecurity regulation organizations closer to central powers. China's anti-corruption indictments, which have taken out Party and government leaders, have also brought down private-sector bigwigs that pose political nuisances to Xi and Xi-ism.

China's current private sector is operating in a continuously narrowing space when conducting domestic and international business. Corporations themselves may not be the originators of compliant actions to the Chinese government, but may have to comply with Party directives all the same. Foreign firms operating in China are now facing a harsh course-change by an environment that once sought partnerships and capital. In their 2017 survey of member firms, the U.S.-China Business Council found that 20 percent of trade union members were asked to transfer technologies, providing China with additional leverage. Pressure levied on technology companies like Apple and Airbnb are requiring

3784/200

(3)

[P.T.O.]

local data storage for China operations - including access to that data by request of Chinese authorities.

Censorship of American cultural exports to China is also expected to continue. Kissinger Institute Fellow Aynne Kokas' recent testimony before the House Foreign Affairs Committee found two key types of film regulations that pushed production firms to partner with Chinese counterparts: a 34-film foreign movie quota and a rule that co-productions could be the exception to the quota rule. But regardless of the makeup of production firms, strict censorship rules on politics and social rules set by the Chinese government are the deciding factor of which Hollywood stars grace Beijing's silver screens. The prevailing warning for America's services are: In order to profit from cultural products and services within China, firms must follow the same exacting rules that China's corporations follow.

The tide winds of domestic Chinese pressure will contribute to uncertainties for American firms' profitability and operational freedoms in China. Hitting back at China and only China on perceptions of cheating is not, in itself a way to bolster innovation and competitiveness of U.S.

firms in China. Retaliatory tariffs between China and United States are unlikely to alter the course China has charted to pursue technological dominance and develop a service sector, even if it means continuing to shut out market access to American corporations via cybersecurity and censorship. After the dust from tariff and investigations related headlines settle, the strategy of determining means to persuade or push China toward more economic and cultural openness will be the far trickier question.

By RUI ZHONG, opinion Contributor-04/01/18 10:30 AM EDT6

<http://thehill.Com/opinion/finance/381152-when-america-first-meets-chinas-national-rejuvenation>

Questions :

- (a) How did China develop its geopolitical landscape in the latter part of the 20th century ? [10]
- (b) What was America's economic interest in China despite China being a closed economy and how could America exploit the same ? [10]