**[Battle for economy: China vs The West](https://nation.com.pk/15-Jan-2020/battle-for-economy-china-vs-the-west%22%20%5Ct%20%22_new)**

Dr Farid A Malik January 15, 2020

Own the nation rest will fall into place. Chairman Mao Tse Tung was perhaps the most outstanding leader of the 20th century. He also said, ‘Revolution comes through the barrel of the gun’. While the state in the ‘People’s Republic of China’ (PRC) takes care of every citizen but at the same time does not shy away from using  the bullet for common good.

The economic miracle of PRC has baffled the western democracies. By contrast the common law has failed in curbing corruption in the free world. Democracy is being blamed for slow rate of progress. In Pakistan too the democratic framework is under scrutiny. Battle lines are being drawn between economic growth and individual liberties which do not exist in PRC. Success of China comes from focus on common good while in the democratic Western World is plagued by the control of Multinational Companies (MNC) run by their greedy boards. Democracy has now become subservient to these affluent groups. State has lost its teeth after deregulation.

Till 1858 East India Company ruled over India. Governor Generals were appointed by their board. It was called Company Raj. Finally the Monarch took control of the colony and it became British Raj. In the 19th century there was a belief that companies cannot effectively run countries. The thought was further refined  in the 20th century with two world wars and three major revolutions (Bolshevik 1917, Chinese 1947, Iranian 1979). Regulatory frameworks were put into place to check monopolies, profiteering and exploitation of the common man. Competition was encouraged for growth. Then came ‘Reaganomics’ and ‘Thatcherism’ which removed all checks enacted for common good.

It is all about amicable sharing of nations’ wealth and resources for common good. In the West individual wealth has increased manifold with huge gaps between the rich and the poor. Deprivation and exploitation is on the rise. Youth have lost hope in the future and have started living on day to day basis. A few years back I had the chance of spending a few days in Central London. Even on working days, at night time all bars were full of young people which I found very unusual. In our student days we only had two night  outs (Friday, Saturday) rest were for studies and homework. It seems now that fun and socializing comes,  there is no long term planning or hope.

Unregulated MNCs have played havoc with the people. Even health and safety have been compromised in most cases, there is no one to check the greed driven excesses. Shareholders are only interested in profits and the value of their holdings. On issues of national importance most nations are divided. In UK Brexit has become a big challenge. Two Prime Ministers (David Cameron, Teresa May) had to bite the dust while the third one (Boris Johnson) is now trying to see it through.

In USA presidential candidate Bernie Sanders is raising issues affecting the common man. Unemployment, student loans, tax breaks for the rich are all being discussed. Under Donald Trump the country has gone to far towards the right leaving the deprived segments of society behind who need hand holding. Nations rise and fall together, divided they perish. Today the economic divides in the West are unbearable and insurmountable. The situation is not sustainable any longer and calls for attention.

In the welfare states all natural resources have been declared public property. Revenues generated are spend on the people. There is a concept of public private partnership with the state. In China a similar model is followed. The state receives earnings from these enterprises which are then utilized for common good. Monopolies of MNCs are not allowed.

After wasting a couple of decades finally a model of public private ownership has been deployed for the development of Thar Coal reserves in the province of Sindh. The joint venture company is called Sindh Engro Coal Mining Company (SECMC). Government of Sindh has 55% ownership while private sector has 45% stakes together with management control. Coal is being mined for power generation with sharing of revenues. For a mine of the size of 8 million tons per annum (MTPA) the tariff has been fixed at $ 42.45 per ton. Coal will also be used for producing clean fuels like Synthetic Natural Gas (SNG) and Liquid Fuels. For a mine of the size of about 4 MTPA the annual revenue of the Sindh Government will be around $20M.Such equitable models can be used for other natural resources like the Reko-Diq Copper/Gold deposit or the Chiniot-Rajoa Iron Ore mine.

The economic divides in the West will ruin nations, together with the democratic order. While a unified Chinese nation is moving in the right direction the divided Western economies are traversing bumpy paths. The power of vote has to be restored for democracy to survive which will then ensure proper checks and balances for common good. The struggles and resulting lessons from the 20th century cannot be overlooked. With rising suffering of humanity a major change of direction is required by the free world to deal with the Chinese challenge which seems unstoppable under the existing approach of exploitation of the masses by MNCs. Economic strangulation is as bad as curbing individual freedom, a balance between the two have to be struck for common good of the nations.

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