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Chinese Economy

China is not only famous for tourist destinations in the world. It also includes the disastrous policies of Mao Zedong. During the Great Leap Forward, in 1958, the greatest social disaster of the twentieth century, was included in the country's history. This campaign lasted for 2 years (1958-1960), but the echoes persist for more than a decade in the life of Chinese people.

Mao Zedong announced the national goal of the Great Leap Forward: The rapid economic recovery and the strengthening of the industrial sector. The public has been proclaimed to be the foundation of an ideal society in the future. The main principle of society is the socialization of the life of the member. Money is replaced by work. But the methods to achieve this goal have led to sad results. Furthermore, the cultural revolution arises in next period. There is no culture, no rich, no education, but chairman. As a result, the revolution has seen a huge loss of human capital, many schools were shut down and also traditional culture was challenged.

Since the cultural revolution came up, there is a reformation with a more structured policies: restored education, one child policy and changed the employment structure. China also open up for FDI in special zones. Consequently, government was decentralized, their control was more relax, and there is a widespread privatization of state enterprises which can leads to the economic success.

I’m most impressed by the long history of China. Not only that this would be a huge development into China, it also will add a gigantic impact onto the global economy. As you can see from the huge amount of trading, investing, exporting and etc., it can show that China has greatly developed nowadays. Moreover, I think China will develop more and more in the future as a result of the sequential step by step in country's development.

ASEAN Financial Integration: Freer flows of capital

One of the goals of the ASEAN Economic Community was the "*Freer Flow of Capital*". The freer flow of capital is made through the integration of capital markets of ASEAN members and the capital account. Most progress will be in the integration of the capital market. Due to the ASEAN Summit, targeted financial cooperation in the ASEAN Economic Community Blueprint in 2 topics: orderly capital account liberalization, and allowing adequate safeguard against potential economic instability.

For capital account liberalization framework, there are 5 stages which consists of current account, direct investment, portfolio inflows, portfolio outflows, and other flows. These stages can indicate the level of risk from low to high, respectively. This makes it easier for foreigners to buy our stock than we buy foreign stocks. However, it can be done only by large funds, and if people want to invest, it can be done only through the mutual funds.

This lecture made me interested and researched more in state-to-private dispute resolution, which is a mechanism under the IIAs or International Investment Agreement, such as the Bilateral Investment Treaties (BITs) and the Free Trade Agreements (FTAs). It provides investors with access to the process of dispute resolution with the recipient state, in the case where the investor considers that the state violating of obligations under the agreement.