

## **The Chinese "Go Global" Policy and the Portuguese Kinship**

**IlhŽu, Fernanda**

**Pereira, Susana**

### **Abstract**

The Chinese government actively encourages their domestic enterprises to go global with the implementation of the "Go Global" policy, launched in 2001, being Chinese companies encouraged to invest outward following its own commercial strategies, but also fitting in China diplomatic goals and national interests.

The diplomatic objectives of this investment is also clear, since China diplomatic strategic approach follows a soft and smart power models, being these models defined the first as the ability to get what you want through attraction rather than coercion or payments and the second as the intelligent integration of diplomatic, defence and development networks with hard and soft power tools. The Chinese soft power utilizes as persuasive tools the humanitarian support, the culture, the bilateral, the multilateral diplomacy and the Overseas Foreign Direct Investment. This model of global cooperation requires a new bilateral and multilateral cooperation strategy based in a mutual perception of mutual benefits for all the participants that means a "win-win" situation for everybody in the deal.

Chinese government identified Portuguese culture and language business network as a valuable one for Chinese international ventures strategy. This network is a kinship of around 260 million people in geographically strategic locations; Angola, Mozambique, Cape Verde, Guinea Bissau in Africa, namely Angola and Mozambique, are members of Southern African Development Community (SADC), Portugal a member of EU the biggest consumer block with a population around 500 million; Brazil in South America, is a member of Southern Common Market (MERCOSUR), an integrated market with a population of around 267 million persons; East Timor is an oil supplier in front of Indonesia and Macau arises as China's strategic dialogue platform to these countries.

With the objective of promoting trade and investment and implement common projects in various domains between China and Portuguese-Speaking Countries, the Forum for Economic and Trade Cooperation was created by the Chinese government in 2003. This Forum based in Macau, follow the theoretical rational that internationalization is largely driven by networks of relationships, very often based in a share culture and language and the network relationships of a firm is capable of providing the context for its international activities.

Since these models require a "win win" perception of the results of the mutual cooperation our research questions are "What is the Portuguese perspective of the Macau Forum? What is the perception of the Portuguese companies on the outcomes of Portugal's participation? Can the Forum contribute to the exports growth and expansion of Portuguese companies in China? What outcomes Portugal expects to obtain by its participation in the Forum? Can Portugal play the role of economic platform between China and the Portuguese Speaking Countries? Can Macau play the role of economic platform between China and the Portuguese Speaking Countries? Can the Forum be a commercial promotional tool between China and the Portuguese Speaking Countries?