

# Econ 455

Politics, Communism



Econ 455 Proposal of China passed Japan as world's No. 2 economy

Introduction According to the data announced by Japanese government on Aug 16th, Japan had economic output of \$1.23 trillion compare with China's \$1.337 trillion in second quarter, which means the economy aggregate of Japan was less than China and China becomes No. 2 economy in the world. This event was highly concerned by the international communities.

Statement of problem 1. China and international trade. a) Trading partners <http://wenwen.soso.com/z/q64425652.htm> b) Trade pattern 2. Why could China get develop? a) Massive land b) Labor force c) Resource d) Huge market e) Political factor i. The 30-year economy reform. 1. High investment rate 2. Transition from planned economy to market economy 3. Focus on economic development, not political ideology 4. Opening of economy to foreign investment 5. One-party government making quick focused decisions 3. What the effect of this issue bring to Asian a) The relationship changes between China and other countries, like Japan and India. b) The expected future and difficulties of development of China (environment, aging labor force, western discrimination). c) The differences in political role brought by this change. 4. Worldwide effects a) Western countries apply new policy (tax, currency) b) The trade pattern would change Objective First to detect the reason how China became the 2nd largest economy in the world. Analysis this event though some information and personal experiences. Also explain the effects of the issue bring to Asia and even world and describe how trade would change to reflect the economic statue.