

# An analysis of the current chinese economy

Economics



**ASSIGN  
BUSTER**

### Question 1: Was China successful in implementing economic reforms?

The Chinese Economic Reform was no doubt a success as the economy of the republic continued to increase its Gross National Product annually in the past decade. The various phases that involved the economic reform were in a circular course. It was composed of expansion, retraction and then consolidation after a campaign of political “rectification” had been undertaken (Hu). The drastic changes in the economic state of China can be attributed to certain reasons. But in a nut shell, the success of the economic reforms can be attributed to the China’s policies which pushed the Chinese to bring out and optimize their abilities and resources. It is the China’s willingness to accept foreign investors to have business in their country.

### Question 2: What are the factors that affect the Chinese economic growth?

The first specific reason would be the open door policy. The open door policy allowed and welcomed foreign investors and endorsed foreign investment and trade. This same policy has provided skills training, capital, and latest technology, among others to the Chinese people. It also gave much employment opportunities for the Chinese (Finkelstein and Gunness). On the other hand, it also brought competition in the local market. Fortunately, these domestic competitions has caused the workers and local businessmen to become efficient and pushed to manufacture quality products and consumers.

In addition, the China’s decision to join the World Trade Organization provided wider opportunities for the Republic. The negative effects of the foreign competition that could be brought to the country’s economy were

controlled by imposing gradual reduction of import Tariffs. World Trade Organization or WTO is an international organization which plans and implements economic and trade policies among its member nations. Its main aim is to make sure that there will be a smooth flow of trade as freely as it can be.

Question 3: What is the role of the Chinese Communist Government in this economic reform?

At present, China promotes superiority of local officials and even the plant managers, in the field of agriculture (Mann). That system allowed small businesses to have greater varieties of their products and even increased the trade and investment from non-state members or foreigners.

Since the economic reforms were implemented, the economy of China has drastically boomed. It has substantially grown faster as compared to the time when the reform was not yet implemented.

For example, in 2004, there was an original measurement of 9.5 percent Gross Domestic Product Growth but revising the figure would mean 10.1 percent rate of the GDP. More so, the average yearly GDP of China has grown to 9.6 percent between 1979 and 2005.

The statistics only implies that every year, China, has manifested growth in its economy. The production has increased which means the national income would also bloat of its amount. The increase in GDP would also mean more employment opportunities among Chinese and more business ventures for the businessmen, even the small-scale ones (Curley and Thomas).

The rapid economic growth of China is worth note taking. The “ socialist market economy” could be an answer to the long before economic problems of the third world countries. Who would have thought that the Chinese Economic Reform would drastically change the economy of China? The concept of economic development is not a utopian one. A country could always has its economic leap if it is open to the changes it entails, just like what China did—even by bit by bit.

Reference:

Curley, Melissa, and Nicholas Thomas. Advancing East Asian Regionalism. Politics in Asia Series. London ; New York: Routledge, 2007.

Finkelstein, David Michael, and Kristen Gunness. Civil-Military Relations in Today's China : Swimmingin a New Sea. Armonk, N. Y.: M. E. Sharpe, Inc., 2007.

Hu, Angang. Economic and Social Transformation in China : Challenges and Opportunities. London ; New York: Routledge, 2007.

Mann, Jim. The China Fantasy : How Our Leaders Explain Away Chinese Repression. New York: Viking, 2007.