

Market transition process: an overview

[Literature](#), [Russian Literature](#)



Chinese Market Transition China has built on the components of its economy on successive waves of economic reforms that have marginally transformed all the aspects of economic growth and activities in the country. China has remarkably come toward a market economy and has changed the faces of the economic challenges that have faced the economy in the past 30 years. More than that, it is remarkable that China has come away from the command economy and has successfully adopted a functioning market economy that has manifested a transitioned economic building upon its markets and industrialization. As argued by Qian (p. 151-8), even though the transitional process of the Chinese economy is still incomplete, but some marginal level of market transition can be felt not only in China alone, but also in the world market.

A critical analysis of the Chinese market transitional agenda shows that first the economic transition of China was based on a different approach that the policy makers adopted from the world. As stated by Nanghton (2007), the Chinese transition started by a system transformation, which was then preceded by an economic development. It was perceived, as reported by Qian (p. 156) that the process of economic development in China, after a period of underdevelopment, would drive market transition in the rightfully wanted direction and thus guarantee the success of the market transition. As far as this dimensional growth was concerned, the individual reform policies were not, thus, judged on how they contribute overall to the economic growth, but it was anticipated that the market transition would be completed by the time the economy would attain the middle-income status.

As a striking difference from other social states then like Russia, China

adopted a functioning economy instead of a command economy because the Chinese reformers realized many unmet needs in the economy. Some of these realized needs were due to the poverty and the under-developed status of the country, while others were due to the wasteful command economy that generated national resources on expensive industrial projects while neglecting simple and satisfied demands of consumers (Nanghton, 2007). The first reform agenda was thus to allow for the unmet needs in the economy to be met through individuals organizations and industries, a process that opened up a free market economy in China in 1978. Started from the rural reforms, pressure was reduced from the rural farmers and more gains were realized in the agricultural sector. A major boost of the agricultural sector by the government created a large scale production boom by the end of 1983. Through the aspects of rural reforms policies, agricultural reform policies, commercial reforms, dual track system, as well as industrialization reform policies, a market manifested by transitioned policies was eminent in china, during the time when the economic development of China started to show upward shifts.

These two articles tell the story of an economy that was divided along regional lines to a united economy with a transitioned market that controls the world market of goods and services. Through different reform moves from 1979-98, the Chinese market has not only decentralized its economic sectors but also opened up its market to the world. The market liberalization that has been powered by a tax and fiscal system reforms that are aligned with international policies, the Chinese transitioned market has made the economy be a major challenge to the world, seconding only the economy of

the United States. The major question that arises from these two articles is that what main reform drives can the developing economies that are still locked in planned and centralized market and economic system can adopt from the Chinese reform story in order to realized an uprightly moving growth shifts?

Work Cited

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