POLICY ANALYSIS OF RAPID ECONOMIC DEVELOPMENT IN CHINA

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Abstract

This policy paper begins with a brief introduction of why economic development was chosen and why in particular China. The paper contains a brief mention of the history and geography of China, and how its security consideration affected its policy making, and how economic growth suffered as a result.

The policy that was pursued by China from 1949 to 1978 is discussed in brief to understand the policy itself, what went wrong and the condition that prevailed in 1978. Also discussed is the process of reform.

In addition, this paper explores the components of the reform agenda, the importance of its open door policy, and how it was able to attract Foreign Direct Investment. This analysis then investigates how FDI helped in the growth of the Chinese economy and certain features which are peculiar to China, like its household registration system and how it has been able to retain its comparative advantage in spite of economic growth. Finally a brief mention of what the Chinese are aiming for, and what should be their strategy for the future.