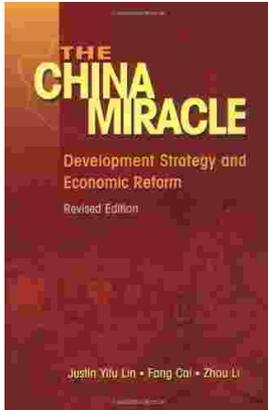


The China Miracle: Development Strategy and Economic Reform



The China Miracle: Development Strategy and Economic Reform

PU-46864

US/Data/Law

4.5/5 From 794 Reviews

Fang Cai, Zhou Li, Justin Yifu Lin

**Download PDF | ePub | DOC | audiobook | ebooks*

 Download

 Read Online

0 of 0 people found the following review helpful. Five StarsBy S. T. KwongExcellent condition3 of 3 people found the following review helpful. Excellent Information Source -By Loyd EskildsonIt is difficult to obtain credible information about China's economic transformation. Justin Lin's "The China Miracle" provides a good source of information, some of which is summarized in the following. The average annual growth rate in real consumption/capital (7.2%) after reform was 3.3X the 1952-77 rate (2.2%). People's living standards had improved little, pre-reform. Maximum resources had been allocated to the production of capital products, wages were frozen at low levels, and farmers lacked incentives to improve output. Many starved. Prices were set according to their relative importance to state plans; agriculture, energy, and transportation were treated as inputs to heavy industries and frequently given low prices, thus helping those key areas to obtain low prices. This created waste and shortages. New capital-intensive/heavy industries were government-protected, resulting in high costs and poor quality. Business could neither select nor fire its workers. SOE experiments beginning in 1978 allowed raises, bonuses, and profit retention; the experiments were expanded in 1980. TVEs could not get cheap state resources and thus had to pay market-tier prices. This created shortages for the SOEs. The state then began reducing the number of products that it allocated, as well as the number of products carrying state-set prices. China's banks were eventually allowed to compete both geographically and by customer type. SOEs had largely been set up in heavy industry, leaving TVEs to use rural labor surpluses and take over opportunities in light industry. Between 1978 and 1997, TVE employees increased 102 million; their output increased 10X in the first 7 years. Household savings in 2000 were 304X the level of 1978. 11 of 13 people found the following review helpful. Highly Recommended Textbook for China's Economic DevelopmentBy Ming Yan Chan "The China Miracle" provides an extensive study of the China's economic development since the establishment of People's Republic of China in 1949. Since the economic reform began in the late 1970s, China's economy grew rapid, with an average annual GNP growth rate of 10% for the past two decades. The China's experience contrasts greatly with the vast difficulties faced by the transition in the form Soviet Union, and Central and Eastern European countries. The success of China's reform thus has attracted worldwide attention. The authors attempts to answer four questions that are