

Abstract

This study of China's achievements in economic development is focused on the period after 1978, when the government of China started a series of economic reforms. It explains some important components of Chinese economic policies that have contributed to China's fast economic growth.

China's high economic performance was not a coincidence. The key success factor is the quest by the Chinese people to acquire know-how and new technologies. Since 1949's Independence Day, China has gone through over 55 years of the experiment. Among the past 55 years, China experienced and struggled through the Great Leap and the Culture Revolution. Although Chinese people suffered during the period of chaos, they also acquired a valuable experience. In 1978, government of China started a series of reforms, which include agricultural reform, enterprise reform, banking system reform and open-door policy. These reforms focus on different sectors, but they all had a common trait, which was knowledge acquisition and adoption of advanced technology. This study shows that China's current achievement on economic development is not only led by exports, but also it is led by Chinese people's learning-by-doing approach and the quest for better technology.

Today, China is still facing some economic issues, for example, large cities' high unemployment rate, uneven income distribution, unsatisfactory performance of government owned enterprises, imperfect financial systems and so on. I believe that these problems will be solved by Chinese people through the learning-by-doing approach. A country's economy has to go through a practicing stage in order for it to become highly developed.