



China and the World Economy

Past, present and future

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Today's goals

- 30 years of spectacular economic performance in a broad context
- from plan to market in China (1978)
- ... and Russia (1992)
- the future
 - current challenges → future outcomes
 - China's (economic) position in the world



30 years of
spectacular performance

The China we know

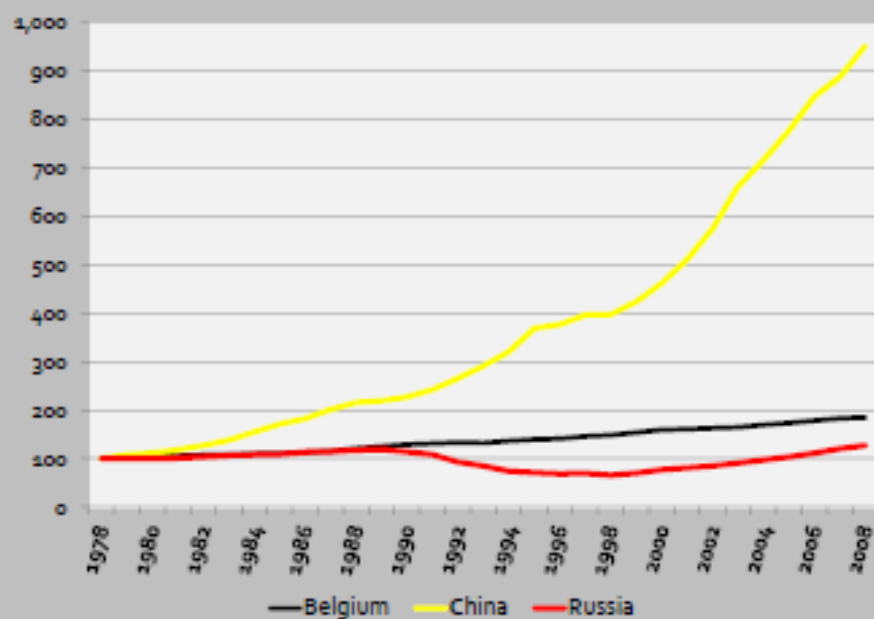
- 30 years of spectacular economic performance since the start of the transition to a market system (1978)
 - large and fast growing economy
 - factory of the world

measurement

- Gross domestic product (GDP)
 - size of an economy
 - all *final* goods and services produced
 - all 'value added' created
- GDP per capita
 - widely available standard-of-living proxy
 - living standards tend to move with per-capita GDP
 - ⇒ detect changes in living standards through time and differences across countries

The China we know

Real GDP growth (1978=100)



**Pudong,
Shanghai**



**Shenzhen 1985
vs today**



Shenzen 1985 vs today

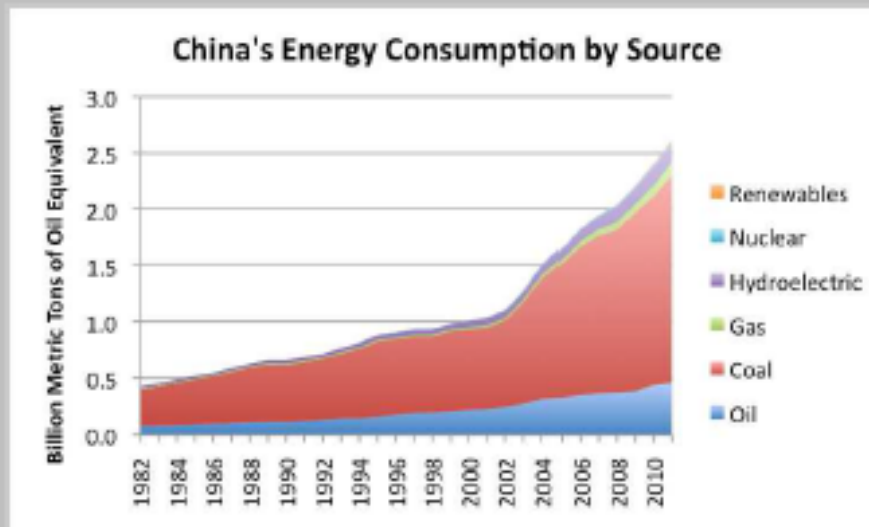


Shenzen 1985 vs today



The China we know

energy consumption as an alternative measure

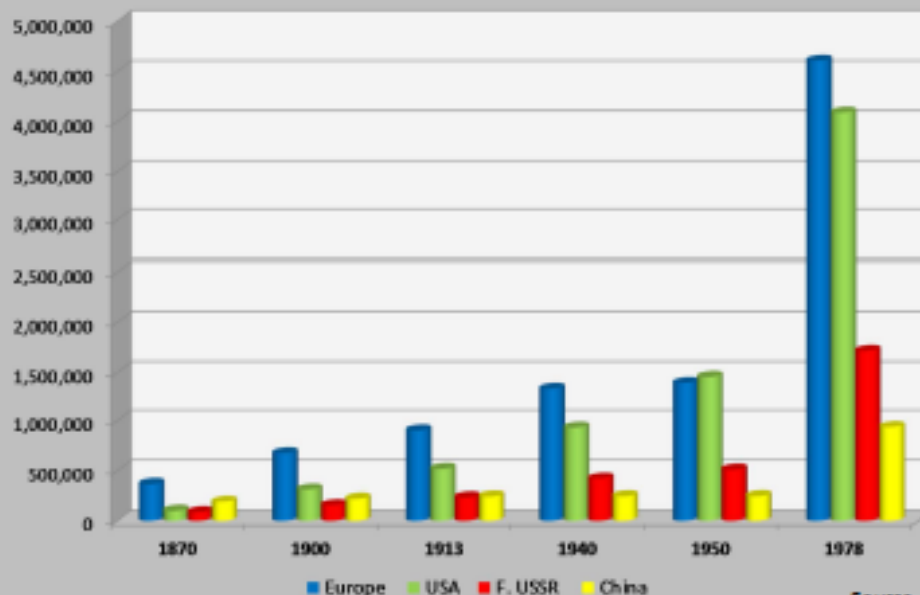


Probably some efficiency improvements as well!

The China we might know

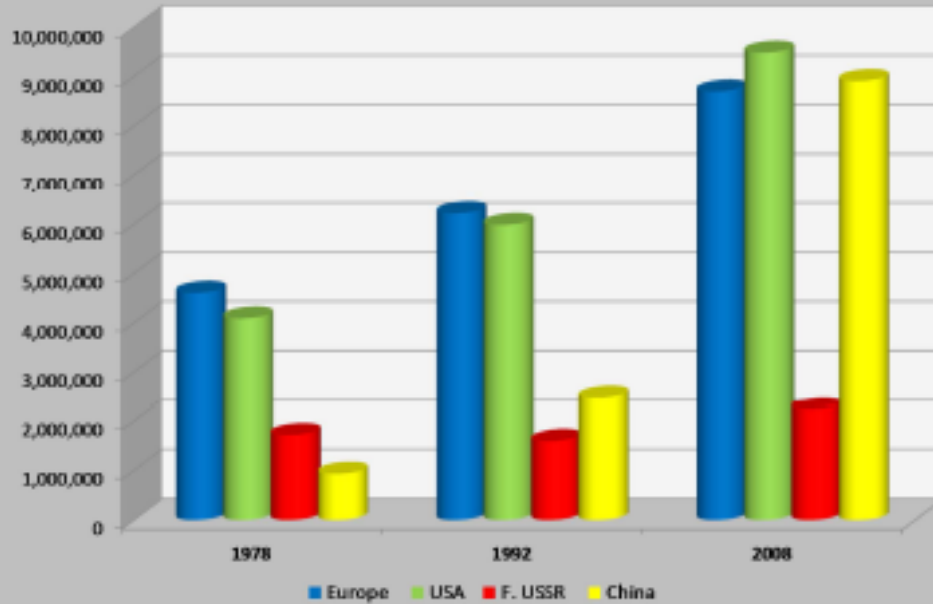
GDP levels (1990 USD)

Europe = 30 Western European countries

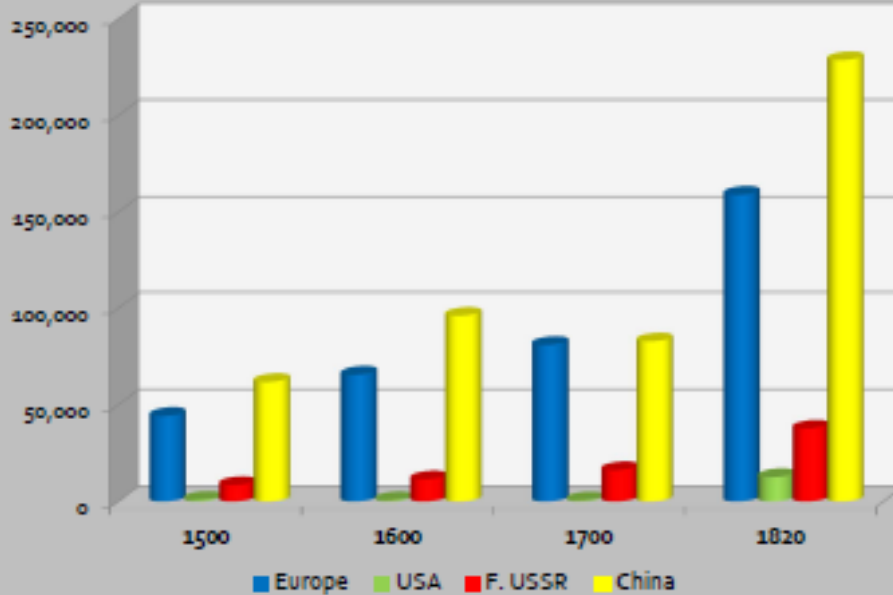


Source: A. Maddison

Becoming the second largest economy in the world *GDP (1990 USD)*

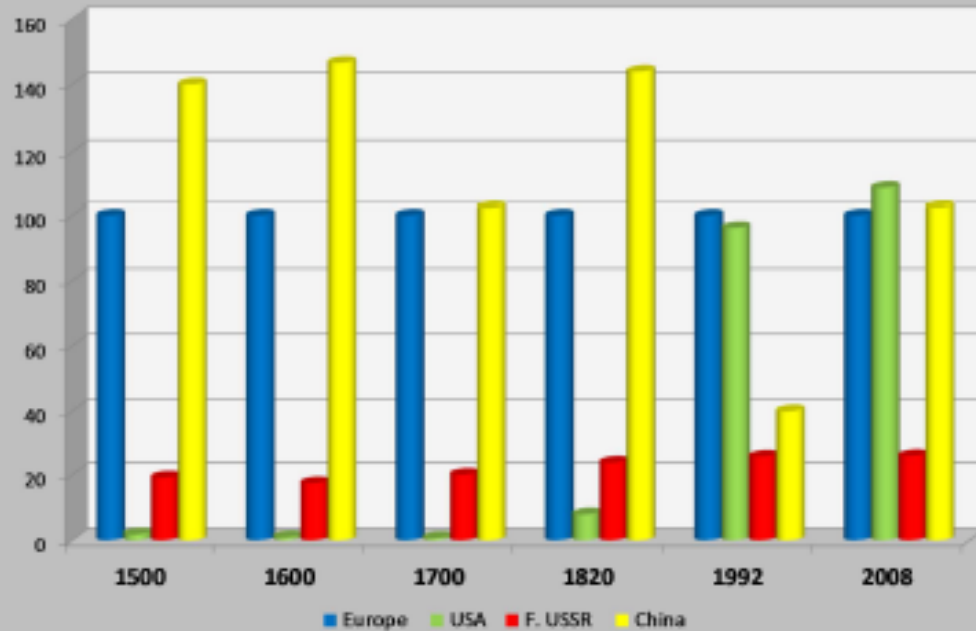


'RE-emerging market' *GDP (1990 USD)*



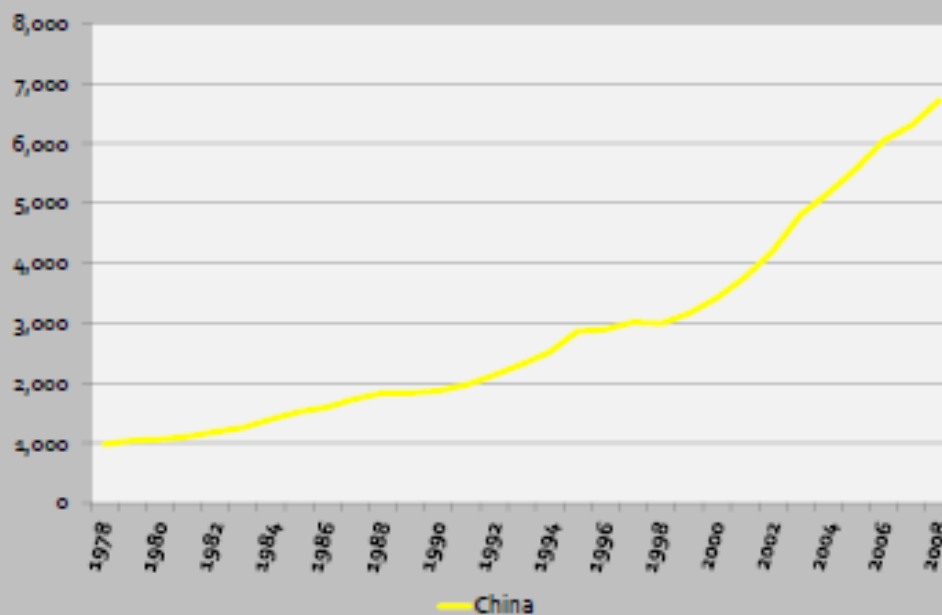
GDP index; Europe = 100

(1990 USD; 30 European countries = 100)



Welfare(?)

Per capita GDP (1990 USD)



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