

**Economic, Political and Social Indicators of Development for China  
and Russia**  
**Project Guidelines and Rubric**

Using the data gathered in the Economic Development Chart, answer the following questions:

In the last fifteen years, **China** and Russia have shifted significantly from centrally planned economies toward more market---driven economies, with opposing consequences for development.

- (a) Using the data from two of the seven indicators in the Economic Development Chart, make and support an argument that either **China** or Russia is more developed than the other.
- (b) Using two of the factors below, explain how, in the last fifteen years, each has contributed to the level of development of the more---developed country you identified in (a).

- Institutional arrangements**
- International forces**
- Leadership change

***Rubric:***

**Format - 10 points**

Two pages

Double spaced

12pt. font

Ariel or Times New Roman

**Organization - 10 points**

Well defined thesis

Use of specific detail

Well---structured

Effective examples

**Part (a) 40 points**

**10 points** each is earned for correctly identifying two indicators that support the argument for the country that is selected as more developed. The identification of two indicators must be comparative.

**10 points** each is earned for linking the indicators' values (from the Economic Development Chart) to the argument about the level of development for the selected country. The student must make a stand on which country is more developed.

**Part (b) 40 Points**

**20 points** are possible for **each of two** chosen facets. 10 points is earned for factual accuracy, and 10 additional points is earned for explaining how the factor contributed to the level of development.

Submit your completed assignment when finished.

For all the legacies of the Soviet Union that pervade in the present Russian Federation, the People's Republic of China, in its present state, has attained a greater level of economic development than that attained by the Russian Federation. Despite what some statistics would lead many to believe on the surface, when taking into account the various concentrations of population and development in the People's Republic and the country's sheer size, it can be understood that such statistics actually, on the whole, reflect a level of progress in mainland China not seen in the Russian Federation. In terms of sheer economic production, economic sector diversity, and overall quality of life for many Eastern Coast Chinese, the People's Republic reigns superior in level of development relative to the Russian Federation.

Before any scrutiny be brought upon the economic data of the People's Republic and the Russian Federation, it must first be considered that the population of the former is nearly 1.4 billion people; even when concentrated primarily on the country's eastern coast, hundreds of millions occupy inland cities; in the case of the latter, the population is 144.5 million, concentrated almost entirely in the 'European' western section of the country. That having been acknowledged, the seemingly stark contrast of the PRC's GDP Per Capita and the Russian Federation's GDP Per Capita—the former being \$7,329.09 USD and the latter being \$11,441.00 USD—is not as significantly a detractor of the PRC's development level as could be believed. It is objective fact, even accounting for Purchasing Power Parity, that the Russian GDP Per Capita is higher than the Chinese one, but, this being the case, the blessings of China's developed economy are shared unequally amongst the populace, meaning that a significant number of people may still live with higher standards than their Russian compatriots. This being the case, many Chinese are evidently better off, with longer life expectancies (76 to 72 years) and a lower death rate. General factors such as these, as well as continued rapid progress juxtaposed with the

Russian Federation's continued decline, support the idea that standards of living in China are, at least for many, better off and, therefore, more developed.

How then, do Russia and China compare on more macro levels? Well of course, the nominal GDP of the People's Republic of China is roughly eight times that of the Russian Federation, and it is projected to continue to grow larger and larger, all while the Russian Federation continues to suffer the pressures of international sanctions and fluctuating natural gas prices. The People's Republic of China, being so wealthy, is much more capable of funding public infrastructure projects and development, unlike the Russian Federation. This predicates a higher standard of development, allowing the former to more easily modernize the physical attributes of the country than the latter, which remains stuck within the confines of its Soviet past. As new skyscrapers rise in Hefei and bridges are built to Hong Kong, the Russian Federation sees only 4% of its GDP dedicated to lesser infrastructure programs. Quite apparently, the People's Republic of China evinces a more developed quality than the Russian Federation.

The cause of much of the People's Republic of China's prosperity and the Russian Federation's failures in the arena of development lie with economic diversity. For Russia, export diversification remains low despite efforts having been made since 2014 to alter that; oil and gas products still constitute over half of goods exports and nearly a quarter of fiscal revenue. For the People's Republic of China, on the other hand, economics are wildly diverse across the various regions of the country, each province existing presently at a differing stage of development and economic growth. Agriculture still retains an 8% share of the national GDP, being that many provinces remain dedicated to supplying the food that fuels the country; industry holds a 40% share of GDP, divided across many smaller categories such as

manufacturing and design; service is a rapidly growing sector from 52.2%, with there being a myriad of employment opportunities in such fields as medicine, retail, global trade, and more. Being reliant on a limited number of exports severely inhibits Russia's present development and its potential for new growth, while China, on the other hand, exports myriad electronics, toys, furniture, and other goods, in addition to having a robust service sector. Albeit existing at differing levels of development, the regions of China come together in one country to overall hold a general level of development greater than that of the Russian Federation, being more complex in nature.

Much of the People's Republic of China's development can be credited to institutional arrangements and international forces working their magic upon the Chinese economy. Implementation of special economic zones and exceptional arrangements (one country, two systems in Hong Kong and Macau) has promoted a diversification of economic sectors and an unmitigated level of foreign investment. International forces (rising demand for cheaper goods, particularly electronics, as well as increased demand for affordable research and development) have likewise promoted this rapid foreign investment, driving significant capital into the country. Developing into a positive feedback loop, the influx of capital creates excitement that only draws more capital. Restrictive regulations and rising labor costs in a globalized world have also driven many corporations to take refuge in the People's Republic of China, and the opportunity that China presents as an untapped market has led many companies to themselves develop not just production operations, but retail operations in China, as well. A globalized world has greatly expedited interaction with China as both a hub of production and a new market; companies such as Alibaba make it easier for foreigners to import Chinese goods and connect with the Chinese economy. The institutional arrangements go hand in hand with these

international forces, deregulating vital areas and promoting investment and optimism. Combined together, these factors have contributed greatly to Chinese development.

The future is bright for the People's Republic of China as its cities shine and grow, although there may be dark times ahead in terms of demographics. For the Russian Federation, the glorious past cannot be easily realized again, and economic woes are only the beginning with a simplistic, non-diverse economy; soon, too, will its demographics become a nightmarish situation to handle. Education, standards of living, and economics are all on the up-and-up in the People's Republic at present, and they are stagnating in the Russian Federation. For the time being, thus, the People's Republic of China can be argued to have a higher level of development than the Russian Federation.