

## **Is China a Hybrid Economy? A Review of Economic Development of China with special reference to Dual Track Approach for Economic Development**

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As the third largest economy in the world, People's Republic of China (PRC) has maintained 8% average annual growth rate continually in the past three decades. These circumstances have doubled its GDP growth rates within 9 years as Bradley's law of 72. Factors behind the rapid economic growth in China are associated with strategic policy framework built on central economic planning and liberal economic policies known as dual track policy approach. Thus, China followed a hybrid model comprising a socialist commodity system influenced by market mechanism. According to growth records, the take-off of the Chinese economy has commenced in 1952 but the economic transition and the rapid development occurred after 1978 along with economic policy reforms based on the dual track approach. Thus, the huge rural agricultural economy of China has moved from agriculture to industry and service sectors by reducing the share of agriculture in GDP from 16.5% in 1979 to 9% in 2016. At the same time, the share of industrial and service sectors increased to 40.5% and 50.5% respectively. The emergence of China as the main market economy in the world creates many challenges and opportunities to the rest of the world. Therefore, the paper intends to review the economic performance of PRC with special reference to the dual track approach to understand how it has contributed to the rapid development and economic transition in China. The methodology of the paper was based on secondary information published on China in the World Bank reports, international journals and the internet. The analysis revealed that dual track approach is effective in transforming low income rural

economy to dynamic market economy linked with the global market. However, PRC has to face greater challenges to sustain the economy against the global economic challenges and crisis.

**Keywords:** dual track policy, economic transition, emerging market, socialist policy, liberal policies