

# The dragon rises: china's growing economy

[Environment](#), [Animals](#)



China, both as a race and as a geographical place, is a something that the world cannot ignore. The size and population of the country is formidable, and as such, China's recent economic reforms have called the attention of global market. In just a p of over two decades, China was able to turn its economy around and currently, stands among the world's major economic forces. (Hui 2003) Its growth has been phenomenal and is still growing at an unprecedented pace. In the past twenty years, China has been able to increase its Gross Domestic Product (GDP) by four times, and now is recognized as a global economic power.

China has quickly worked its way up in the global economic scene and currently stands in the sixth position of the top trading countries of the world. These events have also lead to the influx of foreign investors which leads to even more growth. (Pei 2007) Experts believe that China's potential is as large and wide as its physical size and population. (Wanwen 2003) The ebbs and ties of China's economy have been directly related to the sociological changes that it has been going through, particularly in its more recent history.

As such, this paper intends to look at how these sociological events have been instrumental in creating the China that we know today and how its history as a nation continues to shape its people's collective and individual destiny. In terms of our collective history, China has always been a major world presence, not just in terms of economy, but more so in terms of the legacies that the Chinese civilization has given to us. However, whatever presence that China has had over the course of its history has been obscured

by internal conflicts and divisiveness which resulted in China falling to communist rule.

Distracted by domestic conflicts and territorial disputes, China failed to keep pace with the Industrial Revolution that swept Europe during the 18th and 19th centuries. China fell too far behind and was unable to recover. When the last of its emperors fell, China was left to languish in the shadow of communism which was at its height during Mao Zedong's rule. (Pei 2007) The failure of communism to provide a better life for the Chinese sowed the seeds of discontent. China's communist government initiated a series of socioeconomic policies that brought more suffering to the people, and an already stumbling country to its knees.

Mao's Great Leap Forward and Cultural Revolution left what is left of China in ruins. (Mackerras, 2001) After barely half a century of communism, China was ready for a change. When Zedong and his first-generation Chinese communist hardliners died, they were replaced by Deng Xiaoping, a more liberal ruler who laid the foundations for political and societal reforms, which in turn created an environment more conducive to economic growth. As a society, China was gradually emerging from its isolationist and repressive communist past with a government more cognizant of the need for change and openness.

In 1979, after decades of isolation, China opened its doors to foreign investors. This was a turning point in the country's economy. The tremendous size of China's population, as well as its cheap labor costs made it a haven for production. (Wang 2003) Soon, other multinational businesses

followed suit, realizing the cost-effectiveness of manufacturing in China, and the country never looked back since then. Of course, the act of opening China for foreign investments would not have been successful without the creation of more liberal policies that made China attractive to businesses.

The government began laying the foundations that would encourage a more market-oriented economy, while maintaining a tight political structure that characterized its socialist orientation. Aside from allowing foreign business to operate in China, these social and economic reforms also included the privatization of agricultural lands. The change from communal farming to individual operations allowed farmers more freedom in so far as the production of their crops is concerned. Mackerras, 2001) More authority and responsibility were passed on from the central government to local officials, who in turn created an environment that encouraged backyard business to develop and flourish. (Wang 2003)

Indeed, these massive and sweeping reforms have been successful in effecting the desired changes in China. However, Xiaoping and his followers have been keen to emphasize that the liberalization of society and economy as well as the easing of institutionalized control structures were done not so much to abandon socialism, but to improve it. Tianyu 2003) The Chinese, while eager to embrace change, is more reluctant to admit that socialism is wrong. In the end, the main goal of these reforms was to create a strong socialist country through democratization and modernization of society. The main tenet was that rather than struggle with the West, socialist China had better chances at proving its worth by cooperating with the West, through

common economic interests. (Tianyu 2003) China was able to benefit from the initial attempts at reforms made by the European socialists, primarily the Soviet Union and Poland.

Coming after their heels, China was able to learn from the mistakes their predecessors have made. China was able to maintain a strong centralized government, while allowing for the decentralization of economic functions. (Tianyu 2003) These societal and economic reforms continued unabated from the late 1970's until the early 1990's when China was ready to enter the second phase of its reform campaign. In 1993, Deng Xiaoping announced China's main goal: that of becoming " a socialist market economy. " (qtd. n Wang 2003) After successfully laying down the necessary social and legal infrastructures for a free-market, China was now ready to stake its claim in the global market stage. The main characteristic of this second phase revolved around the gradual shift from a planned or constructed economy to one that is more spontaneous and free-flowing. (Wang 2003) Privately owned business flourished, alongside foreign businesses. The goal was to advance the growth and penetrate the global arena. In 2001, China marked a milestone with its acceptance in the World Trade Organization (WTO).

Finally, the global recognition China has been yearning for has been given, and it was well worth the long wait. By 2003, the third wave of reforms was laid out, with the main goal of creating a stable socialist market economy by 2010 and a perfect socialist market economy by 2020. (qtd. in Wang 2003) The goals are indeed lofty, and while much still remains to be done, it is

apparent that China is on the right track, based on the sustained growth the country has been experiencing as of late.

Indeed, the social changes that have been put in effect in China have resulted in the economic growth and political power that the country enjoys in the world community. Had China remained a repressed and isolated society, it would still be trapped in the chaos and darkness of its communist past. Of course that is not to say that these changes did not come at a great price. Some sacrifices had to be made, and none of them were easy to do. The modern Chinese society that is modern and liberal was built upon the sacrifices of those who were willing to risk their lives in order to demand for change.

Also, while the economy of China is generally healthy, it does not mean that every Chinese individual is experiencing this prosperity. These changes have also created an imbalance in society, where people in urbanized areas enjoying a better standard of living than people living in rural, undeveloped areas of the country. This inequality must be addressed by the Chinese government if it is to be successful in achieving the goals that it has set for itself. In the final analysis, the liberalization of China has been a long time coming.

For so long it has languished under ineffective and cruel governments and an oppressive society that has no respect for the individual; a society that China has created for itself. Albeit belatedly, China has now come to its senses and has woken itself up. The winds of change have blown over this great country, awakening the dragon that has been sleeping for so long. For better or for

worse, the rising of the dragon is completed and for China, there is no looking back.

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