China: 2007). the maoist period of stagnation from

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China: Its Emergence as the “ Workshop of the World” Due to the opening up to foreign trade and investment in China in 1979, an unprecedented rate of growth was seen by the country 1980 to 2003: 9. 5% growth/year, 2003 to 2008: 10% growth/year (MacKinnon and Cumbers, 2007, pp105).

This growth has decelerated slightly since the recession but is still a strong 6-7% ahead of the global average (Spark, 2013). At the time when many economies saw their growth decline, during 2007 and 2012, Chinas GDP grew by a notable 60% (Spark, 2013). During the mid-20th century China was categorised as one of the “ poorest countries in the world” which was mainly at fault due to its very weak health and educational systems, in addition to this, wars completely destroyed parts of the country (Spark, 2007).

The Maoist period of stagnation from 1949 to 1978 was crucial in providing China with a strong economic base as during this time GDP had already started to increase by ~5% per year alongside life expectancy (Spark, 2007). In order for China to attract foreign investment, four Special Economic Zones (SEZs) were created in 1979 (MacKinnon and Cumbers, 2007, pp105) with the aim of attracting capitalists (Spark, 1013). Success of these SEZs was incredible, with two thirds of investment coming in through Hong Kong (MacKinnon and Cumbers, 2007, pp105) and the Chinese government decided to create “ open coastal cities” in 1984 which meant that Western companies could now set up along the East coast of China, soon after this the Yangtze valley opened up for foreign investment (Spark, 2013). A number of factors facilitated the growth of China into becoming a flourishing production economy. China has a large labour supply, meaning supply outstrips demand for work. The Chinese workforce will work for low wages as they are mainly lower middle or working class (Investopedia, n. d.

). There are also no workers' rights relating to child labour or low wages, meaning companies can get away with paying the lowest possible wage. Chinas evolution of supply chains has helped to support its growth as many areas now connect together to form a system of manufacturing through low cost labour, large workforces with great technical skills, component manufacturers, suppliers and customers (Investopedia, n.

d.). For example, in the late 1980s China supported the fastest growing automobile industry, which was composed of six main clusters around China that all linked together (Mackinnon and Cumbers, 2007, pp233).

By 2003 every single major player in this industry had invested in China, proving the singularity of Chinese bargaining power in gaining access to any world market (MacKinnon and Cumbers, 2007, pp234). 1985 saw the abolition of " double taxation" on exported goods from China, which increased its competition and lower tax rates and meant that production costs could be kept down (Investopedia, n. d.). Chinas dominance over other economies is not likely to remain forever.

Already we are seeing newer emerging economies (such as India) with growth rates increasing rapidly and they may pass China in the near future. As China shifts to a more knowledge based economy, away from production, this will cause wage rates to rise meaning the one key advantage that China historically had, i. e. cheap labour, will no longer be maintained, reducing Chinas competitiveness (Investopedia, n. d.

). Chinas growth has not all been positive. The country has suffered both socially and environmentally since the start of its growth period. The poorest nations in the world have a similar divide between the incomes of the rich and the poor to China and due to the mass rural to coastal migration, regional inequalities have severely worsened (MacKinnon and Cumbers, 2007, pp105). Environmental degradation and pollution is incomparable to any other country, seen as a major factor of Chinas growth is dependent on using up masses of raw materials and energy (MacKinnon and Cumbers, 2007, pp106). Chongqing: An Emerging Megacity Chongqing is a city in central China that has seen a rapid increase in growth since the early 2000s (Xinhua Finance, 2016). This has helped to push China’s development inland as well as along its coasts.

Many have realised, that with China’s rapid development, costs along central hubs at the coast are slowly increasing, and it is cheaper to now set up factories in rural areas with costs of construction being half the price of coastal comparisons and house prices are way below the coastal average (Ijjasz-Vasquez, 2018) Growth has increased by 14% annually since 2007, which is ~6% above Chinas average (Xinhua Finance, 2016). This has been assisted by the mass investment in transport and SEZs inland (Internships China, 2016). A direct train line was set up between Chongqing and Germany in 2010, opening up the area to car manufacturing (Ijjasz-Vasquez, 2018). Two thirds of laptops are now produced in Chongqing as many major foreign high-tech firms have moved to the area due to its economic attractiveness (Brown, 2009). It is producing high tech goods so as to try and jump the " developmental" stage that most megacities have to go through, gaining a high return on investment (Brown, 2009). Chongqing's GDP is currently the same size as Thailand's combined (Ijjasz-Vasquez, 2018). Areas such as Chongqing are helping to eliminate some of the economic problems caused by the coastal concentration of development in China which diminished the differences between rural and urban inequalities and household incomes.