

## Handout 1: Introduction to Deng Xiaoping



Unknown author. Deng Xiaoping and Jimmy Carter at the Arrival Ceremony for the Vice Premier of China. Wikimedia Commons 29 Jan. 1979. [https://commons.wikimedia.org/wiki/File:Deng\\_Xiaoping\\_and\\_Jimmy\\_Carter\\_at\\_the\\_arrival\\_ceremony\\_for\\_the\\_Vice\\_Premier\\_of\\_China\\_\(cropped\).jpg](https://commons.wikimedia.org/wiki/File:Deng_Xiaoping_and_Jimmy_Carter_at_the_arrival_ceremony_for_the_Vice_Premier_of_China_(cropped).jpg). Accessed 10 Apr. 2023

In 1976, Deng Xiaoping became the new leader of China. He took over upon the death of the man who had been Communist China for nearly 30 years.

Mao had ruled China since the Chinese Communist Party won a long civil war in 1949. The Chinese Communist Party established a new government, with a new name for China- the People's Republic of China. Mao Zedong, was a communist and believed in the government taking control of all elements of economics so that all people could equally benefit. From 1949 until the death of Mao in 1976, China's economy was a **command economy**, that is, the government completely in control of what was produced, how it was produced, and who got what was produced. When Mao died in 1976, the new leader of China, Deng Xiaoping, would transform China's economy.

Although a lifelong Communist, Deng boldly supported new economic policies. Unlike Mao, Deng was willing to use market economy ideas to re-energize China's economy. In a **market economy**, the buyers answer what is to be made by demanding products & services. Producers determine the best way to make goods & services, and whoever is willing and able to pay the price determines who gets what is produced. Deng realized that the government needed to let go of complete control and allow at least some of these market economy ideas into China.

Reforms began in the countryside. Instead of forcing all farmers to work together on government owned farms known as communes as they had under Mao Zedong, Deng's

government rented the land to individual farmers. Instead of only producing what they were told by the government, as they had to under Mao Zedong, farmers would now have some freedom in what they would grow and who they would sell to. They paid rent by delivering a fixed amount of food to the government. They could then grow any crops they wished and sell them for a profit. This system produced more than twice as much food as the communes had in the 1960s, thus helping to prevent shortages.

The success of agricultural reform enabled Deng to extend his programs to other areas. The government permitted some small private businesses to produce the goods and services they felt were needed and wanted. At the same time, the managers of large government-owned industries were given more freedom to plan the production process.

Deng also felt it was important to reintroduce China to the World. China had shut itself off from the world since the takeover by Mao Zedong and the Communists in 1949. To begin to bring in foreign business, while still maintaining control over the majority of China, Deng & his government created **Special Economic Zones**. These zones had their own rules for: allowing in foreign technology, allowing foreign manufacturing, and freedoms from the government's control over producing and selling goods.

The first special areas (zones) were created in the 1980s in Southern China near the Pearl River Delta. Following the success of the first SEZs, China continued to create Special Economic Zones. These zones were located most along the coast of China. Placing the special zones here allowed for easier access to the rest of the world.



By historicair 11:50, 4 March 2007 (UTC) - Image:Ch-map cropped.jpg, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=1741699>

From the 1980s, special economic zones (SEZs) played a key role in the connecting of China to the global economy and in its economic development. The SEZs goal was to attract foreign investments, technology, and manufacturing.

Deng believed the Special Economic Zones would be the way to attract companies from other countries to bring their businesses to China. China's economic growth depended on the manufacture of consumer goods for export to the rest of the world. Deng promised foreign businesses a very low tax rate if they set up their businesses in the Special Economic Zones. He also attracted foreign businesses with the promise of a large supply of cheap labor.

Between 1978 and the end of the 1990s, foreign investors committed more than \$180 billion to the Chinese economy, and McDonald's, Coca-Cola, and other foreign companies began doing business there. . By 1995, some 60 percent of toys for the international market were made in southern China, where 3,000 factories were staffed by more than a million workers, most of them young women. Today it isn't just toys. Shoes, clothes, computer chips, and billions of products are produced in China and then shipped all over the world.

China is now a huge player in the global economy and has made large strides in economic development in a concentrated period of time. Special Economic Zones were instrumental in making China's economy the way it is today.

### **Bibliography:**

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Mack, Lauren. "Special Economic Zones in China." ThoughtCo, Aug. 25, 2020 Richard W. Bulliet, et al., *The Earth and Its People*, 3rd Edition, Houghton Mifflin, 2005 (adapted)

*World Bank*. "World Development Report 2009: Reshaping Economic Geography.", 2009 (adapted)

**Handout 2A**

**Q-Notes Guide for Introductory Reading:  
Deng Xiaoping and Special Economic Zones**

Who was Deng Xiaoping?

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What type of economic ideas did Deng support?

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What reforms did Deng make in the countryside?

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What reforms did Deng make in other areas?

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What were the “special” rules for the SEZs? When were they created?

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Where are the SEZs primarily located?

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**Why** are the SEZ in these locations?

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What was the goal of the SEZs?

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What 2 things did Deng think would accomplish this goal?

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What has happened since the creation of SEZ in 1978?

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SUMMARY: \_\_\_\_\_ wanted \_\_\_\_\_ and this was different from \_\_\_\_\_.

To accomplish the goal \_\_\_\_\_ were created which

\_\_\_\_\_  
\_\_\_\_\_.

## Handout 2B Deng Xiaoping and Special Economic Zones

Who was Deng Xiaoping?

- The new \_\_\_\_\_ of China

What type of economic ideas did Deng support?

- \_\_ Economy ideas

What reforms did Deng make in the countryside?

- \_\_ land to individual farmers
- Farmers could grow any \_\_\_\_\_ and sell for a \_\_\_\_\_
- Produced more food and prevented \_\_\_\_\_

What reforms did Deng make in other areas?

- Allowed some \_\_\_\_\_ businesses to produce goods and services.
- \_\_ were given more freedom to plan production

What were the Special Economic Zones? When were they created?

- Areas that had their own \_\_\_\_\_ for allowing in \_\_\_\_\_ technology, investments and businesses, and freedom from government control.

Where were the geographic locations of the first SEZ? (look at the map)

- Wwere created in the \_\_\_\_\_
- Along the \_\_\_\_\_

Why are the SEZ in these areas?

- For easier access to \_\_\_\_\_

What was the goal of the SEZs?

- To attract \_\_\_\_\_ investments, technology, & manufacturing

What 2 things did Deng think would accomplish the goal?

- Offer a low \_\_\_\_\_ rate
- Offer cheap \_\_\_\_\_

What has happened since the creation of SEZ in 1978?

1. Foreign investors committed \$ \_\_\_\_\_
2. Companies such as \_\_\_\_\_ & \_\_\_\_\_ are doing business in China
3. Billions of \_\_\_\_\_ are produced in China & shipped all over the world

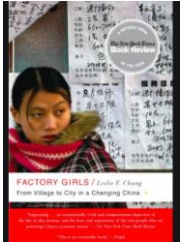
SUMMARY: : \_\_\_\_\_ wanted \_\_\_\_\_ and this was different from \_\_\_\_\_.

To accomplish the goal \_\_\_\_\_ were created which

\_\_\_\_\_

\_\_\_\_\_

## Resource Packet Handout 3: Factory Girls: Going Out- Everyone Must Read



This is an excerpt from the book *Factory Girls: from Village to City in a Changing China*, by Leslie T. Chang. NY: Spiegel and Grau Trade Paperbacks, 2009: p.11.

Migrant workers use a simple term for the move that defines their lives: *chuqu*, to go out. *There was nothing to do at home, so I went out.* This is how a migrant story begins.

The city does not offer them an easy living. The pay for hard labor is low-often lower than the official minimum wage; which ranges between fifty and eighty dollars a month. Work hours frequently stretch beyond the legal limit of forty-nine hours per week. Get hurt, sick, or pregnant, and you're on your own. Local governments have little incentive to protect workers; their job is to keep the factory owners happy, which will bring in more investment and tax revenue. But suffering in silence is not how migrant workers see themselves. To come out from home and work in a factory is the hardest thing they have ever done. It is also an adventure. What keeps them in the city is not fear but pride: To return home early is to admit defeat. To go out and stay out-*chuqu*-is to change your fate.

Migration was an accidental consequence of economic reforms....In the late 1970s, reforms allowed farming households to sell part of their harvest on the market rather than supplying it all to the state. Agricultural production soared. Suddenly, food was available in local markets across the country, and rural residents could survive independently in the cities for the first time. A 1984 government directive permitted farmers to settle in small market towns; to be on the move was no longer a crime. Migration picked up speed, and by 1990, the country had sixty million migrants, many of them drawn to the booming factories and cities of the coast....

Migration is emptying villages of young people. Across the Chinese countryside, those plowing and harvesting in the fields are elderly men and women, charged with running the farm and caring for the younger children who are still in school. Money sent home by migrants is already the biggest source of wealth accumulation in rural China. Yet earning money isn't the only reason people migrate. In surveys, migrants rate "seeing the world," "developing myself," and "learning new skills" as important as increasing their incomes. In many cases, it is not crippling poverty that drives migrants out from home, but idleness. Plots of land are small and easily farmed by parents; nearby towns offer few job opportunities. *There was nothing to do at home, so I went out.*



