Made in China: China's boom creates opportunities, problems

Computers ... cell phones ... toothpaste ... toys ... furniture ... clothing ... It would be difficult to name something Americans use today that is not made in China.

China, with 1.3 billion people, has long been the world's most populous nation. Now, thanks to incredible economic growth, it has become the world's workshop, turning raw materials from every continent into a flood of consumer goods. Almost every day, a slew of new factories opens in China, and new skyscrapers pop up like mushrooms in China's coastal cities.

One of China's southern provinces, Guangdong, is estimated to have a manufacturing workforce larger than that of the entire United States--18 million workers compared to 14 million in this country. A factory complex in Guangdong, Foxconn, employs 240,000 workers. Last year alone, cargo ships loaded with goods from Guangdong delivered more than 40 million cargo containers to ports around the world. And Guangdong represents only part of China's exploding economic growth.

Over the last 30 years, China's economy has grown faster than any economy in history, according to the World Bank, and it continues to expand, year after year. Later this year, China is expected to pass Germany to become the world's third largest economy after the United States (number one) and Japan (number two). If growth rates continue, China is expected to surpass the United States by mid-century to become the world's top economic powerhouse.
RAGS TO RICHES

What is truly amazing about China's rise is that a little more than 30 years ago, China was a poor nation with a sputtering economy. Since 1949, Mao Zedong (1875-1976), communist China's first leader, had ruled the country. Communism is a philosophy and system of government that puts all manufacturing and ownership of goods in the hands of the government.

After taking power, Mao (in China, the family name is written first, not last) and his followers immediately set to work "reforming" China's 3,000-year-old civilization. The government took over all property. Government officials ran factories and forced farmers to work on government-owned farms called communes. Communist officials made a determined effort to wipe away China's past and bring about a communist golden age. Mao disapproved of products that came from Western nations. At the time of Mao's death, China's per capita income (total national income divided by total population) stood at $67 per year, making it one of the world's poorest nations.

Things began to change in 1978, two years after Mao's death, when a new leader, Deng Xiaoping (see Time Trip), changed China's economic course. Deng began to move the country from a communist, government-directed economy to a market economy in which individuals are free to make economic decisions, such as starting their own companies. It was now all right in China to make a profit and to get rich. In fact, the government encouraged it. As if freed from prison, the Chinese economy began to take off.

TOO FAST?

As the world now knows, Deng's policies have been successful beyond even his wildest dreams. China's economic growth has made the country a major influence in world politics and international relations.
Rapid growth in China has not been without problems, however.

Factory growth and mushrooming cities have turned China into the world's most polluted nation. Sixteen of the world's 20 most polluted urban areas are in China, and 90 percent of Chinese cities suffer from polluted water systems. Air pollution from coal-fired factories and power plants is so bad in some Chinese cities that people have to turn on car headlights during daylight. The northern city of Linfen, an industrial city in the center of China's coal region found, is said by the World Bank to be the most polluted city on Earth. Residents battle smelly yellow smoke all day long, and the sun looks like a dull orange ball in the sky.

PRODUCT SAFETY

Last summer, Americans were shocked to find that a number of products made in China posed a health threat. Pet food suspected of containing poison from an ingredient imported from China forced the recall of a number of cat and dog food brands from U.S. supermarkets. Seafood imported from China was found to be contaminated with dangerous antibiotics. Then toy maker Mattel was forced to recall millions of toys. The toys, all made in China, were found to contain paint with high levels of lead. If eaten, lead paint can lead to mental retardation in young children.

The violations were all traced to Chinese manufacturers who put cutting costs and making a bigger profit above safety. Alarmed, the Chinese government punished the violators and published a blacklist of those responsible.

HERE TO STAY

Despite problems, China's new role in the world economy is here to stay. Many countries, especially the United States, now depend on Chinese factories and Chinese workers for their own economic growth.

"We want China as a global partner," said Condoleezza Rice, the U.S. secretary of state.
GROWING INFLUENCE, GLARING PROBLEMS

China's burgeoning economy and fast-growing thirst for energy have bolstered the country's status as a world power. But serious problems persist with pollution, poverty, and political, corruption.

Areas of strength

1.3 billion = population of China (2005). China has more than 20% of the world's population.

Global share of seaborne iron ore to exceed 45%

Foreigners studying Mandarin rose threefold in a decade. There are 0.11 million

Foreigners studying Mandarin

Oil demand: Increase in oil demand in 2006 is estimated to take up nearly 40% of the world increase in demand.

Foreign exchange reserves: China's reserve are the world's largest amid a boom in exports and foreign investment.

Areas under pressure

Up to 500,000 annual, premature deaths due to air pollution

Due to smoking, 3,000 people die every day.

Ranked 71st out of 163 countries surveyed for level of corruption

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