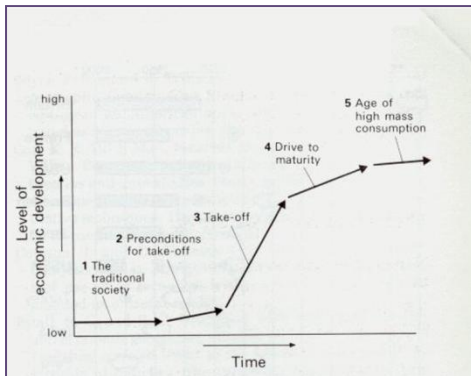


Keeping up to date with subject knowledge: Economic Geography and China



Rostow's model of the stages of economic growth

An issue in economic geography we have to grapple with is to what extent is Rostow's model merely a description of what had happened in the industrialised west and to what extent is it useful for global generalisations.

I would suggest that it isn't very useful at all. Starting with Japan, which was the first non-western country to fully industrialise, there were significant differences in its model of development. In the case of Japan, 'it was the state that bureaucratically welded together corporate activities around organisational and technological research programmes' (Harvey,2011:92). This pattern was mimicked by South Korea, Taiwan, Brazil, Singapore and is now important in China.

Let's link ideas of industrialisation with development.

'After World War II the United States was the richest and most powerful country in the world. Many countries welcomed US assistance since it was widely believed that the United States could show others how to escape from poverty' (Seitz and Hite,2012,xv), however notions of development drawn purely in terms of the predominant US economic (and anti-communist) model of the time lost their validity as alternative explanations for world development gained more credence.

By the 1980s, it became increasingly clear that such discourses were failing to reflect global realities. The emergence of the 'Asian tigers' and the beginnings of Chinese industrialisation called for serious revision of the so-called north-south divide. As Giddens (2011:214) clearly identifies, 'for much of the past half century, the question of 'development' was one of a gulf between one billion affluent and four billion impoverished people in the world. The millennium goals were established with such figures in mind. Yet about 80% of the five billion now live in countries that are developing, some of them at extraordinary speed. They have recorded an average GDP growth rate of over 4% during the 1980s and 1990s.' At the same time, the fall of the Berlin Wall in 1989 and the subsequent blurring of First and Second World binaries undermined several of the propositions of modernity. In this context, China has increased its GDP per capita from about \$440 in 1980, to an estimated \$8,200 in 2011, while India's GDP per capita has grown from \$670 in 1980 to \$3608 today. Yet both countries retain significant elements of severe rural poverty alongside ultra-modern urban affluence.



Source: Gapminder



China's global reach has expanded at startling speed. In 2000, trade with Africa was worth \$10bn (£6bn); in 2011 it was \$150bn. It paid \$200m for the new African Union headquarters that opened in Ethiopia this January. (Guardian 24th March 2012)

Old realities are being overturned and it is essential that we, as teachers of geography reflect that – China is catching up fast in economic terms – particularly if we factor in the size of its budget surplus. In the last ten years, China has run up a trade surplus of over \$2,000bn, while the annual deficit of the US is currently running at over \$1,300 bn – clearly the economic balance of power is shifting dramatically. Indeed, China is currently covering US deficits (by buying US treasury bonds) because a collapse in consumer demand in the US would have devastating effects on unemployment and profits in China (Harvey 2011:109).

'Flying over the Pearl River delta in 1980, one would have seen tiny villages and towns with names like Shenzhen and Dongguan nestled in a largely self-sufficient agrarian landscape of rice, vegetable, livestock production and fish farming, socialised into communes ruled with an iron fist by local party officials who were also carrying an 'iron rice bowl'¹ to guard against the threat of starvation.' (Harvey,D.(2011) The enigma of capital and the crises of capitalism. London, Profile)



Dongguan



Shenzhen

Since the year 2000, China has consumed nearly half of the world's cement supplies, while more than 100 cities have passed the one million population mark, and small villages like Shenzhen have become massive metropolitan areas with 6 to 10 million people (Harvey,2011:172).

¹ Note: 'iron rice bowl' is a Chinese term used to refer to an occupation with guaranteed job security, as well as steady income and benefits