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COMMUNISM OR CAPITALISM: WHICH IS BEST FOR CHINA – A COMMAND ECONOMY OR A FREE MARKET ECONOMY?

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COMMUNISM OR CAPITALISM: WHICH IS BEST FOR CHINA – A COMMAND ECONOMY OR A FREE MARKET ECONOMY?

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Grade Level: 7th

Purpose/Overview:

In recent years the People's Republic of China has increasingly adopted capitalist models for its economy with much success. Will China's leaders be able to hold onto these changes or will they pull back and revert to the command economy of the past?

Essential Questions:

Which is better for China's growth, a command economy or a market economy?

Will China be able to hold on to its rapid growth or will it remain a predominantly poor nation?

Oklahoma C³ Standards:

Grade 7 World Geography: Eastern Hemisphere

Literacy Skills Standard 1: The student will develop and demonstrate Common Core Social Studies reading literacy skills.

B. Craft and Structure

4. Determine the meaning of words and phrases as they are used in a text, including vocabulary specific to domains related to history/social studies.

C. Integration of Knowledge and Ideas

7. Integrate visual information (e.g., in charts, graphs, photographs, videos, or maps) with other information in print and digital texts.

Literacy Skills Standard 2: The student will develop and demonstrate Common Core Social Studies writing literacy skills.

A.2. Write informative/explanatory texts, including the narration of historic events, scientific procedures/ experiments, or technical processes.

a. Introduce a topic clearly, previewing what is to follow; organize ideas, concepts, and information into broader categories as appropriate to achieving purpose; include formatting (e.g., headings), graphics (e.g., charts, tables), and multimedia when useful to aiding comprehension.

b. Develop the topic with relevant, well-chosen facts, definitions, concrete details, quotations, or other information and examples.

Content Standard 4: The student will analyze the world's peoples and cultures in the context of human systems in the Eastern Hemisphere.

4. Compare and contrast the market and command economic systems and how governments affect economic activities in such systems including

A. Economic reforms in China that are moving China from a command system toward a market system.

Materials:

Computer and projector

Internet access

Handouts (included in this lesson), enough for one per student

Procedures:

Introduction to economic systems

1. Use the PowerPoint titled “Communism v. Capitalism” for this lesson.
2. Begin with the second slide. Ask students to think about products they have used today. (Ex: brush, toothpaste, milk, bread, paper, pencil).
3. Explain that every country has an economic system which determines what people make and how products will be distributed.
4. Distribute copies of handouts 1a. and 1b. (Four Economic Systems). These materials were adapted from Scott Foresman: http://scottforesman.com/state/nv/washoe/pdfs/g6_less01.pdf
5. Read the handout aloud.
6. Using the Think-Pair-Share method, have students discuss the questions at the end of the reading. Check for understanding and clarify any misunderstandings.
7. Ask students to complete the chart.

Answer Key for Four Economic Systems handout:

Economic System	Who owns the resources?	Who makes the economic decisions?	Example
Socialism	People, through their government	Representatives of the people	X
Command	Government	Government	North Korea, the former Soviet Union
Capitalism (Market)	individuals and businesses	individuals and businesses	X
Mixed	Individuals, businesses and the government	Individuals, businesses and the government	United States, Russia today

China's move from a command economy to a mixed economy

1. Background Notes for the teacher:

Begin the lesson by briefly discussing the history of China under Communism.

The Communists won a civil war in China following World War I under the leadership of Mao Zedong and put into place the economic ideas of Karl Marx on the large peasant population in China. The Civil War did not completely end until after World War II. In 1949 Mao declared victory for the Communist Party and proclaimed the People's Republic of China.

Communist Party leaders made decisions about China's laws and policies. Mao wanted to eliminate capitalism and market economics in China. The government took over control of privately owned lands. Owners who resisted were executed. During the 1950s Mao and the Communist Party assigned families to work on the farms. The families (theoretically) shared the work and the profits made from working on the farms. These "collective farms" provided little incentive to work hard and they fell behind in production.

Work in cities had similar results. The government took over ownership of businesses and factories. Workers were guaranteed jobs and benefits, but there were few incentives for effective productivity.

The command economy was intensified in 1958 when Mao introduced the "Great Leap Forward." People were forced to live in dormitories, sharing meals and household responsibilities commune style. Personal family farm plots were abolished. City children were sent to the country to learn to farm. The program came to a devastating end in 1961, following a famine that left millions dead. For the next ten years, Mao put China through a reign of terror called "Cultural Revolution." Opponents of Mao and the Communist Party were forcibly moved, imprisoned or murdered.

Mao died in 1976. The Communist grip began to loosen and elements of capitalism began to enter China's economy. Officials pretended not to notice private enterprise efforts or they were bribed to look away. In time families were permitted to lease land and even own private businesses, but today farmers are still not allowed to own the land they farm.

By 2006 private enterprise accounted for half of China's GDP and 2/3 of its industrial production. However, China is suffering growing pains as a result of the rapid economic expansion. Masses of people have moved into urban areas stressing the infrastructure. Factories in these cities have alarmingly high rates of worker deaths. There are accusations of flimsy building standards, worker abuse, numerous fires in factories, pollution, and disregard for consumer safety. The new economic wealth is unevenly distributed. It is now estimated that 1 percent of Chinese households own 60 percent of China's wealth. There are predictions that by 2025 China will have the world's largest middle class. (adapted from *The Bill of Rights in Action*, "Communism, Capitalism, and Democracy in China" - Fall 2008).

2. Show students the video http://www.pbs.org/newshour/bb/asia/july-dec05/china_10-04.html (10:55) and ask them to record the economic advantages for China as it moves into a mixed economy as well as the issues and challenges facing China. (Advantages include a booming economy, jobs, increased purchasing power for consumers, modern looking cities. Challenges include environmental damage, low wages, and piracy of intellectual property).
*Point out to students that China is also wrestling with inequality between regions, property rights issues, inefficient and dangerous industries, infrastructure problems.
- A. Partner Activity: “How does China compare to the United States?” to be completed in the computer lab:
 1. Send students to the computer lab to search the suggested sites. They should complete the Venn diagram (handout 1) comparing and contrasting the governments, economies and social issues in China with those in the United States.
 2. After completing the Venn diagram, have students discuss the problems that China faces.

Formative Assessment:

Imagine that you live in China. Write a description of how the growing economy is affecting life in China. Include examples of how the economy affects the environment, social life and the economy.

Extension: Consider using one of the lessons listed below.

Teacher Resources: (All links were live as of October 22, 2012)

Video links:

http://spice.stanford.edu/docs/movies/spice/China_Olympics_2008/ NBC video program on the 2008 Beijing Olympics. (6:32).

http://spice.stanford.edu/docs/movies/spice/road_to_beijing/ The Road to Beijing. Stanford University project explores modern Beijing. You will feel like you are there. Video. (16 minutes)

<http://www.youtube.com/watch?v=rrKCWJ1dFQA&feature=related> PBS Documentary, “*China From the Inside.*” You Tube (59:31)

<http://ngm.nationalgeographic.com/video/player?titleID=1496398009> National Geographic video narrated by the photographer. Video. (3 minutes).

<http://ngm.nationalgeographic.com/video/player?titleID=1496398009> China’s middle class. National Geographic narrates this video. (2:16).

<https://sites.google.com/site/mrdeverseconomicssite/Home/syllabus-2009/command-vs-market-economies> Kahn Academy lesson on You Tube. This isn’t a lesson for 7th grade students, but it could be good for clarity for teachers. (13:47)

<http://www.khanacademy.org/humanities/history/us-history/v/communism?playlist=History> This is another lecture from the Khan Academy that teachers might find useful. (15:03)

Interactive Sites for students and teachers:

http://virtuallabs.stanford.edu/silkroad/silkroad_jopardy.swf Jeopardy game on China.

<http://virtuallabs.stanford.edu/silkroad/beijing.html> A fabulous interactive website on Beijing's geography and history.

<http://virtuallabs.stanford.edu/silkroad/SilkRoadnew.swf> Interactive site called "Along the Silk Road."

http://virtuallabs.stanford.edu/silkroad/silkroad_jeopardy.swf The Silk Road ensemble Jeopardy game.

<http://ngm.nationalgeographic.com/2008/05/china/whats-next/quiz-interactive> Ethnicity and language quiz from National Geographic.

http://news.bbc.co.uk/2/shared/spl/hi/in_depth/china_modern/html/1.stm Interactive site from BBC covers population, the environment and social issues.

http://www.nytimes.com/interactive/2007/08/26/world/asia/20070826_CHINA_GRAPHIC.html Choking on growth. This is an interactive map from the New York Times that allows you to see the impact of China's economic growth on the environment.

http://www.china-profile.com/data/ani_pop_1.htm# A progressing graph of China's population and ages between 1950 and 2050.

<http://www.chinapage.com/map/map.html> Multiple maps of China

Complete lesson plans related to China's geography and economic issues:

http://www.suu.edu/faculty/baker_j/CEE/MS%20App/what.pdf This is a lesson plan that compares traditional, market, and command economic systems from the National Council for Economic Education.

<http://www.pbs.org/newshour/extra/teachers/lessonplans/world/china.html> PBS lesson plan, "China's Economy." It is imbedded with video from PBS programs such as "Frontline" and "Newshour."

<http://www.pbs.org/wgbh/pages/frontline/teach/red/previewing.html#blending> "China in the Red." This lesson plan accompanies PBS's program "Frontline."

http://worldsavvy.org/monitor/index.php?option=com_content&view=article&id=139&Itemid=60 Lesson from "World Savvy Monitor," titled "Modern China: The Promise and Challenge of an Emerging Superpower."

<http://www.choices.edu/resources/detail.php?id=11> Lesson Unit from The Choices Program.

<http://www.pbs.org/kqed/chinainside/edlesson1.html> China from the Inside. PBS lesson on globalization and the impact on individuals in China.

<http://www.thirteen.org/edonline/wideangle/lessonplans/onenation/index.html> Lesson plan, "One Nation: Two Futures?," focuses on economic conflicts in China. (This lesson targets world history).

http://spice.stanford.edu/docs/road_to_beijing The Road to Beijing. This site provides a culmination of resources and lessons related to China's history and geography.

<http://www.globaled.org/chinaproject/> The China Project. This site provides a plethora of lessons on China.

http://books.google.com/books?id=nENhoQhui1MC&pg=PR1&source=gbv_selected_pages&cad=3#v=onepage&q&f=false *Economics in Transition*, "Command to Market" by NCEE. Lesson activity uses mythical countries to explain the differences between command and market economies.

<http://www.econedlink.org/economic-resources/glossary.php> Economics glossary from Econedlink is a good source for economics for K-12 students and teachers.

http://scottforesman.com/state/nv/washoe/pdfs/g6_less01.pdf This is a lesson plan on economic systems.

Professional Articles

<http://www.princeton.edu/~gchow/China.html> This is a lengthy article that delves into the economic changes being pursued in China.

<http://www.imf.org/external/pubs/ft/issues8/index.htm> Why is China growing so fast? This is analysis published by the International Monetary Fund.

<http://www.imf.org/external/pubs/ft/issues8/index.htm> This site is from the Wall Street Journal that reports on economic problems predicted for China unless they scale back on the state run aspects of their economy.

http://blogs.wsj.com/indiarealtime/2012/10/17/chinese-like-indians-less/?WSJASIA_article_outbrain&obref=obnetwork This Wall Street Journal article explores conflicts and competition between India and China.

<http://www.state.gov/r/pa/ei/bgn/18902.htm> US State Department background notes on China-U.S. Relations.

<https://www.cia.gov/library/publications/the-world-factbook/index.html> The CIA World Fact Book. This site is an excellent resource for quick facts about the geography of all countries, including China.

http://www.pbs.org/wgbh/commandingheights/lo/countries/cn/cn_economic.html Timeline of China's economic growth and development from 1910 to 2003.

<http://ngm.nationalgeographic.com/2008/05/china/whats-next/hessler-text> National Geographic article titled "The Road Ahead" is about the changes in China.

http://www.pbs.org/newshour/extra/speakout/world/jan-june08/china_2-19.html Returning to China. A 17-year old Chinese born girl describes her eye opening return visit to China.

<http://www.pbs.org/newshour/bb/asia/china/> China on the Rise. PBS news program “News Hour” transcripts from news reports about China.

<http://www.aems.illinois.edu/resources/currentevents/chinamanufacturing.html> Asian Educational Media Services. Several articles on economic problems with China’s massive growth.

http://news.bbc.co.uk/2/shared/spl/hi/picture_gallery/04/business_first_time_homebuyers_in_beijing/html/1.stm BBC article titled “First Time Home owners in China.”

http://news.bbc.co.uk/2/shared/spl/hi/pop_ups/04/asia_pac_china0s_new_shoppers/html/1.stm BBC interactive photo gallery titled, “China’s New Shoppers.”

http://news.bbc.co.uk/2/shared/spl/hi/picture_gallery/04/asia_pac_china0s_wealth_gap/html/1.stm BBC interactive photo gallery titled, “China’s Wealth Gap.”

<http://www.bbc.co.uk/news/world-asia-pacific-13904437> Flow chart of how China is ruled through the Communist Party.

<http://www.bbc.co.uk/news/world-asia-19797989> BBC article, “Eight Ways China is Changing Your World.” The article discusses China’s current ten year goals.

<http://english.caijing.com.cn/upload/coverstory247.pdf> “China’s Economy: 60 Years of Progress.” Professional article from economist Wu Jinglian.