

When China Opened ITS ECONOMY



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When China Opened It's Economy

Teacher's Guide

This Teacher's Guide includes the following:

- Suggested Lesson Plan
- Preview Questions
- Key Terms and Definitions
- Viewing Guide
- Discussion Questions
- Quiz
- Activity: Who Chooses?
- Enrichment Activities
- Answer Key

Suggested Lesson Plan

These materials may be used in a variety of ways. For maximum benefit, we suggest the following lesson plan:

- As a class, discuss the Preview Questions and Key Terms.
- Distribute copies of the Viewing Guide for students to use as a note-taking tool during the video.
- Play the video, pausing if needed to facilitate understanding and note-taking.
- Review and discuss answers to the Viewing Guide, using the Answer Key as a guide.
- Use Discussion Questions to spark class discussion, or assign these questions as homework.
- Replay the video as preparation for the Quiz.
- Administer and grade the Quiz, using the Answer Key as a guide.
- Use the Activity for class discussion, as a small group exercise, or as an individual writing assignment.
- Optional: Assign Enrichment Activities.

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Preview Questions

1. Locate Shanghai, China, on a map.
2. What do you think of when you think of China?
3. How does China's political system compare with ours?
4. What do you know about China's economic reforms?

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Key Terms

1. Chairman Mao – Mao Zedong was the leader of the People's Republic of China from its establishment in 1949 until his death in 1976. Mao instituted many state socio-political programs such as the Great Leap Forward and the Cultural Revolution. Critics from both within and outside China blame Mao's reforms for severe damage to China's culture, economy, and foreign relations. The programs caused an enormous loss of human life, with a peacetime death toll estimate in the tens of millions, due largely to famines associated with agricultural collectivization.
2. Communism – a political and economic system in which the central government plans and controls the economy and in which a single, usually authoritarian party holds all power.
3. Corruption – improper and usually unlawful conduct intended to secure a benefit for oneself or another (as by taking or giving bribes); lack of integrity or honesty; use of a position of trust for dishonest gain.
4. Economic freedom – individuals have economic freedom when property they acquire without the use of force, fraud, or theft is protected from physical invasions by others and they are free to use, exchange, or give their property as long as their actions do not violate the identical rights of others.
5. Entrepreneur – a person who innovates and decides which projects to undertake. A successful entrepreneur's actions will increase the value of resources and expand the size of the economic pie. Examples: Henry Ford, Bill Gates.
6. Free market – an economic system in which individuals and businesses make their own plans and decisions based on the signals and information provided by unregulated markets and prices; the basic economic questions of consumption, production, and distribution are answered through these decentralized decisions.
7. Free trade – trade between nations without protective tariffs or quotas.
8. Political freedom – includes rights such as the right to vote, the right of free association and the right to free expression; enables individuals to determine who their rulers shall be and how they shall be ruled.
9. Real income – income that has been adjusted for inflation; a measure of purchasing power. This adjustment allows for comparison of wages or prices over time.

Name: _____

Date: _____

When China Opened It's Economy **Viewing Guide, page 1**

1. In only 25 years, more than _____ Chinese have climbed out of deep poverty.

2. Average real incomes in China rose _____ percent in just 20 years.

3. Under Chairman Mao, private _____ and private business were illegal.

4. The Chinese government openly encourages the _____ and aggressively courts foreign investment.

5. Young people are flocking to the wealthy eastern coastal areas in search of _____.

6. These _____ are navigating a path between China's cultural traditions and their bold, new ideas.

7. "This is not economy by the party, by the government, this is the _____ of everyone."

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When China Opened It's Economy **Viewing Guide, page 2**

8. Snail Game was one of China's first _____ companies.

9. Shi Hai and other children often had to stand in line for _____.

10. Much of the country lags far behind, especially in the vast _____ areas.

11. The gaming business is intensely _____.

12. "I think the majority of Chinese believe that competition is a _____ thing.

13. China's people face immense challenges—pervasive _____, deep poverty in the countryside, and an underdeveloped legal system.

14. "It seems like people need some kind of _____. It is not like America."

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Discussion Questions, page 1

1. What has caused the dramatic improvement in living standards for the average Chinese citizen over the past few decades?
2. How do rural areas compare economically with China's coastal cities? Why do these differences matter?
3. Why are so many workers willing to move away from their villages and families to live in dormitories and work long hours, sometimes in what we would consider poor working conditions?
4. How and why was life very different for Shi Hai when he was growing up?
5. How have Shi Hai and other young people been able to improve their lives? Why couldn't the generation of Shi Hai's parents improve their lives in the same way?
6. What is political freedom? How is it different from economic freedom?
7. Will China's new economic freedom lead to political freedom? How does Shi Hai answer this question? What do you think?
8. China has considerable economic freedom but very little political freedom. Do you think it would be possible to have political freedom without economic freedom? Why/why not?
9. In addition to its lack of political freedom, what other challenges does China face? Can these problems be overcome as long as China is ruled by an authoritarian government? Explain.

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Discussion Questions, page 2

10. According to the video, new ideas mix uneasily with ancient Chinese traditions. Was Communism an ancient Chinese tradition? What do you think is the main source of conflict with ideas about freedom in China today?
11. In the “New China,” people use their imaginations and intelligence to create more options for themselves and to get paid for their hard work. How does this compare with life in the United States? How does it compare with life in a communist system?
12. In spite of dramatic economic reforms, political repression and human rights abuses continue in China today. Does U.S. trade with China make it more or less likely that the Chinese government will adopt political reforms? Explain.
13. Counterfeiting and lack of enforcement of copyrights have caused disputes with China’s trading partners. What might be the long term impact of failure to reform China’s legal system?
14. Is China’s growing economic power good or bad for the United States? Explain.

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When China Opened Its Economy **Quiz, page 1**

1. In the past 25 years, _____ Chinese have escaped the dire poverty of \$1 a day.
 - A) 4 million
 - B) 40 million
 - C) 400 million
 - D) 4 billion

2. In the past 20 years, average real incomes in China have increased by _____.
 - A) 4%
 - B) 40%
 - C) 140%
 - D) 440%

3. What is Snail Game?
 - A) An ancient Chinese ritual
 - B) An internet gaming company
 - C) A favorite dish in Shanghai
 - D) A popular board game

4. Which of the following is not a challenge facing China?
 - A) Mass migration from cities to the countryside
 - B) Pervasive corruption
 - C) Poverty in the countryside
 - D) An underdeveloped legal system

5. A key question for China is whether the new economic freedoms will lead to _____.
 - A) war
 - B) widespread hunger
 - C) free trade
 - D) political freedom

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When China Opened Its Economy **Quiz, page 2**

6. Unlike their parents' generation, Shi Hai and other young people have been able to improve their standard of living by _____.
- A) bribing government officials
 - B) voting for democratic reforms
 - C) taking risks and working hard
 - D) migrating to the countryside
7. According to economist Zhang Jun, the majority of Chinese think competition _____.
- A) is a good thing
 - B) is unfair
 - C) conflicts with Communism
 - D) is too risky
8. Now that the Chinese government openly encourages the free market, what have the people been able to do?
- A) Vote for non-Communist leaders
 - B) Use intelligence and imagination to improve their lives
 - C) Openly criticize the government
 - D) Completely eliminate poverty
9. Which Chinese leader instituted the disastrous Great Leap Forward and Cultural Revolution?
- A) Confucius
 - B) Deng Xiaoping
 - C) Mao Zedong
 - D) Chiang Kai-shek
10. The use of a position of trust for dishonest gain is called _____.
- A) corruption
 - B) entrepreneurship
 - C) free trade
 - D) economic freedom

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Activity:

Who chooses? Who benefits? Who pays? What's fair?

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[These four questions can be a useful tool for evaluating any policy or system. Posing the questions is a great way to stimulate critical thinking.]

As a class, or in small groups, discuss the following:

(For each question, think broadly about all the possible groups of people who may be affected.)

- I. “In the past we did not really have the competition—you know, all industry being monopolized by the government.”
- Who chose what companies succeeded in China in the past?
 - Who benefited from this arrangement?
 - Who paid for the products?
 - In China today, who chooses what companies succeed, to a greater extent than in the past?
 - Who benefits from this new arrangement?
 - Who pays?

When China Opened Its Economy

Activity:

Who chooses? Who benefits? Who pays? What's fair?

Page 2

- II. “Personally, I feel that the Chinese people are different from people in the West...Through the long history of our development, it seems like people need some kind of structure. It is not like America. Instead of complete openness, they may need a framework.”
- Does America have a framework? Is having a framework inconsistent with having choice?
 - What choices do individuals make in the U.S. that they cannot make in China? Who makes choices about these things in China? Who benefits?
 - How can a political structure or framework constrain people? How can it constrain government? What are some choices government cannot make in the U.S. that it can in China? Who makes these decisions in the U.S. instead?
 - Shi Hai says the Chinese people need a structure, yet the narrator says China has an underdeveloped legal system. What do you think Shi Hai means by a structure? How does this differ from the kind of structure Americans are used to?
 - What choices do people have under a well-developed legal system, and what choices are they denied? What about under China's structure?

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Enrichment Activities

1. Write an essay on the relationship between economic and political freedom. Use the following quote from economist Milton Friedman as a starting point for your essay:

Economic freedom is an essential requisite for political freedom. By enabling people to cooperate with one another without coercion or central direction, it reduces the area over which political power is exercised. In addition, by dispersing power, the free market provides an offset to whatever concentration of political power may arise. The combination of economic and political power in the same hands is a sure recipe for tyranny. (Free to Choose, pp. 2-3)

2. Write a dialog between an older Chinese person who doesn't like the changes occurring in China and a younger Chinese person who endorses the market reforms.
3. Research a) the lack of religious freedom in China or b) China's population policy. Contrast those policies with the freedom of choice in the free market system China has embraced.
4. Working in teams of 3-5 students, make timelines showing the key events in China since 1945. The timelines can be on rolls of paper about 12 inches by 48 inches, or on large poster board. They should include at least eight images of significant leaders or events. Allow students two class periods for library research, and one to put the timeline together.

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Viewing Guide Answer Key

1. 400 million
2. 440
3. property
4. free market
5. jobs
6. entrepreneurs
7. economy
8. Internet gaming
9. food rations
10. rural
11. competitive
12. good
13. corruption
14. structure

Quiz Answer Key

1. C) 400 million
2. D) 440%
3. B) An internet gaming company
4. A) Mass migration from cities to countryside
5. D) Political freedom
6. C) Taking risks and working hard
7. A) Is a good thing
8. B) Use intelligence/imagination to improve their lives
9. C) Mao Zedong
10. A) Corruption

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