

China: floggings to continue

by GWYNNE DYER

Xi Jinping was confirmed in a third term as president of China at the National People's Congress last week, and not one of the 3,000 delegates voted against him. Why would they? Everything is perfect in the People's Republic of Oz, and the chief Wizard doesn't even need to hide behind a curtain.

Meanwhile, in Washington, the one topic on which both Democrats and Republicans can agree is the Chinese Threat (once known as the 'Yellow Peril', but those were different days). The politicians posture, the strategists warn, and the armed services rejoice in the emergence of a 'peer competitor'.

Russia long ago ceased to fill that role satisfactorily, and even a Russia that has now gone full rogue doesn't do much to expand the US defence budget. It's still 'Upper Volta with nuclear weapons,' and doesn't provide the American military with an adequate pretext for building new rockets and aircraft carriers.

China has been a very useful peer competitor for the American military, because it's big, it looks powerful, and it talks tough. Its economy has stalled, its population is crashing, and its 74-year-old political system is fraying badly, but as long as everybody in the Pentagon and the Congress pretends not to notice, it will continue to serve that purpose.

In the real world, however, China came off the old high-speed growth track about seven years ago, although its statisticians and economists managed to hide it for a while.

Official Chinese statistics are, as former premier Li Keqiang once tactfully put it, 'man made', but for what it's worth China says its economy grew last year by 3%, about the same rate as the United States. In reality, it probably shrank by 1%-2% last year due to the endless Covid lock-downs.

Even in good years, China's economy has been growing as slowly as developed economies in the West since the middle of the last decade. It's not 'catching up', and there's a strong possibility that it is caught in the same trap that struck the Japanese economy in 1992: stuck with low to no growth forever more.

The Japanese are bearing up under their misfortune remarkably well, mainly because their per capita GDP was already over \$31,000 when their economic miracle stalled. Per capita income in China now is only \$12,000, and people may be a lot less forgiving if that is where the Chinese 'miracle' stops.

It probably has stopped, if the other 'miracle' economies of east Asia are anything to go by. They all had 30 years of high-speed growth and then a return to normal or below-normal growth. China's 30 years started much later, in the later 1980s, but it's probably all over now.

All the more so because the population is starting to fall at an unprecedented speed. In the past seven years the number of births in China has literally halved, and it's still falling. The most recent forecast predicts 771 million Chinese by the end of the century. That's half what it is now, and not even twice the American end-of-century population.

Very long-term predictions are rarely correct in detail, but they often get the trend-line right. If these economic and demographic predictions come to pass, then China will never become a world-bestrident Colossus.

China has already joined the ranks of the great powers, but it will never be the first. This does not guarantee that it will not blunder into military conflicts it cannot win, but the 'wolf warrior' overconfidence of recent years is already fading.

Meanwhile, the dawning realization that genteel poverty is probably the future for most Chinese, combined with the reality of an all-powerful state that seeks to control every detail of private life, is already having a profoundly negative impact on the attitudes of the young.

In a recent opinion piece in the Washington Post, economist Nicholas Eberstadt of the American Enterprise Institute noted the rapid rise among Chinese youth of a passive sort of civil disobedience, expressed in slogans like 'tang ping' (lying flat) and 'bai lan' (let it rot). They see no hope for the future, and they don't see the point in even trying.

The old men who rule China know that something has gone wrong ? that's why they caved in so fast last year to the popular protests against constant lockdowns ? but they haven't the faintest idea how to fix it. In fact, they probably can't fix the economy and they certainly can't fix the birth rate.

So they will go on using propaganda backed up by intimidation and occasional violence, the traditional levers of power of any authoritarian state, even though the younger elements of the population can see through their game. They have no other options. ?The floggings will continue until morale improves,? as the apocryphal Captain Bligh put it.