

**CHINA WILL NOT BE THE NEXT ECONOMIC POWERHOUSE:
HERE ARE SOME OF THE MAIN REASONS**

The average growth rate in terms of the **Gross Domestic Product (GDP)** – the total market value of a country's output of goods and services that are exchanged for money or traded in a market system over a certain period of time – of the People's Republic of China (PRC) over the next 14 years is quite likely to wane, and wane considerably, due in large part to the country's imposed limitation on the family unit, from conceiving more than one child.

That being the case, the PRC has little chance of being the largest economy in the world, even by the year 2020.

Going further, it is likely to be fortuitous that the PRC will even rank in the top 5 countries of the world in terms of the growth of GDP if it continues along its present political and socio-economic course.

The Population Growth

Over the past 2 decades, the PRC has imposed upon its people the concept that a family unit may comprise, only, a husband, wife, and one child.

There are, however, exceptions, such as in the case of a farmer, whose wife gives birth to a girl, in which case, after a period of 4 years, following the birth of the girl, the family unit is permitted to increase its size by one more child.

Abortion is legal in the PRC and official action to terminate pregnancies is commonplace.

As a result of this Governmental policy, the average population growth in the PRC has been about 0.80 percent per annum, during the past 20-plus years.

That is equal to an average, yearly increase in the population of about 18 million people.

The official limitation with regard to the size of the family unit is, still, in force.

The human population of the PRC is estimated to be about 1.30 billion whereas the human population of India is known to be about 1.07 billion.

The population of India represents about 16 percent of the entire world's population.

Whereas the average population growth rate of the PRC is about 0.80 percent per annum, in India, the average population growth rate is about 1.44 percent per annum, an 80-percentile point increase over that of the PRC.

Further, the PRC's policy of one-child per family has tended to be contrary to the teachings, as propounded by Confucius over the previous 2,428 years.

One of the first acts of the Chinese Communist Party, following its rise to power in 1949 – it is the only political party in the PRC – was to eliminate organised religion.

Confucianism, Taoism, and Buddhism had been the dominant religions of the PRC, prior to the advent of Chairman Mao Tse Tung and the Chinese Communist Party of 1948 and 1949, respectively, although

Confucianism has never, actually, been termed as a religion, but rather an ethical way to live.

Due to the secular nature of Confucianism and because most of the Chinese population of the late 1940s were affected by all of the 3 major creeds, there was little strong allegiance to a single belief.

Because of this, the majority of the population offered little resistance to the move of the Chinese Communist Party to proscribe organised religious beliefs.

In the late 1940s and up to relatively recently, Catholicism and Christianity were banned in the PRC, the priests and adherents to these faiths, who refused to leave the country, voluntarily, being beaten, humiliated, publicly, and, in some cases, incarcerated and killed.

The one-child determination of the PRC Government may well lead to its undoing and a deterioration of its political power in the fullness of time.

The reason for this is that Confucius's teachings were more practical and ethical than religious.

He claimed to be a restorer of ancient morality.

He held that proper outward acts were based on the 5 virtues: Kindness; uprightness; decorum; wisdom; and, faithfulness.

These 5 virtues constitute the whole of a man's duty, it is written in the dialectics of Confucius.

Reverence for parents, living and dead, was one of the key concepts of Confucius.

Confucius maintained, also, that there should be a paternalistic form of government and that all individuals within the State must observe, assiduously, their duties toward the State.

Communism is not complementary to Confucianism.

The one-child per family policy, now practised in the PRC, is contrary, in many respects, to the teachings of Confucius: It undermines more than one of its very foundations.

What has appeared to have replaced the teachings of Confucius, at least over the past few decades, is acquisitiveness.

Despite the Government's drive to spur industrialisation, the PRC continues to be predominantly an agrarian society.

As a whole, the country has only slowly turned toward urbanisation: Approximately 62 percent of the entire population of about 1.30 billion people continues to be rural and to think as such.

The Government of the PRC has, since the early 1980s, promoted the idea of a market economy, deviating from the teachings of the late Chairman Mao Tse Tung, who died in 1976.

The type of market economy, which the PRC Government is promoting, today, is one, which rewards those individuals, who are successful, and scorns on those individuals, who fail to achieve success.

Allegations of corruption and/or theft, in cases whereby a corporate entity is seen to have failed or is doing poorly, are common.

Such cases usually result in the jailing or execution of the accused – with the Chinese defense counsel, agreeing with the Court, and saying so, openly.

How long the concept of the one child per family will be tolerated is questionable, but it is unlikely to last the course, as did Confucianism for 2,428 years.

In addition, the one-child policy of the PRC has come to mean that India, whose governmental policies have, also, embraced capitalism, but without advancing concepts, which are contrary to religious and/or ethical precepts, those religious and ethical precepts, having been burnt into the country's population over the past 500

years and more, will outpace the GDP growth rate of the PRC, making it, not the PRC, the largest economy of the world.

Education: The Human Capital

If it may be held that a major source of growth and wealth of a country may be measured by man's ability to create, then, the more vibrant and creative brains that are put to work to solve a single problem, the more chance there will be that the problem will be solved in record time.

Education, therefore, is a key to the advancement of thinking and the country, which spends the most amount of time and money on the education of its people, stands the best chance of succeeding in the long run.

This concept of human capital has long been recognised by economists and proponents of the advancement of academia.

The quality of labour output – the ability to correlate and commingle production factors, effectively and efficiently, and the ability to absorb and integrate such factors and, thereby, procreate even newer concepts, products and services, and then to pass on such knowledge – has proved, over the centuries, to be responsible for all manner of advances of humankind.

Technological advances nearly always have their roots in education.

According to the **Organisation of Economic Cooperation and Development (OECD)**, the number of years of education per capita of the age group 25 years to 64 years is:

Germany	13.50 years
Switzerland	12.90 years
Canada	12.90 years
The PRC	5.80 years
India	4.10 years

It is unquestionable that there is a definite empirical correlation between education and income per capita.

The greater that a population of a territory may be educated, the greater will be the per capita income.

It follows that that which applies to the individual must, invariably, apply to the territory in which that individual resides in due course.

Hence, the level of human capital effects the growth of a territory's GDP.

Free Trade=Free Expression=Faster Economic Expansion

The more that a country trades with other countries, the more efficient will become its industries.

Competition begets competition, leading to the strong industries, surviving, and the weak ones, dying natural deaths.

Constructive destruction benefits a country over the long pull.

The PRC Government has come to learn that to grant employment to its workforce, and, at the same time, to subsidise its many corporate entities and factories is not efficient and leads to a drain on the country's financial resources.

As a country trades more and more with other countries, so competition will heat up, both for industry and the country, itself.

As efficiency in the use of resources comes to the fore, so higher productivity may be achieved.

This, more often than not, leads to even further trade and industrial advances.

Imported capital goods tend to afford rapid changes in technology, leading to technological advances, being achieved at home.

Economies of scale follow in quick succession.

Ironically, all this is accomplished with little to no acceleration in human capital.

Production within a State increases in proportion to the openness of its trade doors.

Greater wealth is achieved, both for the inhabitants of a State and for the State, itself, by leaving its borders ajar to free trade from competitors.

Trade increases the consumption probabilities of the population of the State.

Statisticians have determined that there is a definite correlation between the degree of openness of a State and the level of that State's GDP.

Statisticians have, also, come to the conclusion that there are few advantages achieved by having the State subsidise industry; and, there is no theoretical or empirical relationship between government spending and economic growth.

The present PRC Government has come to the realisation of that fact.

It would appear only too obvious that the most important duty of the State is to supply, or to make available, the liberal framework of the State, allowing private enterprise to pursue those activities within a framework of good governance and good laws.

There is a correlation, also, between the level of economic freedom and per capita income.

But the more that trade doors are opened, the more the population of a State learns of other peoples, living in other States.

This could pose a danger for the present PRC Government.

It would not take too much for the present PRC Administration, as with a turtle, realising that there is an imminent danger to its life, lurking nearby, to hide under its thick shell in the hope that the danger will pass.

Conclusion

Men and governments change; but, ideas are eternal.

Man may indulge in pursuits in order to advance his cause, but the time will come when great wealth is subordinated to philosophical pursuits.

An individual will, always, seek to create; he will be frustrated when he is unable to achieve his goals.

His frustration may take myriads forms, some of which may be construed as being threatening to the totalitarian State.

It is a fact that no government has lasted without the State, embracing the concept of an all-powerful deity – a god, or a pantheon of gods, if you will.

There have been very few societies, in the history of the world, that have lasted for any appreciable length of time without the requirement of a religious crutch, on which its population may lean in its hour of need.

When man cannot understand the meaning of his existence, he tends to gravitate toward the ethereal.

The history of humankind has proved this to be an indisputable truth.

To the Chinese people, up to 1948, Confucianism was akin to a religion, although, in truth, it was never a religion, per se.

It was the ethical way to live; and, the State could drink the milk of the country, its inhabitants, embracing precepts held almost sacred to them.

Laws were fashioned around Confucian teachings.

Those teachings are fast being forgotten by the current generation of the PRC.

Many of population have suffered under the various 5-year plans of the PRC Government since Chairman Mao Tse Tung took control of the country in 1948.

Misery likes company, but only to a certain level – and, then, misery becomes intolerable.

The drive for acquisitiveness, now being fostered by the present PRC Administration, can only be successful to a certain degree because the point will surely be reached when material goods are not sufficient to placate the population.

How many motor cars may a man drive, simultaneously?

While the greed of man may be unbounded, given the paths to be followed of an autocratic administration and non-interference by a paternalistic governmental administration, he will, invariably, choose the latter to the former.

Governmental stability is the key to a State's economic success and financial progress, but the State must embrace precepts, considered by the majority of the population of the State to be complementary to the innate propensities of that population; and, it must create the foundations in order for the population to achieve goals – that they, themselves, set for themselves.

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