

The inevitable rise of China - hype or reality?

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China is more likely to focus on meeting the needs of its own people than on establishing itself as the new global hegemony, says Dr. Salvatore Babones.
Credit: Flickr/Kozuch

A cover article in the latest edition of [Foreign Affairs](#) by the University of Sydney's Dr. Salvatore Babones outlines why predictions by economists that China will continue to experience rapid growth throughout the coming decades may be seriously flawed.

Instead he argues: "At its current growth rates [China](#) will likely catch up to Brazil, Mexico, and Russia around the year 2020 in terms of per capita [gross domestic product](#). There is no particular reason to believe that the China of 2020 will be any more successful than these other states have been."

China's economy grew by an unprecedented average of 9.6 percent per year between 1990 and 2010 according to the [International Monetary Fund](#).

Nobel Prize-winning economist Robert Fogel believes that China will grow at an average annual rate of 8 percent until 2040. While other leading [economists](#) are slightly more cautious they still foresee rapid growth for China well into the future.

However Dr. Babones, a lecturer in the Department of Sociology and Social Policy at the University of Sydney, believes: "When it comes to gauging China's future growth, economic modelling can offer only so much guidance. For one thing, [economic models](#) tend to downplay the fact that as countries grow, growth gets harder.

"There is no example to date of a state taking a very rapid growth trajectory to the top of the [world economy](#), raising doubts about whether China can be the unlikely exception."

Babones takes issue with the perception that China's recent growth is often characterised as the country's deserved return to its historical place in the [global economy](#).

"It is more reasonable to see China's famous can-do attitude as more of a has-done attitude: a legitimate pride in recent accomplishments rather than a harbinger of future success," he says.

He goes on to outline the one-time boosts that helped propel the country in the past and the political, environmental, and structural obstacles that will limit its growth in the future.

"China's dramatic rise over the past 20 years was propelled by two one-off bonuses: the population's declining fertility rate and its increasing

urbanization," Dr. Babones said.

"Having boosted productivity and prosperity both factors are now presenting their accompanying downside; declining fertility in the 1970s created an aging population and fewer people to support them and shifting shantytown populations are a result of urbanization.

"In addition it is difficult to imagine a dynamic knowledge economy emerging in a politically repressive one-party state and the environmental barriers to China's continued growth are well documented.

"I believe however that the greatest barriers to China's continuing rapid economic growth are structural. Creating more value than state industries did during the Cultural Revolution was not very difficult but creating more value than today's efficient Chinese firms do will be much harder."

He argues that if the international system comes to see China, and China comes to see itself, as an important but not all-powerful participant in the global system, "irrational fears will diminish on all sides, and rightly so. Tomorrow's China is more likely to focus on meeting the needs of its own people than on establishing itself as the new global hegemony."

Provided by University of Sydney

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