The People’s Republic of China (PRC) celebrated the 70th anniversary of its founding on 1 October 2019. The Chinese Civil War (1945–49) ended with victory for the Communist Party of China and defeat for the nationalist Kuomintang, which retreated to the island of Taiwan. Under Communist rule China remained poor, isolated and insular for decades, but this began to change in the 1980s. It could now be argued that the PRC is on the cusp of superpower status.

**Economic rankings**

In the early years the PRC actually lost ground in global economic rankings (Figure 1). Only after leader Deng Xiaoping’s Open Door Policy Reforms in 1978 did the economy begin to grow. Special economic zones, which allowed foreign direct investment and encouraged manufacturing exports, transformed the Chinese economy. By 2000 it was the world’s second largest.

Since 2000, massive investment in road and rail transport and in urbanisation has fuelled further growth. China has more high-speed rail (31,000 km) than the rest of the world combined. It also has around 400 million people with annual incomes of $10,000–$30,000. These middle-class consumers are an important source of economic growth as they move to more ‘Western’ patterns of spending.

**Figure 1** China’s economy as a percentage of global GDP, and China’s global GDP ranking
Reducing poverty

A stand-out achievement of the PRC is dramatic poverty reduction. In 1980 more than 80% of Chinese people lived on less than $1.90 per day, but by 2018 this had fallen to 1%. Figure 2 shows how per capita income growth moved China from developing-country status to middle-income prosperity in less than 40 years. In a global context, China accounted for 75% of all poverty reduction after 1980, with around 850 million Chinese people moving out of poverty.

Show of force

President Xi Jinping used China’s birthday parade in Beijing on 1 October to showcase the country’s modern military forces, with a march-past of 15,000 troops. This sent a message to rivals, such as the USA and Japan, that China continues to develop ‘hard power’. It will have hit home with countries involved in territorial disputes with China in the South and East China Seas.

Future plans

The PRC has a vast trade, infrastructure and investment plan known as the Belt and Road Initiative (BRI), New Silk Road or One Belt One Road (OBOR), designed to integrate Chinese trade with the rest of Asia, Africa, the Middle East and Europe. Completion date is 2049 (the 100th birthday of the PRC). The plan has enormous economic, geopolitical, cultural and resource implications and is worth some further research.

Ongoing problems

Despite economic success, increasing geopolitical influence and future plans China faces a number of issues, including:

- **Inequality** Falling poverty has been accompanied by rising inequality. China’s Gini Co-efficient rose from 35 to 50 between 1990 and 2015.
- **Lack of democracy** Recent protests in Hong Kong highlight the fact that China lacks free elections, freedom of speech and other basic human rights.
- **Environment** Poor air quality, widespread water pollution, desertification, rising carbon emissions are all issues China has yet to solve.
- **Ethnic persecution** China has been accused of persecuting the Muslim Uyghurs in Xinjiang and has occupied Tibet since 1951.

Activities

1. Does Chinese economic success and poverty reduction somehow ‘offset’ or justify lack of democracy in the country?
2. Could the world cope, in terms of physical resources and pollution, with a China that was as wealthy as Europe or the USA?

Further research

Use these two links to explore China’s Belt and Road Initiative: [www.tinyurl.com/y8wyrhv7](http://www.tinyurl.com/y8wyrhv7), [www.tinyurl.com/y5v24gbx](http://www.tinyurl.com/y5v24gbx)

There are many videos on YouTube, such as: [www.youtube.com/watch?v=ACbbz0rOv6A](http://www.youtube.com/watch?v=ACbbz0rOv6A)