

China's Post-Pandemic Economic Growth: Reaching Out and Developing Internal Markets and Well-being

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“Post-Pandemic” for many countries, especially western countries, is a dream. The west will have to wake up fast, if it doesn't want to fall prey to a destructive plan of chaos, unemployment, bankruptcies, and, yes, famine – shifting of capital from the bottom and the middle to the top – and leaving misery at the bottom.

Not so for China. For China, the post-pandemic era is well under way.

When SARS-CoV-2 hit Wuhan in January 2020, China was prepared. Chinese authorities proceeded with warp-speed to prevent the spread of this new corona disease, by a radical lockdown of Wuhan and extending it to Hubei Province. Later, other areas of risk were locked down, including about 80% of China's production and manufacturing apparatus. The result was astounding. Within a few months, by about mid-2020, China was in control of Covid, and gradually started opening up crucial areas, including the production process. All the while maintaining strict protection measures.

By the end of 2020 China's economy was practically working at full speed – and achieving, according to IMF's – very conservative account – a 2.6% growth for the year. Chinese own and perhaps more realistic projections were closer to 3.5%. IMF growth projections for China in 2021 stand at 8.4%. China's economic expansion in 2022 is projected at 5.6%. This is way above any other country in the world.

Compare this with 2020 economic declines way into the red for the US and Europe, of 25% to 35%, and 10% to 15%, respectively. These are real figures. Not necessarily the published ones.

Future expansion in China takes into account that much of the projected growth over the coming years will be internal “horizontal” growth – helping China's interior and western provinces catching up with infrastructure, research and development, as well as education facilities – increasing the overall level of well-being to reduce the gap with the highly-developed eastern areas.

China's economic recovery and her industrial apparatus working at full speed, is good for China and good for the world, because China had become in the past four decades or so, the western principal supply chain, mainly the US and Europe. We are talking crucial supplies, such as medical equipment, medication and ingredients for medication – about 80% – 90% used in the west comes from China.

China's rapid economic growth may be mostly attributed to two main factors: large-scale investments – financed by predominantly domestic savings and foreign capital – and rapid productivity growth. These two features appear to have gone hand in hand.

China remains attractive for investors. In addition to medical equipment, China supplies the west and the world with electronic equipment and is meant to become one of the key developers and exporter of Artificial Intelligence (AI) to accelerate and facilitate research and manufacturing processes, while minimizing negative environmental impacts.

China's outlook for the future is bright. However, a number of anormal factors have to be considered, like

(i) The unresolved covid issues in the west, which may be reducing demand naturally or by force – possibly import restrictions for goods from China as a way of constant pressure on China;

(ii) Continuation of a direct and indirect trade and currency war on China. To the detriment of the US-dollar, China's currency, the yuan – and soon the digital yuan as an international payment currency, independent from western controlled monetary transfer modes, is gaining rapidly in status as an international reserve money. According to some estimates, in five years the yuan may account for up to 30% of all world reserves. As a parenthesis, the US-dollar in the early 1990s amounted to more than 90% of worldwide reserve denominations; today that proportion has shrunk to less than 60%; and

(iii) The west, led by Washington, is intent to harm China in whatever way they can. It will not succeed. Washington knows it. But it is a typical characteristic of a dying beast to lash around itself to destroy as much as possible in its surroundings, before it collapses.

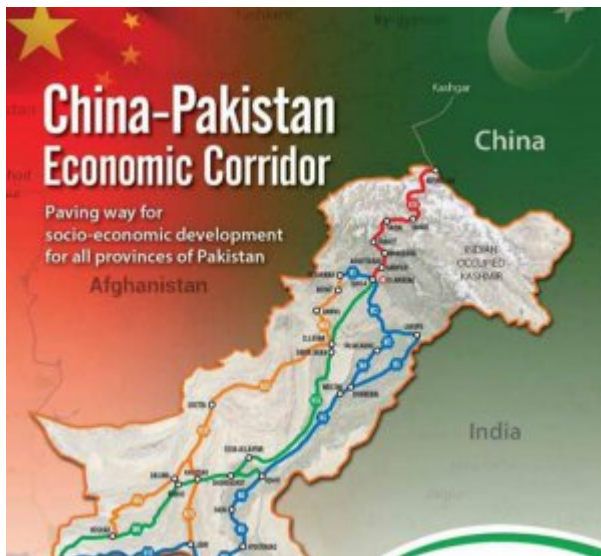
Just as an example which the world at large is probably unaware of, China is presently surrounded by about 1,400 US military bases, or bases of other countries which host US military equipment and personnel. About 60% of the US navy fleet is currently stationed in the South China Sea.

Just imagine what would happen, if China or any other super-power, would be surrounding the US with military bases and an aggressive Navy fleet!

China is constantly harassed, sanctioned and slandered with outright lies. One of the prevalent examples of defamations, is her alleged inhuman treatment of the Uyghurs in Xinjiang province. Total population of the Xinjiang Uyghur Autonomous Region in Northwestern China is about 26 million, of which some 12 million are Uyghurs, mostly of Muslim belief.

Uyghur Muslims are regularly recruited by US secret services from across the border with Afghanistan, sent to fight the Jihad in the Middle East, and when some of them return, China makes an effort to re-school and re-integrate them into society.

Could the real reason for this western aggression be, that Xinjiang province, the largest and western-most province of China, is also a principal hub for the two or more main routes of the Chinese Belt and Road Initiative (BRI) – trans-Asia Routes, by rail through Pakistan to the *Gwadar Port in the Persian Gulf*, and possibly by road through the newly to become autonomous Afghanistan, *connecting China with Iran*?



China is perceived as a threat to western hegemonic thinking – to western-style globalization, which is the concept of a One World Order over a borderless western corporate and banking-controlled world – and because China is well positioned to become the world's number one economy in absolute terms within a few years.

These are challenges to be kept in mind – in planning China's future economic development.

In fact, already today China is number one in PPP-terms (purchasing power parity), which is the only indicator that counts, namely how much of goods and services may be acquired with a unit of currency.

Taking these challenges into account, and following her non-aggressive and non-expansive moving-forward style, China may be embarking on a three-pronged development approach. Overarching this tactic may include China's 2025 Plan and 2035 / 2050 vision: *A strong emphasis on economic and defense autonomy.*

(i) *Outreach and connecting with the rest of the world* through President Xi Jinping's Belt and Road Initiative, also called One Belt One Road (OBOR) which is patterned according to the ancient Silk Road, more than 2,100 years ago, a peaceful trade route connecting Eastern China, through Asia, Europe and the Middle East.



On a global scale, embraces currently more than 130 countries and over 30 international organizations, including 18 countries of the European Union. OBOR offers their partners participation – no coercion. The attraction and philosophy behind OBOR, is shared benefits – the concept of *win-win*. OBOR may be the road to socioeconomic recovery from covid consequences and cross-border cooperation for participating countries.

OBOR is also aiming at a multi-polar world – where partner countries would equally benefit through infrastructure, industrial joint ventures, cultural exchange – exploration of new renewable sources of energy – research and education projects – working towards a joint future with prosperity for all.

Here is the distinction between the western and Chinese meaning of “globalization”. In the west, it means a unipolar world controlled by one hegemon, the US of A, with one army called NATO which forcibly holds the west, mainly Europe, together. NATO, with its 2.5 billion-dollars official budget – unofficially a multiple of this amount, reaching into the trillions – spreads already with its tentacles into South America, Colombia.

Together the west, or Global North, is a conglomerate of NATO-vassal-countries with little autonomy, as compared to Chinese globalization – meaning a multi-polar connection of countries, all the while OBOR-linked countries maintain their sovereignty. This is “globalization” with Chinese characteristics.

(ii) In a precautionary detachment from western dependence, *China is focusing trade development and cooperation with her ASEAN partners*. In November 2020, after 8 years of negotiations, China signed a free trade agreement with the ten ASEAN nations, plus Japan, South Korea, Australia and New Zealand, altogether 15 countries, including China.

The so-called *Regional Comprehensive Economic Partnership*, or RCEP, covers some 2.2 billion people, commanding about 30% of the world’s GDP. This is a never before reached agreement in size, value and tenor.

China and Russia have a longstanding strategic partnership, containing bilateral agreements that also enter into this new trade fold. The countries of the Central Asia Economic Union (CAEU), consisting mostly of former Soviet Republics, as well as members of the Shanghai Cooperation Organization (SCO), are likewise integrated into the eastern trade block.

The RCEP’s trade deals will be carried out in local currencies and in yuan – no US dollars. The RCEP is, therefore, also an instrument for dedollarizing, primarily in the Asia-Pacific Region, and gradually moving across the globe; and

(iii) *China will focus much of her future development on her internal and western regions –*

increase the standard of wellbeing of populations, infrastructure, research and development – industrial development, joint ventures, including with foreign capital. To achieve a better equilibrium between eastern and western China is crucial for socioeconomic sustainability.

This dual development approach, on the one hand, external trade with close ASEAN associates, as well as with OBOR partners; and on the other, achieving internal equilibrium and wellbeing, is a circular development, feeding on each other, minimizing risks and impacts of western adversary aggressions.

China's achievements in her 71 years of revolution speak for themselves. They are unmatched by any nation in recent history. From a country largely ruined by western-influenced colonization and conflicts, China rose from the ashes, by not only lifting 800 million people out of poverty, but also by becoming food, health and education self-sufficient.

Coinciding with the 4 March 2021, opening of the Chinese People's political Consultative Conference (CPPCC), Robert F. Kennedy Jr., late President John F. Kennedy's nephew, asked the pertinent question, *"Can We Forge a New Era of Humanity Before It's Too Late?"* – His answer is simple but lucid: *"Unless we move from a civilization based on wealth accumulation to a life-affirming, ecological civilization, we will continue accelerating towards global catastrophe."*

This understanding is also at the forefront of China's vision for the next 15 to 20 years – and beyond. A China-internal objective is an equitable development to well-being for all; and on a world-scale, a community with shared benefits for all.

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Featured image: China's Belt and Road Initiative will be given new momentum with new RCEP trade pact. Photo: iStock

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