

# State of Mankind

How much do you know?

Excerpts from *How the Specter of Communism Is Ruling Our World*

(46)

## The Truth Behind China's Economic Rise

Because of China's rapid GDP growth over the last 40 years, many have come to believe in the superiority of socialist economics. It has made many Westerners, including elites in political and academic circles as well as think tanks, marvel at the efficiency of the totalitarian system. In fact, the economic model the CCP has built cannot be duplicated. On the one hand, the reasons for its economic rise demonstrate the internal instability of the socialist system. On the other, the Party's model foreshadows an abundance of vices created by its unscrupulous economy of power.

China's economic growth in the past 40 years draws in large part from the following factors: First, the relaxation of the state-owned economy and the abandonment of central planning, as well as the revitalization of the private sector have given the Chinese economy a powerful productive drive. Chinese people are hardworking and intelligent, but the Party hindered their industrious potential for decades. A desire to alleviate themselves of poverty has rekindled the motivation to do

business and unleashed the tremendous economic power of the Chinese.

A second factor was the massive influx of Western capital and technology into China during the reform era. Under the command economy, China's vast expanses of underutilized land, labor, and markets were like gold for which prices were not yet determined. The combination of capital investment and undeveloped resources ignited the blaze of China's economic growth. Had it not been for the Party's totalitarian rule, this fire should have been started decades earlier, and in a much more controllable and sustainable fashion.

The scale of Western investment in China is immense. According to published figures, the direct American investment in China reached nearly \$800 billion between 2000 and 2016. The total value of foreign capital entering China from 1979 to 2015 amounted to about \$1.64 trillion.

Western countries even gave the Chinese regime preferential trade status along with broad market access. In May 2000, the U.S. government granted China Permanent Normal Trade Relations (PNTR). On December 11, 2001, China formally entered the World Trade Organization (WTO) and joined the international market.

The CCP developed its economic power using unethical models of development. Among these include sweatshop labor, the extreme exploitation of workers and peasants, the violent demolition of housing and relocation of the occupants, and the like. For the sake of short-term

growth, the CCP ignored environmental destruction and other hazards to squeeze every last drop of profit from its land, people, and resources.

The Communist Party took advantage of Western capital, technology, markets, favorable trade status, and cheap domestic production costs to make vast sums in foreign reserves. The trade deficit between the United States and China rose from about \$80 billion in 2000 to over \$375 billion in 2017.

Finally, the CCP overturned the conventions of international trade and took full advantage of the opportunities available to it regardless of their legitimacy. It adopted the nationwide strategy of plagiarizing intellectual property in an attempt to overtake other countries in terms of industry and technology. This constitutes the biggest case of theft in all of history.

The 2017 report by the Commission on the Theft of American Intellectual Property stated that China's fake goods, pirated software, and stolen trade secrets cause the United States a loss of between \$225 billion to \$600 billion every year, a figure that does not include losses due to the theft of intellectual property.

The report stated that over the past three years, US\$1.2 trillion was lost due to intellectual theft, the majority of which was from China. A report by the Director's Office of National Intelligence Service states that 90 percent of cyber attacks on U.S. businesses come from the Chinese government, inflicting an estimated \$400 billion in total economic damage every year.

China's economic growth was fueled by the relaxation of socialist ideology, investment from advanced Western countries, and the CCP's immoral business conduct. In no way does this indicate the superiority of socialism, nor that the Party is developing on the normal capitalist path. Western observers sometimes describe communist China's unscrupulous business model as "state capitalism." This is giving the Party undue praise. Under the CCP's totalitarian rule, the economy is merely a political instrument. The window dressing of market economics is a superficiality the CCP uses to deceive the world.

The CCP's economic model utilizes state authority to induce rapid economic development while employing underhanded tricks to be competitive. It has encouraged other countries to adopt heavier state intervention. These countries have made the grave mistake of idolizing the Party's model as a success while ignoring its human and moral tragedies.