

"Here lies a sleeping lion, let him sleep, for when he wakes up, he will shock the world"

----- Napoleon Bonaparte

## Return of the Lion: Will China Again Become a Developed Nation?

Zhixiang Xu

Graduate Student, Development Studies, City University of Hong Kong

### Abstract

The economic development of China is one of the greatest success stories of modern time. Since 1978 China, with more than one fifth of the world's population, has moved from being one of the poorest countries in the world to the world's second biggest economy and its share of world GDP rose from 5 to 15 per cent. Never before in the world history has such a large proportion of the world's population advanced so rapidly.

The lion has woken up and is roaring. Is he strong enough? In spite of such achievement, China is still a developing nation. Let's look at some facts. China's per capita GDP is still around 100th in the world even though GDP may not accurately reflect the real life and purchasing power of the Chinese people. There are many other series of problems that have emerged in the course of its development such as environmental pollution, energy shortage, wealth distribution, corruption, stagnated system, etc. More than half of Chinese live in rural areas. The imbalanced economic and demographic structures keep most of those people in much lower living standard than those in urban areas. China needs a sustainable and healthy development.

Up until the 15th century AD China was the most powerful and richest country on earth until the Industrial Revolution. Whether or not China will again become a developed nation? This is a hot topic that has been attracting scholars to research and predict. Such studies will not only gain an insight of China's economic development; it also helps to understand its impact on the world economy as a whole.

To explore this issue, a holistic approach is adopted. The analysis covers an explanation of methodologies used for this research, history and background of China's economic development, experiences of other countries, and the impact of China's economy on the world, the models of economic development, challenges China faces, and analysis of prediction.

As this topic seems wide and vague, the author tries to use qualitative analysis to find factors that contribute to or affect China's economic development. As we know, economy is the most important and easily comparable indicator as quite versatile tool. At the beginning of the article, a brief introduction of the framework is given. In the second section, methodologies used are explained. Then an analysis is given to look back historical economic development in China, to

compare economic development between China and other countries which can serve as reference to China's development but not in any way to extrapolate China's future development. Next is a discussion about the impact of China's economy on the world and vice versa. Followed are challenges China faces on its road towards a developed nation and possible solutions to crises. Two projections of China's future economic development: One was just put forward from OECD; and the other is based on the most dynamic cities in 2025, it seems that the data are not a comprehensive coverage of China's economy, yet it is a powerful evidence to illustrate China's future economy.

Throughout the article, there exist quite some arguments on how China will evolve. Nobody will know exactly what will happen 15, 20 or 50 years later. External factors will affect the country's economy. For a country in such size, however, its internal factors play a crucial role. As a new leadership team was set up during the recent 18th Party Congress, China's government must take a series of innovated measures to overcome tremendous hurdles in the country's development and lay foundation for its efforts to become a developed country.

The giant lion has returned and he may be a weak lion, a powerful lion or a lion king. Let wait and see what happens.