

**The Coming Collapse of China
or the Most Tenacious Communist Regime on Earth?**

China has achieved great success in her transition to a market economy, as evidenced by her sustained growth throughout the post-Mao era. On the other hand, however, China also suffers such problems as great regional income disparity, severe unemployment, insolvency of financial institutions, and a huge state budget deficit. Bearing all these troubles in mind, Gordon Chang, dissenting from common opinion in China scholarship, predicts China will collapse in five years.

Many China scholars would concur that China might not be able to solve all the problems presented in Chang's book. Most still believe, however, that the communist regime will survive for a good while longer. Why is this so?

The first reason is that although state control over society has weakened since reforms were instigated, no organized mass challenge to the communist rule has yet arisen. Incidences of small-scale protests—such as by Falungong members, unemployed workers, and deprived peasants—have not posed a sufficient threat to the leadership of the CCP so far.

Second, although the increasing size of the "floating population" that has moved from countryside to the cities has pushed urban stability to the limit, this migration is unlikely to cause severe turmoil in large cities—due to the tight control by the police force.

Finally, the insolvency of financial institutions, severe as it is, probably will not lead to the bankruptcy of the state, as has happened in many developing countries. This is because China has, through trade and foreign investment, accumulated the second largest foreign exchange reserves. The state therefore does have cash in hand to offset debts in its account.

This is not to say, however, that the communist regime will never collapse. One reasonable speculation is that the downfall of communist China will occur if a disastrous economic depression hits the world trading system. A disastrous global economic crisis would certainly slash employment in the export sector—the current engine of China's growth, which in turn would swell the ranks of the already large unemployed sector. This

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in turn would inflame social discontent to a point that the increasingly weakened and corrupt local state apparatuses could not be able to contain. Local protests could then lead to regional anarchy, and then possibly the breakdown of the entire state. This scenario is, however, a possibility that all developing nations could face—communist and capitalist alike. In fact, bearing in mind the case of Latin America, we must admit that China has performed quite well in this regard so far. Perhaps this is bad news for any theories of China's coming collapse?

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