

# China Blog – March 2021

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## Demographics do not look promising

It has been said before, including by this analyst, that demographics are arguably one of the most formidable challenges China is facing. In fact, they may even partly explain China's increasing assertiveness: The Communist Party (CCP) senses it has very limited time to act and that the window of opportunity is already starting to close. According to a new [study](#) published by the Ministry of Public Security (and reported on by Jamestown Foundation on 11 February 2021), the number of births in 2020 dropped by more than one million (or 15%). However, this number varies regionally, with a city like Taizhou in relatively wealthy Zhejiang province reporting a drop of 33%. A decline in population numbers is predicted to start as early as 2027, but some Chinese research institutes suggest it may even start during the 14<sup>th</sup> Five Year Plan (2021-2025). Official numbers will be published in April.

As [South China Morning Post](#) (SCMP) reported on 27 February 2021, the CCP may consider easing birth restrictions further, but the fact remains that the abolition of one-child-policy in 2016 barely made a dent in the numbers. The new 'pro-birth' policy encourages greater levels of childbirth (also through emphasizing socially conservative values) but comes very close to making [eugenics](#) widely acceptable. As Neican wrote on 15 March 2021: "Beijing is trying to restrict fertility in some groups, it is also encouraging fertility in other groups, namely, among Han urban dwellers." Another alternative for ageing societies is to encourage migration from cities into the countryside, a path the CCP will most definitely not want to follow. A far more likely and far less popular measure will be to raise the retirement threshold, something which had been proposed in the last 5 year plan, but never made it into law. According to a report by Xinhua from 12 March 2021, the [retirement age](#) in China for men is 60, while for women, it is 55 for white-collar workers and 50 for blue-collar employees.

The SCMP also gives some astonishing figures, illustrating the size of the problem: At the end of 2019, there were 176 million people over 65 years of age; in 2025 it will be 300 million. The labor force continues to decline and will lose a further 66 million by 2030. There are predictions that China's population will peak around 2030 at the 1.44 - 1.46 billion mark and then see a sharp decline, some expecting it to fall to 800 million by the year 2100. This poses challenges, but also unique opportunities to Christians, who are known around the world for running nursing homes for the elderly, seen as fulfilling Christ's command to love one's neighbor as oneself.

## Danger in the neighborhood (Myanmar)

The blog Panda Paw Dragon Claw, which keeps a critical eye on China's Belt-and-Road-Initiative, reported on 27 February 2021 that the CCP has been delicately walking a [tight-rope](#), trying not to condemn Myanmar's coup while at the same time trying to not to fan any anti-Chinese sentiment in Myanmar, where there have been regular protests outside the Chinese embassy. It has only had limited success. While China demanded the release of Aung San Suu Kyi and offered good services to the conflict parties, there has been no public statement about the Civil Disobedience Movement (CDM) initiated by public servants and other citizens in Myanmar. This is all the more interesting since Belt and Road projects in Myanmar, run by state-owned enterprises in China, have been seriously affected by the CDM. Strategically, however, the CCP finds itself in a catch 22 situation. Given the

suppression of civil voices, let alone opposition or dissent at home, it cannot be seen to be endorsing a people-led protest in any way. Should the CDM succeed, it might encourage such movements to emerge in China as well.

At the same time, despite all the current challenges, the CCP is increasing in popularity [at home](#), as the Christian Science Monitor writes in a report published on 18 February 2021, which is worth the time reading. This increase in popularity is not only achieved by emphasizing nationalism and twisting history - as mentioned in the [September](#) and [October 2020](#) issues of this China blog. The report quotes research carried out by the Harvard Kennedy School according to which a full 93% of respondents stated that they were satisfied with the work of the central government (33% very satisfied) and an astounding 70% were satisfied with the work of the local governments. On the other hand, this highlights the social contract underlying the position of the CCP: As long as it delivers, people will accept limitations. This is why the Communist Party has such a headache with the situation in Myanmar: It cannot accept a successful uprising against the ruling party in a neighboring country.

## There is more than one tool for surveillance

As has been written in World Watch Research's [full country dossier](#), China's much-published Social Credit System (SoCS) is still more fragmented and patchy than a consistent tool for social monitoring. This has recently been [confirmed](#) by a 24 page report by Merics, published on 3 March 2021. The sheer number of institutions involved in the report (47) and the number of documents relating to SoCS in the Merics database (1456) is impressive. Despite the difficulties, a draft Social Credit Law was prepared for internal review in China in December 2020 and it remains to be seen if and how a final law may be implemented. It is particularly important to keep in mind what the authors of the Merics report write on page 18 under the heading "The Party State's growing surveillance eco-system":

*"The Social Credit System is often incorrectly conflated with China's surveillance state. In practise, it is a public, relatively transparent system and increasingly curtailed in its reach. But the Chinese party state has other, much more invasive projects at its command. These projects often operate more covertly and act beyond the confines of laws and regulations, in a relatively clear division of labour. These include Golden Shield, Skynet, Safe Cities and Police Clouds, Project Sharp Eyes, and the Integrated Joint-Operations Platform (JJOP) in Xinjiang."*

This is the background to what every citizen in China has to face, but especially minorities and/or groups seen as dangerous or (potential) troublemakers, including Christians.

Interestingly, just a few days earlier on 1 March 2021, China Leadership Monitor published an evaluation of China's "[Grid Management](#)" (GM) also warning against overstating the capabilities of the current system. This GM system, implemented some years ago, basically divides the whole country into parcels of 10,000 people or clusters of a thousand residents to oversee security and improve the delivery of services. In reality, the implementation has been patchy, and even though the GM system can be seen as another tool in the CCP's toolbox to enhance social control, it is still a long way off from being on a par with other surveillance systems. One major impediment for implementing it is the lack of funds at the provincial and local level. However, where such funds are available, the results are "impressive":

*"Haidian district in Beijing, where some of China's most prestigious universities are located, boast the most advanced grid surveillance system. Its surveillance platform consists of a visual surveillance system (based on cameras and facial recognition) and a "smart early warning system" (based on sensors), and it can reportedly automatically spot smoke and fire, excessive crowding, suspicious activities and crime in progress, and speeding vehicles. This system is capable of automatically capturing the facial images of pedestrians and matching them against blacklists. Alerts generated by a match are automatically sent to responsible individuals and officers. Residents can report incidents (such as problems with trash and potholes) through an app to grid management."*