Where is China in 2025?

by Yves Montenay 25.02.2025

President Xi is facing numerous challenges. During COVID, the excessive severity and duration of lockdowns shook the Chinese people's trust. The government retreated, and young people are expressing their dissatisfaction.

It is not widely known that China experiences thousands of protests every year, usually resolved by arresting the leaders and dismissing a few local officials, allowing the government to claim that grievances have been heard.

Causes of Discontent

The main, completely taboo issue is dissatisfaction with the political regime.
People are controlled in countless ways, yet sometimes an individual or a group manages to break free.
For instance, highway users saw a large banner reading "Death to the Dictator" hanging from a bridge, visible to enough people that the news even reached the West.

Propaganda and Ideological Control

The Chinese Communist Party (CCP) uses the media to hammer its propaganda through all channels: television, radio, medias, and internet.
The purpose, is promoting party values and strengthen national unity. Reminiscent of Mao's Little Red Book, there is now Xi Jinping Thought, which everyone is expected to follow.
This propaganda extends abroad, with an increasing number of fake accounts promoting the official Chinese viewpoint.

Technological Surveillance and Information Censorship

The "Great Firewall" filters and controls internet access. The messaging platform WeChat (1.38 billion users) and all other platforms are subject to strict censorship, which quickly eliminate content deemed sensitive.
This censorship also extends to accounts abroad, particularly to monitor support for democratic movements. Moreover, popular cultural productions and the entertainment industry are strictly controlled to prevent Western influence.

Movement and Daily Life Control

Government officials, teachers, and employees of state-owned enterprises must surrender their passports to the authorities, limiting unauthorized travel.
A digital record tracks internal movements and purchases.

Repression

Critics of the government or ethnic and religious minorities, face severe repression. Recently, dissident artist Gao Zhen was imprisoned.
Their lawyers also disappear.
Minorities, such as the Uyghurs in Xinjiang, are subjected to “reeducation” and internment.
Muslims and Christians are under particular scrutiny.

Pollution

Air, water, and food are often highly polluted. Wealthy Chinese import their food from abroad.
Discontent was so high in Beijing that nearby factories were relocated, merely shifting the problem elsewhere.
China is now the world’s top polluter, both annually and cumulatively.
The government highlights its massive installation of solar panels and wind turbines, yet in 2024, coal-fired power plant construction reached its highest level in nearly a decade.
China has now built 94.5 gigawatts of coal plants—93% of the global total.
The official goal remains to peak carbon emissions by 2030. But at what level?

A Long List of Issues

Beyond these sources of dissatisfaction, the government faces severe structural problems: demographics, real estate collapse, youth disengagement, and the impact of subsidies on the average citizen.
The government acknowledges its powerlessness in stopping the fertility decline, which is also the main cause of the real estate crash: private investors, who buy properties off-plan, cannot find final buyers because there are fewer and fewer young couples to occupy these homes.

The problem is worsened because off-plan buyers are typically adults using property as a retirement investment due to the lack of a social security system. Their financial ruin adds to public frustration.

As for youth disengagement ("lying flat" movement), it seems natural: young people no longer want to work nine hours a day, six days a week, like their parents did, which was acceptable 40 years ago to escape Maoist era poverty but is no longer necessary.
Finally, industrial policy relies heavily on subsidies to capture foreign markets (solar panels, electric cars, steel, etc.).
These subsidies ultimately burden ordinary Chinese citizens by diverting funds away from social programs. A cynic might say that while Western companies and jobs are threatened, Western consumers benefit from products made largely at the expense of average Chinese.

Xi Jinping Has Forgotten the Roots of China's Growth

Before Xi, China welcomed foreign businesses, allowing local suppliers to thrive and often surpass their foreign clients.
Exchanges extended to culture, science, universities, and tourism.
The West trained a generation of world-class Chinese professors.
China’s growth came from adopting the Western model: free enterprise for both locals and foreigners, Western managerial and technical knowledge—arguably more valuable than financial investments.
But because GDP growth is measured in monetary terms, financial analysts were a few years late in realizing that China’s catch-up period had ended.
China’s appeal initially rested on low wages.
As wages rose, Western companies remained drawn to China’s vast domestic market.
This large market also enabled the rise of national and then global giants (Tencent, Alibaba, Huawei, etc.).

A Return to Isolation

Xi's predecessors understood that China’s rapid growth was due to globalization.
Xi, however, seems to believe that China no longer needs the outside world and that its development stems from its political system—especially the CCP’s leadership.
He has viewed successful Chinese companies as a threat to the Party’s control, leading to crackdowns on industries like video games and private education.

The cultural disconnect is also growing: foreign language education is declining, Hollywood movies have almost disappeared, while hyper-nationalist films like The Battle at Lake Changjin dominate theaters.
Chinese officials and students abroad are increasingly viewed with suspicion due to the "obligation to spy" imposed on all Chinese citizens, even those with foreign nationalities. The CCP fears that liberal ideas could spread among its future elites.
During the pandemic, foreign arrivals to China plummeted due to strict quarantine measures, and levels have not fully recovered.
Meanwhile, the world is realizing its dependence on China.
International companies—including Chinese ones—are relocating elsewhere, wary of total government control over business and private lives.
This shift benefits countries like Vietnam, Indonesia, and, gradually, Europe.

China’s Government Response

Xi has tried to reverse the fertility decline through propaganda and incentives, but without success.
Historically, only post-WWII France (1945–1973) has succeeded in boosting birth rates significantly.
The government has increased housing subsidies, but the issue is not financial—it's a consequence of declining fertility.

Xi has (finally) realized that Chinese businesses were the main driver of economic growth and that the Party’s political repression is a long-term threat.
To signal a shift, he organized a grand event to honor top entrepreneurs, even orchestrating the rehabilitation of Jack Ma.

Xi is also pushing China’s recent AI advancements.
Local authorities now require businesses and individuals to use two state-approved AI models: DeepSeek, which is now well-known in the West, and Doubao, developed by ByteDance (TikTok’s parent company).
While China’s AI achievements are impressive, data constraints remain a major issue: try asking DeepSeek for an analysis of China’s political situation!
Most likely, the government sees AI as a new tool for propaganda.

Will the Chinese People Remember the Maoist Disaster?

Under Mao, they were impoverished, stripped of freedom, subjected to mass executions, violence, and famine.
Will they really believe that today's increasing repression leads to glory and prosperity?
The average Western (even Chinese raised in the West) believes such a regime cannot last indefinitely. It will collapse when a faction within the Party (cadres or military officers fearing disgrace etc.) sides with the people.
Professional historians, however, are less certain. History is full of authoritarian regimes that endured for decades or even centuries.

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