

# Is China in the 2020s like Germany in the early 1900s?

Mark Twain is often given credit for the quote, "History never repeats itself, but it does often rhyme." The quote emphasizes that events do not always unfold in the same way, but they often unfold in similar ways. The

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tale of China's military ambitions as a great power, just now starting to be told, may end up sharing similarities with the tale of Germany's military ambitions from the early 1900s. Both tales start with a country's economy growing so quickly that the country moved from being a minor power to becoming a great power. Germany used its newfound economic might to build a powerful military, which it used in an attempt to expand its territory. China has sent signals that it intends to use its military to pursue the same goal. The strategic decisions that China makes about where and when to enter into conflicts will determine if it is successful or if it suffers setbacks like Germany did.

According to the periodical *ThePrint*, China has 17 territorial disputes. Each one could lead to a conflict. Indeed, minor conflicts have already started. In June, Chinese troops killed 20 Indian soldiers in the disputed Galwan Valley. This year, Chinese military planes entered

Taiwanese airspace and Chinese boats rammed a Taiwanese patrol boat. While China could pursue a military strategy to claim territory in any of the 17 disputed areas, I will focus on its decisions of whether to attempt to militarily seize Taiwan. Economic concerns will determine the best course of action for China.

The biggest obstacle China has to seizing Taiwan by military force is that the U.S. might try to stop them. This is an obstacle worth worrying about. The U.S. has the largest economy in the world and the most powerful military. While China has the second largest economy, its military won't fare well against the U.S.'s military.

The strategic balance may change in a few decades. Since 1980, China's inflation adjusted GDP has grown more than twice as rapidly as the U.S.'s inflation adjusted GDP. China's rapid growth has given it the resources to build a military that can reasonably enforce at least some of its territorial claims. If the Chinese economy continues to grow faster than the U.S. economy, it will be able to expand and upgrade its military. With enough time, much of the U.S. military advantage will disappear. At that point, the U.S. probably won't be willing to protect Taiwan. It will be too costly and too risky. In the scenario I just laid out, China's best strategy is to wait and take no action against Taiwan any time

soon. It will get Taiwan without a fight eventually.

On the other hand, if China's economic growth slows down, and grows only as quickly as the U.S. economy grows or slower, then China no longer gains a huge advantage by waiting. China's economy won't be growing in a way that will allow it to close the gap with the U.S. economically and militarily.

In my last column, I predicted that Chinese economic growth is about to slow down. If the Chinese leadership believes this, then the Taiwanese people are living through dangerous times. The Chinese leadership will see no advantage in putting off a military action. Worse still, China has a list of economic problems: Covid-19 has disrupted its production, local governments have taken on extremely high levels of debt, and it looks like it has a real estate bubble that may soon burst (or already has started to burst). Unfortunately, the Chinese leadership might use a military action against Taiwan to divert the attention of China's citizens away from China's economic problems.

For my part, I am hoping that China's economy continues to grow rapidly or at least that its leaders believe that it will. This expectation may put off a conflict in Taiwan. And if we are lucky, some other event will occur that redirects China's interests away from the area.