



CHINA REFORM MONITOR

The American Foreign Policy Council's Review of
P.R.C. Government Actions and U.S. Policy

China Reform Monitor No. 1539

February 16, 2023 **Joshua Eisenman**

Related Categories: Human Rights and Humanitarian Issues; International Economics and Trade; Warfare; China; Taiwan

AS DEBTS SOAR CHINESE CITIES CUT PAY AND SERVICES

Three years of zero-COVID policies and a real estate crash have drained government coffers and buried localities under a mountain of debt. As the risk of default rises, some cities are cutting basic services, wages, transportation services, and fuel subsidies. China's government debts surpassed 123 trillion yuan (\$18 trillion) in 2022, of which 65 trillion yuan (\$9.6 trillion) is "hidden debt" owed by risky financing platforms backed by cities or provinces. Moreover, land sales, which have accounted for more than 40% of local government revenue, have fallen for 16 straight months. Guangdong, Zhejiang and Jiangsu have slashed pay for government workers by 30%, while cities including Leiyang, Hunan and Yangjiang, Guangdong have stopped bus services. China's total government debt is now 102% of its GDP. (CNN, February 1, 2023)

NOW CZECH PARLIAMENT SPEAKER ANNOUNCES TAIWAN VISIT

The day after China criticized Czech President-elect Petr Pavel for supporting closer ties with Taiwan, the speaker of the country's parliament, Marketa Pekarova Adamova, announced she will visit Taipei in March. Pavel, a former top NATO military official, spoke with Taiwanese President Tsai Ing-wen, prompting Beijing to criticize him for "serious interference" in China's internal affairs. Pekarova Adamova spoke with Taiwan's Foreign Minister, Joseph Wu, about her visit, and assured him of the "systematic support of partners, who respect human rights and the principles of liberal democracy, are among the priorities of our parliamentary democracy." (Bloomberg, February 1, 2023)

SICHUAN ALLOWS UNMARRIED PEOPLE TO REGISTER CHILDREN

China's population shrank last year for the first time in six decades, pushing authorities to roll out incentives to increase the population. Sichuan, where 1 in 5 individuals is over 60, will now allow unmarried people to register children. With marriage and birth rates at record lows, provincial authorities extended a 2019 rule that had only allowed married couples to register two children to cover singles as well. Starting February 15th, any individual who wants children can register as many as they like to "promote long-term and balanced population development," Sichuan's health commission has said. The maternity insurance system, which covers medical bills and lets women maintain their salary during maternity leave, will also be extended to single women and men in Sichuan. (Reuters, January 30, 2023)

CHINA IS BUILDING GROUND STATIONS ON ANTARCTICA

China is building ground stations on Antarctica to support its global network of surveillance satellites. China Aerospace Science and Technology Group Co., which won the 44 million yuan (\$6.5 million) tender, will build four ground stations at the Zhongshan research base near Prydz Bay in East Antarctica. Zhongshan is one of two permanent Chinese research facilities on Antarctica. (Reuters, February 2, 2023)

U.S. AIR FORCE GENERAL PREDICTS WAR WITH CHINA IN 2025

General Mike Minihan, a U.S. Air Force four-star who heads Air Mobility Command, has sent a memo to the officers under his command instructing them to prepare to fight a war with China in two years. Air Mobility Command is responsible for the U.S. military's transport and refueling needs, and has 50,000 service members and 500 planes under its auspices. Minihan believes China will move on Taiwan because both Taiwan and the U.S. will be "distracted" with their respective presidential elections in 2024. He has called for building "a fortified, ready, integrated, and agile Joint Force Maneuver Team ready to fight and win inside the first island chain." A U.S. Defense Department official, however, has qualified the comments, saying: "These comments are not representative of the department's view on China." (NBC, January 23, 2023)