



China Fleshes Out Technocracy By Building 19 ‘Supercity Clusters’

As the world’s leading Technocracy, China is leading the way in creating so-called ‘supercity clusters’ that are a model for the entire world. City-states are deemed to be the future of Sustainable Development and its attendant supply chain. This World Economic article spreads the propaganda. □ TN Editor

The world has a demand problem, and it is dealing with it all wrong. Rather than allowing itself to be harmed by other countries’ problematic policies, China must work to create its own demand by making full use of its capacity for policy experimentation, long-term planning, and pragmatic decision-making.

In the decade since the 2008 global economic crisis, advanced

economies have leaned heavily on easy monetary policy, hoping that large amounts of liquidity and ultra-low interest rates would generate enough demand to eliminate excess capacity. But this has undermined productivity, encouraged speculative activity, fueled asset bubbles, and exacerbated income and wealth inequality.

As developed-country citizens have become increasingly frustrated with this state of affairs, politicians - in particular, US President Donald Trump - have attempted to appease them with immigration restrictions and protectionist trade measures. But while this might temporarily satisfy some segments of these countries' populations, it will ultimately make matters worse, by curbing global demand, exacerbating structural imbalances (including trade imbalances), and eventually leading to recession for all.

All of this has significant implications for China, which has become the primary target of the Trump administration's tariffs, amid accusations that it is responsible for global excess production capacity. In this context, it is more urgent than ever that China curbs its reliance on foreign demand and high levels of investment, by fostering sustainable domestic consumption. Success will hinge on China's continued use of what we call the "BREEP methodology," whereby policymakers browse, research, experiment, evaluate, and push forward what works, continually refining and adapting their tools and tactics.

Since 2000, China's long-term plan for boosting incomes, reducing inequality, and protecting the environment has depended on the harmonious progression of innovation and urbanization. Specifically, China hopes to create green and efficient urban clusters populated by increasingly educated workers who can consume in a sustainable manner.

Current economic theory gives little guidance on how to achieve the virtuous circle of rising income and rising productivity that is vital to dynamic and prosperous cities. But, using its BREEP methodology, China has learned that rejecting one-size-fits-all approaches and promoting competition among cities is a valuable means of achieving breakthroughs in development strategies.

In 2010, China's State Council identified three major urban clusters as launch-pads for smart urbanization: the Yangtze River Delta (YRD), the Pearl River Delta (PRD), and the Beijing-Tianjin-Hebei cluster (BTH). By 2014, the PRD had morphed into the Greater Bay Area (GBA), covering nine cities around the PRD in Southern Guangdong, plus Hong Kong and Macau.

As a recent [HSBC report](#) notes, each of China's top three urban clusters has a GDP greater than that of Spain; together, they will account for 45% of China's total GDP by 2025. Of these, the [GBA](#) is the smallest by population, with 70 million inhabitants, compared with 120 million in the YRD and 112 million in the BTH. Yet the GBA contributes \$1.5 trillion to China's GDP - a total of 12% - and accounts for 37% of the country's total exports. And the cluster's GDP growth is significantly higher than the rest of China.

The GBA is home to a high concentration of dynamic private businesses, such as Tencent, Midea, and Huawei. It is also China's most innovative urban cluster, generating more than 50% of the country's international patent applications. And, according to HSBC, the GBA is the [least burdened](#) by inefficient state-owned enterprises and excess capacity.

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