

# On The Ground - Asia

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## China years: How many are you living?

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- **China is growing quickly – and “China years” give a sense of how the speed of change compares with change occurring elsewhere**
- **A year in the US is equivalent to 0.25 China years, in Korea 0.75 China years**
- **A year in Malawi is equivalent to seven hours in China**

### China

Living in China is a heady experience, particularly for those who visited a few years ago. Many are more than a little disoriented. “When I was here in the late 1980s, Pudong was an empty field,” is one common refrain heard on the Bund, the old bit of Shanghai that faces the skyscrapers over in Lujiazui, the financial district on the edge of Pudong. The change does not stop there. BMWs vie with Audis, alongside the occasional Humvee, in traffic jams along streets that twenty years ago were barely even lit at night. Each new high-end restaurant out-does its predecessors in glitz, champagne and fancy chefs, while in the early 1980s going out to eat was a rare and definitively “capitalist” experience. For those who make it out of downtown Shanghai, there is the experience of driving some three full hours before anything resembling countryside appears on the side of the road. Only ten years ago most of this land was farmed fields and rural communities. It is a truism, but the pace of change is extraordinary.

Imagine, though, if you actually had lived through it all. Imagine the unbelievable salaries your twenty-something kids suddenly have, the dizzying pace at which they shift jobs (and relationships), the skyscrapers sitting on the bull-dozed tenements in which you grew up, the extraordinary travel that some of your neighbours now do, and the pain that others face as they get ill and find the local hospital wants unimaginable amounts of cash on deposit before it even looks at them. Imagine, suddenly, all those strange foreign folk on the streets, themselves also looking slightly bewildered.

Everyone lives through change – but not change at this speed. Can you imagine how it feels? We cannot. But, as economists, we have an idea that might help. Today, for fun, we introduce “China years”, to help folk in other places empathise a bit with what is going on in China. A large part of the change that has been experienced (though of course not all of it) is to do with the massive increase in average personal wealth that has occurred since the late 1970s. (Good Marxists among our readers will know that economic growth is the root of all social change.) So measuring the speed of growth in an average individual’s income over time should provide a very rough proxy of the speed of change experienced. Once we have data for different countries, we can compare the pace of growth and calculate our “China years”.

How many “China years” are you living? Our results are laid out in Table 1 overleaf. For example, according to our calculations, one American year is equivalent to one quarter of a China year, or 2.8 months. One British year is equivalent to 3.1 China months. In other words, an American or a Brit will experience as much change in China in the space of three months as he or she would at home in a year. Life here really is four times quicker. A Brit who has lived in China for two and a half years, for instance, would have seen change around him that he would have to wait ten years in the UK to see. The speed of change is easier to understand if you are Asian. One Singaporean year is equivalent to 0.5 China years, or six months. And China seems even less strange to a Korean – one

Korean year is equivalent to eight China months. Visiting Batswana (the term for folk from Botswana) may not be too fazed either by China’s torrid pace of change.

At the other end of the spectrum, there are countries which have seen negative income growth over 1980-2007 (which we have not included in our table), as well as those which have witnessed hardly any change at all. Of those remaining, somewhat arbitrarily, we have Malawi at the top of our list, a country that has grown only 0.001% a year on average since 1980. As such, a Malawian is used to economic growth in one year of the scale that takes place in China in the space of 0.01 months, or about seven hours.

Or we can run the numbers like this. Say you are reading this in a sleepy French coastal town. The amount of change that has occurred in the last 30 years is equivalent to what has happened in China in the last five. Or if you are in Nigeria, China has changed as much in the last year as you have seen in the last 30 years.

The method behind “China years” is simple. We used per capita local currency GDP data in constant prices and calculated the average rate of growth over 1980-2007 for 60 or so countries. Using constant prices the numbers should reflect real change (i.e. inflation should not affect them). And using domestic currencies means we avoid any exchange rate effects. We then compared these average annual growth rates with China’s and then calculated our “China years”. Table 1 shows how many China months are equivalent to a year in the lives of the listed countries, as well as how many years China needs to change as much as these countries have changed in the last thirty years.

There are of course problems with our method. Most obviously, lots of change does not appear in GDP numbers. Second, we are not adjusting for the purchasing power of the income, although since we are dealing with growth rates this should not be too big a problem. Third, we are taking an average growth rate over the 1980-2007 period, so we take no account of any recent spurt (or collapse) of growth. A year in Brazil is equivalent to only 0.8 China months (24 China days) according to our numbers, but since Brazilian incomes are now growing faster, change at home will feel a lot less slow. If a country has boomed and then collapsed, with average incomes rising and then falling back to where they were, residents will have experienced much more change than our numbers suggest. And of course, fourth, there are regional differences; Shanghai residents have likely experienced more change than farmers in Gansu province in recent years.

Of course, our “China years” are only meant as a bit of fun, but we hope they help put a number to the sense of dizziness you may be experiencing after having moved to China. Or for those who have spent their lives here, they might give a taste of what life is like for those still living in the slow lanes of life elsewhere. Tempted? Give up your sleepy French coastal town is what we say.

**Table 1: "China years" - How many are you living?**

	One year is equivalent to 'n' China months	Thirty years is equivalent to 'n' China years
Malawi	0.01	0.03
Nigeria	0.4	1
South Africa	0.6	2
Brazil	0.8	2
Kenya	0.8	2
Ethiopia	0.9	2
Philippines	1.0	2
Congo, Republic of	1.1	3
El Salvador	1.1	3
Ghana	1.3	3
Mexico	1.3	3
Barbados	1.3	3
Jamaica	1.3	3
Switzerland	1.5	4
Tanzania	1.7	4
New Zealand	1.8	5
France	1.9	5
Colombia	2.0	5
Italy	2.2	6
Sudan	2.3	6
Germany	2.3	6
Canada	2.3	6
Morocco	2.3	6
Uganda	2.3	6
Iceland	2.4	6
Netherlands	2.4	6
Iran	2.4	6
Israel	2.5	6
Czech Republic	2.5	6
Belgium	2.5	6
Nepal	2.6	6
Russia	2.6	7
Sweden	2.6	7
Australia	2.7	7
Denmark	2.7	7
Japan	2.8	7
United States	2.8	7
Poland	2.9	7
Mozambique	2.9	7
United Kingdom	3.1	8
Finland	3.2	8
Spain	3.3	8
Egypt	3.4	8
Portugal	3.4	9
Norway	3.4	9
Bangladesh	3.5	9
Turkey	3.5	9
Pakistan	3.7	9
Indonesia	4.4	11
Malaysia	4.9	12
India	5.6	14
Ireland	5.8	14
Hong Kong SAR	5.9	15
Singapore	6.1	15
Thailand	6.2	16
Vietnam	7.2	18
Taiwan, China	7.3	18
Korea	8.0	20
Botswana	8.0	20
China	12.0	30

Sources: IMF, SCB Global Research

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