



# THE GORDON CHANG REPORT

PRESENTED BY THE  
PACIFIC RESEARCH INSTITUTE

VOLUME 3, NO. 3

## The Malaise In China Today

by Gordon G. Chang | September 2026

Two years ago this month, a rider died while napping between deliveries on his electric bike in Hangzhou, the bustling capital of Zhejiang province. Surnamed Yuan, he was known as the “Order King” for grueling 18-hour days. He died from exhaustion.

Yuan’s death sparked outrage. “He was in his 50s, the sole breadwinner of his family, working day and night,” one online poster noted. “May he rest in peace. I hope in his next life, he will not have to race against time like this.”<sup>1</sup>

In this life, gig workers like Yuan know they can’t stop. More important, they know they have no future. “People in the gig economy feel worthless,” Terence Shen, a Beijing native now living in the Toronto area, told me in August. “They have no money, they have no hope.”<sup>2</sup>

About 320 million gig workers in China, 44% of the workforce,<sup>3</sup> are trapped in low-paying jobs because the economy is almost certainly contracting<sup>4</sup> and the demand for labor is falling fast.<sup>5</sup> Good jobs are scarce. “Those who used to take taxis now have to drive them themselves,” said a 30-year-old Beijinger to Reuters.<sup>6</sup> Chen Yumin didn’t even bother looking for a full-time position. “I didn’t really know what to do after graduation, so I just started delivering food right away,” the 24-year-old business management graduate told the *Financial Times*.<sup>7</sup>

At least gig workers have jobs. Officials report that urban unemployment in the country in July was 5.2%. Unemployment in the 16-24 age cohort that month was 17.9%.<sup>8</sup>

These official numbers substantially understate unemployment. A report from New York-based GlobalSource Partners last December suggested the overall unemployment rate in China then was at least 20%.<sup>9</sup> The situation is so bad inside the country that the central government, for the first time since the 1990s, is not setting a numeric target for urban job creation in a five-year plan.<sup>10</sup>

No job leads to no home. There were 47.5 million homeless individuals in China according to a report last year.<sup>11</sup> That number—there are widely divergent estimates—is more than five times the reported count for pre-pandemic 2020.

With the evident deterioration in the economy this year, the number living on the streets at this time is almost certainly higher. “I was shocked by the statistics too,” said Chen Lei, a cultural critic in Beijing, in a report carried by UPI. “I want to disbelieve it.”<sup>12</sup>

There are, unfortunately, many reasons to believe, because people across the country have nowhere else to sleep than streets and parks.

Beijing’s response has been to develop a new term for “homeless beggars.” They are now officially known as “dispersed persons.”<sup>13</sup> The rebranding suggests the regime is getting sensitive about the situation.

Homelessness is the almost inevitable result of central government policies. Xi Jinping, in his drive to make China a manufacturing powerhouse, has driven the Chinese people off the factory floor. The manufacturing sector has become so highly automated that there are

“dark factories,” where lights are off because no humans work on the assembly line. China also leads the world in developing humanoid robots, which can, among other things, run faster than Usain Bolt<sup>14</sup> and take away jobs. As a result, people are being forced from steady employment into the gig economy.

Or being forced back to the farms. Young city dwellers are “retiring” to the countryside.<sup>15</sup> College graduates are now vying for jobs as shepherds.<sup>16</sup>

China’s economic policies, therefore, have swelled the ranks of the poor. “The Communist Party has created a proletarian class,” says Shen, now an independent journalist and YouTube star.<sup>17</sup> “Young people see their career and life ambitions shattered in the face of domestic economic decline,” Charles Burton of the Sinopsis think tank told me. “Malaise is settling over Chinese society.”<sup>18</sup>

When the economy was getting better year after year—China’s spectacular “reform era” began at the end of 1978 with the Party’s historic Third Plenum of the 11th Central Committee—the Chinese were optimistic, especially because there was a general belief that the Communist Party would eventually mellow and evolve.

At this moment, however, the economy is deteriorating fast because China’s economic model is exhausted and the political system will not allow the change that must occur. Such change would threaten core Party constituencies and has therefore become impossible as a practical matter. Change is even more difficult

**A report from New York-based GlobalSource Partners last December suggested the overall unemployment rate in China then was at least 20%.**

now because the Party is led by a strongman opposed to the fundamental restructuring necessary for continued growth. The Chinese people are pessimistic not because the economy has turned down—all economies do—but because they believe things will only get worse.

There is little possibility for course change because, among other reasons, there is almost no room for dissent. As Burton told me, “The regime refuses to acknowledge the realities on the ground, insisting that all media comply with its constant demands that at all times and in all places Xi Jinping be praised to the skies for his putative penetrating insight into everything.”<sup>19</sup>

The Party has never allowed competitors and rarely tolerated other voices, and in recent years it has become more obsessive in controlling public discourse. Xi Jinping had China’s leading entrepreneur, Jack Ma, detained for months and stopped what would have been the world’s largest initial public offering—that of Ma’s Ant Group in November 2020—because of Ma’s mild criticism of Chinese bank lending practices at a Shanghai financial conference in the preceding month. Ant Group has not been able to go public to this day.

The political system has become even more repressive since then. Sometimes Xi makes a show of tolerance for other voices. “Ours is a big country,” he said in his New Year Address for 2023. “It is only natural for different people to have different concerns or hold different views on the same issue.”

It is clear, however, that Xi is not okay with disagreement. “Going forward, China will be a

country that draws its strength from unity,” he declared in the same paragraph in that address. “When the 1.4 billion Chinese work with one heart and one mind, and stand in unity with a strong will, no task will be impossible and no difficulty insurmountable.”<sup>20</sup>

Disunity is now considered tantamount to instability. Xi, noted Piero Tozzi, the America First Policy Institute’s senior director for China Policy, has based his governance model on China’s “proto-totalitarian Legalism, which is in the DNA of the Chinese Communist Party.” The Party, Tozzi said, now aims for “total societal control.”<sup>21</sup>

In his drive for absolute obedience, Xi has stolen the vitality and soul of the Chinese people by imposing his will on every aspect of society. Soul-destroying communism is now leading to a crisis for the nation. Shen left China when he realized he could no longer express himself on social media.<sup>22</sup>

As the regime extends totalitarian controls over society, people are “trying to breath.” They tried to breath in June 2024 when four female college students in Zhengzhou, in central China, decided to take an overnight 50-kilometer bike ride to Kaifeng for soup dumplings. The craze caught on, and in November of that year 100,000 young were making the overnight treks. Authorities tried to limit the number of riders, and there were even reports that colleges and universities were restricting students from congregating and participating.<sup>23</sup> For an insecure regime, everything is a threat.

**There is little possibility for course change because, among other reasons, there is almost no room for dissent.**

“The way I see it, China has become a deeply atomized society, increasingly fragmented and broken,” Shen wrote to me. “People are increasingly isolated from one another, and there aren’t enough independent communities or civic organizations holding society together.” There is, he says, a “vicious cycle”: “The Party grows stronger while society becomes more divided, more fragile, and less capable of sustaining itself.”<sup>24</sup>

So emotions are bottled up. “People are so angry all the time,” said Shen. “The Chinese now have no tolerance, no patience. There is no trust in society. Everyone feels they are at war with everyone else.”<sup>25</sup> Not surprisingly, many, if not most, car accidents end up in fist fights.

Sometimes, there are more than street altercations. Beginning February 2024, China suffered a series of mass killings. In November of that year, an attack left a half dozen bodies strewn across a busy road in Neijiang City in China’s Sichuan province. In another horrific incident that month, a man drove his SUV on the exercise track of Zhuhai Stadium, killing 35 people and injuring 43 others.<sup>26</sup> Disaffected Chinese are resorting to violence as a first choice instead of the last one.

The Communist Party’s reaction has been to censor news of incidents and prevent expressions of grief and mourning. These actions, by further repressing emotions, are making a volatile situation more combustible.

As a result of extreme repression, the Chinese people periodically—and unexpectedly—explode. They did that, for instance, in October 2022 when thousands of workers suddenly fled a Chinese manufacturing complex making iPhones in Zhengzhou. “Something snapped over the weekend,” Bloomberg News reported.<sup>27</sup>

That incident quickly led to spontaneous protests across the country as workers, homeowners, students, the elderly, and others took to the streets for more than two months to complain about a variety of long-simmering grievances. In Shanghai in November of that year, protesters publicly shouted revolutionary slogans. “Step down, Xi Jinping!” they demanded. “Step down, Communist Party!”<sup>28</sup>

The protests died down the following year, but Chinese will take to the streets again. As often said, the regime is afraid of only the people, which is why it spends more on internal security than external defense.

The regime, no matter how much it spends, cannot lift the pervasive gloom blanketing the country. Last year, China’s births dropped 17.0% from 2024, hitting the lowest on record in the history of the People’s Republic. Population fell for the fourth-straight year in 2025.<sup>29</sup>

Of course, all societies become less fertile as they progress up the development chain, but China’s demographic decline is more dramatic: The country is on track for history’s biggest fall in population in the absence of war, on the path from the world’s most populous state—it lost its population crown to India in the middle of 2023—to a mid-sized one. The most recent version of the U.N. World Population Prospects, issued in 2024, shows a median variant estimate for the turn of the century of 633.4 million. Yet that number appears far too high. Yi Fuxian of the University of Wisconsin-Madison talks about “a civilizational collapse” in China.<sup>30</sup> He thinks that by the time the clock strikes 2100, China, now officially 1.41 billion, could hit a rock bottom 330 million.<sup>31</sup>

The Chinese have invented a phrase for this period: the “garbage time of history.”<sup>32</sup> First coined in 2023 by essayist and editor Hu Wenhui, the phrase resonates today. “As far

as Chinese history is concerned, the Ming dynasty opened by Zhu Yuanzhang is a typical ‘historical garbage time,’” Ma Xiangyang, a business writer, in February 2025 wrote about the founder of the Ming dynasty. “He started his empire dream with severe punishments and harsh laws and wanted to protect the family name for generations. Objectively, it only extended the length and depth of this period of darkness.” In case anyone doubted that Ma was referring to China’s current leader, Ma added that “garbage time” was starting to return to “the heart of Asia.”<sup>33</sup> The Chinese are especially dour, now spending time comparing “misery points.”<sup>34</sup>

Officials, in response, are attacking “excessively pessimistic sentiment.”<sup>35</sup> As Burton, once a Canadian diplomat serving in Beijing, pointed out in November of last year, censors went on a tone-deaf, two-month campaign aimed at “curbing the spread of fear and anxiety.”<sup>36</sup> For many, the Communist Party’s concern about the garbage time meme confirmed that the country was heading toward even harder times.

What the Party will not do is loosen its grip. It will not embrace what it calls “Western-style democracy.”<sup>37</sup> Instead, it praises “whole-process people’s democracy”<sup>38</sup> and “democratic centralism,”<sup>39</sup> code words for dictatorship. Some argue the Party may never democratize.<sup>40</sup>

In any event, Communist rulers argue they are necessary to guide the Chinese people to national rejuvenation in what Xi Jinping calls the “new era.”<sup>41</sup> That view, however, makes Taiwan an existential threat to Party rule.

Why? Although Taiwan’s people by and large do not consider themselves “Chinese,” the Chinese people in China, after decades of indoctrination, do. Taiwan has a vibrant democracy, so for the regime Taiwan disproves the Communist Party’s core narrative, that the Chinese people are not ready to govern themselves.

Communist rulers have reason to worry. Lydia, my wife, and I were living in Shanghai in 2000 during the Taiwan presidential election. After opposition candidate Chen Shui-ban became president, the son of our *ayi* said this to us: “If the people in Taiwan can elect a president, why can’t we?”

Chinese leaders cannot answer that question and so believe they must destroy Taiwan’s democracy. Taiwan’s government and the Communist Party share the same Leninist and Confucian roots, yet only Taiwan evolved to electoral democracy. As Tozzi points out, in Taiwan Confucianism became “proto-democratic.” Chiang Kai-shek allowed some space and the Democratic Progressive Party was born in a civic organization, the Presbyterian Church.<sup>42</sup> Now, that once-opposition party wins elections.

These days, power in Taiwan regularly shifts between the two main political parties. The Democratic Progressive Party at this moment holds the presidency and the Kuomintang, which once enjoyed a solid lock on the presidency, controls the national legislature, the Legislative Yuan. That dynamic situation is inconceivable in China itself where the Communist Party has a monopoly on everything.

Taiwan is one of the world’s most successful democracies. And China is descending into hopelessness and despair.

---

Gordon G. Chang is the author of *Plan Red: China’s Project to Destroy America* and *The Coming Collapse of China*. Follow him on X @ GordonGChang.

## Endnotes

- 1 Yating Yang, “China Delivery Rider Collapses, Dies on Bike After Working 18-Hour Days, Leaves Family in Hardship,” *South China Morning Post* (Hong Kong), September 17, 2024, <https://www.scmp.com/news/people-culture/trending-china/article/3278707/china-delivery-rider-collapses-dies-bike-after-working-18-hour-days-leaves-family-hardship>.
- 2 Terence Shen, interview by author, August 17, 2026.
- 3 “China’s Booming Gig Economy Masks Job Market Pain, Strains Welfare System,” Reuters, July 7, 2026, <https://www.reuters.com/business/world-at-work/chinas-booming-gig-economy-masks-job-market-pain-strains-welfare-system-2026-07-06/>.
- 4 Joseph C. Sternberg, “China’s Economy Is in Worse Shape Than You Think,” *Wall Street Journal*, July 16, 2026, <https://www.wsj.com/opinion/chinas-economy-is-in-worse-shape-than-you-think-95792af7>.
- 5 Thomas Hale and William Langley, “China’s Great Jobs Squeeze,” *Financial Times* (London), August 12, 2026, <https://www.ft.com/content/a3803e70-cb4d-444f-a31e-05be2f2c44f6?syn-25a6b1a6=1>.
- 6 “China’s Booming Gig Economy Masks Job Market Pain, Strains Welfare System.”
- 7 Hale and Langley, “China’s Great Job Squeeze.”
- 8 Li Menghan, “China’s Youth Unemployment Rate Rises as College Graduates Seek Jobs,” *China Daily* (Beijing), August 19, 2026, <https://www.chinadaily.com.cn/a/202608/19/WS6a85aab1a3106bc57421c656.html>.
- 9 Andrew Collier, GlobalSource Partners, “Notes from Beijing and Hong Kong,” December 30, 2025.
- 10 “China Omits Job Goal for First Time in Decades as AI Spreads,” Bloomberg News, July 10, 2026, <https://www.bloomberg.com/news/articles/2026-07-10/china-omits-job-goal-in-five-year-plan-for-first-time-in-decades>.
- 11 “Homelessness Soars in China as Economic Collapse Leaves 50 Million People Without Shelter,” *Vision Times*, March 8, 2026, <https://www.visiontimes.com/2026/03/08/homelessness-soars-in-china-as-economic-collapse-leaves-50-million-people-without-shelter.html>.
- 12 “China’s Homeless Population Seen Surging, Driven by Youth Job Crisis,” UPI, January 14, 2026, [https://www.upi.com/Top\\_News/World-News/2026/01/14/beijing-based-analysts-suggest-chinas-homeless-population-may-have-surged-more-than-fivefold-since-2020/8521768374259/](https://www.upi.com/Top_News/World-News/2026/01/14/beijing-based-analysts-suggest-chinas-homeless-population-may-have-surged-more-than-fivefold-since-2020/8521768374259/).
- 13 Michael Zhuang, “China Renames Homeless People ‘Dispersed Persons’ as Economic Pressures Mount,” *Epoch Times*, April 29, 2026, <https://www.theepochtimes.com/china/china-renames-homeless-people-dispersed-persons-as-economic-pressures-mount-6018735>.
- 14 Phil Haunhorst, “Unitree’s New Robot Hits 12.66 M/S—Faster Than Usain Bolt Ever Ran,” yahoo!finance, August 17, 2026, <https://finance.yahoo.com/technology/ai/articles/unitree-robot-hits-12-66-094529616.html>.
- 15 Lee Ying Shan, “Young Chinese Are ‘Retiring’ in the Countryside as China’s Unemployment Woes Grate,” CNBC, October 1, 2024, <https://www.cnbc.com/2024/10/02/young-chinese-are-retiring-in-the-countryside-as-chinas-unemployment-woes-grate.html>.
- 16 Dawn Liu and Erin Tan, “No People, Just Sheep: The Unlikely Job That Chinese College Grads Clamor For,” NBC News, June 3, 2026, <https://www.nbcnews.com/world/asia/china-shepherd-job-ad-goes-viral-youth-unemployment-rcna347826>.
- 17 Terence Shen, interview by author, August 17, 2026.
- 18 Charles Burton, e-mail message to author, August 14, 2026.
- 19 Charles Burton, e-mail message to author, August 14, 2026.
- 20 “Full Text: 2023 New Year Address by President Xi Jinping,” *China Daily* (Beijing), December 31, 2022, <https://www.chinadaily.com.cn/a/202212/31/WS63b02f89a31057c47eba7225.html>.

- 21 Piero Tozzi, text message to author, August 6, 2026.
- 22 Terence Shen, interview by author, August 17, 2026.
- 23 Joe Cash, “China Clamps Down on Quest for Soup Dumplings by ‘Night Riding Army,’” Reuters, November 11, 2024, <https://www.reuters.com/world/china/china-clamps-down-quest-soup-dumplings-by-night-riding-army-2024-11-11/>.
- 24 Terence Shen, WhatsApp message to author, August 19, 2026.
- 25 Terence Shen, interview by author, August 17, 2026.
- 26 Stephen McDonnell and Frances Mao, “Dozens Killed in Car Rampage Through Chinese Stadium,” BBC, November 12, 2024, <https://www.bbc.com/news/articles/cwy1k2rx724o>.
- 27 Linda Lew, “iPhone Factory Worker Walked 25 Miles to Escape Covid Lockdown in China,” Bloomberg News, October 31, 2022, <https://www.bloomberg.com/news/articles/2022-10-31/aapl-iphone-worker-at-china-factory-walked-25-miles-to-escape-covid-lockdown>.
- 28 CNN’s Beijing Bureau and Nectar Gan, “Protests Erupt Across China in Unprecedented Challenge to Xi Jinping’s Zero-Covid Policy,” CNN, November 28, 2022, <https://www.cnn.com/2022/11/26/china/china-protests-xinjiang-fire-shanghai-intl-hnk/index.html>.
- 29 Huizhong Wu, “China’s Population Falls Again as Births Drop to Lowest Rate Since 1949 Communist Revolution,” Associated Press, January 19, 2026, <https://apnews.com/article/china-population-shrinks-births-tax-condoms-868cd1ffc949af5a2e94c523e750e97e>.
- 30 Yi Fuxian, “China’s Demographic Achilles’ Heel,” Project Syndicate, October 24, 2023, <https://www.project-syndicate.org/commentary/us-china-unlikely-to-fall-into-thucydides-trap-by-yi-fuxian-2023-10>.
- 31 Yi Fuxian, e-mail message to author, December 16, 2024.
- 32 Joe Cash, “‘Garbage Time’: China’s Slump Spins Out New Meme of Economic Despair,” Reuters, July 17, 2024, <https://www.reuters.com/world/china/garbage-time-chinas-slump-spins-out-new-meme-economic-despair-2024-07-17/>.
- 33 Amy Hawkins, “‘Garbage Time of History’: Chinese State Media Pushes Back on Claims Country Has Entered a New Epoch,” *Guardian* (London), July 17, 2024, <https://www.theguardian.com/world/article/2024/jul/18/garbage-time-of-history-chinese-state-media-seeks-to-shut-down-claims-country-has-entered-a-new-epoch>.
- 34 Hawkins, “‘Garbage Time of History’: Chinese State Media Pushes Back on Claims Country Has Entered a New Epoch.”
- 35 Lily Kuo, “China Punishes ‘Excessively Pessimistic’ Social Media Users,” *New York Times*, October 7, 2025, <https://www.nytimes.com/2025/10/08/world/asia/china-censorship-pessimism-despair.html>.
- 36 Charles Burton, e-mail message to author, November 12, 2025.
- 37 “China’s Democracy Represents People While Western-Style Democracy Serves the Interests of Monopoly Capitalism,” *Global Times* (Beijing), March 7, 2022, <https://www.globaltimes.cn/page/202203/1254216.shtml>.
- 38 “What to Know About Whole-Process People’s Democracy in China,” State Council of the People’s Republic of China, March 6, 2025, [https://english.www.gov.cn/news/202503/06/content\\_WS67c8f0a0c6d0868f4e8f0784.html](https://english.www.gov.cn/news/202503/06/content_WS67c8f0a0c6d0868f4e8f0784.html).
- 39 “CPC Leadership Convenes Criticism and Self-Criticism Meeting, Xi Delivers Important Speech,” Xinhua News Agency, December 23, 2023, <https://english.news.cn/20231223/e26787bbf42f4b5388ea22fdcf29bcc3/c.html>.
- 40 Tyler Cowen, “Why China May Never Democratize,” Mercatus Center, July 11, 2017, <https://www.mercatus.org/economic-insights/expert-commentary/why-china-may-never-democratize>.
- 41 “Update: Xi Urges CPC to Realize Missions in New Era,” Xinhua News Agency, July 1, 2026, <https://english.news.cn/20260701/58c57de840e7446da872de2852b6e68d/c.html>.
- 42 Piero Tozzi, text message to author, August 6, 2026.



[www.pacificresearch.org](http://www.pacificresearch.org)

**MAILING ADDRESS**

PO Box 60485

Pasadena, CA 91116

Tel 415-989-0833

**SACRAMENTO OFFICE**

2110 K Street, Suite 28

Sacramento, CA 95816

Tel 916-389-9774

**PASADENA OFFICE**

680 E. Colorado Blvd., Suite 180

Pasadena, CA 91101

Tel 626-714-7572

**CONNECT WITH US**



[facebook.com/pacificresearchinstitute](https://facebook.com/pacificresearchinstitute)



[@pacificresearch](https://twitter.com/pacificresearch)



[youtube.com/pacificresearch1](https://youtube.com/pacificresearch1)



[www.linkedin.com/company/  
pacific-research-institute](https://www.linkedin.com/company/pacific-research-institute)



[pacificresearchinstitute](https://instagram.com/pacificresearchinstitute)