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China Is a Powerhouse With Key Weaknesses

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In the past 30 years China has done the unthinkable; rising from virtual economic irrelevance, to be an economic powerhouse. Yet, China still has many of the hallmarks of a developing economy.

Its per capita income is less than that of Botswana, Colombia or Turkmenistan. And while significant strides have been made in the areas of health care, education, infrastructure and living standards – about half a billion Chinese have moved out of poverty since the late 1970s – China's pollution and broader environmental challenges remain legendary. Only 1 percent of China's 560 million city dwellers breathe air considered to be safe, according to a World Bank Study.

Its economic slowdown and tepid development of its political system suggest China will remain an emerging economy for the foreseeable future.

Moreover, the recent gyrations in the China's stock markets remind us that the country's financial sector – a key metric of economic prosperity -- is woefully weak and has much room to develop before the country can be deemed to be a fully fledged developed economy.

While China's global footprint in trade and investment is substantial, and its military has expanded so rapidly that the U.S.-China Economic and Security Review Commission believes it will have more military vessels than the United States by 2020, that doesn't prove that it has transcended emerging status.

The slowdown in its economic growth and the tepid development of its political system and institutions suggest China will remain an emerging economy for the foreseeable future, despite considerable effort by Chinese politicians to address the country's myriad of economic and social challenges.

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