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Debt Risk Research Topic

Emerging market debt crisis and century-old changes*

Zhong Feiteng

Abstract: This article discusses the impact of emerging market debt ratios on economic growth from the perspective of international political economics. The rapid development of emerging market countries and developing countries has been a major phenomenon in the global political economy since the beginning of the 21st century. It constitutes the role of Chinese leaders It is an important part of the so-called "century-old changes". In the 20th century, debt crises occurred in developed countries and Latin American countries respectively, which had completely different impacts on the power and status of the two groups of countries. The current new round of The debt crisis is the third major debt crisis cycle. It mainly targets middle-income countries and is considered to have had a negative impact on emerging markets and developing countries. In this round of debt crisis, whether as a debtor or a creditor, China has been the focus of public opinion. In order to accurately understand the relationship between the debt crisis, emerging market countries and the balance of international power, this article redefines 32 emerging market countries ("E32") from the perspective of rising power. Theoretical discussion and empirical research Analysis shows that the weighted debt ratio of 32 emerging market countries has exceeded 60% in the past two years. However, as a whole, it cannot be said that this threshold has had a serious negative impact on the economic growth of emerging market countries. To a large extent, in the past two years, The decline in economic growth in emerging markets in 2016 was due to the impact of the COVID-19 epidemic. However, expansionary fiscal policies to increase debt ratios are generally conducive to coping with the impact of the epidemic. Since the beginning of the 21st century, the weighted economic growth rates of 32 emerging market countries have been significantly higher. Compared with the world's average growth rate, its future growth trend is also slightly better than the emerging

market countries defined by the International Monetary Fund (IMF).

Keywords: debt crisis, emerging markets, century-old

changes, international political economics, economic growth.

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The political motivations and political consequences of international economic relations are what the discipline of international political economics pays the most attention to. This article uses the results of research on sovereign debt issues in international political economics to discuss the debt crisis of emerging market countries and its impact on the balance of international power . In the second decade of the 21st century, the debt ratios (calculated as the ratio of debt to GDP) of both developed and developing countries increased, but the balance of power between the two country groups further favored developing countries. Academics Some people believe that the debt and status differences between the two types of countries after the 2008 international financial crisis created an unprecedented global debt relationship that is conducive to rising powers. ÿ Chinese leaders made the famous statement of "the collective rise of emerging market countries and developing countries. " Conclusions ÿ After entering the third decade, such as "the severe and sustained deterioration in the sovereign creditworthiness of emerging markets should be regarded as a crisis" ÿ "the debt crisis exacerbates the instability of emerging markets" ÿ "a debt storm is impacting Judgments such as "Emerging Markets"ÿ and "The rising momentum of emerging markets have been frustrated"ÿ are also increasing day by day. So, as the debt problem further evolves, how will the balance of power between the two groups of countries change? I am most concerned about this issue. Those who are interested may be Chinese scholars. On the one hand, international

ÿ This article treats "Sovereign Debt" (Sovereign Debt), "Debt" and "Public Debt" (Public Debt) equally. Sovereign debt refers specifically to the borrowings of a country's government. The subject of the borrowing can be the central government. It can also be a place Government. The International Monetary Fund (IMF) provides both "central government debt" and "general government debt" in the "Global Debt Database". For many countries, the two data are not very different. Only some countries such as Cyprus , Canada, etc. are quite different. The database shows that China's "central government debt" data is missing. A country's government can not only borrow from domestic institutions and households, but also borrow from foreign institutions or governments (such as international banks, governments of other countries) (or international organization) borrowing. Since there is very little information about domestic debt crises, the "debt crisis" used in this article focuses on the "foreign debt crisis", that is, the debt a country's government owes to foreign creditors (commercial banks, sovereign states, or international organizations). Debt, this type of debt is usually a foreign currency loan. For an analysis of related concepts, please see [American] Reinhardt and Rogoff, translated by Qi Xiang, Liu Xiaofeng, and Liu Lina: "This time is different: an eight-hundred-year history of financial crises". Beijing: Machinery Industry Press, 2012, pp. 6-7, S M Ali Abbas and Alex Pienkowski ÿ "What Is Savereign Debt?"ÿ in Finance & Develop ment nd Ugo Panizzaÿ "Public Debt: "Threat or Opportunity?"ÿ April 28ÿ 2022 https: // www w core - econ org / insights / public - debt /

ÿ text [2023 - 02 - 20] Andreas Antoniadesÿ "Recasting the Power P ÿÿÿÿÿÿÿÿÿÿÿ: ÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿ Stabilisers and Change"ÿp 214-232 In January 2016, Xi Jinping pointed out at a special seminar for leading cadres at the provincial

ÿ and ministerial levels to study and implement the spirit of the Fifth Plenary Session of the 18th CPC Central Committee that "the international balance of power is taking place. "Unprecedented positive changes, the collective rise of emerging market countries and developing countries is changing the global political and economic landscape." See "Xi Jinping on State Administration" (Volume 2), Beijing: Foreign Languages Press, 2017, page 212.

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ÿ Jason Beaubienÿ "An Economic Perfect Storm Is Battering Emerging Markets Debt Crises Loom"ÿ September 2ÿ 2022 https: / / www npr org / 2022 / 09 / 02 / 1120076029 / global - economy - emerging - marks - inflation -debt[2023-02 - 20] Jiang Ruiping: "The rise of emerging markets has been frustrated", published in

ÿ "World Knowledge", Issue 11, 2022, pp. 72-73.

Public opinion believes that China is facing great debt pressure. At the same time, as the largest economy among emerging markets, China's status as an international creditor has increased significantly. On the other hand, the rise of emerging markets and developing countries as a group has formed the backbone of major political assertions about the "century-old changes". When the debt ratio increases, will this group be like what it was in the 1980s? Latin America has suffered a "lost decade" like this. This is an extremely important issue that requires in-depth study. At this stage, the debt ratio of developed countries is almost more than twice that of developing countries, and they are facing the most serious debt crisis in history. ÿIt is formed after one waxes and wanes.
What the new power structure will look like is a question of particular interest to us.

From the perspective of a century of changes, the world is entering a new cycle of rising debt ratios. As shown in Figure 1, The current cycle of rising debt ratios can be regarded as the third major historical cycle since the beginning of the 20th century. The first two were the Second World War and the debt crisis of developing countries in the 1980s. The 21st century In the first 20 years, the debt ratio of developed countries (measured as the ratio of debt to GDP) reached an unprecedented level. It has generally gone through two stages: the international financial crisis in 2008 to 2015.
is the first stage, and the COVID-19 epidemic since 2020 is the second stage. In the first stage, the debt ratio of developed countries increased from 60% in 2007 to 85% in 2015. In the second stage,

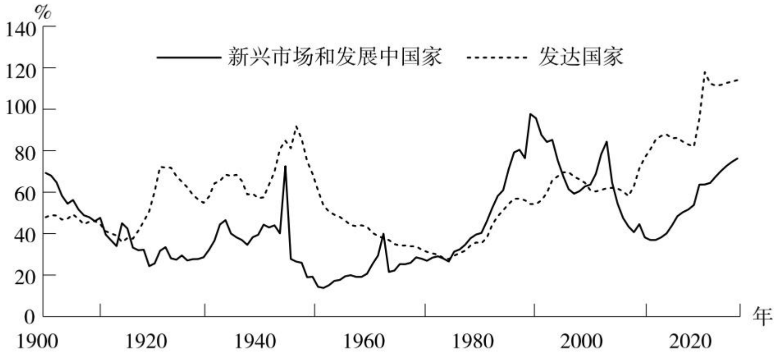

Figure 1 Government debt as a share of GDP in developed and developing countries (1900-2027)

Note: The number of countries in this figure varies at each stage. Since 1914, the number of emerging markets and developing countries has expanded to 22, the vast majority of which are Latin American countries. After 1970, emerging markets and developing countries The number of countries has increased to 34. After the 1990s, it is the arithmetic mean of the existing 43 countries. The economic aggregate of each country is not weighted. The data of developed countries is the arithmetic mean of 18 countries, including Japan and the United States. Average value. The production of this chart refers to Kris James Mitchell and Christoph Trebe. schÿ "Sovereign Debt in the 21st Century"ÿ in NBE R Working Paperÿ No 28598ÿ June 2022

Source: The data for emerging markets and developing countries from 1900 to 2010 are from the data attached to the monograph of Reinhart and Rogoff 2009 (http://carmenreinhar t com/ debt - to - gdp - ratios)ÿ Data from 2011 to 2027 comes from the IMF (https: / / www imf org / en / Publications/ WEO/weo-database/2022/October)ÿ The data of developed countries from 1900 to 2020 comes from GEODIS (Oscar Jor) Compiled by da) et al. in 2021 "Macrohistory Database" (http:// www.macrohistory.net/database/)ÿ 2021-20 The 27-year data comes from the IMF (https: / / www imf org / en / Publications/ WEO /weo-database/2022/October). [2023-03-10]

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This indicator increased from 80% in 2019 to 118% in 2021 ÿ Compared with the early 21st century, developed The country's debt ratio has almost doubled, and the epidemic has had a particularly serious impact on debt. In the past 20 years, New Zealand has The debt ratios of emerging markets and developing countries have experienced a U-shaped change, falling from 84% at the beginning of the 21st century to 37% in 2011, and then entered an upward trajectory, growing to 64.5% in 2022. The evolution history of sovereign debt in the 20th century ÿ

shows that, in terms of correlation, developed countries did not suffer from the Second World War. The rise in debt ratios during this period led to a decline in power status. However, the decline of Latin America in the 1980s is indeed related to the debt crisis. In the first two rounds of debt crises, the economic aggregate of developed economies accounted for 10% of the world's total. account for more than half of the world total, while the weight of developing economies is not large. Therefore, developed countries dominate the international The overall trend of the economic landscape has not changed. The first major debt cycle is closely related to the changes in the landscape after World War II. are closely related. Although the debt crisis of the 1980s led Latin America to enter the "lost decade", But the impact on US-led globalization is not great. Provided by the late economic historian Angus Maddison The data shows that in 1900, based on purchasing power parity, Western countries (30 Western European countries + the United States, Canada, Australia, and New Zealand) The total economic output of China accounted for 51.8% of the total world economy. In 1940, it was It was 543% in 1913 and fell below ÿ ÿÿ ÿÿ ÿ 50% in the mid-1970s. ÿ If calculated based on market exchange rates, World Bank data It is shown that in the 1980s, the economic aggregate of the members of the Organization for Economic Co-operation and Development (OECD) accounted for 10% of the world economic aggregate. 80% of ÿ Western countries (members of the European Union + the United States, Canada, Australia and New Zealand) account for 62% of the world's economic aggregate. Latin America and The Caribbean region's share of the world economy dropped from 74% in 1981 to 1988 4 4% ÿÿ

As a group, the current debt ratio of emerging markets and developing countries is lower than that at the beginning of the 21st century, but However, the share of the total economic output of emerging markets and developing countries has doubled. Therefore, the new round of emerging markets The development trend of debt problems has an extremely huge impact on the world economic structure. It should be noted that low income The debt pressures of developing countries and middle-income countries are not consistent, and their impact on the international economic pattern is also inconsistent. are different. Therefore, distinguishing emerging market countries from other developing countries will help to further understand the issues related to this article. The issue of concern is whether a rapidly developing part of the global economy has fallen into a debt crisis. and whether the debt crisis they are experiencing will be like that of the top two economies in Latin America in the 1980s. Like Mexico and Brazil, there has been a substantial decline in economic aggregate. For this reason, this article will not only deepen Discussions on the distributional consequences of international debt issues in international political economics research will continue to rise. Redefine "emerging markets" from a new perspective, so as to more accurately understand and understand the "century-old changes"

ÿ Calculated based on the Madison database provided by the Center for Growth and Development of the University of Groningen in the Netherlands. https://www.rugnl/ ÿÿÿÿ / ÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿ / ÿÿÿÿÿÿÿÿ / ÿÿÿÿÿÿÿÿ/ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

ÿ Calculated based on the World Bank's "World Development Indicators" database. https://data r? ÿÿÿ ÿ ÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

1. The political economy of sovereign debt and international power changes

Historically, debt involves the issue of justice in political philosophy. The ancient Greek philosopher Plato's "Utopia" begins with "Debt repayment is justice" to discuss the political problem of income distribution faced by human society. ÿ Modern Europe has When the feudal dynasty turned to the era of nation-states, in order to win the war, the king continued to borrow money, and these debts evolved into sovereign debt. Therefore, sovereign debt is also closely related to the "high politics" in international relations. Political factors should be added when studying international debt relations. The fundamental reason is that whether the debtor country defaults or continues to repay the loan, it is the distribution of income among countries and the distribution of interests among different domestic interest groups. Especially considering that creditor countries are often industrialized developed countries and are controlled by banks in developed countries. The international financial system that constitutes the international financial system, then the debt problems of emerging market countries and developing countries will inevitably involve a power struggle with developed countries. However, academia and policy departments have no idea how high the debt ratio will lead to a country's short-term or medium-term economic problems. There is no agreement on the issue of speeding up To this end, there are not only theoretical differences on this issue, but also differences in measurement methods. For this reason, this section will focus on two aspects: First, the study of debt issues in political economics. In fact, in economic research The second is the impact of debt on economic growth, which involves many factors, but in general the relationship between the two is non-linear. There is no threshold that can cover the debt ratio of all countries and time periods.

(1) The study of debt issues from the perspective of

international political economy of debt often shows phased changes with the concentrated outbreak of debt problems. Generally speaking, relevant research can be divided into two major stages. First, The debt

crisis in developing countries in the 1970s and 1980s triggered in-depth research on debt issues. The issue that has long occupied a core position is the default of sovereign countries. Regarding the causes of debt crises, three representative views have emerged in economic research. ÿ That is, the macroeconomic shocks caused by developed countries as creditor countries, the failure of policy adjustment by developing countries as debtor countries, and the imperfection of international financial markets. ÿ A classic document in the early 1980s studied sovereign states from the perspective of national credibility.

ÿ [Ancient Greece] Plato, translated by Guo Binhe and Zhang Zhuming: «Utopia», Beijing: The Commercial

ÿ Press, 2020, pp. 5-7, S M Ali Abbas and Alex Pienkowskiÿ "What Is Sovereign Debt?"ÿ in Finan ce & Develop December ÿÿÿÿÿ ÿ ÿÿ ÿ ÿ

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The basic conclusion of the motivation for debt repayment is that in order to better re-enter the international capital market for financing, sovereign countries ultimately tend to repay debts when due or postpone debt repayments in order to reduce future financing costs and avoid economic losses to domestic enterprises. However, ÿ However , Economists' analysis from a cost-benefit perspective alone still has shortcomings. For example, there are many forms of sovereign debt defaults, and economists tend to treat all debt defaults equally when conducting quantitative analysis. Early political economy The literature also states that “it is important to classify the nature and consequences of Third World debt. The Latin American experience may not be applicable to Africa in any significant way. The major Latin American countries with debt problems are not peripheral countries in the world economy.” Many countries in Africa have either been ignored or 'marginalized'."ÿ Another issue that needs attention is the dispute between creditor countries and debtor countries over who should bear the responsibility for causing the debt crisis. This has always been about the Latin American debt crisis in the 1980s. The core debate topic is that the United States not only believes that developing countries should be fully responsible for the debt crisis, but also exerts diplomatic pressure at certain times to force developing

countries to accept loans from U.S. banks. Second, since the international financial crisis in 2008, the United States has The financial hegemony of the country has been shaken, and the risk of debt defaults in developed countries has increased significantly. Researchers have not only re-discussed the issue of debt sustainability, but the research on debt issues has also significantly increased the perspective of political economy. Jeffrey Frieden The analysis of the Eurozone debt crisis by Jeffry Frieden and Stefanie Walter shows that the Eurozone crisis is similar to the long-standing debt crisis in developing countries. That is to say, there are also questions about who is between debtor countries and creditor countries. Debates and games about who is responsible for debt accumulation, therefore the political economics knowledge formed by previous studies on debt problems in developing countries can also be applied to developed regions. ÿ Anna Gelpern and Ugo Panizza A review of the economic and legal research literature on sovereign debt since the COVID-19 epidemic has further confirmed the judgment of Frieden and others. Debt problems that have traditionally belonged to developing countries have also begun to affect developed economies. One of its main manifestations is that traditional The distinction above that emerging markets and developing countries mainly borrow from non-residents, while developed economies borrow from their own residents, no longer applies. Developed economies also listed foreign central banks and sovereign wealth funds as their largest creditors. In the past, Debt problems mainly belong to devel

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[US] Written by Albert Hirschman, translated by Jia Yongmin: "The Tendency to Self-Subversion", Beijing: The Commercial Press, 2014, Pages 213-217

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However, since the Eurozone crisis, developed economies have also begun to face the challenge of debt defaults. Debt research on developed economies has also shifted from focusing on fiscal policy and financial stability in the past to examining complex political economic issues, that is, how to weigh the distribution of interests among different groups. ÿ They also emphasized that "sovereign debt security is not only (or even mainly) an economic issue, but as political scientists have repeatedly reminded, sovereign debt is a political system and a projection of government power."ÿ

International political economics research on debt issues is often based on economic research and shifts to emphasize the game between domestic interest groups in the distributional consequences of default and continued debt repayment, as well as the conceptual understanding of the debt issue by leadership groups and the public. ÿThe research perspective of political economy does not deny the rationality of economic research results, but believes that it can go one step further, especially emphasizing the state as a rational actor. Although the cost of sovereign debt default is recognized, Whether to accept it, when to accept it, and how to deal with this cost is completed through domestic and international political games. If the impact of the cost of repayment is too widespread and prompts social classes to oppose further fiscal austerity, then a country The government is likely to support a moratorium on repayments and transfer part of the adjustment costs to foreign lenders. Of course, whether it can be transferred between countries also depends on the outcome of the game between debtor countries and creditors. New research also confirms that sometimes "debts must be repaid." "Money" disputes at the conceptual level trump calculations of interests, that is, after major political turmoil, the new government tends to deny debts to show its decoupling from the previous government and to promote its new political identity. ÿ This type of research has recently emphasized political factors . There are many similarities with the analysis based on the Latin American debt problem in the 1980s. Both believe that the domestic governing elites of debtor countries will not only consider the pressure from international actors and the economic costs of adjustment plans imposed by these international institutions. They must also consider the domestic political consequences of each option, especially the calculations of domestic political opponents on the debt issue.

In essence, the foreign debt borrowed by the government of a sovereign country and the interest repaid within a certain period of time are the transfer of domestic wealth to foreign creditors. In the context of deepening global economic interdependence, a country's economic growth is becoming more and more important. Influenced by the international market, especially the international capital market, such as the policies of the Federal Reserve, debtors are actually becoming more and more inclined to

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Toward compliance. ÿ Yanis Varoufak, an economist who once served as the Greek Finance Minister, studied the participation of international organizations in resolving the Greek debt crisis in 2015, which further strengthened the importance of structural power in debt restructuring. Varoufak Sri Lanka believes that Greece is at risk of debt default again in 2015. In order to prevent endangering the euro area, the "troika" - the European Commission, the European Central Bank and the IMF - do not allow Greece to go bankrupt. Instead, they force Greece to bear the cost of debt and carry out other measures. Debt restructuring with privatization as the core in exchange for new loans. After a six-month game process with the European Central Bank, Varoufakis concluded that "the European Central Bank is the most political central bank in the world." The ECB's rescue of Greece is actually a "modern version of gunboat diplomacy." ÿ Varoufakis's insight into the "troika" forcing the Greek left-wing government to accept the European plan is not a dissent. Columbia University professor Adam Tooze also has a similar view. He believes that in the future The Eurozone with Germany as the core is worried that Greece will default or withdraw from the Eurozone, which will lead to the disintegration of the Eurozone. Therefore, it forces Greece to comply with the fiscal and financial disciplines of the Eurozone. “This is both a political issue and a financial crisis management issue.”ÿ

After "debt repayment" has increasingly become the main option for governments around the world, the discussion of default has turned to the analysis of the impact of rising debt on economic growth. This article discusses the past developments of emerging market countries and developed countries from the perspective of rising As well as the balance of economic power in the context of rising debt ratios in the future, the following will focus on reviewing the existing literature on the relationship between sovereign debt and economic growth.

(2) The non-linear relationship between sovereign debt and economic

growth. Reinhart and Rogoff found that GDP dropped by an average of 12% in the year when a foreign debt default occurred. Will this short -term effect continue to have a negative impact on a country's economic growth? This involves the balance of power between countries, and is also a topic of particular interest to international political economists. One of the author's guesses is that Spain's debt default seems to hinder its hegemonic status. Spain's economic aggregate accounted for the highest proportion of the world during this period. Around 1600, it reached 21% and dropped to 20% in 1700. ÿ France’s debt default also seems to be closely related to the loss of its hegemony. According to Reinhardt and Rogge

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ÿ [Dutch] Jerome Roos, translated by Huang Mingjian and Zhang Wenting: «A Brief History of Sovereign Debt: Structural Power of Finance and International Crisis Management», Beijing: CITIC Publishing House, 2020,

ÿ [Greek] Janis Varoufak Written by Si, translated by Shen Danlin: «The Adults in the Room», Beijing: CITIC Press, 2021, page 419, page 643, [English] Written by Adam Tooze, translated

ÿ by Wu Qiuyu: «Crash: The Global Financial Crisis How to Reshape the World»ÿ Shanghai: Shanghai Sanlianshu Store, 2021, Page 581ÿ ÿ

[US] Written by Reinhart and Rogoff, translated by Qi Xiang, Liu Xiaofeng, and Liu Lina: "This Time is Different: Eight Hundred Years of Financial Crisis History", Beijing: Machinery Industry Press, 2012, page 103.

ÿ Calculated based on the Madison database provided by the Center for Growth and Development of the University of Groningen in the Netherlands. https://www.rugnl/ ÿÿÿÿ / ÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿÿ / ÿÿÿÿÿÿÿÿ / ÿÿÿÿÿÿÿÿ/ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

According to husband's analysis, France experienced four debt defaults in the 18th century. 1788 was the last time France defaulted. The previous defaults were related to the Spanish Succession War (1701-1714) and the "Seven Years' War" (1756-1763). Closely related, the UK, which is more financially developed, defeated France, which is less financially developed.

ÿ After the international financial crisis in 2008, the increasingly obvious high debt of developed countries triggered discussions about the relationship between debt levels and economic growth. Most policymakers It is believed that excessive debt levels will reduce long-term economic growth. From a policy-making perspective, if such a relationship is recognized, then expansionary fiscal policies that increase debt levels should be moderate. Otherwise, high debt will have a potential negative impact on economic growth. It will offset the positive impact of fiscal stimulus. Theoretically, the debt repayment will reduce investment in other public sectors. Excessive debt may increase long-term real interest rates and have a negative impact on investment. All of these will weaken the economy. Growth potential. Economists have produced a lot of empirical literature around this issue, and their views can also be divided into those in favor and those who retain.

First, those in favor try to find a threshold for debt levels. Beyond a certain threshold, further increases in debt will affect economic growth. In 2010, based on the data set from 1946 to 2009 (22 developed economies and 24 emerging markets) According to the review, Reinhart and Rogoff pointed out in the article "Growth in the Age of Debt" that when the debt ratio of developed countries exceeds 90%, the continued rise in sovereign debt will cause economic growth to slow down by about 1 percentage point, while the growth rate of emerging market countries will slow down by about 1 percentage point. When the debt ratio exceeds 60%, its economic growth will be reduced by 2 percentage points. If the debt ratio exceeds 90%, the economic growth is likely to be halved. ÿ A working paper released by the World Bank during the same period pointed out that based on 1980-2008 Data are limited to the period of 2016, and the threshold of the debt ratio is 77%. If the debt ratio is higher than this threshold, each one percentage point increase in the debt ratio will cause GDP to decrease by 0.017%. Among them, the threshold for emerging markets is 64%, and the impact If the debt ratio increases by one percentage point, GDP will decrease by 0.02% . ÿ Reinhardt and Rogoff further used the data from 1800 onwards in their paper published in 2012.

We used recent data to study the "debt overhang" in developed countries and its impact on economic growth. The results found that among the 26 "debt overhang" events in which the debt ratio exceeded 90% for five consecutive years, there were 23. The economic growth rate during the period of rising debt dropped by an average of 12 percentage points compared with other periods.

ÿ [US] Written by Reinhart and Rogoff, translated by Qi Xiang, Liu Xiaofeng, and Liu Lina: "This Time Is Different: An Eight-Hundred Years of Financial Crisis History" Beijing: Machinery Industry Press, 2012, pp. 69-70.

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Point, since the average duration of the "debt overhang" is more than 23 years, this means that the cumulative output loss of a country is very large.ÿ

Second, retentionists believe that the negative impact of debt on economic output is small and that it is difficult to estimate a single threshold for debt levels that applies to all countries and all periods. Ugo Panizza and Andrea Presbitero (Andrea Presbitero) refuted Reinhardt and Rogoff's views in a 2013 paper. This paper used the instrumental variable of the interaction between foreign currency debt and exchange rate fluctuations to conduct research and found that debt and the economy The negative correlation between growth is robust after controlling for a range of covariates related to debt and growth, but a causal relationship between the two is difficult to establish. Moreover, even Reinhart and Rogoff emphasize The two types of thresholds are actually weaker than the correlation demonstrated previously. Panizza and Presbitero also emphasized that the relationship between debt and growth has great cross-country heterogeneity, and the situation of each country is different. Differently, many variables, such as institutional quality, the size of the public sector, the way debt is accumulated, and the structure of public debt, are related to whether and how debt affects economic growth. The article also emphasizes that the measurement methods used to conduct empirical studies do not guarantee that Heterogeneity and endogeneity issues after including different types of countries. Nonetheless, the article also acknowledges that high debt is a serious problem that will harm economic growth in different ways. ÿ In a working paper published by the IMF in 2014, it focused on Discussing the impact of long-term debt on economic growth, the conclusion is that it is impossible to draw a clear debt threshold. The article also emphasizes that after a country enters a high debt state, if the debt can be quickly reduced through certain means, then the country's economic growth will be can still be as fast as countries with low debt levels. The article also acknowledges that although high debt does not necessarily harm medium- and long-term growth, increasing debt is associated with more unstable growth, and unstable growth can still harm economic welfare.ÿ

Although academic circles have different opinions on the threshold issue of debt levels, the vast majority believe that the impact of high debt ratios on economic growth is negative. A literature review completed in 2020 showed that 24 representatives discussed this issue. Among the literature, 17 found the debt threshold, and half of the literature believed that the threshold was between 75% and 100%. There were 22 literatures that believed that the negative correlation between high debt and economic growth was basically established. High debt passed Raising long-term interest rates, distortionary tax rates, inflation, and countervailing

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Cyclical fiscal policy restrictions, etc., will have a negative impact on capital stock accumulation and economic growth. Another consensus formed by academic circles is that huge government debt will have a greater impact on economies with high debt ratios. If the debt of such countries continues to grow, ÿ Its negative impact will become more and more serious ÿÿ

Overall, lower debt levels are necessary to promote economic growth, while excessive debt is detrimental to long-term growth. has a greater negative impact on long-term economic growth. The "double-edged sword" characteristic of government debt has even led Barry Eichengreen and others to issue a call to "defend public debt" to clarify the simplistic debate surrounding government debt. Narrative. ÿ A recent observation by Olivier Blanchard also shows that there are no simple rules to judge whether a country's debt level is safe. ÿ A recently completed study by Ugo Panizza even believes that, Whether the debt level is safe or not also depends on expectations. If many institutions and investors determine that a country is at risk of debt default, then the country is likely to have self-fulfilling expectations of debt default. ÿ These studies and understandings provide us with an opportunity to understand the complexity of debt issues . It provides knowledge and experience reference, that is, studying debt issues requires a deeper understanding of a country's national conditions and its position in the international political and economic pattern than studying other international economic relations.

2. The current debt wave in emerging market countries and developing countries

The IMF analyzed the debt problem of "emerging market economies"ÿ from an empirical perspective for the first time in the "World Economic Outlook" published in 2003. In view of the sharp rise in public debt of emerging market economies since the mid-1990s, the debt ratio has reached 70%, and the debt ratios of developed countries have generally declined. The IMF focuses on two major debt problems in emerging markets in Latin America and Asia. One is how to use financial resources.

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ÿ The "emerging market economies" defined by the IMF in this report are the economies included in the "Emerging Markets Bond Index" (EMBI) by JP Morgan in early 2002 plus Costa Rica, Indonesia, India, Israel and Jordan, etc. See International Monetary Fundÿ World Econo mic Outlook: Public Debt in Emerging Markets ashingtonÿ ÿ 2003ÿ p ÿ ÿ 116ÿ It is necessary to point out that the IMF seems to have forgotten to state in the report that JPMorgan Chase was the The financial institution that sold the first Brady bond.

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The second is the impact of economic growth fluctuations on debt sustainability. The IMF found that there are some obvious differences between defaulters and non-defaulters in emerging market countries: defaulting countries have higher debt ratios, debt and The ratio of income to income is larger, and foreign debt accounts for a higher proportion of total public debt. Another conclusion of the IMF is that the maximum sustainable debt ratio of industrialized countries is about 85%. Although the debt ratio of market countries is much lower than that of industrialized countries, The threshold for over- ÿ And emerging borrowing in emerging markets is 25%. The thresholds for emerging market countries in different regions also have large differences. Asian countries are almost at the same level as industrialized countries.ÿ

A new phenomenon after the international financial crisis in 2008 is that the debt ratios of almost all countries have increased, especially the unexpected occurrence of the European debt crisis. The IMF devoted a chapter to discussing debt in its "World Economic Outlook" published in 2012. The debt problem of developed countries whose debt ratio exceeds 100%. The reason why developed economies and the threshold of 100% were chosen is that the IMF listed the following reasons: The debt structure of developed countries is different from that of developing countries (this reason has actually been mentioned previously). (Excluded from the latest research results cited above), the economic structures and systems of developed economies are different from those of emerging markets. The reason for focusing on the 100% threshold is because the debt ratio of a group of developed countries exceeded this level at that time, which significantly affected economic growth. ÿ Paradox of history The problem is that governments of various countries seem to have failed to learn lessons from the research results on the debt problems of emerging market countries and developed countries in the "World Economic Outlook" released by the IMF in 2003 and 2012 respectively. Since the beginning of the 21st century, the debts of various countries have increased Rates have continued to rise to the point where a further stage breakdown is needed to clarify the debt positions of countries in the latest wave of debt.

In the "Global Debt Crisis" released by the World Bank at the end of December 2019, the debt crisis in emerging markets and developing countries since 1970 was further divided into four waves: (1) 1970-1989 in Latin America and sub-Saharan Africa Debt crisis in Africa, (2) 1990-2001 mainly occurred in East Asia and the Pacific, and also included debt crises in several countries in Europe and Central Asia, (3) 2002-2009 occurred in Europe and Central Asia Debt crisis (4) The debt crisis that has covered almost all emerging markets and developing countries since 2010. The World Bank emphasized that the first three debt waves have significant similarities, that is, they all started with long-term very low real interest rates, and are often driven by changes in financial markets. The first three waves eventually ended in large-scale financial crises, and further led to

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The fourth debt wave that began in 2010 is larger, faster, and more widespread than the previous three. As of 2018 In 2016, calculated as weighted by GDP (current US dollars), total global debt (public and private) accounted for The proportion of GDP has reached 230%. Among them, the total debt of developed economies is US$130 trillion, accounting for 265% of GDP. The total debt of emerging markets and developing countries reached US$55 trillion, accounting for The debt ratio of emerging markets and developing countries increased by 54 percentage points from 2010 to 168% of GDP. point, with an average annual increase of 7 percentage points, equivalent to the growth rate during the Latin American debt crisis in the 1980s. Nearly three times. About 80% of emerging market economies have seen their total debt rise. The total debt of low-income countries has The amount reached US$270 billion, an increase of approximately US$130 billion compared with 2010. The debt ratio increased from 2010 to US$270 billion. 48% rose to 67% in 2018. In the fourth wave of debt, debt accumulation in most countries All involve government and private debt. Except that China's rising debt is mainly due to domestic debt, Domestic debt and external debt account for almost half of the new debt in other emerging markets and developing countries. ÿ World In a press release announcing the report, the bank emphasized that the fourth wave of debt involves new types of creditors. Mainly Chinaÿÿ

After the outbreak of the COVID-19 epidemic, the sovereign debt ratios of most countries have increased. According to IMF statistics, in 2020 By the end of the year, about half of low-income countries and several emerging economies had fallen into or were about to fall into debt crises. Compared with pre-pandemic expectations, the sovereign debt of advanced economies, emerging economies, and low-income countries has The service level has increased by about 17%, 12% and 8% respectively. ÿ World Bank data shows that as of 2021 At the end of the year, the total external debt of 69 low-income economies and 52 middle-income economies was US$9 trillion, which is More than twice as much as 10 years ago, about 60% of the poorest countries are at high risk of debt distress or have already have been in debt distress. ÿ The IMF even believes that 60% of low-income countries and 30% of "emerging markets" The country is "in or near debt distress" ÿÿ

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ÿ World Bank: «Global debt boom is biggest and fastest in 50 years», December 19, 2019, https://www.shihang.org/zh/new s/press-release/2019/12/19 [2022-12-17]

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As shown in Table 1, three new characteristics have emerged in the debt situation of emerging markets and developing countries from 2019 to 2022. First, the debt ratio of emerging markets and developing countries has increased. The proportion of total debt in GDP has increased from 53% in 2019 to 53% in 2019. It rose from 8% to 64.5% in 2022, an increase of more than 10 percentage points in three years. Looking at different regions, the debt ratio of emerging markets and developing countries in Asia has increased the most, with an increase of 174 percentage points in three years, followed by sub-Saharan countries. South Africa, but the increase was only 54 percentage points. The debt-to-GDP ratio of emerging markets and developing countries in Europe, Latin America, the Middle East and other regions has declined slightly. The debt of Asian countries has increased in the past three years in emerging markets and developing countries. Second, the total external debt increased by US$16 trillion, of which Asian emerging markets and developing countries accounted for about half of the net increase in external debt, but their external debt as a share of GDP fell by 3.2% overall. percentage points. What is particularly noteworthy are the new characteristics of the two regions: Asia's foreign debt as a share of GDP is nearly 10 percentage points lower than the overall level. The Middle East's foreign debt as a share of GDP has dropped significantly by 107 percentage points. The reasons may be The reason is that the rise in crude oil prices has led to an increase in government revenue. The third reason is that the pressure on foreign debt repayments in emerging markets has been reduced. Except for emerging markets and developing countries in sub-Saharan Africa, the foreign debt repayments in other regions have been reduced. According to Measured as its proportion in GDP or exports, there has been a decline. According to internationally accepted standards, the proportion of foreign debt in export revenue is between 20% and 25%, which is a sustainable level. ÿ By this measure, only emerging markets and emerging markets in the Middle East Developing countries belong to the safe zone, while other regions face certain risks, especially Asia and Latin America.

What is striking is that during the annual meeting of the World Bank and IMF in October 2022, World Bank President David Malpass said that "developing countries are facing the fifth wave of debt crisis." ÿ The reason why Malpass emphasized that developing countries The country is entering the fifth wave of debt for the following reasons: first, the debt crisis is spreading to middle-income countries, whose debt service burden is the highest in 30 years; second, the debt owed by low- and middle-income countries to commercial creditors is It owes about five times the debt to bilateral creditorsÿ . The third is the new creditor that emerged in the fourth wave of debt—mainly China, which has been considered the main cause of the fifth wave of debt. According to data provided by Malpass ÿInternational Development Association (IDA)

ÿ [US] Written by William Easterly, translated by Jiang Shiming: «The Fog of Economic Growth: Why Economists' Development Policies Fail» (2nd edition), Beijing: CITIC Publishing House, 2016, page 115.

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The country's debt to China has increased from US$15 billion in 2010 to US$100 billion in 2021.

China's debt stock is about half of the bilateral debt of these countries, but its debt service expenditure is about half of the bilateral debt service

2 / 3ÿÿ of expenditure

Table 1 Some characteristic facts about the debt of emerging markets and developing countries

Region/Economy	Total debt accounts for GDP proportion (ÿ)		Total external debt (One hundred million U.S. dollars)		External debt accounts for GDP proportion (ÿ)		Foreign debt repayment with principal and interest Proportion of GDP (ÿ)		Foreign debt repayment with principal and interest Proportion of exports (ÿ)	
	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year	ÿÿÿÿ Year
emerging markets and developing Economy	ÿÿ ÿ ÿÿ ÿ ÿÿÿÿÿÿ ÿÿÿÿÿÿ ÿÿ ÿ ÿÿ ÿ						ÿÿ ÿ	ÿ ÿ ÿÿ ÿ ÿÿ ÿ		
Asia region	ÿÿ ÿ ÿÿ ÿ ÿÿÿÿÿ ÿÿÿÿÿ ÿÿ ÿ					ÿÿ ÿ ÿÿ ÿ		ÿ ÿ ÿÿ ÿ ÿÿ ÿ		
Latin America	ÿÿ ÿ ÿÿ ÿ ÿÿÿÿÿ ÿÿÿÿÿ ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ									
European region	ÿÿ ÿ ÿÿ ÿ ÿÿÿÿÿ ÿÿÿÿÿ ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ							ÿÿ ÿ ÿÿ ÿ ÿÿ ÿ		
Middle East and Central Asia	45 9	43 4	18175	21561	46 5	35 8	ÿ ÿ	ÿ ÿ	ÿÿ ÿ ÿÿ ÿ	
sub-saharan africa area	ÿÿ ÿ ÿÿ ÿ ÿÿÿÿ ÿÿÿÿ ÿÿ ÿ ÿÿ ÿ						ÿ ÿ	ÿ ÿ ÿÿ ÿ ÿÿ ÿ		

Note: The regions mentioned in this table are the total of emerging market countries and developing countries in the region listed by the IMF.

Source: IMFÿ World Economic Outlook Database Wash ingtonÿ D C , ÿÿÿÿÿÿÿ ÿÿÿÿ

According to the author's statistics, from January to early March 2023, the spokesperson of the Chinese Ministry of Foreign Affairs responded to foreign media reporters There were 15 questions about the sovereign debt issues of developing countries, including Zambia, Sri Lanka, Debt defaulting countries or debt restructuring countries such as Pakistan and Ghana. In these questions, in addition to the world In addition to banks and the IMF, the most common statement is that of the United States. An agreement between China and the United States and other Western countries What are the major differences that have led to this round of debt problems in developing countries? The United States accuses China of being the solution to the problem. obstacles to solving the debt problems of developing countries, but China emphasized that "a certain developed country's radical fiscal policy Financial policies and their serious spillover effects are responsible for the financial difficulties of the vast number of developing countries, including Pakistan. The main reason for the difficulty is that commercial creditors and multilateral financial institutions, mainly Western

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"Large Creditor" ÿ The debt problem of developing countries has become one of the focuses of the game between China and the United States. China and the United States cannot reach an agreement on the reasons for the debt crisis. The reason is actually the same as Hirschman's analysis of the 1980s. The typical issue debated between the United States and Latin American countries during the Latin American debt crisis. The other side of the issue is what impact the spread and deterioration of debt in developing countries will have on the international landscape, especially the century-old changes.

For a long time, the literature on international debt has not focused on China. This gap is not surprising. On the one hand, China's economic growth has little to do with foreign debt. On the other hand, most debt crises before the 2008 international financial crisis occurred. In developing economies, not only are they unable to influence the Western-dominated international landscape, but even the solutions to these debt crises are in the hands of governments and experts in developed countries. However, with the collective rise of emerging markets and developing countries In particular, China's status in the international bond market has increased, and discussions on how international debt affects the international political and economic landscape have also increased. Therefore, in this debt wave since 2010, China has become both an emerging market and a developing country. It is a representative of the rise of groups and is also considered to be a key party affecting the current trend of debt problems in developing countries. To understand the debt trend of emerging markets, it is natural to turn more to China's perspective and consider it.

Redefining the Three Emerging Market Countries: A Rise Perspective

There is currently no official organization that has made a universally recognized definition of which countries are "emerging market countries". Based on different research objectives, Chinese and foreign academic circles have proposed diversified definitions of which countries belong to "emerging market countries". Currently, there are three more representative scopes. First, Zhang Yuyan and Tian Feng defined it in their 2010 paper. Eleven developing countries in the Group of Twenty (G20) are regarded as "emerging economies". Second, Hu Biliang and others added Iran, Kazakhstan, Malaysia, Pakistan, Philippines, Thailand, Uzbekistan and Asia to this list. 8 countries including Vietnam, 4 countries in Africa including Egypt, Ghana, Morocco, and Tunisia, 6 countries in Latin America including Chile, Colombia, Dominica, Ecuador, Guatemala, and Peru, and 2 countries in Europe including Poland and Romania, but deleted Got it

ÿ Ministry of Foreign Affairs of the People's Republic of China: «March 2, 2023, Ministry of Foreign Affairs Spokesperson Mao Ning hosted a regular press conference», March 2023 2 days ago https: / / www fmprc gov cn / fyrbt_673021 / 202303 / t20230302_11034198 shtml [2023 - 03 - 05]

ÿ Zhang Yuyan, Tian Feng: "The Definition of Emerging Economies and Their Position in the World Economic Pattern", published in "International Economic Review", Issue 4, 2010, pp. 7-26. These 11 economies are China, Russia, South Africa, Argentina, Brazil, India, Indonesia, Mexico, Saudi Arabia, South Korea and Turkey.

South Korea, a total of 30 countries. Third, the IMF publication "Finance and Development" deleted South Korea in a 2021 album on emerging markets based on the 11 developing countries in the G20. Ten countries have been added, including Chile, Colombia, Egypt, Hungary, Indonesia, Iran, Malaysia, Philippines, Poland, and Thailand, for a total of 20 countries.

Fundamentally speaking, the most prominent feature of emerging market countries is that they develop rapidly among developing countries and play an increasingly important role in the global economic structure and global governance. As the situation evolves, the growth rate and weight of the developing countries group further increases. Differentiation, if the term "emerging markets" continues to be used, then it is necessary to re-discuss the evolution of its connotation and accurately grasp the essential meaning of emerging markets. Generally speaking, "emerging markets" has changed from an investment term in financial markets to An important force in the field of international relations, its evolution process can be divided into

three stages. (1) Three stages of the evolution of "emerging markets"

In the first stage, the emergence of the "emerging markets" theory in the early 1980s was mainly related to securities investment, which attracted the attention of the international financial community. As an economist at the International Finance Corporation, a subsidiary of the United Nations, the Dutch scholar Antoine van Agtmael) studied the stock markets of 10 "Third World" countries (Argentina, Brazil, Chile, Greece, India, Jordan, South Korea, Mexico, Thailand and Zimbabwe) and found that their investment returns were higher. In 1981, Agger While attending an internal meeting at Salomon Brothers in New York, Tamir proposed establishing a new global investment fund for the stock markets of "Third World" countries. In view of the poor reputation of the "Third World" in the international financial community at that time, although All parties present at the meeting were interested, but after its official launch, "Third World" was replaced by "Emerging Markets". The International Finance Corporation subsequently created the "Emerging Markets Database" (EMDB), which was recommended to investors and fund managers in industrialized countries. Emerging market stocksÿÿ

In the second stage, on the eve of China's accession to the World Trade Organization (WTO) at the end of 2001, Jim O'Neill, an economist at Goldman Sachs, classified the four largest economies in the "emerging market" category, namely Brazil, Russia, India and China were named "BRICS" and suggested that the Group of Seven (G7) expand and include "BRICS" to improve global economic governance. When O'Neill proposed the "BRICS"

When the "Brick Country" was conceived, China's economic aggregate, measured in current U.S. dollars, had just surpassed Italy's.

ÿ Hu Biliang, Tang Xing, Yin Lin: "Comprehensive Measurement and Development Prospects of Emerging Market Countries", published in "Chinese Social Sciences", 2018 Issue 10 of the year, pages 59-85ÿÿÿÿ ÿÿÿÿÿÿÿÿÿÿ ÿÿÿ ÿÿÿÿÿ ÿÿÿÿÿÿÿÿÿÿÿÿÿÿ "ÿÿÿÿÿ ÿÿ ÿÿ: ÿÿÿ ÿÿÿÿÿÿ ÿÿ ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿ"ÿ ÿÿ ÿÿÿÿÿÿÿ ÿ ÿÿÿÿÿÿÿÿÿÿÿÿ ÿÿÿ ÿÿÿ ÿÿ ÿÿ ÿÿÿÿÿ ÿÿ ÿ ÿ ÿ

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Ranking seventh in the world, the total economic output of the BRIC countries accounts for 8% of the world's total. ÿ Among them, China accounts for 36% ÿ

If calculated on a purchasing power parity basis, the total economic output of the BRIC countries accounts for 23.3% of the world's total, ÿ Of which China accounts for compared with 12.6%ÿ. Greater than the sum of the other three countries. O'Neill also predicted that according to the growth trend in 2001,

In terms of current US dollars, China's economic aggregate in 2011 is expected to be as large as that of Germany, the world's third largest economy.

Qi Ping ÿ After the term "BRICS" received good response from the market, Goldman Sachs'

Economists launched a new report in 2003, looking forward to the development prospects of the BRIC countries until 2050.

The report titled "Dream with BRICS: The Road to 2050" predicts that the BRIC IV

The total economic output of these countries accounts for the G6, including the United States, Japan, the United Kingdom, Germany, France and Italy.

The proportion of G6 countries will increase from 15% in 2000 to 50% in 2025. Among them, China's economic ÿ and finally surpassed it in 2039

aggregate in 2025 will be 31.2% 1.4 times that of G6 countries.ÿ ÿ It belongs to the other three BRICS countries.

The recognition of the growth prospects of large emerging markets by international financial institutions has also strengthened to a certain extent

In April 2004, the IMF released the

"World Economic Outlook" combines the previous three categories of countries (developed economies, developing countries and transition countries) for the first time.

countries) are divided into two new categories of countries—developed economies, emerging markets, and developing economies. The IMF strengthens

The reason why this modification was made is due to two reasons: First, the transition economies are moving towards the market.

Economies are making rapid progress, and the differences with other emerging markets and developing economies are getting smaller and smaller. 2.

The nine Eastern European transition economies joined the EU in May 2004. ÿ IMF calculation, based on purchasing power parity

Based on price calculation, in 2003, the total economic output of 146 emerging markets and developing economies accounted for 44.5% of the world's total, and their ÿ

exports accounted for 25.4% of the world's total. ÿ 84 6% of the world's population ÿ ÿ

After the international financial crisis in 2008, the status of "emerging markets" was further highlighted. Aghtami

He even coined the term "emerging market century" and believed that the "global" financial crisis was just a

In this "semi-global" crisis, most emerging markets relied on their solid banking systems and prudent macroeconomic policies to survive.

The policy performed well and will therefore change the center of gravity of the global economy. 5 What shocked the world was that in May 2008

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In July 2009, Russia hosted the first foreign ministers' meeting of the BRIC countries in Yekaterinburg. In July 2009, the heads of the BRIC countries held a formal summit. This means that the BRIC countries, representatives of emerging markets, have changed from a group of international investment banks to This investment philosophy has become the international political behavior of the countries involved. Goldman Sachs even predicted in 2010 that China's economy will catch up with the United States by 2027, and that the BRIC group will surpass the large Western economies by 2032 - more than originally imagined. Nearly 10 years ÿÿ

In the third stage, the rise of emerging market countries and developing countries has become the primary pillar of the "century-old changes" proposed by Chinese leaders. In March 2013, President Xi Jinping pointed out in an important speech at the Moscow Institute of International Relations that "a large number of emerging economies Market countries and developing countries are on the fast track of development. More than one billion or billions of people are accelerating towards modernization. Multiple development centers are gradually forming in various regions of the world. The international balance of power continues to move towards a balance that is conducive to world peace and development. direction of development"ÿÿ In September 2015, President Xi Jinping delivered an important speech at the general debate of the 70th United Nations General Assembly and pointed out that "the multipolarization of the world has further developed, and the rise of emerging market countries and developing countries has become an unstoppable history. Trend." ÿIn December 2017, Xi Jinping publicly stated for the first time when receiving the 2017 Diplomatic Work Conference and Envoys Stationed Abroad, "Looking at the world, we are facing major changes unseen in a century. Since the new century, a large number of emerging market countries have and developing countries are developing rapidly, world multipolarity is accelerating, the international landscape is becoming increasingly balanced, and the international trend is irreversible." ÿ In March 2023, after President Xi Jinping visited Russia, he proposed for the first time in the joint communiqué issued by China and Russia that " The status of emerging markets and developing countries has generally been enhanced."ÿ This is the first time that China and Russia have mentioned this in a joint communiqué. This kind of conclusion is made, but compared to the "rise of groups", it is a more cautious formulation to a certain extent.

(2) Emerging markets from the perspective of a century of major

changes Emerging markets and developing countries as a whole (excluding the "Four East Asian Tigers") have developed rapidly since the beginning of the 21st century, which can be called a rise. IMF calculations, based on market exchange rates According to statistics, this group's share of the world economy increased from 205% in 2002 to 436% in 2022 ÿ If you purchase As measured by power parity, the share has increased from 44.5% in 2004, when the IMF first listed emerging markets and developing countries in the country classification, to 58.2% in 2022. ÿIn the past 20 years, emerging markets and developing countries have

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ÿÿ «Xi Jinping on the Governance of China» (Volume 1), Beijing: Foreign Languages Press, 2018, Page 272, Page 522, ÿ Page 421, ÿ«Joint Statement of the People's Republic of China and the Russian Federation on Deepening the Comprehensive Strategic Partnership of Coordination for a New Era», published in the 2nd edition of the People's

ÿ Daily on March 22, 2023. According to the "World Economic Outlook" database data released by the IMF in October 2022 Calculated results ÿ ÿÿÿÿ: / / ÿÿÿ ÿÿÿ org / ÿÿ / ÿÿÿÿÿÿÿÿÿÿÿÿ/ ÿÿÿ/ ÿÿÿ ÿ ÿÿÿÿÿÿÿÿ / ÿÿÿÿ / ÿÿÿÿÿÿÿ/ ÿÿÿÿÿÿ ÿ ÿÿÿÿÿÿÿ ÿ ÿÿÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

The increase in the country's share of the world economy is also greater than the period from 1980 to 2000. The two 20-year periods The increases in share were 7 percentage points and 15 percentage points respectively. This is in line with the rise of PPP. Compared with the market exchange rate, the economic rise in the sense of market exchange rate is more eye-catching, which also shows that emerging markets at this stage and the speed of integration of developing countries into the global economy and their influence on the global economy. Among them, the "BRICS The rise of "country" is even more prominent. As early as 2014, the total economic output of the BRIC countries accounted for the proportion of the G6. Reaching 1/2, 10 years ahead of Goldman Sachs' prediction at the beginning of the 21st century, China's proportion of G6 exceeds More than 1/3 was achieved in 2015, which was 10 years ahead of Goldman Sachs' forecast. China's economic growth in 2015 was The total economic volume is more than twice that of the other three BRICS countries, and it is also significantly ahead of the forecast time. If Goldman Sachs' forecast If the first forecast of economic growth of the BRICS countries is slightly conservative, then the second forecast for 2010 is too optimistic

The scope of "Emerging Markets and Developing Countries" included in the IMF includes nearly 140 economies. Many of these economies actually have little impact on the global economic pattern. ÿ Currently classified as low-income Counting countries, in the 1960s and 1970s, the economic aggregate of low-income countries accounted for an average annual share of ÿÿ ÿ By the 1990s, it had reached its lowest point (less than 0.4%), and it is still there today in the 21st century. Fluctuating around 0.6%. ÿ The proportion of the total economic output of middle-income countries has increased from 0.6% in the late 1990s to 16.1% increased to 37.1% in 2021, more than doubled, most of which was contributed by China. As China transitioned from a low-income country to a middle-income country at the end of the 20th century, China's role in the world economy has The proportion of GEM has increased from 33% in the late 1990s to 184% in 2021. ÿ Neil believes that the "BRIC" countries should be renamed "BRICS" because "China is the only country with more than Among the BRICS members whose growth forecast is India, India is not far from its expectations, while the other two countries are far below expectations."ÿ Another thing to note is that Kenneth Rogoff, the former chief economist of the IMF, said in the analysis When analyzing the debt problems of emerging markets, he made this judgment: "The gap between emerging markets and low-income countries Historical distinction (i.e. the former has many channels to enter the international capital market while the latter relies more on donations

ÿ World Bank data shows that the number of low-income countries has dropped from more than 60 at the beginning of the 21st century to about 30 currently. In 2021, the total population of low-income countries is approximately 7.2 billion, the total economic volume is approximately US$563 billion, and the economic growth rate is 26% per capita. GDP is less than US$800. In 1990, 57% of the world's population lived in low-income countries. Due to the rapid poverty alleviation in China and India in the past 30 years, Success, currently only 10% of the population lives in low-income countries. The total population of middle-income countries is about 5.9 billion, and the total economic volume is about 35.9 trillion U.S. dollars, economic growth rate 70%, per capita GDP about 6,100 U.S. dollars. See https: / / data worldbank org / income - ÿÿÿÿÿ / ÿÿÿ ÿ ÿÿÿÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

ÿ Relevant data are compiled according to the World Bank's « World Development Indicators » database. http://data.worldbank.org/cn/ ÿÿÿÿÿÿÿÿÿ? ÿÿÿ ÿ ÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

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Grants and loans) are no longer suitable for the current situation. Nigeria and Vietnam, which were once defined as low-income countries by the IMF, encounter almost the same problems as emerging markets."ÿ Therefore, although many studies in the international academic community are not clear Define emerging markets, but generally tend to take middle-income countries as the basic

scope. Looking at emerging markets from the perspective of a century of major changes, then the focus will undoubtedly be on the rapid development and rise of this group. Therefore, economic growth and economic size are in the global The position in the economic structure has become the primary criterion for selecting which countries belong to "emerging markets". In the second stage of the spread of the concept of "emerging markets", World Bank economists reported in "East Asia Renaissance: The Concept of Economic Growth" in 2007 The concept of "middle-income trap" was proposed in 2008, which is actually a concept to further classify developing countries, and its judgment is mainly based on economic growth. ÿ In 2008, the "Growth Report" led by Spencer, the Nobel Prize winner in economics : Sustainable Growth and Inclusive Development Strategy» also lists 13 economies that have achieved an average annual growth rate of more than 7% for 25 consecutive years as "high-growth economies." ÿ These two types of research help us redefine the scope of "emerging markets " It also has academic enlightenment. Based on the changing picture since the beginning of the 21st century, this article lists the calculation formula for whether a country is included in emerging markets: Change in GDP share × 50% + Economic growth rate × 20% + Economic scale × 10% ÿ Population size Taiwan, China). Among them, China accounts for about 37.1% of the comprehensive score of 32 economies. The 32 emerging market countries are referred to below as

ÿ India accounts for 139% ÿ

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ÿ Indermit S Gill and Homi Kharasÿ "The Middle - I Come Arch Working Paper No 7403ÿ August 2015 https: / / do cuments1 worldbank org / curated / en / 2915214681796 402 02 / pdf / WPS7403 pdf [2023 - 03 - 10] Commision on Growth and Development Rowth Report: Strategies for Sustained Growth

ÿ and World Bank 2008 The 13 economies are Botswana, Brazil, China, Inclusive Develop ÿÿÿÿÿÿÿÿÿÿÿ C Hong Kong, and Thailand. The report also pointed out that Indonesia, Japan, South Korea, Malaysia, Malta, Oman , Singapore, Taiwan India and Vietnam are about to join this ranks. The "Growth and Development Committee" is composed of 19 officials (mostly from developing countries) and two economists, including The Chinese representative was Zhou Xiaochuan, then governor of the People's Bank of China, and the two economists were Robert Solow and Michael Spencer.

ÿ It should be noted that there is a certain correlation between the above indicators, but there is no fundamental conflict with the emphasis in this article that "scale is the core indicator that reflects the balance of power." In addition, considering that low-income countries are generally not included in the emerging economies Market, this article only calculates economies with a per capita GNI of more than 1,085 US dollars in 2021. When calculating changes in GDP proportion, this article uses the average annual changes from 1997 to 2002 and 2017 to 2022 as the base point for calculation. Calculation method of population indicators It is the population of a country divided by the average population of all countries in the world. Other indicators are also divided by the value of a country by the world average, and are processed in a dimensionless manner.

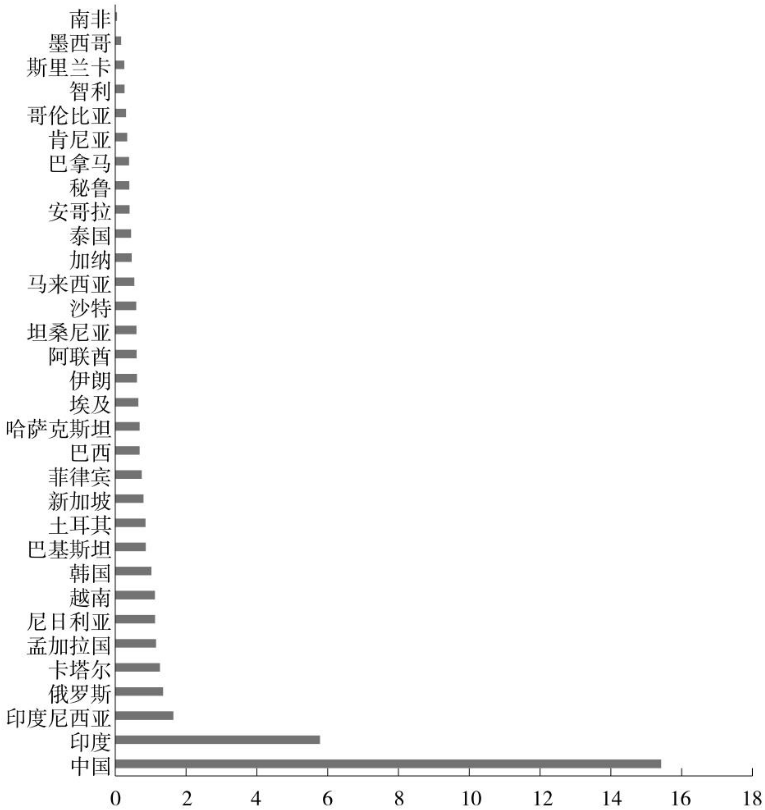

Figure 2 32 emerging market countries ("E32") redefined from the perspective of rising

Data source: The author calculated based on the World Bank database data. https: / / www imf org / en / Publications/ WE ÿ/ ÿÿÿ ÿ ÿÿÿÿÿÿÿÿ / ÿÿÿÿ / ÿÿÿÿÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

The debt threshold, economic growth and power changes of the fourth "E32"

In the early 1980s, Antony Agtamir included Greece in the list when he was screening emerging markets. Times have changed, and the debt restructuring of Greece in the past 10 years has become a typical case used by the international community to warn that excessive debt has caused a country to fall into economic difficulties. Debt The crisis and the debt restructuring forced by international financial institutions have had a profound impact on the Greek economy. From 2008 to 2019, ÿ ÿ ÿÿ , the country's per capita GDP growth rate was not only incomparable to its golden age of economic growth in the 1960s and 1970s (1963 The average annual economic growth rate between 1974 and 1973 was 83%), which was even lower than the country's economic performance during the international financial crisis from 1974 to 2008 (the average growth rate of GDP per capita between 1974 and 2007 was 17%). %). Greece's per capita GDP fell from US$320,000 in 2008 to approximately US$20,000 in 2021.

In 2008, the total economic volume of Greece was approximately 360 billion US dollars, accounting for 0.6% of the world's total. In 2021, Greece's The total economic volume of Greece has shrunk to less than 220 billion US dollars, and its proportion in the world has dropped to 02%. In ÿ The proportion is even only 1960, it accounted for 70% of the world's proportion. From 2008 to 2021, the total economic volume of Greece has accounted for 10% of the world's total. The ranking has dropped from the top 30 to the top 50. Obviously, the second decade of the 21st century has become Greece's A serious "lost decade" in history. Excessive debt is an important reason for this tragic story.

The debt ratio of the Greek government soared from 1105% in 2008 to 1840% in 2011. After the mandatory intervention of financial institutions, ÿ through international it remained at 1856% in 2019. The debt ratio of Greece remained basically unchanged. The main reason is that Both debt and ÿ 2011-2019 Hope GDP decreased. The reduction in debt was due to Greece's ability to raise funds from international capital markets, especially European capital markets, has declined significantly, and The decrease in GDP is the result of excessive debt. Greek economist Varoufakis found that in 2015 The IMF received more than 3.5 billion euros in interest and fees from Greece in just six months, accounting for 10% of the IMF's net income. 37% of the total amount ÿ It guarantees 79% of the latter's internal operating expenses. This level of profitability is even higher than that of Goldman Sachs. or the investment profitability of JPMorgan Chase. This to a certain extent confirms the views of critical political economists. The point is that "debt is not a simple number, but a system embedded in unequal power relations, discourses and Social relations in morality"ÿÿ

The "E32" proposed in this article, as a whole, its performance is not only far better than that of Greece, but also slightly better than that of Greece. The "Emerging Markets and Developing Countries" listed by the IMF are shown in Figure 3. After weighted calculation, The average debt ratio of "E32" increased from 449% in 2000 to 624% in 2021, with the average annual debt ratio of 422% ÿ 22 years ÿ The average debt ratio of "emerging markets and developing countries" listed by the IMF has ranged from 44.7% in 2000 rose to 63.7% in 2021 ÿ The average annual debt ratio over 22 years was 45.3%. ÿ ÿÿ In the 22 years since the beginning of this century, the debt ratio of "E32" has been higher than that of "emerging markets and development" in the general sense. China's "national debt ratio" is 31 percentage points lower. Among them, China's average annual debt ratio is 38.2%, and the average ÿ Than "E32" weighted debt ratio is 4 percentage points lower. Judging from the average annual economic growth rate from 2000 to 2021, The performance of "E32" is not much different from the "emerging markets and developing countries" listed by the IMF. The former is weighted After that, the average annual growth rate is 54%. In a certain sense, it is also possible The average annual growth rate of the latter is 53%. ÿ It is said that when the IMF uses the general term "emerging markets and developing countries", it erases those countries with poor development levels and

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ÿ The relevant data for Greece is compiled based on the data from the World Bank's «World Development Indicators» database. https://data ÿÿÿÿÿÿÿÿÿ ÿÿÿ ÿÿ / ÿÿÿÿÿÿÿÿÿ? ÿÿÿ ÿ ÿÿÿ [ÿÿÿÿ ÿ ÿÿ ÿ ÿÿ]

ÿ [Greek] Written by Yanis Varoufaks, translated by Shen Danlin: "The Adults in the Room", Beijing: CITIC Publishing House, 2021, Pages ÿÿÿÿÿÿÿ

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Economies with low growth rate and small size. Therefore, the "emerging markets and developing countries" proposed by the IMF

After over-weighting, a smaller number of countries can actually be represented. Taking 2008 as the boundary,

The performance of "E32" is divided into two stages: (1) Between 2000 and 2008, the average annual growth rate of "E32"

The debt ratio is 63% and the debt ratio is 392%. (2) From 2009 to 2021, the average annual growth rate of "E32" declined.

to 48% , The debt ratio rose to 442%. In this sense, the increase in the debt ratio is accompanied by economic growth.

However, due to the latter stage experiencing the 2008 international financial crisis and the COVID-19 epidemic,

Impact, it is still difficult for us to say that the debt ratio is the main reason for the decline in economic growth.

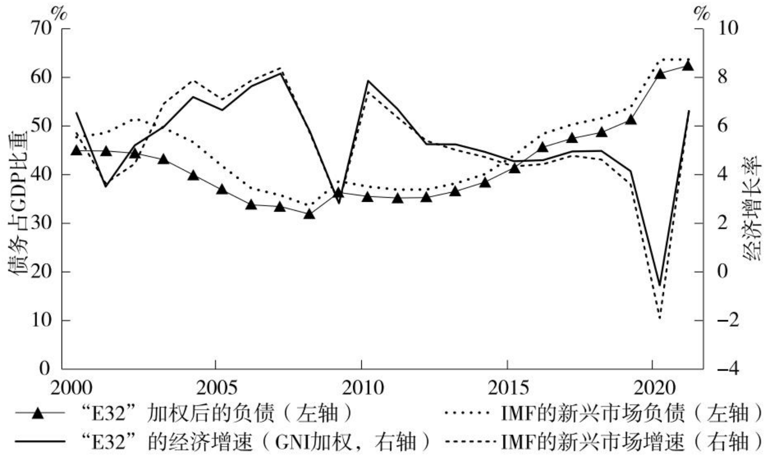

Figure 3 Debt and economic growth in emerging markets (2000-2021)

Note: The figure shows the weighted values of 32 emerging market countries, which are calculated by weighting the GNI proportion of each economy.

Source: The author compiled and drawn based on data from the IMF and the World Bank. https: / / www imf org / en / Publications/ ÿÿÿ/

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After weighting, the debt ratio of "E32" in both 2020 and 2021 exceeded 60% , thus

You can also use 60% as the threshold to measure the difference, and further classify "E32" to observe the difference.

The difference in economic growth rate. This method is also consistent with the literature mentioned above. Reinhardt and Rogoff found that

The current debt ratio threshold for emerging markets is 60%. Similarly, the World Bank has also pointed out that 64% is for emerging markets.

The threshold of debt ratio. ÿ After classifying the data from 2000 to 2021, it was found that "E32" can be divided into

There are three groups as follows. The first group is the 12 countries with debt ratios always lower than 60%. They are ranked according to economic growth rate from high to low.

The order is Tanzania (64%), Vietnam (63%), Bangladesh (60%), Kazakhstan

Stan (60%), Nigeria (56%), Philippines (48%), United Arab Emirates (39%), South Korea

ÿ It should be mentioned that in the early 1990s, the Maastricht Treaty required European countries to limit their budget deficits.

At 3% of GDP , and reduce its public debt to 60% of GDP , to be eligible to join the Eurozone.

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China (39%), Chile (37%), Russia (36%), Thailand (34%), and Iran

(31%), the average growth rate of 12 countries is 47% ÿ The second group is the five countries with debt ratios always higher than 60%.

Countries, ranked from high to low in economic growth rate, are India (64%), Singapore (49%), Sri Lanka

Lanka (48%), Egypt (46%) and Brazil (22%), the average growth rate of the 5 countries is 46%. The third group is 14 countries whose growth rate is higher than 60% in ÿ

individual years. As shown in the table 2, the 14 countries in the third group

The average annual growth rate of households when the debt ratio is lower than 60% is 53%. The average annual growth rate when the debt ratio is higher than 60%.

It is 19%. From a simple look, we can draw a conclusion, that is, high debt is not conducive to economic growth.

However, it should be noted that among these 14 countries, Peru and Saudi Arabia have special characteristics, that is, their debt ratios are

The economic growth rate when operating at a high level is actually better than the growth rate when the debt ratio is low. At the same time, the economic growth rate needs to be carefully analyzed.

Yes. As shown in columns 3-5 of Table 2, between 2000 and 2021, 14 countries had debt ratios higher than 60%.

There have been about 37 years, 12 of which were during the COVID-19 epidemic, which means that the economic growth rate has been affected.

One-third of the factors for the decline are related to the COVID-19 epidemic, and the fiscal expansion policy during the epidemic has been criticized by most

Economists and policy makers believe that it is beneficial to get out of the economic crisis. In addition, countries from the first and second groups

Looking at the economic growth rate, the average economic growth rate of countries with a debt ratio higher than 60% is higher than that of countries with a debt ratio lower than 60%.

The average growth rate of countries is 0.7 percentage points higher, and the performance of African countries is significantly better than that of Latin American countries.

Therefore, it is difficult to conclude that the current debt level is not conducive to the economic growth of "E32" as a whole.

Conclusionÿ

Table 2 Debt ratio and economic growth performance of 14 emerging markets (2000-2021)

nation	Debt ratio is lower than 60% annual average Economic growth rate (%)	Debt ratio is higher than 60% annual average Economic growth rate (%)	Debt ratio is higher than 60% target years	Among them, the new coronavirus epidemic number of years in love	During the COVID-19 epidemic Year proportion (%)
Ethiopia	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿ
Peru	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿ
China	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿÿÿ
Indonesia	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿ
Ghana	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿÿ ÿ
Pakistan	ÿ ÿ	ÿ ÿ	ÿÿ	ÿ	ÿÿ
Kenya	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿÿÿ
Saudi Arabia	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿ
Colombia	ÿ ÿ	ÿ ÿ	ÿ	ÿ	ÿÿÿ

Panama	ÿ ÿ	ÿ ÿ ÿ	ÿ	ÿ	ÿÿ
South Africa	ÿ ÿ	ÿ ÿ ÿ	ÿ	ÿ	ÿÿÿ
Malaysia	ÿ ÿ	ÿ ÿ ÿ	ÿ	ÿ	ÿÿÿ
Qatar	ÿ ÿ	ÿ ÿ ÿ	ÿ	ÿ	ÿÿ
Mexico	ÿ ÿ	ÿ ÿ ÿ	ÿ	ÿ	ÿÿÿ
14 national average growth rates	ÿ ÿ	ÿ ÿ	ÿ ÿ	ÿ ÿ	ÿÿ ÿ

Source: I organize ÿ HTTPS: / / WWW IMF ORG / PUBLICATIONS / WWW IMF ORG / PUBLICATIAT
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Compare the "E32" defined in this article with the "E32" defined by the IMF, which includes more than 140 countries and regions. After comparing "emerging markets and developing countries", it was found that the former's share of the world economy has increased from 21 to 21 It has risen from 184% at the beginning of this century to 402% in 2022 and to 436% ÿ During the corresponding period, the latter's share increased from 210% to in 2022. This further confirms the author's view, that is, from the perspective of international power comparison, corner to discuss emerging markets, then the number of countries that need to be included can be reduced by almost 4 / 5, that is, only about 30 is enough. What is particularly worth pointing out is that the proportion of China's total economic output in "E32" has increased from 21 to It has risen from 20% at the beginning of the century to nearly 50% now, and India, which currently ranks second, accounts for 87%. ÿ Economies that account for more than 2% of the total economic output of 32 emerging market countries include South Korea, Russia, Seven countries including Brazil, Mexico, Indonesia, Turkey and Saudi Arabia are also among the 20 Group membersÿ

Five conclusions

Sovereign debt has come into being along with modern nation-states, with ups and downs. Since the 2008 international financial crisis, In recent years, the debt ratios of various countries have increased significantly. In response to the impact of the COVID-19 epidemic, all countries have generally increased fiscal expenditures. The increase in debt ratios in developing countries is even more alarming, but the average debt ratio in developed countries is still higher than that of emerging countries. market and developing countries. However, what Western public opinion is most worried about is the growth of developing countries. Debt issue, there is a clamor of public opinion about "emerging markets and developing countries falling into a new round of debt crisis" One of the reasons is that debtor and creditor countries are concerned about global financial governance rules for dealing with debt issues. This involves changes in the power of two groups of countries. In the past, developing countries had to submit to debt crises. Judging from the rules formulated by developed countries, debt changes since 2010 also involve emerging creditor countries and owners. New rules for the restructuring of rights and debts. This article is based on the emerging market countries and developing countries' collective rise. Perspective, using the relevant theoretical understanding of international political economics on the distributional consequences of international economic relations

This paper discusses the debt ratio of emerging market countries and its impact on economic growth, with a view to deepening the understanding of the changes that have occurred over the past century.

First, when studying the political impact of the debt issue from the perspective of "a century of major changes", the scope of "emerging markets" should be redefined. Common sense in academic circles is that the definition of research objects should change with the purpose of the research. Typical examples in this regard It was the concept of "BRICS" proposed by Jim O'Neill, an economist at Goldman Sachs, in the early 21st century, which transformed the "emerging markets" proposed by Anthony Agtamir in the 1980s from a financial term into an international political term. However, More influential is the concept of "emerging markets and developing countries" defined by the IMF. The IMF first defined developed economies, and then included other countries and regions into the category of "emerging markets and developing countries". As a result, the latter The extremely large number of countries is not only misleading, but in fact it is not convenient for scholars from developing countries to use the agency's data to conduct relevant research. This article redefines "32 emerging market countries" (E32) from the perspective of rising, highlighting The relative changes in economic scale and the importance of economic growth rate. The reason for emphasizing the perspective of "rise" is mainly due to the Chinese style that "the collective rise of emerging market countries and developing countries" is the pillar of the "century-old changes" Proposition: From the perspective of research on China-based swap debt, the research in this article has a distinct Chinese flavor, or the perspective of a developing country.

Second, despite facing rising debt ratios, the debt ratios of emerging markets are still less than half of the levels of developed countries. As a whole, the economic growth rate of “E32” has not been significantly affected. According to the definition of IMF, The debt ratio of "Emerging Markets and Developing Countries" has increased from 538% in 2019 to 637% in 2022. After weighted processing, this article found that the negative IMF data of "E32" also provides nearly

The debt ratio increased from 512% in 2019 to 625% in 2021 ÿ

There are two other characteristics of the debt of "emerging markets and developing countries" in the past three years. First, the total amount of foreign debt has increased but the proportion of foreign debt in GDP has dropped significantly. Second, the pressure to repay principal and interest on foreign debt has been reduced. The empirical analysis of this article It shows that periods of high debt ratios in emerging market countries are accompanied by a decline in economic growth. However, if the debt ratio of 60% is used to divide the two groups, in fact, the average economic growth rate of countries with debt ratios higher than 60% is even higher than Countries with debt ratios below 60%. Many countries in the "E32" have good economic growth rates. For example, India's debt ratio has always been above 60% in the past 22 years, but India has achieved an average annual growth rate of 64%. Economic growth. On the whole, although the weighted debt ratio of "E32" has exceeded 60%, in the past two years, it is difficult to infer that this debt ratio is not conducive to the economic growth of emerging markets defined in this article. The debt ratio suddenly rises The main reason is the impact of the COVID-19 epidemic, There is only a 4 percentage point difference between the "E32" and the "emerging markets and developing countries" defined by the IMF, which include 140 economies, in the world economy, and the latter's economic growth rate has accelerated. The degree of slowdown is larger than that of "E32", which means

This means that the development trend of "E32" is slightly better than that of "emerging markets and developing countries" defined by the IMF. ÿ

Third, although some international public opinion accuses China of having too high a debt ratio or requires China to assume greater responsibility in solving the debt problems of developing countries, China's debt ratio is actually not high and is higher than the "E32" weighted debt ratio. The average value is 4 percentage points lower. In addition, the proportion of foreign debt in China's total government debt is very low. It is in a favorable position in international debt relations and can also propose more constructive solutions. China's position among emerging market countries is stable. The proportion of China's total economic output in this group has increased from 20% at the beginning of the 21st century to nearly 50% currently. This is due to the increase in the past 22 years. ÿ

China has achieved an average annual economic growth rate of 87%. In this regard, managing China's affairs well will help continue to promote the rise of emerging markets. Fourth, the research

in this article will also help update some of the past views of the academic community. For example, , With the economic growth and changes in the economic structure of emerging market countries, the level of debt ratios that emerging market countries can afford has also increased accordingly. It is no longer the 25% threshold defined by the IMF at the beginning of the 21st century, and even exceeded the 2008 international debt ratio. The new threshold of 60% was further defined by academic circles in the years after the financial crisis. Academic research has repeatedly shown that it is futile to find a universally applicable and safe debt threshold. For example, in the past, African countries were considered to have a high debt default rate. Debt sustainability is poor, but the African emerging market countries defined in this article, such as Ethiopia and Tanzania, have average annual economic growth rates of 8.8% and 6.4% respectively after entering the 21st century, which can almost be called After experiencing the "miracle of economic growth", for another example, Latin America's foreign debt as a proportion of GDP is still higher than that of any other developing region, but Latin America's total debt as a proportion of GDP has been lower than that of Asia. The proportion of the economy has dropped the most. This shows that the development strategy of Latin American countries to strengthen exports is effective. This is also reflected in the fact that the economic growth rates of Peru and Chile are still ahead of other Latin American countries.

(Editor Huang Nian)