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China Center

NEWSLETTER N°32

Articles, news and events on China.

The China Center is an interdepartmental and multidisciplinary Research Centre of the University of Macerata, founded in 2012 within the initiatives of the Department of Law.



Scientific Articles

Economic growth in China and India: The potential role of population

Written by James A. Yunker, published online on 04/03/2024

From 1980 to 2020, both China and India experienced declines in population growth rates and increases in per capita income, but these changes were significantly more pronounced in China. Given their similarities in culture and population size, China's strict population control policy compared to India's more conventional approach resembles a quasi-experiment. This research explores whether the difference in population control policies has a causal relationship with the differential economic growth in the two countries. A simulation of a basic economic growth model, using similar parameters for both countries, produced results closely matching the observed income growth paths in China and India. These findings suggest that China's strict

population control policy has been a major factor in its rapid economic growth over the past four decades.

Informal governance and China's influence in the Asian Infrastructure Investment Bank

Written by Hongsong Liu, Tong Wu, published online on 13/11/2023

This article presents a theoretical model explaining how major powers exert informal governance in international organizations. It argues that informal governance becomes possible when a major power has strong outside options, yielding significant gains without needing cooperation from others, while other countries lack such options. This analysis is applied to China's role in the Asian Infrastructure Investment Bank (AIIB). Initially, China had limited informal influence in the AIIB and adhered to its formal rules. However, as China's alternatives improved and those of European countries declined, China gained the leverage needed to exert informal influence, increasingly shaping AIIB decision-making to reflect its own preferences.

News from China



What Is the BRICS Group and Why Is It Expanding?

Written by Mariel Ferragamo, posted by Council on Foreign Affairs on 18/10/2024

The BRICS group has emerged as a significant political force over the past two decades, aiming to counterbalance Western influence in global institutions. Its expansion in 2023 highlights its growing influence, though it also introduces new internal disagreements, particularly regarding Russia's invasion of Ukraine. With Russia assuming leadership in 2024, the bloc may adopt a stronger anti-West stance, including efforts to reduce reliance on the U.S. dollar, though experts anticipate substantial challenges in achieving this.

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National Security and Global Supply Chain Risk

Written by Mercy A. Kuo, posted by The Diplomat on 14/10/2024

National security encompasses more than military readiness; it also includes economic and structural stability. Given today's interdependent supply chains, nations can affect each other's prosperity, as seen with China's dominance in critical minerals and pharmaceuticals. While this gives China leverage, it also means that mutual disruptions could impact its own economy, as demonstrated by historical events like the 1970s oil embargo. To protect against supply chain risks, measures like vulnerability assessment, stockpiling critical commodities, and securing alternative manufacturing sources must be taken. As U.S.-China tensions rise, government agencies and corporations must weigh geopolitical risks, understanding that while economic interdependence might temper some conflicts, ideological goals could still drive disruptive actions, as might happen with issues like Taiwan.

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China's stimulus measures to boost troubled economy may fall short

Written by Tianlei Huang, posted by PIIE on 01/10/2024

In late September, China launched its largest monetary stimulus since the pandemic to revive its struggling economy. This package includes interest rate and reserve requirement cuts, reduced mortgage rates, and new tools to boost

the stock market. Although the measures led to a stock rally, their economic impact may be limited due to weak credit demand and deep structural issues, like Beijing's emphasis on national security over economic liberalization and biases favoring state-owned firms. The central bank's moves are expected to provide some immediate relief, but challenges like low housing demand and regional housing supply mismatches persist. While further fiscal stimulus is anticipated—potentially adding RMB 2 trillion in special sovereign bonds to help bridge fiscal gaps and tackle local debt—the immediate economic effects will likely be delayed, as new spending measures might not take effect until 2024. In the meantime, the boost in confidence these efforts bring could be key in encouraging investment and consumption in the long run.

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