# China's economic growth could help other developing countries

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Author Justin Yifu Lin. Credit: Justin Yifu Lin

Research published today examines China's recent successful economic growth and how this could be applied to help other developing countries grow their economies.

The research from the journal *Area Development and Policy*, published by Taylor & Francis with the Regional Studies Association, shows that while other countries' reforms in the 1980s and 1990s subsequently failed, China managed to achieve unprecedented economic growth. This means there is a potential for similar growth if other developing countries develop their economies according to their comparative advantages, as China did.

The study also outlines how it was possible for China to achieve a prolonged period of growth, the price that has been paid for success, if and how this can be maintained, and the implications for other developing countries who wish to achieve similar growth.

Author and former Chief Economist of the World Bank Justin Yifu Lin said, "It is the strategy for development and transition that determines success or failure in a developing country."

A key reason for China's success was the pragmatic approach adopted, along with the advantage of backwardness, where developing countries benefit from imitating technologies and industries from high-income countries, which involves lower costs and fewer risks. Before 1979, China had chosen not to benefit from this advantage. The desire to rapidly build a strong national defense system and advanced capital-intensive modern industry meant it was necessary to do the innovation itself in a country lacking capital but with abundant labor.

The research suggests there is potential for other developing countries to grow continuously for a prolonged period of time, but to achieve this it is necessary to do two things. The first is to develop the country's economic strength according to its comparative advantages. The second is not to immediately expose uncompetitive domestic industries to international competition. It is important for developing countries to learn from one another instead of using theories generated from developed countries because of the differences between developed and developing countries.

Despite the successes of China's economic growth, Lin identifies that there remain drawbacks including corruption, environmental degradation and increased income disparities between the rich and poor.

The question remains as to whether China can maintain dynamic growth in the coming decades. There is potential for continued growth but recent figures show decelerated growth in comparison to previous years. Lin argues that the deceleration is mainly due to external and cyclical factors, and is confident that China is on track to join the world's high-income countries.

**More information:** *Area Development and Policy*, www.tandfonline.com/doi/full/1 … 3792949.2017.1298971

Provided by Taylor & Francis

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