

LSE experts debate China's withdrawal from global economy

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Experts from LSE IDEAS, The London School of Economics' foreign policy think tank and no.1 ranked university affiliated think tank in the world, have discussed the likelihood and impact of China withdrawing from the world economy in a virtual debate.

Hosted by LSE IDEAS, chaired by LSE IDEAS Director Professor Michael Cox, and featuring LSE IDEAS Associates, George Magnus, Dr Yu Jie and Geoffrey Yu, the debate focused on the potential and implications of Chinese decoupling from the global economy.

Within the debate, Professor Michael Cox, Director at LSE IDEAS, said:

"We could be looking at a fundamental shift in the relationship between China and the rest of the world. Given that China itself has become integrated in the world economy, with globalisation – in a way – being a precondition for its growth, where this will lead the world, China and the world economy is something we need to know."

George Magnus, Associate at LSE IDEAS and Research Associate at the China Centre, Oxford University, said:

"Despite the rhetoric designed to make the global elite feel quite good about it, what China means by 'globalisation' is not quite the same as what the elite sometimes think they hear and understand.

"China has unquestionably been a huge, if not the major, beneficiary of the world's open trading system. Its firms have been active in global M&A, its banks are now the biggest by assets and have funded infrastructure across the Belt and Road universe, yet for China globalisation is very much a Western construct."

Dr Yu Jie, Associate at LSE IDEAS and Senior Research Fellow at Chatham House, said:

"There is, perhaps, a global power vacuum left by the United States, as it continues to retreat. But, would China sincerely like to fill that void? Would they like to take the leadership baton from the US over to Beijing? I'm not convinced. Recently, we've seen a clear emphasis and focus by the Chinese government on domestic economic priorities and trying to revive a sluggish economy, as well as trying to generate employment."

Geoffrey Yu, Associate at LSE IDEAS and Senior Market Strategist at Bank of New York Mellon, said:

"China has made big efforts to court overseas investments in the last few years or so and, despite a difficult geo-political backdrop, this is continuing. We're going to see a greater scrutiny of Chinese

official outbound investment over time, especially in sensitive industries, such as tech and national infrastructure.”

The debate was followed by a Q&A.

Link to debate: <https://www.youtube.com/watch?v=qbRc2SEt1qI>

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For more information or to speak to Professor Michael Cox, George Magnus, Dr Yu Jie or Geoffrey Yu, please contact Stephanie Mullins at smullins@bluesky-pr.com or call 01582 790706.