8th International Conference on BUSINESS Management and Finance

ICBMF
27 - 29 March 2025
Oxford, UK

Will Tension Between Market and The State Lead China to The Middle-Income Trap?

Dr. Paritosh Ghosh

Red Deer Polytechnic, Canada

Abstract

Many countries became a middle-income country with rapid economic growth in the past but failed to transition to a high-income country, a phenomenon known as "middle income trap". China became a middle-income country in a very short period due to rapid economic growth since 1980s. In recent years, Chinese economic growth softened and in post COVID period it became a concern that China might be falling into a middle-income trap. This paper examines tension between Chinese market and Chinese state to examine whether such tension may lead China into a middle-income trap. It also examines possible opportunities for China to avoid such trap.

Keywords: Chinese economic growth model, middle income trap, economic transition.