

Discussion to “How to define Emerging Economies and how to distinguish them from Developed Countries?” *by Jan Priewe*

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Summary

Different processes, not necessarily overlapping:

- conjunctural economic growth
- emerging process
- development process

The debate is **open**, no consensus

The so called Emerging Economies are very **heterogeneous**. The performance of the middle income countries is mixed. Even if many of them are industrialized, there is **no general catching up**, no automatic path from “emerging” to “emerged”.

The **category** of Emerging Economies is not clearly defined and may be can not be clearly defined on the base of the mixed features of the countries involved.

Summary

Many of the Emerging Economies still have the **features of typical developing countries**

Excessive focus on **financial and economic performance** of Emerging Economies **obfuscates developmental obstacles**.

Income based classifications coupled with **developmental criteria** are more useful.

Proposal for **new system of classification. 6 classes** (benchmark: mean world income)

Questions and suggestions

- Which are the most intuitive **advantage** of the proposed system of classification? Also in terms of **communication** to a wider non specialist public.
- It is very interesting the exercise of comparing the EE with **Korea**. What about comparing them **world average values** of the same dimensions?

- **Geopolitical** considerations:
 - Developed countries (US –EU) — want rapidly industrializing countries (China, India and Brazil) removed from the cluster of developing nations => **no preferential treatment** that African countries want.
 - Small countries like Burundi in East Africa may move from the list of least developed countries (LDCs) to a new category known as the “**small vulnerable countries**” so that they can receive **more preferential treatment** than the LCDs. (<http://www.theeastafrican.co.ke/news/China--India--South-Africa-still-classed-as-developing-nations-/2558-3002714-fg86v8/index.html>)
- => **who** wants to stay in which category? **Who** wants **who** to stay in which category? **Why**?

- => who establishes these classifications and which **consequences** do they have?
- From “policy takers” to “policy makers” => emerging **powers** like China, India, Brazil, Mexico, Indonesia, Malaysia and South Africa are increasingly influencing the pattern and scope of international trade, creating new supply and demand pulls and influences on international trade.
 - “WTO members can no longer ignore the new geopolitics of the world economy and need to address it amicably” (Peter Kiguta, East African Community director-general of Customs and Trade , 2015)

- Do the concept of emerging economies find a place in the latest Human Development Report 2016? => no

(Only mentioned the fact that developing countries are growing and having more political power.)

- What about including parameter about political instability?
- Environment: international classification? How to take it into account?
Environmental performance index (EPI)