

New Lenders and Old Problems With Sovereign Debt Crisis Resolution

Yuefen Li

The South Centre

Abstract

Emerging economies, particularly China, have increased their lending to developing countries. Myths and misconceptions abound. It is important to explore the characteristics of their lending and the impact on the debt dynamics of the recipient countries in particular and the rest of the world in general. The old worries for sovereign debt crisis resolution have become more intense with the latest developments. Suggestions will be made on immediate actions and long term strategies in this context.