T he answer is recent China economic reform in which the government engaged as a way to liberalize the economy. While this reform has led to significant growth in recent years, it has also contributed to a surge in local government debt. Historically, local governments are responsible for delivering public goods and services, but in recent years, they have taken on larger roles in promoting economic development, which has led to an increase in debt. The Chinese government has recognized this as a problem and has implemented measures to address it, such as limiting the issuance of local government bonds. However, the challenge remains, as local governments continue to rely on debt to finance infrastructure projects and other expenses. This is a complex issue that requires careful consideration to ensure sustainable economic growth.

In the past 200 years, there have been more than 250,000 instances of bankruptcy, with 40% of them involving cheating. While some of these instances have been fraudulent, many others are rooted in the commercial culture that has developed over time. Since China's ancient times, the country has been known for its commercial practices, which have included bartering, debt, and bankruptcy. In recent years, bankruptcy has become a more common occurrence, with businesses facing financial difficulties due to a lack of capital or increased competition. The Chinese government has implemented measures to address this issue, such as providing support for bankrupt businesses and promoting entrepreneurship. However, the challenge remains, as businesses continue to face financial difficulties due to a variety of factors.