

This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: Capitalizing China

Volume Author/Editor: Joseph P. H. Fan and Randall Morck, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-23724-9; 978-0-226-23724-4 (cloth)

Volume URL: <http://www.nber.org/books/morc10-1>

Conference Date: December 15-16, 2009

Publication Date: November 2012

Chapter Title: Front matter, table of contents, acknowledgments

Chapter Author(s): Joseph P. H. Fan, Randall Morck

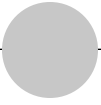
Chapter URL: <http://www.nber.org/chapters/c13444>

Chapter pages in book: (p. i - xii)

Capitalizing China



**A National Bureau of
Economic Research
Conference Report**



Capitalizing China

Edited by

Joseph P. H. Fan and Randall Morck

The University of Chicago Press

Chicago and London

JOSEPH P. H. FAN is professor of finance and codirector of the Institute of Economics and Finance at the Chinese University of Hong Kong. RANDALL MORCK holds the Stephen A. Jarislowsky Distinguished Chair in Finance and is the Distinguished University Professor at the University of Alberta Business School, and is a research associate of the National Bureau of Economic Research.

The University of Chicago Press, Chicago 60637
The University of Chicago Press, Ltd., London
© 2013 by the National Bureau of Economic Research
All rights reserved. Published 2013.
Printed in the United States of America

22 21 20 19 18 17 16 15 14 13 1 2 3 4 5
ISBN-13: 978-0-226-23724-4 (cloth)
ISBN-13: 978-0-226-23726-8 (e-book)

Library of Congress Cataloging-in-Publication Data

Capitalizing China / edited by Joseph P. H. Fan and Randall Morck.
pages cm. — (National Bureau of Economic Research
conference report)

Includes bibliographical references and index.

ISBN 978-0-226-23724-4 (cloth : alkaline paper) — ISBN
978-0-226-23726-8 (e-book) 1. Mixed economy—China. 2. China—
Economic conditions—1976–2000. 3. China—Economic
conditions—2000– 4. China—Economic policy—1976–2000.
5. China—Economic policy—2000– I. Fan, Joseph P. H., editor.
II. Morck, Randall, editor. III. National Bureau of Economic
Research, sponsoring body. IV. Series: National Bureau of Economic
Research conference report.

HC427.95.C365 2012
330.951—dc23

2012009461

© This paper meets the requirements of ANSI/NISO Z39.48-1992
(Permanence of Paper).

National Bureau of Economic Research

Officers

Kathleen B. Cooper, *chairman*
Martin B. Zimmerman, *vice-chairman*
James M. Poterba, *president and chief executive officer*
Robert Mednick, *treasurer*

Kelly Horak, *controller and assistant corporate secretary*
Alterra Milone, *corporate secretary*
Gerardine Johnson, *assistant corporate secretary*

Directors at Large

Peter C. Aldrich
Elizabeth E. Bailey
John H. Biggs
John S. Clarkeson
Don R. Conlan
Kathleen B. Cooper
Charles H. Dallara
George C. Eads
Jessica P. Einhorn

Mohamed El-Erian
Linda Ewing
Jacob A. Frenkel
Judith M. Gueron
Robert S. Hamada
Peter Blair Henry
Karen N. Horn
John Lipsky
Laurence H. Meyer

Michael H. Moskow
Alicia H. Munnell
Robert T. Parry
James M. Poterba
John S. Reed
Marina v. N. Whitman
Martin B. Zimmerman

Directors by University Appointment

George Akerlof, *California, Berkeley*
Jagdish Bhagwati, *Columbia*
Timothy Bresnahan, *Stanford*
Alan V. Deardorff, *Michigan*
Ray C. Fair, *Yale*
Franklin Fisher, *Massachusetts Institute of Technology*
John P. Gould, *Chicago*
Mark Grinblatt, *California, Los Angeles*

Bruce Hansen, *Wisconsin–Madison*
Marjorie B. McElroy, *Duke*
Joel Mokyr, *Northwestern*
Andrew Postlewaite, *Pennsylvania*
Uwe E. Reinhardt, *Princeton*
Craig Swan, *Minnesota*
David B. Yoffie, *Harvard*

Directors by Appointment of Other Organizations

Bart van Ark, *The Conference Board*
Christopher Carroll, *American Statistical Association*
Jean-Paul Chavas, *Agricultural and Applied Economics Association*
Martin Gruber, *American Finance Association*
Ellen L. Hughes-Cromwick, *National Association for Business Economics*
Thea Lee, *American Federation of Labor and Congress of Industrial Organizations*

William W. Lewis, *Committee for Economic Development*
Robert Mednick, *American Institute of Certified Public Accountants*
Alan L. Olmstead, *Economic History Association*
John J. Siegfried, *American Economic Association*
Gregor W. Smith, *Canadian Economics Association*

Directors Emeriti

Andrew Brimmer
Glen G. Cain
Carl F. Christ
George Hatsopoulos

Saul H. Hymans
Lawrence R. Klein
Paul W. McCracken

Rudolph A. Oswald
Peter G. Peterson
Nathan Rosenberg

Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.

2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.

3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript's content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.

4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.

5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.

6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

7. NBER working papers and manuscripts distributed on the Bureau's web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER's web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.

8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.

To Stephen Jarislowsky

Contents

Acknowledgments	xi
Translating Market Socialism with Chinese Characteristics into Sustained Prosperity	1
Joseph P. H. Fan, Randall Morck, and Bernard Yeung	
I. FINANCIAL SYSTEM AND ITS GOVERNANCE	
1. The Governance of China's Finance	35
Katharina Pistor	
<i>Comment:</i> Zheng Song	
2. China's Financial System: Opportunities and Challenges	63
Franklin Allen, Jun "QJ" Qian, Chenying Zhang, and Mengxin Zhao	
<i>Comment:</i> Chenggang Xu	
II. GOVERNANCE OF STOCK MARKETS	
3. Assessing China's Top-Down Securities Markets	149
William T. Allen and Han Shen	
<i>Comment:</i> Qiao Liu	
4. Institutions and Information Environment of Chinese Listed Firms	201
Joseph D. Piotroski and T. J. Wong	
<i>Comment:</i> Li Jin	

III. CAPITAL ACCUMULATION

- 5. Why Are Saving Rates So High in China?** 249
Dennis Tao Yang, Junsen Zhang,
and Shaojie Zhou
Comment: Leslie Young
- 6. The Chinese Corporate Savings Puzzle:
A Firm-Level Cross-Country Perspective** 283
Tamim Bayoumi, Hui Tong,
and Shang-Jin Wei
Comment: Ning Zhu

IV. PUBLIC FINANCE

- 7. Financial Strategies for Nation Building** 313
Zhiwu Chen
Comment: Jiahua Che
- 8. Provincial and Local Governments in China:
Fiscal Institutions and Government Behavior** 337
Roger H. Gordon and Wei Li
Comment: Zhigang Li
- Contributors 373
Author Index 377
Subject Index 383

Acknowledgments

This volume is the result of a research project, “Capitalizing China,” co-organized by the National Bureau of Economic Research and the Institute of Economics and Finance (IEF) of the Chinese University of Hong Kong. We thank the IEF for funding the project and organizing the project and conference.

