October 2016

The Fudan-UC Dispatch is a periodic publication by the Fudan-UC Center on Contemporary China, based at the University of California (UC) San Diego’s School of Global Policy and Strategy (GPS). It features current research publications on China in digest form as well as noteworthy commentaries on current affairs related to China by UC and Fudan University scholars. Its purpose is to enhance publicity for UC and Fudan scholars publishing in the China area and to familiarize these scholars with each other’s research interests so as to identify future collaborative opportunities. The Fudan-UC Dispatch sources its information in English only. It also includes a brief section on the Fudan-UC Center activities.

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About the Fudan-UC Center:

The Fudan-UC Center on Contemporary China creates opportunities for cooperation between Fudan University and all UC campuses on research, policy and educational initiatives, including academic conferences and community events. It is the first overseas research center established by a Chinese university at a North American university. Based at GPS, the center also works closely with the School’s 21st Century China Program. Learn more at fudan-uc.ucsd.edu.

Editor-in-chief: Xian Xu, Managing Associate Director, Fudan-UC Center Editorial Board: Lei Guang, Sam Tsoi, Jana Hopkins, Qiang Xu, Xian Xu
FUDAN AND UC SCHOLARS’ RESEARCH ON CHINA

Maximillian Auffhammer, UC Berkeley
Field: Agricultural Economics
Source: Journal of Economic Surveys, Volume 30, Issue 3, pages 460-481
Date: July 2016
Co-authors: Weizeng Sun, Jianfeng Wu and Siqi Zheng

The decomposition and dynamics of industrial carbon dioxide emissions for 287 Chinese cities in 1998-2009

85 percent of China’s emissions are attributed to urban economic activities and are projected to increase as China urbanizes. This paper explores the trade-offs between economic growth and environmental goals by analyzing the CO2 emission growth rates into three effects: scale, composition and technique. These separate channels at the city-level affect the inflow of foreign direct investment and the environmental regulations and can shed light on trade-offs between economic growth and environmental goals.


Martin De Jong, Fudan University
Field: Public Policy
Source: Transport Policy, 2016
Co-authors: Rui Mu

A network governance approach to transit-oriented development: Integrating urban transport and land use policies in Urumqi, China

This article studies the Urumqi city in Xinjiang Uygur Autonomous Region. Based on network governance theory, this article investigates the governance strategies used in Urumqi to integrate urban-transport and land-use policies. It presents that a network governance model consisting of three rungs and concludes that a coordinative umbrella organization plays a significant role in eradicating problems of early substantive selection and perceptual fixation. Successful policy integration requires careful goal alignment strategies, institutional design and trust-building are also imperative for joint action.

Making saints in modern China
chapter 5: 2 turns in the life of Master Hongyi, a Buddhist monk in 20th century China
Birnbaum contributed his work on the monk Hongyi to a book that focuses on the profiles of religious leaders of the Chinese diaspora from the early 20th century through the present. He states that Hongyi was the more politically safe figure in modern Buddhist history, becoming an accomplished monk at an early age, and to become a “saint” of the era.

More information:
https://www.amazon.com/Making-Saints-Modern-China-David/dp/0190494565

The availability and affordability of long-term care for disabled older people in China: The issues related to inequalities in social security benefits
China is experiencing increasing pressure from issues relating to an aging population. The rationality of different eligibility criteria of the benefits within the social security system has been widely challenged; however, to date, no previous study has explored its association with the availability and affordability of long-term care (LTC). This study evaluates the availability and affordability of LTC services for disabled older people (aged 65 and above) in China. The findings imply that policymakers in China could focus on the LTC needs for the social security and socioeconomically disadvantaged, disabled older people, which could reduce the gap between them and those who are entitled to generous social security benefits.

More information:
**Xiaomei Chen**, UC Davis  
*Field: East Asian Languages and Cultures*  
*Source: Columbia University Press*  
*Date: November 2016*  

**Staging Chinese revolution: Theater, film and the afterlives of propaganda (Book)**  
This book analysis 50 years of theatrical propaganda performances in China from the 1960s through 2010. Chen compares films, plays, operas and television to show that propaganda performances can be used to turn stories into mainstream ideology and legitimize the state. Furthermore, Chen points out inconsistencies to the performances as well as questioning the purpose of propaganda.

More information:  

**Guanchun Liu and Yuanyuan Liu**, Fudan University  
*Field: Finance*  
*Source: The World Economy*  
*Date: Aug. 19, 2016*  

**Financial development, financial structure and income inequality in China**  
This paper investigates the impacts of financial development and structure on income inequality in different administrative districts in China. The results show an inverse “U-shape” relationship between financial development and income inequality, and increasing the relative importance of financial markets to banks helps to reduce income inequality. Guanchun and his co-authors find that the benefits of financial development only occur if the stock market activity has reached a threshold level and disappear if the stock market capitalization has reached a certain scale. Meanwhile, the impact of the financial structure weakens as the financial development expands and the proportion of financial markets increases. They also find that the impacts of financial development and structure on rural income inequality are stronger than those on urban income inequality.

More information:  
Collective action in China’s recent collective forestry property rights reform

China’s recent collective forestry property rights reform (CFPRR) is regarded as the “third Land Reform” and has been implemented to accelerate China’s rural restructuring. Based on a case study of Hongtian Village, the origin of the CFPRR, this article analyzes the process of insinuating collective action and the impact this has had in creating a new cultural understanding and acceptance of collective forestry property rights. The paper suggests that the success of the “Hongtian model” mainly lies in high levels of process engagement by local people and effective interaction between villagers and the government. While not addressing all the issues associated with the inefficiency of the previous collective approach to forestry, the paper suggests that there are many transferable lessons to be learnt from the CFPRR, both within and beyond China.

More information:

Patterns of inequalities in public transfers by gender in China

The paper uses public transfers in education, health care and pension benefits to show an empirical analysis of gender inequality in China in 2010. The authors results show that transfers are biased against women of old ages, while public education is gender neutral up to the tertiary level. As female advantages are gradual, as well as changes to various transfer systems, China will need to focus on lessening the gap in the coming years.

More information:
**Qian Sun**, Fudan University  
Field: Finance  
Source: Pacific-Basin Finance Journal  
Date: Sept. 27, 2016  
Co-authors: Yan Dong, Zhentao Li and, Zhe Shen

**Does state ownership really matter in determining access to bank loans? Evidence from China's partial privatization**

Prior studies have reported a positive relationship between state ownership and access to bank loans. Using a sample of 702,300 firm-year observations over the 1998–2007 period, this article finds consistent evidence that long-term debt ratios are significantly higher for firms with state ownership in the cross section. However, once the unobservable difference across firms is controlled, the positive relationship becomes weaker. When the possible mechanical debt ratio reduction associated with the partial privatization in China is further controlled, the positive relationship between state ownership and access to bank loans completely disappears. Qian and his co-authors suggest that state ownership does not necessarily lead to better access to bank loans in China, which is contrary to the common expectation.

More information:  

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**Haifeng Huang**, UC Merced  
Field: Political Science  
Source: Journal of Contemporary China  
Volume 25 – Issue 102  
Pages 908-922  
Date: Sept. 21, 2016

**Personal character or social expectation: A formal analysis of ‘suzhi’ in China**

Huang explores the concept of “suzhi,” or character in China to discuss the country’s social and political development. This research uses game theory analyses to demonstrate that the focus of “suzhi” in Chinese society is misguided and misses the crucial role of expectations in multiple-equilibria social interaction scenarios. In doing so, he hopes that this adds to the study of this concept and show that there are critical implications for social and political transition.

More information:  
**Xinbo Wu, Fudan University**  
Field: International Relations  
Source: International Affairs  
Date: June 20, 2016

**Cooperation, competition and shaping the outlook: The U.S. and China's neighbourhood diplomacy**

The U.S. has long maintained a significant political, economic and security presence in the Asia–Pacific region and has been a major factor shaping China’s geopolitical and geoeconomic environment. Therefore, Xinbo examines the impact of the so-called “U.S. factor” on this recent shift in Beijing’s international strategy under the new leadership of Xi Jinping. It looks at both cooperation/coordination and competition/conflict between China and the U.S. in a number of regional security issues in China's neighborhood. This article argues that it is principally the U.S. President Barack Obama’s administration strategy to “rebalance to Asia” that has prompted China to take a number of initiatives to attend to its neighborhood diplomacy.

More information:  

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**Barry Naughton, UC San Diego**  
Field: Economics  
Source: Journal of Contemporary China  
Date: Sept. 21, 2016  
Pages 1-17  
Co-authors: Ling Chen

**A dynamic China model: The Co-evolution of economics and politics in China**

Naughton and Chen posit that there is no single “China model” for China’s economic success, but rather three successive generations that have emerged as a result of policy responses. Analyzing the previous literature on the China model, they deduce that most authors include need for a decisive government, a system of personnel management and a rational ruling party. Using this as a basis to legitimize power, the Chinese Communist Party can achieve performance and inclusiveness, being able to also be powerful in politics and in economic change.

More information:  
A cooperative reduction model for regional air pollution control in China that considers adverse health effects and pollutant reduction costs

The non-cooperative reduction model (NCRM) is still the main air pollution control pattern in China. But it is both ineffective and costly because each province must independently fight air pollution. Thus, this article proposed a cooperative reduction model (CRM), with the goal of maximizing the reduction in adverse health effects (AHEs) at the lowest cost by encouraging neighboring areas to jointly control air pollution. Results show that the CRM is not sensitive to the changes in each province’s pollutant-carrying capacity and the minimum pollutant-removal capacity, but sensitive to the maximum pollutant-reduction capacity. Moreover, higher cooperation benefits will be generated when a province’s maximum pollutant-reduction capacity increases.

More information:

Achieving workers’ rights in the global economy
chapter 10: Labor transformation in China

Katie Quan’s essay on labor relations between the Chinese government and its unions discusses how workers need to be engaged. Recently, more strikes have occurred, causing more union leaders to side with strikers. This has stirred new policy to provide resolutions to disputes through democratic actions in union representation, providing a voice in collective bargaining and elections. Her essay is a part of a larger collective effort of this book to outline reform of the labor system in the garment industry.

More information:
https://www.amazon.com/Achieving-Workers-Rights-Global-Economy/dp/1501700049/ref=sr_1_1?ie=UTF8&qid=1476944062&sr=8-1
Ping Zhang and Chunkui Zhu, Fudan University
Field: Economic Management

Source: Public Administration and Development
Date: July 25, 2016
Co-authors: Yilin Hou

Fiscal decentralization, flat administrative structure and local government size: Evidence and lessons from China

This paper examines the effects of fiscal decentralization and flat administrative structure on local budget size and program outlays. Ping and Chunkui provide evidence that both decentralization of expenditure and decentralization of revenue increase the size of local budgets; that the impact of the former far outweighs that of the latter with local budgets on a rising trajectory; and that discretion grants localities more means to increase their budget. They also formulate tentative policy recommendations that carry potential application for other countries.

More information:

Hu Ying, UC Irvine
Field: East Asian Languages and Cultures

Source: Harvard East Asian Monographs 391
Date: April 2016

Burying autumn: Poetry, friendship and loss (Book)

Ying tells the story of the friendship between Qiu Jin (1875-1907), celebrated as China’s first feminist, and her sworn-sisters Wu Zhiying and Xu Zihua. After Jin was beheaded for plotting to overthrow the Qing empire, her sworn-sisters braved political persecution to give Jin a proper burial. Their artworks of letters, poems, sketches and sutras communicate the traditional and yet transformative nature of these women’s experiences.

More information:
http://www.hup.harvard.edu/catalog.php?isbn=9780674737204
Afghanistan and China’s new neighborhood diplomacy

This article investigates the latest developments and changes in China’s increasingly active diplomacy toward Afghanistan. Under the “one belt, one road” initiative, China’s interests in Afghanistan have expanded, particularly in the area of transport. It has started seriously to consider Afghanistan as a transport corridor. Moreover, the withdrawal of U.S. military forces and the International Security Assistance Force from Afghanistan has been followed by a critical transitional period. Concerned by these developments, China has increased its involvement and taken on more responsibilities. Huasheng argues that excluding the U.S. is not a part of Beijing’s policy in this area. Rather, it is cooperating with the U.S. and other countries in assisting Afghanistan.

# FUDAN AND UC SCHOLARS IN THE NEWS

**Wen Chen,**
Fudan University  
Field: Public Health  
Source: University of Hawai‘i news  
Date: Oct. 3, 2016

**UH-Fudan Public Health Summit**

The University of Hawaii (UH) Office of Public Health Studies (OPHS) hosted a UH-Fudan Public Health Summit Sept. 26–28. Eight faculty members from Fudan University—including Chen, dean of the Fudan School of Public Health—attended the summit at East-West Center’s Jefferson Hall. During the summit, UH signed an agreement with Fudan University for 2016–2021 renewing the decadelong collaboration between the OPHS and Fudan University School of Public Health. The successful 10-year relationship between UH Mānoa and Fudan University in public health is testament to the evolving need for international partnerships on global health.

More information:  

**Barry Eichengreen,**
UC Berkeley  
Field: Economics  
Source: Project Syndicate  
Date: Oct. 10, 2016

**China’s SDR Distraction**

Eichengreen expresses his opinion on the renminbi’s addition to the International Monetary Fund’s Special Drawing Rights (SDR). Is the addition a broad effort by the government to encourage cross-border use of the renminbi, or is there practical use of being added to the SDR bucket? He expresses his views on the greater implications that relaxing capital controls will have with China’s financial market and provides suggestions of what Chinese policymakers should focus on next.

More information:  
https://www.project-syndicate.org/commentary/china-renminbi-internationalization-by-barry-eichengreen-2016-10
Fudan University
Field: Sociology
Source: Global times
Date: Oct. 16, 2016

U.S and China experts look for new ways for elderly to contribute after retirement

Aging is regarded as one of the greatest social problems of the 21st century. As one of the fastest aging countries, China is making it a major focus. Spearheaded by Columbia University and Fudan University, the Columbia-Fudan Global Summit on Aging & Health was held from Oct. 17 - 19 in Shanghai to discuss research, policy, health systems and industry initiatives with scholars and legislators from different countries and regions around the world. Personal finance management and investments focused on retirement also were hot topics during the summit.

More information:
http://www.globaltimes.cn/content/1011662.shtml

Stanley Lubman, UC Berkeley
Field: Law
Source: The Wall Street Journal
Date: May 25, 2016

China’s new law on international NGOs – and questions about legal reform

China has adopted new law to regulate international NGOs (INGOs) to create uniformity in operations. The new law lists areas INGOs can be authorized. It does not include law-related activities, and thus raises questions of the status of organization that have been active there for years. Lubman gives his take on why the government will continue to have a hostile posture to INGOs that work on law reform.

More information:
China to study congenital disease among babies

China has invested 30 million yuan (US$4.5m) into research on congenital defects of newborn babies. The opening ceremony was initiated in Shanghai on Oct. 10. Guoying, the president of the children's hospital affiliated to Fudan University highlighted that "China has a high rate of congenital diseases or defects. Among the current 80 million disabled people, 70 percent are because of congenital diseases or defects." Therefore, this program focuses on what causes the defects, defect phases and advanced prevention. It expects to see significant breakthroughs along with setting up a congenital defects prevention web in China. The research program ranks as a key national project this year. It lasts for five years and will end in June 2021.


What would Trump’s China policy look like?

U.S. President-elect Donald Trump has famously spoken a lot about China. With his victory in November, the question looms of how these pronouncements would translate into actual policy. The New Yorker’s former China correspondent Evan Osnos touched on this topic and interviewed Shen, an influential foreign-policy scholar at Fudan University. Shen explains that Chinese officials would be concerned about Trump’s unpredictability but, ultimately, Trump is a novice who makes hollow threats and would be easy to handle. They would have worried about the policies with U.S. Democratic presidential candidate Hillary Clinton, who is more predictable and probably tough.

Scholar points to avenues for cooperation and understanding in US-China relationship

In an interview with Shanghai Daily, Shirk discusses the achievements of the Xi-Obama meeting at the G20 and the future of U.S.-China relations. Some believe that US-China relations are heading toward a Thucydides trap, where the rising power and the incumbent power have difficulty maintain peaceful relationships, but Shirk believes that both nations are quite independent and thus have a lot of room to improve communication and awareness for both sides.

More information:

Real estate bubble kidnaps Chinese economy: expert

The unrelenting rise in home prices in China's major cities has created a real estate bubble which risks bursting and has "kidnapped" China's domestic and foreign policy, according to Global Times. Bocheng, director of the Real Estate Research Center at Fudan University, comments that the high-priced market is not a reflection of residents' true demand. For example, the average price-to-rent ratio ranged from 300 to 700 in China's major cities, according to a report published by China-crb.com. Yin also considers that those numbers are "significantly higher than the normal ratio of 200."

More information:
http://www.globaltimes.cn/content/1008249.shtml
Alex L. Wang, UCLA, and Rachel Stern, UC Berkeley
Field: Law

Source: The New York Times
Date: June 21, 2016

Chinese court says environmental agency gave polluter lax punishment

As rampant environmental degradation increases in China, a pilot program was set up so prosecutors could help local environmental protection bureaus aggressively punish industrial polluters. Wang states that this is a part of expansion on authority for regulators. However, since there have been many examples of local authorities trying innovative methods, it is uncertain if this can be a regulatory tool in the long run. Stern comments if prosecutors will take it one step further and routinely sue local environmental protection bureaus above the county level in order to keep higher-level officials accountable for environmental protection.

More information:
Fudan-UC Center Events

China Research Workshop
The Fudan-UC Center sponsors this regular interdisciplinary workshop on China, featuring cutting-edge research by Chinese and American scholars and advanced graduate students at the dissertation-writing stage. For more information about the workshop series, visit fudan-uc.ucsd.edu/workshop.

Public Lectures
Distinguished researchers, practitioners and policy experts offer fresh and informative talks on issues of great importance about China and U.S.-China relations, shaping public views on China and the globe. For past and upcoming public talks with such friends of the center, visit fudan-uc.ucsd.edu/events

Upcoming Events

"Mr. Deng Goes to Washington"
Nov. 20, 2016, UC San Diego | Register
This riveting documentary tells the story of Deng Xiaoping's historic visit to the U.S. in 1979 that changed the trajectory of U.S.-China relations and the world. The film screening will be followed by conversation about the historical role of Deng and U.S.-China relations post-election.

eNews and Event Subscription Registration
Keep up-to-date with the latest news and upcoming events at the Fudan-UC Center and the School by checking out the links below!