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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 Center. 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

Jiahua Che

Fudan University

Field: Political Economy

Source: Journal of Public
Economics, 2017

Co-authors: Kim-Sau
Chung, Yang K. Lu

Decentralization and political career concerns

Politicians' career paths often start at subnational governments and end at national ones. Allocation of authorities among national and subnational governments affects (i) how tempting the prospects of taking national offices are, and hence, how strong bureaucrats' political career concerns are. Furthermore, they affect whether the incentives generated by these political career concerns can be put into productive use at subnational governments. We illustrate this tradeoff in determining the optimal degree of decentralization using China as a case study. We also compare the equilibrium degree of decentralization in autocracy and in democracy.

More information:

<http://www.sciencedirect.com/science/article/pii/S004727271630202X>



Ying Chen

Fudan University

Field: Environment

Source: Atmospheric
Environment, 2017

Co-authors: Yong Wang,
Yifeng Xue, Hezhong Tian, Jian
Gao, Chuanyong Zhu, Huanjia
Liu, Kun Wang, Shenbing
Hua, ShuhanLiu, Panyang Sha

**Effectiveness of temporary control measures for
lowering PM2.5 pollution in Beijing and the
implications**

In order to investigate the effects of the temporary strengthening of air quality assurance controlling measures during the Beijing 2015 IAAF World Championships and the Military Parade Assurance Period (MPAP) in China, we collected daily PM2.5 aerosol samples at three typical sites in Beijing and investigated the variations of concentration of the water-soluble ions, elemental constituents, organic carbon (OC) and elemental carbon (EC) in PM2.5 from Aug.15 to Sept.10, 2015. According to the CMC results, the major components were identified as secondary inorganic aerosol, mineral dust and particular organic matter (POM), which together accounted for more than 80% of PM2.5 in urban and suburban sites. In view of the gradual improvement of air quality in Beijing, as well as the contribution of secondary aerosol formations in total PM2.5, effective control of primary gaseous pollutants and volatile organic compounds (VOCs) will be very significant for further lowering the concentration of PM2.5 in Beijing in normal time.

More information:

<http://www.sciencedirect.com/science/article/pii/S1352231017301437>



Ari Larissa Heinrich,
UC San Diego
Field: Literature

Date: 2018

Chinese Surplus: Biopolitical Aesthetics and the Medically Commodified Body

Heinrich examines various representations of the *medically commodified body* in contemporary Chinese and transnational literature, media, art, visual culture and popular science. Incorporating both political economy and aesthetics, this examination opens up new ways to think about the interrelationship and interpenetration between science, medicine, commodity and the arts in modern and contemporary environments. The book's broad scope and in-depth probing will appeal to scholars and students in diverse fields.

More Information:

<https://www.amazon.com/Chinese-Surplus-Biopolitical-Commodified-Modernities/dp/0822370530>



Zhiyuan Li

Fudan University

Field: Economics

Source: Journal of
International Economics

Co-authors: Ling Feng,
Deborah L. Swenson

Trade policy uncertainty and exports: Evidence from China's WTO accession

This paper studies how reduction in trade policy uncertainty effects firm export decisions. Using a firm–product level dataset on Chinese exports to the United States and the European Union in the years surrounding China's WTO accession, we provide strong evidence that reduction in trade policy uncertainty *simultaneously* induced firm entries to and firm exits from export activity within fine product-level markets. In addition, we uncover accompanying changes in export product prices and quality that coincided with this reallocation. Firms that provided higher quality products at lower prices entered the export market, while firms that had prior to the changes, exited. To explain the simultaneous export entries and exits, as well as the fact that new entrants are more productive than exiters, we provide a model of heterogeneous firms which incorporate trade policy uncertainty, tracing the effects of the changes in policy uncertainty on firm-level payoffs and the resulting selection effects.

More information:

<http://www.sciencedirect.com/science/article/pii/S0022199616301696>



Guanchun Liu

Fudan University

Field: Economics

Source: Economic Modelling,
2017

Co-authors: Chao Feng, Miao
Wang, Jianbai Huang

Sources of economic growth in China from 2000–2013 and its further sustainable growth path: A three-hierarchy meta-frontier data envelopment analysis

This study, which considers both energy input and CO2 emissions, develops both theoretical and empirical models to account for the sources of China's economic growth from 2000–2013. The proposed models decompose China's economic growth into five components: the technological change effect, the industrial structure effect, the regional balance development effect, the management effect and the production factors effect. The empirical results show that during the sample period, the production factors effect increased from approximately 70% in 2001 to nearly 99% in 2010, indicating that economic growth in Mainland China relied heavily on factor accumulation, which was not sustainable. Fortunately, this situation has gradually improved since 2011 because of technological progress and industrial structure optimization. However, the current total-factor productivity in Mainland China remains relatively low because of an inefficient industrial structure, regional balance development and management inefficiency. In other words, there is a great deal of room for further industrial structural optimization, regional balance development, and management improvement to yield further sustainable economic growth. Because the causes of total-factor production inefficiency and distribution of economic growth potential show a distinct spatial difference, the focuses for the Chinese provinces to achieve sustainable economic growth should be quite different in the future. Based on the results of this study, recommendations have been made for the Chinese provinces to realize further sustainable economic growth.

More information:

<http://www.sciencedirect.com/science/article/pii/S0264999317305655>



Peter Lorentzen,
UC Berkeley
Field: Political Science

Source: World Development
Volume 95
Date: October 2016
Co-Author: Denise van der
Kamp, Daniel Mattingly

**Racing to the Bottom or to the Top?
Decentralization, Revenue Pressures, and
Governance Reform in China**

China's decentralization has been praised for promoting inter-jurisdictional competition that incentivizes local officials to promote economic development. We suggest that China's fiscal system and promotion system have created mismatched incentives that encourage cash-strapped local authorities to disregard central governance reforms. Specifically, we show that cities with weaker revenue bases are slower to implement new, centrally mandated environmentally transparent regulations. Additional evidence points to a bifurcation in development strategies. In fiscally strong cities, increased foreign investment leads to greater compliance. In fiscally weak cities, foreign investment is associated with decreased disclosure, suggesting they aim to promote local development by becoming pollution havens. These findings imply that mismatched decentralization policies can undermine other important governance reforms, even ones that might be expected to be complementary to decentralizing initiatives.

More Information:
<http://www.sciencedirect.com/science/article/pii/S0305750X15308020>



Haoqi Qian

Fudan University

Field: Energy

Source: Energy Economics

Co-authors: Libo Wu, Weiqi

Tang

“Lock-in” effect of emission standards and its impact on the choice of market based instruments

A country's existing emission standard policy will lead to a “lock in” effect. When the country plans to adopt new market-based instruments to control greenhouse gas emissions, it must consider this effect as it chooses among instruments to avoid larger efficiency loss. In this paper, we find that the “lock in” effect will cause a kink point to occur on the marginal abatement cost (MAC) curve. This change of shape for the MAC curve reminds us to be cautious in choosing market-based instruments when applying Weitzman's rule. We also introduce this concept into a dynamic multi-regional computable general equilibrium (CGE) model for China and simulate MAC curves for all regions. After applying Weitzman's rule, we propose a timeline for introducing price instruments under different marginal benefit (MB) curve scenarios.

More information:

<http://www.sciencedirect.com/science/article/pii/S0140988317300142>



Wei Tang

Fudan University

Field: Economics

Source: Habitat International,
2017

Co-authors: Yuan Wang

**Incomplete information and real estate
development strategy: Evidence from Hangzhou,
China**

In many developing countries like China, the rising housing demand is accompanied by developers' strategic delay of land development. To explain this puzzle, this paper employs the framework of Option Games with incomplete information and examines how incomplete information effects the timing and phasing strategy of real estate development. Based on a project-level dataset from Hangzhou city of China, we estimate a hazard model for development timing, and take into account the developer's self-selection of phasing strategies. Based on our results, we suggest the government should promote the establishment of a public housing transaction platform to help the developers overcome the limitations of incomplete information and speed up the development cycle.

More information:

<http://www.sciencedirect.com/science/article/pii/S0197397516308396>



Noam Yuchtman,
UC Berkeley
Field: Business

Date: May 2017
Co-Authors: Davide Cantoni,
David Y. Yang, Y. Jane Zhang

**Protests as Strategic Games:
Experimental Evidence from Hong Kong's
Democracy Movement**

Social scientists have long viewed the decision to protest as strategic, with an individual's participation a function of her beliefs about others' turnout. The challenge of collective action suggests that protests will be games of strategic substitutes, but models of protest often assume payoffs that generate strategic complementarity. Yuchtman et al. conducted the first field experiment directly manipulating individuals' beliefs about others' protest participation, in the context of Hong Kong's pro-democracy movement and elicited subjects' planned participation in an upcoming protest and their prior beliefs about others' participation, in an incentivized manner. One day before the protest, they randomly provided a subset of subjects with truthful information about others' protest plans and elicit posterior beliefs about protest turnout (again in an incentivized manner). After the protest, they checked the subjects' own participation. This allowed us to identify the causal effects of positively and negatively updated beliefs about others' protest participation on subjects' turnout.

More Information:

https://faculty.haas.berkeley.edu/yuchtman/Noam_Yuchtman_files/hk_protests.pdf



Yiqing Xu,
UC San Deigo
Field: Political Science

Source: Political Science
Research and Methods
Volume 5 Issue 1
Date: 2017
Co-author: Jidong Chen

Information Manipulation and Reform in Authoritarian Regimes

Chen and Xu develop a theory of how an authoritarian regime interactively uses information manipulation, such as propaganda or censorship, and policy improvement to maintain social stability. The government can depict the status quo policy more as popularly supported than it actually is, while at the same time pleasing citizens directly by enacting a costly reform. The government's ability in making policy concessions reduces its incentive to manipulate information and improves its credibility. Anticipating a higher chance of policy concessions and less information manipulation, citizens are more likely to believe the government-provided information and support the regime. The model provides an explanation for the puzzling fact that reform coexists with selective information disclosure in authoritarian countries like China.

More Information:

<http://www.sciencedirect.com/science/article/pii/S0378216616303526>



Li Zhang,
UC Davis
Field: Anthropology

**Between Biopolitical Governance and Care:
Rethinking Health, Selfhood, and Social Welfare in
East Asia**

Source: Medical Anthropology
Volume 36
Date: 2017
Co-author: Amy Borovoy

Zhang's current research explores how an emerging urban psychological counseling movement reshapes Chinese people's senses of self-hood and well-being and configures new forms of postsocialist governing. Here she looks at the notion of risk and public health concerns.

More Information:

<http://www.tandfonline.com/doi/abs/10.1080/01459740.2016.1158178>



Li Zhang,
UC Davis
Field: Anthropology

Source: Medical Anthropology
Volume 36
Date: 2017

The Rise of Therapeutic Governing in Postsocialist China

This article explores psychological intervention, often in the name of *guanai* (care), which has gradually become a critical tool of managing the population and governing society in postsocialist China. Psychological counselors and experts are becoming a new form of authority, an indispensable part of creating and managing knowable, stable and governable subjects for the military, the police, schools and enterprises. 'Therapeutic governing' refers to the adoption of the therapeutic ethos, techniques and care to improve the management of the work force and to help individuals cope with life in a rapidly changing society. Zhang suggests that incorporating psychotherapeutic intervention into postsocialist governing can simultaneously produce disciplining and nurturing, repressive and unfettering effects in everyday life.

More Information:

<http://www.tandfonline.com/doi/abs/10.1080/01459740.2015.1117079>



Yan Zhang

Fudan University

Field: Environment

Source: Science of the Total Environment, 2017

Co-authors: Xin Yang, Richard Brown, Liping Yang, Lidia Morawska

Shipping emissions and their impacts on air quality in China

This paper presents an overview of the broad field of ship emissions in China and their atmospheric impacts, including topics of ship engine emissions and control, ship emission factors and their measurements, development of ship emission inventories, shipping and port emissions of the main shipping areas in China, and quantitative contribution of shipping emissions to the local and regional air pollution.

More information:

<http://www.sciencedirect.com/science/article/pii/S0048969716327851>



FUDAN AND UC SCHOLARS IN THE NEWS

Michael Berry,
UCLA

Field: Asian Languages
and Cultures

Source: China Daily
Date: July 3, 2017

China box office audit is 'leverage'

Hollywood's move to audit China's box office may not turn up surprising new results about ticket sales, but it could give US lobbyists stronger leverage during renegotiations on how the US film industry does business with China, experts said. China's box office slowed 3.7 percent in 2016 due to a reported crackdown on inflated ticket sales and stricter ticket subsidy rules. Berry weighs in, stating "I'm sure MPAA is facing studio pressure to ensure that the second - and soon to be first - biggest box office in the world is playing fair."

More Information:

http://usa.chinadaily.com.cn/world/2017-07/03/content_29978461.htm



Barry Eichengreen,

UC Berkeley

Field: Economics

Source: Project Syndicate

Date: July 10, 2017

Asia's Unhappy Anniversary

Eichengreen writes on the 20th anniversary of the Asian Financial Crisis. Highlighting the historical timeline of the crisis from the fall of the Thai baht and on, Eichengreen points out that China is now at the same point as its Southeast Asian neighbors 20 years ago. Like them, it has outgrown its inherited growth model. We have to hope that Chinese leaders have studied the Asian crisis. Otherwise they are doomed to repeat it.

More Information:

<https://www.project-syndicate.org/commentary/asia-crisis-20-years-later-by-barry-eichengreen-2017-07>



Karl Gerth,
UC San Diego
Field: History

Source: Quartz
Date: June 4, 2017

Can China Expand its Beachhead in Hollywood?

When China was still largely rural, poor and socialist, politicians exhorted the country's people to patriotic activities such as increasing grain output for their economy's sake. Now, to sustain China's economic boom, the country needs good citizens to go shopping. Between 2000 and 2010, consumption in China multiplied from about \$650 billion to nearly \$1.4 trillion, and the country's big spenders have become notorious for ravenously gobbling up pricey Swiss watches and high-end handbags. In an interview with Gerth, author of *As China Goes, So Goes The World: How Chinese consumers are transforming everything*, we learn about the evolution of Chinese consumerism.

More information:

<https://qz.com/994345/the-meteoric-rise-of-chinese-consumerism-will-reshape-the-world-and-maybe-even-destroy-it/>



Stephan Haggard,
UC San Diego
Field: Political Science

Source: The Atlantic
Date: July 6, 2017

North Korea and the Trouble With China

Haggard states the administration would delay pursuit of its protectionist economic agenda vis-à-vis China in return for help on North Korea. However, with North Korea's progress in the development of nuclear capabilities, there is frustration. The administration is thus searching around for leverage that would assure North Korea reconsiders its current course of action. Given limited military options, the administration has recently opted for secondary sanctions on Chinese entities doing business with North Korea, including a regional bank that is suspected of handling North Korean accounts. The Chinese option is a "suspension-for-suspension" in the hopes of restarting talks with North Korea. However, the problem cannot be outsourced to either China or South Korea. The G-20 summit this week provides an opportunity for Trump to do some diplomacy on the sidelines of the meeting. In the end, the Trump administration has chosen the precise moment when it needs Beijing's help to throw a succession of sharp elbows in China's direction.

More Information:

<https://www.theatlantic.com/international/archive/2017/07/north-korea-china/532686/>



Zhiqing Li,
Fudan University
Field: Environment

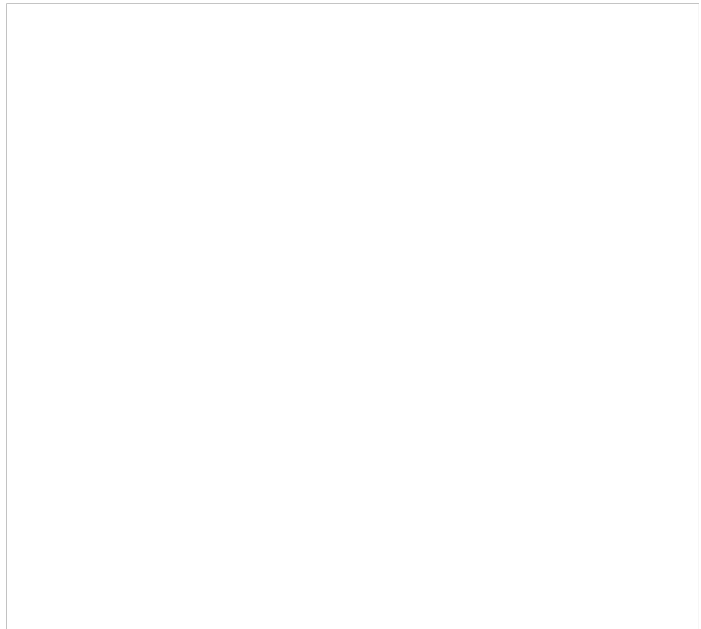
Source: Xinhua Agency
Date: Jun.13, 2017

Economic Watch: Authorities promote mandatory environmental disclosures as listed companies fail test

China is introducing mandatory environmental disclosure by listed companies, as many listed companies recently failed an environmental disclosure test in their 2015 annual reports. Shanghai's Fudan University surveyed the reports of 170 companies across 14 sectors listed on the Shanghai Stock Exchange. Environmental disclosure in the reports was inconsistent despite strong public demand for environmental transparency. Pharmaceuticals, brewing and textile sectors were among those ranked lowest, while the petrochemical sector was better than average. "Emission-heavy industries such as petrochemicals have become accustomed to public scrutiny, while water pollution has been the subject of less public attention," said Li Zhiqing. The survey showed how environmental disclosures can help companies translate environmental costs into operating performance, said Li.

More information:

http://www.china.org.cn/china/Off_the_Wire/2017-06/13/content_41018663.htm



Dingli Shen,
Fudan University
Field: US Studies

Source: China Daily
Date: May. 25, 2017

Trump signals shift in US foreign policy

US President Donald Trump began his first overseas trip in Saudi Arabia, where he got a royal welcome on Saturday in stark contrast to the low-key reception offered to his predecessor Barack Obama last year, perhaps owing to the latter's nuclear agreement with Iran in 2015. Trump could claim the fanfare with which he received in Riyadh as a reflection of the "Buy American, Hire American" policy, especially because he has cut a deal to sell US-made military arms to Saudi Arabia, worth \$110 billion effective immediately and up to \$350 billion over 10 years. Trump's ultimate aim is to promote US exports. He chose Saudi Arabia as his first stop on his first foreign trip as US president because the Saudis have both the motivation and the resources to buy US products and were intent on revitalizing Washington-Riyadh ties after the cooling of bilateral relations during Obama's presidency. From Saudi Arabia, Trump flew to Israel, where again he received a warm welcome on Monday. He even drove to the West Bank on Tuesday to meet Palestine President Mahmoud Abbas. These developments show the US foreign policy is shifting toward the Middle East, which traditionally had been the case before Obama implemented his "rebalancing to Asia" strategy.

More information:

http://usa.chinadaily.com.cn/opinion/2017-05/25/content_29487278.htm



Yi Shen,
Fudan University
Field: Cyber Security

Source: China Org
Date: Apr.19, 2017

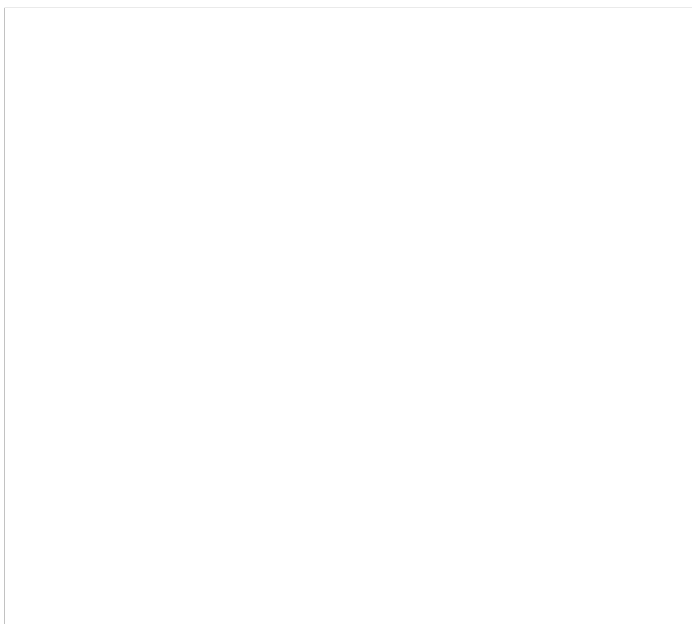
Experts' view on China's cyber security and informatization progress

In his speech during a symposium on cyber security and informatization in Beijing on April 19, 2016, Chinese President Xi Jinping called for enhanced development of the internet and harnessing it for the benefit of the country and the people. On the one-year anniversary of his important speech, Chinese and foreign scholars shared their views on China's cyber security and informatization progress with China.org.cn:

Yi Shen, director of the Research Center of Cyberspace Governance at Fudan University, Shanghai, said that "Disciplining people's online behavior does not contradict President Xi's demand for more tolerance and patience to internet users." Shen stressed that internet users' behavior should also be subjected to supervision, the same as people's offline behavior.

More information:

http://www.china.org.cn/opinion/2017-04/19/content_40642369.htm



Lijian Sun,
Fudan University
Field: Finance

Source: Xinhua Agency
Date: Mar.27, 2017

China guards against overseas investment mania

Chinese companies' outbound investments might have raised their global profile, but have done little to alleviate fears of capital flight. For many years, inbound foreign direct investment (FDI) was important for China's exports and the growth of an economy that was labor-rich but capital-poor. Now, outbound direct investment (ODI) exceeds inbound FDI. In 2016, the balance tilted further toward capital outflow. Non-financial ODI jumped 44.1 percent to 170 billion U.S. dollars, outstripping inbound FDI by more than 50 billion dollars, with Chinese investment finding its way to 164 countries and regions. "The emergence of speculative cases has grown at around the same rate as outbound investment itself," said Sun Lijian, director of the financial research center at Fudan University, adding that only timely supervision can curb some curious investments. ODI in non-financial sectors during the first two months this year dropped 52.8 percent from last year, with more money flowing to manufacturing, IT and software sectors. Companies must keep cool when facing overseas investment mania, and focus on technology, brand building and market access, cautioned Yang Bin of the Chinese Academy of Social Sciences.

More information:

http://www.china.org.cn/business/2017-03/27/content_40503228.htm



Xinbo Wu,
Fudan University
Field: International
Relations

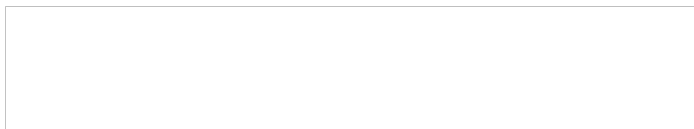
Source: China Daily USA
Date: Apr.14, 2017

Experts: Promising outlook for Sino-US ties

The first meeting between Chinese President Xi Jinping and US President Donald Trump, which was hailed as positive and fruitful by Chinese Foreign Minister Wang Yi, has charted bilateral ties toward the right direction, analysts have said. Positive developments that emerged from the meeting at Trump's Mar-a-Lago resort in Florida include the agreement to move forward negotiations on a variety of issues. Trump's acceptance of Xi's invitation to visit China was another highlight. The easing of geopolitical rivalry between Beijing and Washington will serve as a catalyst for pragmatic cooperation, notably on the economic front, according to Wu Xinbo, an expert on Sino-US relations. The "America First" principle upheld by Trump means he would prioritize economic affairs and down play ideological collision with China, said Wu, director of the Center for American Studies at Fudan University. "Trump is eyeing a strategic retrenchment. At the top of his agenda is the revival of the US manufacturing sector and infrastructure upgrade," he said.

More information:

http://usa.chinadaily.com.cn/epaper/2017-04/14/content_28931150.htm



FUDAN-UC CENTER EVENTS

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!

China Research Workshop

The Fudan-UC Center sponsors a 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.

Resources

Check periodically for calls for papers and various opportunities for studying abroad in China, attending conferences, and applying for workshop funding.
<http://fudan-uc.ucsd.edu/resources>.

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, visit fudan-uc.ucsd.edu/events.

News Outlet

Missed an event? Check out our media center page at fudan-uc.ucsd.edu/media-center.

Also, to follow special interviews, articles, and podcasts of Fudan-UC and 21st Century China Center events, visit UCSD's School of Global Policy and Strategy graduate student-led blog China Focus at chinafocus.us.

