



Nanyang Technological University

## **DIVISION OF ECONOMICS**

Seminar Series

The Division of Economics invites you to a seminar by Dr Zheng Michael Song

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- Speaker** : **Professor Zheng Michael Song**  
*Associate Professor, University of Chicago*  
*Professor, Chinese University of Hong Kong*
- Topic** : **"Crony Capitalism with Chinese Characteristics"**
- Chairperson** : **Assistant Professor Wu Guiying Laura**  
*Division of Economics*  
*School of Humanities & Social Sciences*
- Date** : **Tuesday, 7 April 2015**
- Time** : **4:00 pm to 5.30 pm**
- Venue** : **Meeting Room 6** (HSS-04-91)  
*Nanyang Technological University*  
*School of Humanities and Social Sciences*  
*14, Nanyang Drive*  
*Singapore 637332*

### **About the Speaker:**

Professor Song is an Associate Professor of Economics at Booth Business School of University of Chicago and Professor of Economics at Chinese University of Hong Kong. Song studies macroeconomics, Chinese economy, and political economy. He has published many papers on leading journals including American Economic Review and Econometrica. Song is an associate editor of Journal of European Economic Association and serves as a guest editor of China Economic Review. He is an expert on Chinese economy and one of the authors of the influential paper "Growing Like China".

### **Abstract:**

We propose three key features of Chinese capitalism as the institutional foundation of the fast-growing economy of China over the last two decades. First, local governments, instead of the central government, utilize political and economic powers to support the businesses connected to them (i.e., cronies) regardless of ownership. Second, there are implicit arrangements that political leaders will benefit personally from the success of their cronies. Third, thousands of local governments are doing the same practice and competing with each other. These characteristics explain the presence of local "crony capitalists" in each locality, the bias in the provision of public goods towards those benefiting local businesses instead of households, high profit rates and high growth rates among the favored firms, and a biased concentration towards exports.

### **Reservation:**

Admission is free. Please reply to [d-egc@ntu.edu.sg](mailto:d-egc@ntu.edu.sg) to confirm your attendance.