



“Grasp the Large, Let Go of the Small: The Transformation of the State Sector in China”

(in English)

Date: 10 March 2015 (Tuesday)

Time: 11:30 am - 1 pm

Venue: WYL314, Dorothy Y. L. Wong Building

Professor Zheng Michael SONG

Professor

Department of Economics

The Chinese University of Hong Kong



Abstract:

Starting in the late 1990s, China undertook a dramatic transformation of the large number of firms under state control. Small state-owned firms were privatized or closed. Large state-owned firms were corporatized and merged into large industrial groups under the control of the state. The state also created many new and large firms. We use detailed firm-level data to show that from 1998 to 2007, (i) state-owned firms that were closed were smaller and had low labor and capital productivity; (ii) the labor productivity of state-owned firms converged to that of private firms; (iii) the capital productivity of state-owned firms remained significantly lower than that of private firms; and (iv) total factor productivity (TFP) growth of state-owned firms was faster than that of private firms. We find the reforms of the state sector were responsible for 20 percent of aggregate TFP growth from 1998 to 2007.

Biography:

Professor Song earned his M.A. in economics from Fudan University in 2000 and Ph.D. in economics from Stockholm University, Institute for International Economic Studies in 2005. He has published 10 papers in various journals and he was awarded the Sun Yefang Prize (China's highest award for economists) in 2013.