China’s Economy in the Post-WTO Environment
Stock Markets, FDI and Challenges of Sustainability

Edited by
Lilai Xu
RMIT University, Australia

ADVANCES IN CHINESE ECONOMIC STUDIES

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
Contents

List of contributors vii
Foreword Colin White ix
Preface Lilai Xu xii

PART I STOCK MARKET AND FINANCIAL SERVICES

1 Who is more important – a leading power or a close neighbor? 3
   Yi Zheng and Heng Chen
2 Condition constraints and player behavior in China’s stock market 29
   Huaiqing Zhu and Changfeng Pan
3 China’s changing demographics and their influence on financial markets 50
   K. B. Oh, Xuebin Chen, Jianmei Wang, Geoffrey R. Durden and Nicole El-Haber

PART II CHINA’S FDI AND FDI IN CHINA

4 Going global: China’s outward foreign direct investment 71
   Lilai Xu
5 Determinants of investment intensity of source economies in China 96
   Chunlai Chen
6 Foreign strategic investment and banking efficiency in China 114
   Ying Xu
7 The role of geographical proximity in FDI productivity spillovers in China 142
   Sizhong Sun, Ligang Song and Peter Drysdale

PART III PRICE DETERMINANTS AND POLICY CHALLENGES

8 Fluctuations of prices in the world grain market: policy responses by the Chinese government 159
   Wei-Ming Tian and Zhang-Yue Zhou
China's economy in the post-WTO environment

9 RMB appreciation or fiscal stimulus, and their policy implications 183
James Xiaohe Zhang

PART IV DISTORTION AND ECONOMIC SUSTAINABILITY

10 From policy-driven opening to institutional opening – a discussion on policy-imposed distortion in China’s economic development 201
Youwen Zhang

11 Urban sustainability: the case of the transportation system in big cities 221
Jianling Li, Siamak Ardekani and Stephen Mattingly

12 Has capital been utilized efficiently in China? 243
Yanrui Wu

Index 261