A NEW ECONOMIC GROWTH ENGINE FOR CHINA
Escaping the Middle-Income Trap by Not Doing More of the Same

Editors

Wing Thye Woo (Fudan University, Shanghai; Columbia University, New York City; Penang Institute, George Town; University of California, Davis; & Central University of Finance and Economics, Beijing)

Ming Lu (Fudan University, Shanghai)

Jeffrey D. Sachs (Columbia University, New York City)

Zhao Chen (Fudan University, Shanghai)
Contents

Foreword v
   Shangli Lin

List of Contributing Authors and Editors ix

Part I. A New Economic Growth Engine for the 21st Century:
Change Out Not Scale Up the Present Policy Regime

The Major Types of Middle-income Trap That Threaten China 3
   Wing Thye Woo

Part II. Short-term Demand Management:
Working the Hardware Correctly

A Prediction of China’s Economy in 2012: Soft Landing and
Back to the Normal 43
   Gang Fan and Liping He

The Correction of China’s Twin Surpluses 55
   Yongding Yu

The Long-run Growth and Short-run Fluctuations of the
Chinese Economy 71
   Zhigang Yuan and Yuxin Yu
Part III. Institutional Reforms for Middle-term Growth: Upgrading the Hardware and Software

Reforming China's Public Pension System: Coping Effectively with Aging, Urbanization and Globalization 93
   Jin Feng and Lixin He

Unraveling the Gridlock on Fiscal Reform in China: Government, Market and Central-local Relations 119
   Yan Zhang

China's Financial Sector Development: Understanding the Past and Shaping the Future 141
   Liqing Zhang and Xiaofen Tan

On Regional and Inter-household Inequality in China 155
   Guanghua Wan, Jingjing Ye and Juzhong Zhuang

Part IV. Strengthening the Long-term Growth Fundamentals: Sustaining the Power Supply

Ensuring Efficiency and Equality in China's Urbanization and Regional Development Strategy 185
   Zhao Chen and Ming Lu

China 2049: Energy Security and Climate Change 213
   Klaus S. Lackner and Sarah Brennan

The Sustainability of Water Resources in China 239
   Ximing Cai and Upmanu Lall

Index 289