

## Beijing Forum 2019 China's Economic Development in the Reconstruction of Globalization (IV) (Group B)

At 14:00 on November 3th, the panel “China’s Economic Development in the Reconstruction of Globalization”, part of the Economy sub-forum of Beijing Forum 2019, was inaugurated in the Friends of Beida Auditorium, Peking University Education Foundation. The session was chaired by Professor Zhang Zhongxiang from Tianjin University. Altogether, three speakers gave talks in this session, including Professor Ge Suqin from Virginia Tech, USA; Professor Zhenyu Wu from the University of Manitoba; and Professor Zhang Zhongxiang.

Professor Ge Suqin delivered a presentation titled “Economic Assimilation of Rural-to-Urban Migrants in China”. Since the 1980s, China has witnessed the largest ever movement of labor force within a country in history. The labor mobility from the low-productivity rural sector to the high-productivity urban sector has been one of the driving forces of China’s economic growth. The main objective of Prof. Ge’s paper was to analyze the economic assimilation of rural-to-urban migrants in China. Through detailed analysis, this paper found that migrants earn substantially less than comparable urban workers. What’s more, the wage gap between migrant and urban workers narrows in the first few years after migration, but even over time the wage gap still persists. The reason for this is that the hukou system and the institutional discrimination associated with it remain major obstacles for the economic assimilation of rural migrants in urban China.

Professor Zhenyu Wu gave a talk on “Timely Issues about Family Firms”. The speech first introduced the definition and development status of family firms, and summarized previous research about family firms, including a contextual analysis of nonfinancial aspects or affective endowments of family owners, the value perspective of family firms, family involvement, inside debt, and cost of debt, and whether family firms have higher or lower deal valuations. Prof. Wu then shared some conclusions of his study: (1) The effect of family involvement in reducing CEO in side debt is more pronounced in firms whose CEOs have longer tenure; (2) family acquirers do not differ from nonfamily acquirers in evaluating the target, and family firms make less equity-dominant acquisitions.

Professor Zhang Zhongxiang delivered a presentation titled “Trade and Climate Change: Focus on Carbon Leakage, Spatial Production Fragmentation and Implications for China”. His paper first discussed how carbon leakage is driven through two channels, including the competitiveness channel (that is, countries that commit to emissions control will bear higher carbon costs than the competing countries without similar commitments. This will make their products most costly than products from the latter countries), and the international fossil fuel channel (meaning carbon-constrained countries who adopt stringent climate policies to cut their consumption of fossil fuels). This will push down the international prices of fossil fuels. These reduced prices will in turn induce an increase in the consumption of fossil fuels in countries with less stringent climate policies, thus leading them to emit more. The paper raised the question: who should be responsible for China’s carbon emissions embodied in trade? If one follows China’s argument that these are European and American emissions, then that puts globalization, jobs and climate change into the same dispute. But pushing the responsibility of the consumers onto importing countries is also unreasonable. China can be partly, if not equally, charged as guilty as the others.