



*Lecture on*  
*“Boom and Bust, Chinese Style:*  
*The role of financial regulations and state interventions”*

*by Professor Huanhuan Zheng*

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**Date:** 13 June 2019 (Thursday)

**Time:** 2:30 pm – 3:45 pm

**Venue:** Room 202, 2/F, Cheng Yu Tung Building,  
The Chinese University of Hong Kong,  
12 Chak Cheung Street,  
Shatin, N.T.

**Language:** English

***Abstract:***

The hybridization of socialist state control with increasingly complex financial markets has generated unusual features in China's financial governance regime. Using the 2014-2016 stock market crisis as a case study, this article draws on the organizational studies literature on hybrids and the Legal Theory of Finance (LTF) to analyse the limitations and risks of China's hybrid financial governance. It shows that China's stock market governance is enmeshed in tensions among multiple institutional logics and governance mechanisms/forms. It examines how hybridization has shaped the regulatory incentives, policy processes and market dynamics during China's stock market crisis in 2014-2016. It identifies three pathological features of China's hybrid financial governance: 1) multi-task principal-agent dilemma; 2) regulatory elasticity dilemma; 3) campaign-style enforcement dilemma, which have amplified policy noises and led to a destabilizing feedback loop between policy-induced market turbulence and market-induced organizational turbulence inside the regulatory bureaucracy. It analyzes how these features constrain China's bureaucracy-led gradualist financial reforms/policy tinkering and discusses the alternative approaches of managing hybridity with integration and differentiation strategies.

***About the Speaker:***

Huanhuan Zheng joined the Lee Kuan Yew School of Public Policy, National University of Singapore in 2017. Previously she worked at the Chinese University of Hong Kong and the University of York as an Assistant Professor. She received a B.A in Finance and a B.S. in Mathematics from Peking University in 2006, and a Ph.D in Economics from Nanyang Technological University Singapore in 2011.

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