Chapter I. The Role of Infrastructure in China’s Regional Economic Growth (Job Market Paper)
This chapter presents an empirical study on the role of infrastructure capital in China's regional growth within a neoclassical economic growth model from the year 1990 to 2010. Four types of infrastructure capital are discussed: electricity, road, rail, and telecommunications. Using dynamic panel data estimation approaches, the results support a positive role of infrastructure in improving economic development in China. It shows that infrastructure has contributed to the convergence among China's provinces. However, declining growth momentum from rapid increase of road infrastructure, in particular in the lagging regions, suggests that road development has been too fast. Instead of the conventional wisdom of "road leads to prosperity" widely accepted among government officials in China, more roads lead to nowhere. The results resonate with the theoretical literature on the inverse U-shaped growth impact of infrastructure capital and the dominant "crowding-out effect" of private capital if there is too much infrastructure. They also address the puzzle in the current literature debates as to the direction and magnitude of the growth impact of infrastructure.

Chapter II. China’s Public Infrastructure Investment
This chapter uncovers the historical and institutional features that contribute to the increasing infrastructure investment. It presents a historical account of China's infrastructure development during its economic reform and opening up period, in particular with the出口 oriented growth and urbanization. It also highlights the institutional characteristics of infrastructure investment decision making and financing that in many ways determine the distinctive features of China's infrastructure development. A combination of fiscal decentralization and political centralization may be the driving forces that shape a development state as China.

Chapter III. Fiscal Decentralization and the Composition of Local Government Expenditure
This chapter is a theoretical analysis interpreting the level and share of public investment in government expenditure composition observed in the China context. Fiscal competition among local governments encourages more investment in public infrastructure to attract mobile capital, such as the foreign direct investment. The quest for more output and revenue leads to more productive public capital provided by local governments. Land financing further enhances the capacity of local governments to provide more public investment. Tax sharing may correct some of the inefficiencies but its effect is limited. Fiscal transfers that are pro-rich may reinforce incentives for more public investment. Equalization transfers that favor poor regions may equalize provision of public investment at the cost of residents' utilities. The analysis sheds light on the government's preference for public infrastructure investment observed in both developing and developed countries.