

## Stellingen behorende bij het proefschrift van Guangdong Xu

1. The massive differences in country incomes are largely the product of economic growth, which, in turn, is shaped, influenced, and determined by the legal infrastructure of a country.
2. LLSV's theory—the legal origin hypothesis—substantially contributes to our understanding of the economic consequences of legal rules. However, their studies face serious challenges and leave a number of questions unresolved.
3. The importance of law (particularly corporate and securities law) in sustaining the development of stock markets has been overestimated by LLSV and their followers. Other forces, such as private mechanisms and political institutions, may play equally or more important roles in stock market development.
4. Whether and to what extent formal private ownership can be expected to generate desirable economic outcomes is determined by certain factors, such as the functioning of related markets, the influence of social norms, and the role of the state.
5. China's experience demonstrates that economic growth can be achieved with the help of a legal system that can be characterized as distorted, dysfunctional, and market unfriendly, at least in the short run.
6. A more careful examination of the financial crisis of 2008 suggests that regulatory failure was as much to blame as—or even more to blame than—market failure.
7. Behavioral law and economics undoubtedly has deepened our understanding of the relationship between legal provisions and people's behavior; however, given the huge gap between the methodology of mainstream economics and the behavioral approach, developing a unified theoretical framework of law and economics by merging these two approaches seems to be a challenging task.
8. Financial repression acts as a double-edged sword: on the one hand, financial repression may help a country to accelerate economic growth by subsidizing investment and production; on the other hand, financial repression endangers economic health by damaging economic efficiency, slowing job creation, and distorting the country's economic structure.
9. Globalization will inevitably lead to instability because of the lack of necessary governance mechanisms on the global level, such as a global antitrust authority, a global lender of last resort, a global deposit insurance arrangement, and so forth.
10. The level of income disparity (which is measured by the so-called Gini coefficient) in China may have been underestimated to a large extent because a large number of households, particular high-income households, tend to underreport their income.
11. One advantage of living in a city with serious air pollution, such as Beijing, is that even if you drive through a red light accidentally, the dense fog will save you from being caught by traffic cameras.