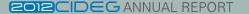


The Center for Industrial Development and Environmental Governance (CIDEG) at the School of Public Policy and Management of Tsinghua University serves as a center of excellence for policy research, academic exchange, graduate education, and on-the-job training on industrial development, environmental governance, and institutional transition. The long-term goals of the Center are to promote education and research on public policy and management in China and to enhance the communication, understanding, and cooperation among the academic, business, non-profit, and public sectors.

# >> About CIDEG

Addr.: School of Public Policy and Management, Tsinghua University Beijing, P. R. China, 100084

Tel: (86-10) 6277 2497 Fax: (86-10) 6277 2593 E-mail: cideg@tsinghua.edu.cn http://www.cideg.org.cn



# >> Board of Directors

### **Chairman of the Board**



**CHEN Qingtai** 

Founding Dean, School of Public Policy and Management, Tsinghua University Former Deputy Director, Development Research Center of the State Council

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Emeritus Professor, Stanford University Former President, the International Economic Association



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Chairman of the Board,



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**TOKUCHI Tatsuhito** Managing Director, CITIC Securities Corporation



**WU Jinglian** Senior Researcher, Development Research Center of the State Council



**XUE Lan** Dean, Professor, School of Public Policy and Management, Tsinghua University



**XIAO Meng** Senior Editor, Journal of Comparative Studies, CITIC Publishing House



**XIE Weihe** Vice President, Tsinghua University



# >> Academic Committee

### **Joint Chairpersons**



**AOKI Masahiko** Emeritus Professor, Stanford University Former President, the International Economic Association



**WU Jinglian** Senior Researcher, Development Research Center of

### Members of the Academic Committee (in alphabetical order)



**BAI Chong-En** Associate Dean, School of Economics and Management, Tsinghua University Mansfield Freeman Chair Professor, Chair, Department of Economics



Barry J. Naughton Professor of Chinese Economy; Sokwanlok Chair of Chinese International Affairs, University of California, San Diego



Professor, Graduate School of Economics, University of Tokyo Executive Director, Manufacturing Management Research Center, University of



Senior Research Fellow, Development Research Center of the State Council Director, the Information Center, Development Research Center of the State Council





**HU An-Gang**Professor, School of Public Policy and
Management, Tsinghua University



Christine P. WONG

Senior Fellow in Contemporary Chinese Studies,
University of Oxford
School of Interdisciplinary Area Studies and
Said Business School, University of Oxford



KANEMOTO Yoshitsugu

Professor and Executive Advisor to the President
National Graduate Institute for Policy Studies Visiting Professor, Graduate School of Public Policy, University of Tokyo



JI Weidong

Dean, Professor, School of Law Dean, Shanghai

Jiao Tong University



**JIANG Xiaojuan**Deputy Secretary-General, State Council



**LI Qiang**Dean, Professor, School of Humanities and Social Sciences, Tsinghua University



**QIAN Yi**Dean, School of Economics and Management,
Tsinghua University



**QIAN Yingyi**Professor, Department of Economics, University of California at Berkeley
Dean, School of Economics and Management,
Tsinghua University





Edward S. STEINFELD

Professor, Department of Political Science,
Massachusetts Institute of Technology



WANG Chenguang

■ Professor, School of Law, Tsinghua University



WANG Ming
Professor, School of Public Policy and
Management, Tsinghua University



XUE Lan

Dean, Professor, School of Public Policy and
Management, Tsinghua University



ZHOU Dadi
Senior Researcher, The Energy Research
Institute of the National Development and
Reform Commission



ZHA Daojiong
Professor, School of International Studies,
Peking University

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# >> Research Team

### Research Fellows (in alphabetical order)



#### **CAO Jing**

Ph.D., Harvard University Associate Professor, Department of Economics, School of Economics and Management, Tsinghua University Major research areas: Environmental economics, public economics, energy economics



#### **CHEN Ling**

Ph.D., Tsinghua University Associate Professor, School of Public Policy making and Management, Tsinghua University Major research areas: Science & technology policy, industrial development and environmental governance,



#### **CUI Zhivuan**

Ph.D., University of Chicago Professor, School of Public Policy and Management, Tsinghua University Major research areas: Politics and economics, state-owned enterprise reform and privatization, macroeconomic policies



#### **FENG Kaidong**

Ph.D., Sussex University Lecturer, School of Government, Peking University Major research areas: Technological learning and catching-up under developing circumstances, evolution of innovation systems, innovation strategy and industrial analysis, business history of contemporary China

Associate Professor, Tsinghua Graduate School at Shenzhen

Assistant Professor, Department of Public & Social

Major research areas: Major research areas: Public

policy making, implementation and evaluation, regulatory

Administration, City University of Hong Kong

governance, sustainable development



#### **GE Dongsheng**

Ph.D., Tokyo University Lecture, Beijing Center for Japanese Studies, Beijing Foreign Studies University Major research areas: Product development management, supplier system management, Toyota production system



**MENG Jianjun** Ph.D., TOKYO Institute of Technology Major research areas: Development economics, economic studies on east asia and China, industrial development and labor



#### **QI Ye**

Ph.D., State University of New York Professor, School of Public Policy and Management, Tsinghua University Major research areas: Resource and environmental policy and management, sustainable development theories, methods and policies



#### **RONG Fang**

Ph.D., University of Maryland Post-Doc, School of International Relations and Pacific Studies, University of California at San Diego Major research areas: Energy economics and policy, climate change policy, urban planning and energy demand



#### **WU Yongping**

Ph.D., Leiden University Associate Dean, Professor, School of Public Policy and Management, Tsinghua University Major research areas: Government and market, industrial policy, the industrial policy of local governments and regional development, Taiwan issues



#### YU Qiao

Ph.D., Michigan State University Professor, School of Public Policy and Management, Tsinghua University Major research areas: Government and market, industrial policy, the industrial policy of local government and regional development



#### **ZHENG Sigi**

Ph.D., Tsinghua University Associate Professor, Institute of Real Estate Studies Deputy Head, Department of Construction Management, Tsinghua University Major research areas: Urban economics, real estate economics and housing

### **Postdoctoral Research Fellow**



#### **ZHANG Yongwei**

Ph.D., Renmin University of China Researcher, Development Research Center of the State Major research areas: Industry policy, regional



#### **CHI Shufang**

Ph.D., Stanford University Major research areas: Infrastructure project governance, institutional effects on public projects, environmental governance and performance for public



### **Visiting Scholars**



Xu Chenni (2011.09-2012.08)

Major research ares: International relations, gender and development, international political



Lee Kwang Jae (2011.09-2012.08)

Visiting Professor, Institute of East and West Studies, Yonsei University Major research ares: Comparative studies on eastern



Daisuke Asano (2011.08-2012.01)

Government Official, Ministry of Economy and Industry, Japan Major research ares: Energy and natural resources, research on integration of economies



Kyoung Marvin Shin (2010-2011)

Ph.D. Candidate, Industrial performance Center, Massachusetts Institute of Technology Major research ares: China energy innovation, political economy of low-carbon city



Elizabeth Wilson (2009-2010)

Associate Professor, Humphrey School of Public Affairs, University of Minnesota, USA Major research ares: Energy policy and law, low-carbon energy management system



Matthew Kahn (2009-2010)

Professor, University of California Los Angeles Major research ares: Environmental, urban, real estate and energy economics



Shi Weiyi (2012-2013)

Ph.D. Candidate, Political Science, University of California, San Diego (UCSD) Major research ares: international relations and comparative politics



Lu Xiaoli(2012-2013)

Ph.D. Candidate, Institute of Public Administration, Leiden University's, the Netherlands Major research ares: Managing Uncertainty in Crisis Decision Making, Crisis Management; Internet Users' Behavior in Crises



Masami Miyashita (2012-2013)

Government Official, Ministry of Economy, Trade and Industry of Japan Major research areas: New emerging industrial ecosystem of Japan, China, and Silicon Valley



#### Jean-Marc Coicaud (2009)

Director, the United Nations University, United Nations Headquarters, New York Major research areas: Comparative politics, political and legal theory, international relations,



Keith Florig (2008)

Professor, University of Florida Business School Major research areas: Assessment and management of health, safety, environment, and security risks. Environment, energy, and risk issues



#### **Carine Milcent (2007-2008)**

Researcher, French National Centre of Scientific Research (CNRS) Major research areas: Hospital productivity, health and geographic disparities, Insurance system and healthcare expenditure



Lawrence H. Goulder (2007)

Associate Professor, Stanford University. Major research areas: Environmental and economic impacts of U.S. and international environmental policies



Karen Eggleston (2007)

Major research areas: Health reform in China, comparative healthcare systems in Asia, government and market roles in the health sector, payment incentives, healthcare productivity, and economic implications of demographic change

Researcher, Asia-Pacific Research Center, Stanford



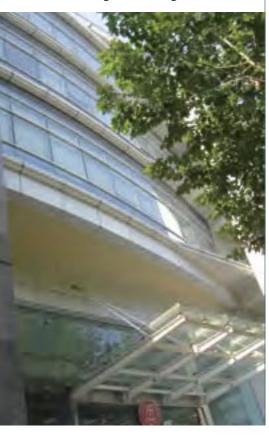
Dan Guttman (2006-2007)

Researcher, Government of the United States Research Center, Johns Hopkins University Major research areas: Public management, anti-corruption, civil rights, antimonopoly, energy, environment, safety and health law



# >> Research Projects

### **Major Projects**



# The Chinese government system reform

Project Chair: Xue Lan, School of Public Policy and Management, Tsinghua University

Given that Chinese system reform at the top-level has come to a transition period, this project provided a basic and systematical understanding of government reform in the following fundamental areas: party-government relations, interaction between the central and local governments, social dynamics and the role of the central administration, government-market interaction, and the tiao-kuai relationship. The outcome was a clear and integrated theoretical judgment that serves as a guideline for practical purposes.

### **Applied Policy Researches**



# Towards a service economy: Chinese service industry reform and development innovation

Project Chair: Jiang Xiaojuan, Institute of Finance and Trade Economics, Chinese Academy of Social Sciences

The development of global economy has entered into service economy era. In this context, this project carried out an in-depth analysis of the different available theories as well as methods to speed up Chinese service reform and innovation. The specific contents of the research include: (1) Services and service economy theory; (2) The theories and current situation of service outsourcing; (3) The development trends of service industry during the 12th Five-Year period; (4) Development of key industries; and (5) International comparison for opening of the service industry.

# **Chinese Foreign Direct Investments: Risk Mitigation and Policy Responses**

Project Chair: Shi Weiyi, CIDEG Visiting Researcher



This project focuses on the risks and incentives facing Chinese companies when they venture abroad. We analyze the current policy framework as it relates to individual enterprise risk profile and mitigation strategies, as well as exploring how policy design may promote more effective risk management. Due to the fact that one of the main features of China's foreign investments is the involvement of both private and state companies, we further analyze the differences of incentives and risks facing these two types of enterprises, and how they interact with each other. Based on the understanding of these important mechanisms, we propose specific recommendations aimed at achieving effective policies for intended effects.

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### Technology Roadmap and Development Strategy for China's Electric Vehicle Industry

Project Chair: Chen Ling, Shen Qunhong, School of Public Policy and Management, Tsinghua University

This study aims at defining and analyzing the critical events that affected the development of China's new energy vehicle (NEV) industry, and how they determine its technological trajectory. Moreover, this project compares China's NEV industrial policies with those of India and the EU in order to raise appropriate policy recommendations.



# Comparative Study on Innovation Capability in China and the U.S

Project Chair: Wang Gangbo, Xue Lan, School of Public Policy and Management, Tsinghua University

Instead of using objective measures for innovation ability, this project focuses on experts' subjective evaluation methods to provide a unique and meaningful perspective when comparing the US and China's innovation capabilities. We developed an in-depth research analysis targeting leading scientists, engineers, policy experts and entrepreneurs; and collected their subjective opinions of national and industry-specific innovation abilities, which brought a more intuitive and deep understanding of the topic.

#### **Next Generation Infrastructure: Vision and approaches to development**

Project Chair: Chi Shufang, CIDEG, School of Public Policy and Management, Tsinghua University

The study aims at facilitating the sustainability of infrastructure development by combining eco-efficiency and resource conservation in order to achieve the national goals of environmental protection, national development, and international expansion. To do this, the study investigates global trends, international reform policies in the construction industry, the characteristics of infrastructure sector, and develops a model that provides a holistic perspective on how best to address China's infrastructure needs in a way that undergirds the country's sustainable economic and social development. Most importantly, the study promotes "smart growth" through sustainable infrastructure systems and networks that are resource and energy efficient, and maximizes economic and social benefits of investment. Specifically, it identifies the key dimensions and processes of sustainable infrastructure and assesses the Chinese construction industry and infrastructure decision-making, based on which the study further discusses the path towards sustainable infrastructure development that China should pursue.

# Comparative Study on the Science and Technology Innovation System and the New Energy Industry with Technology Innovation in China and the U.S

Project Chair: Zhang Yongwei, Development Research Center of the State Council

Accelerating the progress of large-scale application of wind power and solar energy must rely on technological innovation. The source of this innovation must include the establishment of overseas and domestic technological innovation systems. As such, the main objective of this project is to elucidate how to better construct these systems in China's new energy industry, while making full use of its sources.



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# **List of Previous Projects**

Year	Project Name	Project Chair
2006	China's Environmental Governance and Its Effectiveness	QI Ye
	The Impact of Changing Energy Prices on Industrial Restructuring, Income Distribution and CPI	LI Shantong
	International Comparison of the Social Environment for Training, Selection, and Utilization of Talent	MENG Jianjun
	China's Global Service Outsourcing: Extension of the Global Chain in the Division of Labor and the Development of China's Service Industry	JIANG Xiaojuan
	Reform of China's Health Care System	BAI Chong-En LIU Yuanli
	*China's high technology product classification mechanism and related policy research	XUN Lan ZHANG Yansheng
	Comparison of Chinese and Foreign Prices of Refined Oil Products	CHEN Xiaohong
2007	Evaluation of Social Factors in China's Environmental Impact Assessment	LI Qiang
	Reform of the Health Care System in Suqian	WEI Fengchun
	The Impact of Environmental Factors on Chinese Provincial Productivity	ZHENG Jinghai
	County government financial management sampling survey analysis	HOU Yilin
	Management Reform in the Provision of Medical Services in China	SHEN Qunhong
	Benchmarking Research on Competence-Building for Chinese Automobile Enterprises	FUJIMOTO Takahiro
	Research on the Chinese Financial Administrative System	HOU Yilin
	China's Environmental Governance and Its Effectiveness	QI Ye
2008	How Does China Respond to the Challenges of Global Climate Change	HU An-Gang
	"Reform of the Health Care System: Financial Arrangements,Incentive Mechanisms, and Competitive Choice"	YU Qiao
	Regulatory and Consumption Policies to Improve Energy Conservation and Emission Reduction by the Chinese Automobile Industry and to Increase Their Competitiveness	ZHANG Yongwei

Year	Project Name	Project Chair
2008	Case Studies on the Development of the Service Industry in South Jiangsu Province and Its Institutional Restraints	WU Jinglian
2008	The Impact of Chinese Urban Expansion on Environment	ZHENG Siqi CAO Jing
	China's CO2 Emission Reduction Targets and Action Plan	HU An-Gang
	Translations of Classics of Service Economics	JIANG Xiaojuan
2009	The Impact of Changing Energy Prices on Industrial Restructuring, Income Distribution and CPI	LI Shantong
	A Series of Studies on Chinese Strategies and Countermeasures against Climate Change	RONG Fang
	Comparing China's and the European Union's Low-Carbon Innovation and Policy	CHEN Ling
	The Governance System of Modern Universities	HAI Yang
	A Comparative Study of Policy Formulation in China and Japan	MENG Jianjun
2010	China's Role in International Development	ZHANG Yanbing
	Transformation of Urban Villages: Model, Challenge and Breakthrough	TAO Ran
	Experience and Lessons of Governing the Community Environment	WANG Ming
	China's Automobile Energy Strategy	FENG Fei
	Leadership in Cutting-edge Innovation and Research-based National Technology Industrial Strategy	GAO Shiji/ZHANG Yongwei
2011	Local Government's New Energy Technology Options for Social Awareness	DAI Yixin
	Japan's Earthquake Emergency Management System	SHEN Hua
	Infrastructure of Environmental Governance	QI Shufang
	China Science and Technology Funding System: Problems and Solutions	Ru Peng XUE Lan

Note: topics in bold are major projects and/or issues; topics in normal font are considered as emergency projects.

\*Ministry of science and technology support project

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# >> Academic Activities

# **Academic Conferences**

In 2012, CIDEG sponsored or jointly conducted multiple influential and outstanding international academic conferences, including:





# Facing the Challenges of Energy Limitations: The Japanese approach

On February 24, 2012, the chairman of the New Energy and Industrial Technology Development Organization (NEDO), Mr. Kazuo Furukawa, delivered a speech on "Facing the Challenges of Energy Limitations: The Japanese approach" at the auditorium of the School of Public Policy and Management – Tsinghua University.

One of the committee members of CIDEG, professor WANG Ming, presided over the lecture and Professor QI Ye commented as an honored guest. The attendees included the director of CIDEG, Professor XUE Lan, the representative NEDO's Beijing office, Mr. GOTOU, representatives from Japanese companies, students and faculty members from various departments of Tsinghua University.

Professor QI Ye commented Mr. Kazuo Furukawa's presentation. After comparing the energy-saving technologies and development between China and Japan, Professor QI stated that the Japanese experience in this realm might be useful for China's own development.

#### **CIDEG Academic Workshop on Environmental Governance for Infrastructure**

The CIDEG Academic Workshop on Environmental Governance for Infrastructure was held on March 26, 2012, at Tsinghua University's School of Public Policy and Management. Some of the participants included: Professor Gary Griggs from the Department of Civil and Environmental Engineering at Stanford University; Dr. Inkeri Ruuska from the Department of Science at Aalto University; Dean Professor Dongping Fang from the Department of Construction Management; Dr. Kaimeng Li from the China International Engineering Consulting Corporation, Tsinghua University; Professor Jinsong Tsai from the Department of Civil Engineering, Cheng Kung University, Taiwan; Professor Jianhong Wu from Peking Jiaotong University; Professor Wanxin Li from the Department of Public and Social Administration, City University of Hong Kong; Professor Guizhen He from the Research Center for Eco-Environmental Sciences, Chinese Academy of Sciences; Dr. Guanlei Du from Peking University, CIDEG Visiting Scholar; Chenni Xu and CIDEG Post-doctoral Research Fellow Dr. Shufang Chi.

### Choosing a Sustainable Future: Review of the United Nations Secretary-General's High-level Panel Report on Global Sustainability

The lecture titled "Choosing a Sustainable Future: Review of the United Nations Secretary-General's High-level Panel Report on Global Sustainability", was held on April 17, 2012, at Tsinghua University's School of Public Policy and Management's Auditorium Hall. Over a hundred scholars, faculty members, students and researchers from Tsinghua University, Peking University and the Chinese Academy of Sciences took part in the lecture. The event was co-organized by CIDEG, Tsinghua University's School of Public Policy and Management, Jiefang Daily Newspaper Group and the UN Office in China.



Some of the distinguished attendees included: Mr. Janos Pasztor, the Executive Director of the Secretary-General's High-level Panel on Global Sustainability; Professor LUO Yong, the Deputy Director-General of National Climate Center of China Meteorological Administration; Mr. Edward Clarence-Smith, the Chief Representative of United Nations Industrial Development Organization (UNIDO); Professor QI Ye, the Director of the Climate Policy Initiative of Tsinghua University; and Professor ZHANG Xiliang, the Director of the Institute of Energy, Environment and Economy of Tsinghua University. This event provided an opportunity to review the report's findings and to discuss the topic of "choosing a sustainable future".

#### **US-China Forum on Innovation Models and Capacity to Innovate**



On September 9, 2012, the US-China Forum on Innovation Models and the Capacity to Innovate was successfully held at the auditorium of Tsinghua University's School of Public Policy and Management. The forum was co-hosted by UC San Diego's 21st Century China Program, the Boyuan Foundation and the School of Public Policy and Management. He Di, Director General of Boyuan Foundation and Vice Chairman of the Investment Banking Company UBS, moderated the forum. More than 170 attendees joined this event.

Liu Chuanzhi, Chairman of Legend Holdings Ltd., delivered a speech on "How Do Entrepreneurs View Technology Innovation". He emphasized the importance for companies to transfer technology innovation into capital. Peter Cowhey also presented his idea on the Changing System of Novel Product Innovation.

After the talk, a roundtable discussion further explored the different models and experiences of innovation in China and the U.S. Eight panelists including Gao Shiji (Director of the Information Center, Development Research Center of the State Council), Lin Bin (Co-Founder and President of Xiao Mi Corporation) and Barry Naughton (Professor of Chinese Economy Sokwanlok Chair of Chinese International Affairs, UC San Diego) attended the discussion.



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#### **CIDEG Salons**

CIDEG holds occasional salons by inviting renowned domestic and overseas scholars to introduce the development and findings in the field of environment, industry and institutionalism. So far, CIDEG has successfully held 89 salons, including seminars, academic workshops and lecture series. Salons held in the last year including:

- On February 24, 2012, professor Manuel Heitor from the University of Lisbon, Portugal, visited SPPM and presented a report titled "University Governance and Systems Linkages in Emerging Economies". Professor Xue Lan, Director of CIDEG, presided over the meeting and over twenty students took part in the presentation.
- On February 26, 2012, CIDEG held an academic roundtable entitled "Minamata Inspection and Record: Best Fight and Game -- Japanese Environmental Management of The Public Sports". Professor Wang Ming, academic committee of CIDEG, presided over the meeting and more ten students took part in the salon.
- On March 8, 2012, CIDEG held an academic roundtable entitled "The World under Pressure: How China and India Are Influencing the Global Economy and Environment". Professor Carl Dahlman from Georgetown University delivered a talk. Postdoctoral research fellow of CIDEG, Dr. Chi Shufang, moderated the meeting. More than twenty graduate students and faculty members from several schools of Tsinghua University joined the event.











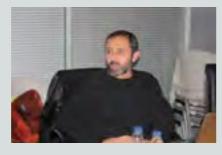


- On March 27, 2012, CIDEG held an academic roundtable entitled "Urban Transportation Challenges and Strategies". Visiting professor Gary Griggs from Stanford University delivered a talk. Dr. Chi Shufang, postdoctoral research fellow of CIDEG, moderated the meeting. Nearly twenty students and faculty members from Tsinghua University and Beijing Jiao Tong University, as well as reporters from 'China Social Science' magazine joined the event.
- On March 27, CIDEG held an academic roundtable at SPPM moderated by postdoctoral research fellow Dr. Chi Shufang. Senior researcher of Aalto University in Finland, Dr. Inkeri Ruuska, presented her ongoing four-year research project titled "Governance of Finnish Nuclear Projects". Over twenty students and faculty members from Tsinghua University attended this event.
- On May 31, CIDEG held an academic roundtable entitled "Practical Experience in Urban Public Policy: The Environmental Policy Processes of Kawasaki and Kitakyushu in Japan". Dr. Meng Jianjun, researcher of CIDEG and RIETI, presented his experience in this research project. Many students and faculty members from Tsinghua University attended this event.
- On July 4, 2012, Meng Jianjun, researcher of CIDEG and RIETI, delivered a report on "Practical Experience of Urban Public Policy: Compact City and Smart City in Japan". The report mainly analyzed environmental policy in practice and institutional system. Dr. Meng took the compact city and smart city concepts applied to Kanazawa, Toyama and Kitakyushu as examples, which could be beneficial in China's urbanization and social transformation. More than forty teachers and students at Tsinghua University attended the event.

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- On November 9, 2012, CIDEG held an academic roundtable entitled "What do the American Elections Results Mean?" Two visiting professor at SPPM: professor Barry Naughton from UCSD and professor Edward Steinfeld from MIT, gave a talk on the recent American elections, its results, and the overall current situation of American democracy. The discussion mainly focused in the polarization of public preference, new power structures among the House of Representatives and the Senate, and the US-China policy. Associate professor Chen Ling, Associate professor and assistant director of CIDEG, hosted the speech, with an attendance of over fifty lecturers and students.
- On November 27, 2012, professor Ambuj Sagar from the Indian University of Science and Technology delivered an academic report titled "Organizational Innovation to meet environmental and developmental challenges". Assistant Professor Dai Yixin from SPPM presided over the meeting. Over twenty students and faculty members from Tsinghua University attended the meeting.
- On December 5, 2012, Professor Barry Naughton from the University of California, San Diego, gave a talk entitled "How should Chinese policy-makers approach today's new challenges of economic reform". Chen Ling, associate professor and assistant director of CIDEG, moderated the seminar. Around twenty Chinese and foreign students as well as faculty members attended the event.







- On December 11, 2012, Dr. Song Zifeng, assistant researcher of the Department of Industrial Economy at DRCSC, presented CIDEG project titled "China's Energy Strategy in the Automobile Sector". The conference was moderated by CIDEG's current director, Professor Xue Lan. The Director of China Automotive Energy Research Center at Tsinghua University, Zhang Xiliang, and associate researcher at the Department of Automotive Engineering of Tsinghua University, Wang Hewu, discussed the report. They commented that the report was explicit, informative and of high value for reference. Nearly 20 audience from Tsinghua University, Sinopec and Toyota attended the conference.
- On December 11, 2012, the famous innovation economist from South Korea's Seoul National University, Keun Lee, was invited to visit the School of Public Policy and Management at Tsinghua University and discuss the academic report entitled "Neo-Schumpeterian Economics of Catch-up by the Latecomers: Knowledge, path-creation, and the Middle income trap". Professor Xue Lan, director of CIDEG, presided over the event. Associate professor Li Xibao served as the guest.







# **Students Competitions**

#### **Undergraduate Field Investigation Contest**

Since 2009, CIDEG has held the annual "Undergraduate Field Investigation Contest" in an effort to encourage students to actively participate in field research. In 2012, CIDEG successfully launched the contest's fourth edition titled "Green Travel and Going Green". After a preliminary and final two rounds of intense competition, the first prize was awarded to the team lead by Dong Lu, Zhang Ke, Wang Chao, Sun Lingling, Fu Huahao, Li Xiang and



Zhang Yingzhi from Peking University. The title of their research paper was "Strangled green wheel—Survey of the public bicycle rental projects in Beijing". The second prize was simultaneously awarded to Zhong Canqiu, Gao Yajing, Li Jiayan, Ding Yunhe and Lin Jianwei; and Yang Fan, Ma Zexiong, Zhang Shaoli, Xie Jiejing, Feng Weijie and He Yangyu, both teams from South China Agriculture University. Chen Ling, Associate Professor and Assistant Director of CIDEG moderated the tournament. Professor Xue Lan, Director of CIDEG presented the awards to the winners.

Over the years, competitions have been held in national major universities. The 2011 competition's was titled "Saving Energy and Going Green", with the first prize being awarded to the team of Qin Tongtong from Peking University. In 2010, the first prize was given to the team lead by Ma Jin from Tsinghua University, in the topic "Environmental Protection in My Life". Finally, the first edition of our contest in 2009 was won by Yang Fan's team from Tsinghua University in the topic "Low-Carbon Consumption In My Life".







#### **International Economic Association 16th World Congress**

On July 4-8, 2011, the  $16^{\rm th}$  World Congress was held for the first time in China in an effort co-managed by the School of Economics and Management and China's Research Academy of Comparative Economics. CIDEG and Tsinghua University's SPPM co-sponsored and hosted the event. The General Assembly, convened every three years, was lead by IEA President, Professor Masahiko Aoki, and IEA Honorary Chairman Professor Wu Jinglian, who delivered the keynote speeches as host country's scholars. Members Qian Yingyi and Bai Chong-en attended the meeting and spoke on China's economic development.

# MNC Manufacturing Strategies in China and Their Recursive Effects on Home Country Production

On July 13 – 16, 2011, CIDEG and the University of Chicago co-sponsored an international academic conference in Beijing titled "Industrial Co-Development—MNC Manufacturing Strategies in China and Their Recursive Effects on Home Country Production". The meeting was jointly convened by Professor Gary Herrigel from the University of Chicago, Professor Edward Steinfield from the Massachusetts Institute of Technology, and Professor Xue Lan, CIDEG director, who extended an invitation to more than thirty industry researchers and experts from the United States, Germany, Sweden, Denmark, and the Netherlands among other countries. The extensive discussions focused on companies' cross-border development experiences in China, China's industrial upgrading, and other issues. Associate Professor Chen Ling, Assistant Director of CIDEG, delivered a speech entitled "Reflection on the government's role in the upgrading of manufacturing clusters."



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#### Lecture Series on Energy, Climate and Development

CIDEG's visiting professor, Dr. Elizabeth Wilson, organized a lecture series on energy, climate and environment from September 2009 to December 2010. This series of lectures revolved around the topic of cutting-edge technology and its governance mechanism and policies. Dr. Wilson is an associate professor at Humphrey School of Public Affairs, the University of Minnesota . Her research interests include energy and environmental laws and policies.

#### **Global Contest**

From 2007 to 2010, CIDEG held the fourth essay contest aimed at Chinese young scholars from around the world, in order to encourage them to participate in cutting-edge research on environmental, economic and policy areas. Professor Masahiko Aoki, Professor Wu Jinglian and Professor Xue Lan have served over the years as Chairman of the competition jury, selecting excellent papers and young people, funded in recognition. The essay contest attracted dozens of scholars each year to gather a large number of active research core members for writing papers in English for CIDEG, and thus greatly improving CIDEG's international reputation.

# >> Publications

### CIDEG Research Series

**Chief Editor: XUE Lan** 

Published by Shanghai SDX Joint Publishing Company, The Commercial Press.



# The Reform of China's Land System: Difficulties, Breakthroughs and Policy Mix

Authors: WANG Hui, TAO Ran Forthcoming in 2013

This book is based on various large sample surveys and typical case studies on a national scale. The challenges that facing the land system of China during the process of fast urbanization are analyzed. Causality factors, background of the system, and reform routes are analyzed as well. Based on the close connection between the reform of China's land system, its financial sector, and household registration systems, this book gives a general overview of the aforementioned. Discussions on the analysis of the planning and feasibility of reform program from a financial perspective are provided as well.

# Translations of Service Economics

Chief Editor: JIANG Xiaojuan, XUE Lan

Published by Truth & Wisdom Press, Shanghai People's Publishing House



# Output Measurements in the Service Sector

Author: Zvi Griliches Published in February 2013

This book deals with fundamental and basic questions related to output measurements in the service sector. The contents of the book include: use of revised data to measure the output and productivity of the service sector, and the output of six specific service industries. Furthermore, the book discusses the impact of output measurement from four perspectives: the relationship between service and manufacture sectors, the micro foundation of service sector, international comparison, and the public sector.

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### **Tourism and Entertainment Industries — Shaping the Future**

Authors: Zvi Griliches, Christine Mathies Published in December 2012

This book provides the readers with a rational framework on how the tourism and entertainment industries can be seen as a multi-disciplinary and multi-culture global phenomenon. The authors hold the opinion that in the face of major changes in the economy and society, we should examine how these will influence future leisure behaviors. Some of the changes and impacts include: variation on demographics and leisure time; the conflict between a slower pace of life and the global accelerated development; the change in cultural leisure behaviors and lifestyles; the development of information and communication technologies; and impacts of these factors to the future of tourism and leisure industries.

#### A Handbook of International Trade in Services

Authors: Aaditya Mattoo, Robert M.Stern, Gianni Zanini Published in December 2012

This handbook offers a compressive introduction to trade in services. The first half of the book includes an overview of related theoretical questions in trade services, the impacts of the General Agreement on Trade in Services (GATS), basic principles, and statistical methods for pattern differentiation. The second half focuses on the study of several service industries such as: financial trade services, the influence of trade policies in transport services, negotiations of trade agreements in international information and communication services, and the economic scale and regulation of e-businesses.

#### The Business of Sports Vol.1

Authors: Brad R. Humphreys, Dennis R. Howard Published in June 2012

This book focuses on the development of sports economics in Europe and North America during recent decades, as well as the new directions taken by the sports industry due to economic incentives. The impacts of major sports events at the local, regional and even national economies; fundraising issues of the Olympic Games; economic benefits brought by the professionalization of sports; competitive and balanced relationship between various interest groups and reactions towards economic activities during tournaments; businesses and economic prospects for the U.S sports industry; the economy of inter-university sports competitions in U.S; the effects of an emerging media in the development of sports industry; and the effect of internet intervention in sports broadcasting are some of the topics being covered. It is worth mentioning that the third chapter of the book analyzes the sports market in China.







### The Business of Sports Vol.2

Authors: Brad R. Humphreys, Dennis R. Howard Published in November 2012

Like any other economic activity, the sports industry also faces the problem of limited resource allocation. For example, each team and sports league has a limited number of elite athletes so their allocation is important; there are limited markets to support top sports events in any country; sports leagues and teams must find ways to maximize their franchise income; and allocation challenges of limited financial resources for players salary are some of the issues discussed. Furthermore, and from an economic perspective, this book provides persuasive insights and solutions to the above-mentioned problems and some other important commercial issues in the industry.

### Outsourcing and Offshoring in the 21st Century: A Socio-Economic Perspective

Authors: Harbhajan Kehal, Varinder P. Singh Published in September 2012

This book covers the issues of production, trade, investment and other technical effects related to the global trend of offshore outsourcing. The authors investigate the short and long-term implications of outsourcing from a socio-economic perspective, due to the advancement and development of the telecommunications industry in the 21st century. For example, the effects in reliability and confidence of customers with the transfer of call centers abroad is analyzed. At the same time, when facing increasingly intertwined issues such as technologies, standards, policies and laws, this book focuses on the many economic aspects of offshore outsourcing that other books had not paid enough attention to.

# **Growth in the Service Sector: The Paradox of Surging Costs and Persistent Demand**

Authors: Thijs ten Raa, Ronald Schettkat Published in June 2012

The service sector has an amazing vigour that not only confuses policy makers, but also makes economists puzzled. This books explains the situation in several parts: First, a simple two-sector model is provided; second, and from the supply side, a "supply-side is the reason employment conversion" approach is given; third, the "cost disease" in the service industry is analyzed; and finally, there is a focus on the demand effects. All of these analyses point to the same interpretation in the paradox of the service industry.

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### Productivity, Innovation and Knowledge in the Service Sector: New Economic and Socio-Economic Approaches

Authors: Jean Gadrey, Faïz Gallouj Published in September 2012

This book focuses on the relationship between the service sector and a nation's overall economic growth. The topics in discussion include the authenticity problems in lagging service growth, and the conceptual misuse of productivity in the service industry. Also, several chapters in the book discuss innovation issues including the growth and productivity of knowledge-based service industries, as well as the role of knowledge intensive innovation for this sector.

### CIDEG Translation Series

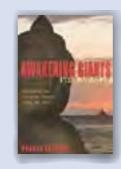
Chief Editors: AOKI Masahiko and WU Jinglian, Published by China CITIC Press.

# Making Technology Work: Applications in Energy and the Environment

Authors: John M. Deutch, Richard K. Lester Published in November 2012

This book presents fifteen interdisciplinary case studies of the application of technology in the energy and environmental sectors. The case studies include the application of solar, wind, fuel cell, nuclear, and other coal combustion and emission control technologies. Both successes and failures are analyzed. The case studies reveal the interrelationships among technical and non-technical factors, and demonstrate that the successful application of new technologies require the synthesis of technical, economic, political, environmental, and social aspects of the problem. The case studies are also used to introduce a toolbox of analytical techniques useful in the context of realistic technology application.





### **Awakening Giants, Feet of Clay**

Author: Pranab Bardhan Published in August 2012

The recent economic rise of China and India has attracted a great deal of attention--and justifiably so. Together, the two countries account for one-fifth of the global economy and are projected to represent a full third of the world's income by 2025. Yet, many of the views regarding China and India's high growth rates and market reforms tend to be tendentious, exaggerated, or oversimplified. "Awakening Giants, Feet of Clay" scrutinizes the phenomenal rise of both nations, and demolishes the myths that have accumulated around the economic achievements of these two giants in the last quarter of a century. Exploring the challenges that both countries must overcome to become true leaders in the international economic arena, Pranab Bardhan looks beyond short-run macroeconomic issues in order to compare and examine China and India's major policy changes, political and economic structures, and current overall performance.

Bardhan investigates the two countries' economic reforms, each nation's pattern and composition of growth, and the problems afflicting their agricultural, industrial, infrastructural, and financial sectors. He considers how these factors affect China and India's poverty, inequality, and environment, how political factors shape each country's pattern of burgeoning capitalism, and how significant poverty reduction in both countries is mainly due to domestic factors--not global integration as most would believe. He shows how authoritarianism has distorted Chinese development while democratic governance in India has been marred by severe accountability failures.



# Silence and Outbreak: The Minamata Disease Event (1873-1995) Author: GOTOU TAKANORI Published in January 2013

After World War II, defeated Japan had to be rebuilt and rapid economic development became the priority choice. However, several well-known public hazards occurred during that time, with the Minamata disease event being one of them. The author of this book was an attorney and one of the Minamata disease's victims. Based on his personal experience, the author explains the origin of the disease and the changes in victims' attitudes from passive sufferers, to active advocates in defense of their human rights that were affected by industrial environmental pollution. In addition to evasiveness from leading polluting companies and related government sectors, the complexity of medical identification and active participation of media are also presented in the book.

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### The Venturesome Economy: How Innovation Sustains Prosperity in a More Connected World

**Author: Amar Bhide** Forthcoming in 2013

Many warn that the next stage of globalization -- the offshoring of research and development to China and India -- threatens the foundations of Western prosperity. But in The Venturesome Economy, acclaimed business and economics scholar Amar Bhidé shows readers how wrong the doomsayers are. Using extensive field studies on venture capital-backed businesses to examine how technology really advances in modern economies, Bhidé explains why know-how developed abroad enhances -- not diminishes -- prosperity at home, and why trying to maintain the U.S. lead by subsidizing more research or training, more scientists will do more harm than good. When breakthrough ideas have no borders, a nation's capacity to exploit cutting-edge research regardless of where it originates is crucial: "venturesome consumption" -- the willingness and ability of businesses and consumers to effectively use products and technologies derived from scientific research -- is far more important than having a share of such research. In fact, a venturesome economy benefits from an increase in research produced abroad: the success of Apple's iPod, for instance, owes much to technologies developed in Asia and Europe. Many players -- entrepreneurs, managers, financiers, salespersons, consumers, and not just a few brilliant scientists and engineers -- have kept the United States at the forefront of the innovation game. As long as their venturesome spirit remains alive and well, advances abroad need not be feared. Read The Venturesome Economy and learn why -- and see how we can keep it that way.



#### **Government and the American Economy**

Authors: Douglass C. North et al Forthcoming in 2013

The American economy has provided a level of wellbeing that has consistently ranked at or near the top of the international ladder. A key source of this success has been widespread participation in political and economic processes. In The Government and the American Economy, leading economic historians chronicle the significance of America's open-access society and the roles played by government in its unrivaled success story. America's democratic experiment, the authors show, allowed individuals and interest groups to shape the structure and policies of government, which, in turn, have fostered economic success and innovation by emphasizing private property rights, the rule of law, and protections of individual freedom. In response to new demands for infrastructure, America's federal structure hastened development by promoting the primacy of states, cities, and national governments. More recently, the economic reach of American government expanded dramatically as the populace accepted stronger limits on its economic freedoms in exchange for increased security provided by regulation, an expanded welfare state, and a stronger national defense.

### Previous Published Works

CIDEG Research Series



#### Chinese County Government Finance: Reforms and Effects 1994-2006

Authors: HOU Yilin, WANG Youqiang Published in December 2011



#### Rent Seeking and Chinese Industrial Development

Authors: WU Yongping et. al. Published in December 2010



#### The Development of Producer Services and the Upgrading of the Manufacturing Industry in China

Authors: LI Shantong, GAO Chuansheng Published in November 2008



#### China's Environmental Regulation Mechanism

Authors: QI Ye et. al. Published in November 2008





# Indigenous Innovation and Industrial Upgrading

Authors: CHEN Qingtai Published in June 2011



#### Building Engines for Growth and Competitiveness in China

Author: Douglas Zeng Zhihua Published in December 2010



#### **Plug-in Electric Vehicles**

Author: David Sandalow Published in December 2010



#### Freedom From Oil

Author: David Sandalow Published in June 2010



#### Dynamic Governance, Embedding Culture, Capabilities, and Change in Singapore

Authors: Neo Boon Siong, Zeng Yufeng Published in December 2009



#### Syougen Sengo Nihon Keizai

Author: Isamu Miyazaki Published in July 2009



### CIDEG **Translation** Series



The Big Necessity

Author: Rose George Published in July 2009



**Unleashing India's** Innovation

Author: Mark Dutz Published in January 2009



**Promoting Enterprise**led Innovation in China

Authors: ZHANG Chunlin, Douglas Zhihua Zeng, William Peter Mako, James Seward Published in April 2009



**Stability with Growth** 

Authors: J. E. Stiglitz et al. Published in September 2008



The Economics of Medical Reforms

Author: Byung-Kwang Yoo Published in June 2008



**Housing Policy in the United States** 

Author: Alex F. Schwartz Published in April 2008



Green Cities: Urban Growth and the **Environment** 

uthor: Matthew E. Kahn ublished in January 2008



In Spite of the Gods: The **Strange Rise of Modern** India

Author: Edward Luce Published in November 2007



Competition in **Competence Building:** Why is the Japanese **Automobile Industry so** Powerful?

Author: Takahiro FUJIMOTO Published in June 2007



Reminiscences of an **Environment Chief** 

Author: Seiko Dolph Published in January 2007



Nature and the **Marketplace: Capturing** the Value of Ecosystem Services

Author: Geoffrey Heal Published in July 2006



The Path Traveled by Japan as a Developing Country: **Economic Growth from Edo** to Heisei

Author: Kenichi OHNO Published in May 2006



**Chief Editor:** JIANG Xiaojuan Published by Renmin Press



**Financial Services Outsourcing: International** Trends and the Choices for China

Authors: YANG Lin, WANG Jiajia Published in November 2008



**Services Globalization** and Services Outsourcing: Status Quo, Trends, and **Theoretical Analysis** 

Authors: JIANG Xiaojuan et al. Published in November 2008



Software Outsourcing: **Technology Overflow and Ability Upgrading** 

Author: LIU Shaoiian Published in November 2008



The Design of China: **Service Outsourcing and** Competitiveness

Author: WANG Xiaohong Published in November 2008



# **Tranlations of Service Economic**



Your Money or Your Life: A Strong Medicine for America's Healthcare System

Authors: David M. Cutler Published in January 2012



Productivity: Information Technology and the American Growth Resurgence

Authors: Dale W. Jorgenson, Mun S. Ho, Kevin J. Stiroh Published in January 2012



Services in Economic Thought: Three Centuries of Debate

Authors: Jean-Claude Delaunay, J Gadrey Published in December 2011



The Service Sector: Productivity and Growth

Authors: Ernesto Felli, Furio C. Rosati, Giovanni Tria Published in December 2011



The Economics of Education and Training

Authors: Christian Dustman, Bernd Fitzenberger, Stephen Machin Published in December 2011

### Other CIDEG Publications



China to Fight Global Climate Change

Authors: Hu An-Gang, Guan Qingyou Published in November 2009



My : Trans-Boundary Game in Life

Author: AOKI Masahiko Published in October 2009



**By Force of Thought** 

Author: Janos Kornai Published in April, 2009



From Authority to Democracy: The Political Economics of Sustainable Growth

Editors: AOKI Masahiko, WU Jinglian Published by China CITIC Press



Offshore Development, Staffing Service, and Vocational Education in China's Software Industry

Author: Tajima Toshio, Furuya Shinsuke Published by Institute of Social Science, University of Tokyo



Informationalization and Rural Development: Empirical Research on the Tianfu Information Network of Sichuan Unicom

Authors: YU Qiao, TONG Xiaoyu Published by People's Post & Telecommunications Publishing House



Establishing a Healthfor-All Society

Author and Editor: LIU Yuanli, LI Weidong Published by Chinese Peking Union Medical College Press

# >> Social Impates

### **International Enchanges**

CIDEG actively carried out several partnerships with foreign research institutions of international cooperation and exchanges, in order to build a communication platform for public policy reaserch and develop an international reputation. The international cooperation and exchanges of 2012 were:



- On December 22, 2012, a symposium between University of Chicago's Beijing Center and the School of Public Policy and Management at Tsinghua University was successfully held. Teachers and students from the two universities exchanged their ideas on academic and practical issues. Professor Xue Lan, Director of CIDEG, and Professor Cui Zhiyuan attended the discussion.
- Between the months of September and December 2012, Professor Barry Naughton from University of California San Diego was a visiting scholar at CIDEG. During this time, Professor Barry Naughton organized two academic roundtables and one international academic seminar. He also took part in several research projects at CIDEG.

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- From September 11 to 13, 2012, Professor Xue Lan, Director of CIDEG, participated in Summer Davos Forum held in Tianjin, and delivered a keynote speech in the seminar "Global Risk Review: East Asia diagnosis". The Summer Davos Forum this year was jointly organized by Tianjin Municipal Government and World Economic Forum, whose theme is "Creating the Future Economy". Premier Wen attended the opening ceremony. 2000 business leaders, experts and scholars from all over the world took part in the forum and discuss topics receiving international concern in depth. The forum was a complete success.
- In 2012, CIDEG and UCSD jointly carried out the project titled "Innovation capacity of new industries in China and the United States". Also, CIDEG, the German Development Institute and the Indian Institute of Technology jointly held the project entitled "Technological Trajectories for Climate Change: Mitigation and policy research".
- In 2012, Professor Xue Lan, Director of CIDEG, was invited to serve as co-chairman of the Global Leadership Council of the UN Sustainable Development Solutions Network. He played an active role in setting the New United Nations Millennium Development Goals and sustainable development objectives.

### **Policy Impacts**

CIDEG has gathered a large number of China's top policy researchers, scholars and officials, and has significant policy influence in their related fields, playing a key role in the Chinese policymaking process. Some activities are listed below:



From November 8 - 14, 2012, Professor Hu An-Gang, a member of CIDEG's academic committee, attended the 18th National People's Congress of the CPC held in Beijing as a representative, witness and participant in the process of collective leadership succession.

On November 10<sup>th</sup>, 2012, Professor Barry Naughton, visiting scholar at CIDEG, commented on China's future economic development trends as a guest in a CCTV International Channel program.

Additionally, previous research projects carried out at CIDEG continue to influence and expand local policy.

In 2010, Zhang Yanbing led a project entitled "China's Role in International Development". Academics that took part in the project published several papers both in Chinese and English, and wrote articles on the Outlook of Chinese Social Sciences to explore related topics. They also published four articles for Internal Reference at Xinhua News Agency, receiving attention and important feedback from the central leadership.

In 2007, the project entitled "Reform of China's Health Care System" led by Bai Chong-En and Liu Yuanli proposed the so-called "Tsinghua Plan" at a critical stage for China's health care reform. Part of their policy suggestions were adopted and began to take effect in subsequent reforms.

In 2006, Jiang Xiaojuan led a program entitled "China's Global Service Outsourcing: Extension of the Global Chain in the Division of Labor and the Development of China's Service Industry". Monographs and papers of this project were frequently cited. The young scholars involved in the project are experts in this field, and also actively participated in the formulation of new policies. For example, Wang Xiaohong, a member of the research group, served as the main drafter for 12th Five-Year Plan of China's International Service Outsourcing Industry published by Ministry of Commerce.

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# >> Management Team



#### **Center Director**

XUE Lan Dean, Professor, School of Public Policy and Management, Tsinghua University

#### **Assistant Director**

CHEN Ling Associate Professor, School of Public Policy and Management, Tsinghua University

#### **Administrative Executive (Adjunct)**

MENG Bo Assistant Dean, Director of the Office of International Cooperation and Exchange

School of Public Policy and Management, Tsinghua University

Tsinghua University

#### **Administrative Assistant**

Ms. ZHANG Aiyan Ms. FENG Ye (Adjunct)

# >> Website

The CIDEG Website (http://www.cideg.org.cn) consists of sections on Recent Developments, Research Reports, Academic Activities, and Project Progress. To promote the spread of knowledge and academic exchanges, the Website presents timely reports on CIDEG's academic activities and research projects and publishes the full texts of CIDEG's research reports and presentations at academic salons. The Website is published in both English and Chinese to meet the needs of readers in China and abroad.

