



# CIDEG

Center for Industrial Development  
and Environmental Governance



## Annual Review

# 2009



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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 communication, understanding, and cooperation between the academic, business, non-profit, and public sectors.



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Former Deputy Director, Development Research Center of the State Council

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Senior Researcher, Development  
Research Center of the State  
Council



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Dean, School of Public Policy and Management,  
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**XIAO Meng**

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Studies, CITIC Publishing House



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Professor, Stanford University  
President, the International Economic Association



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Senior Researcher, Development Research Center of the State Council

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**FUJIMOTO Takahiro**

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



**GAO Shiji**

Senior Research Fellow and Deputy Director General, Department of Development Strategy and Regional Economy, 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



**JI Weidong**

Dean, School of Law, Shanghai Jiao Tong University



**JIANG Xiaojuan**

Vice President, Research Office of the State Council  
Professor, Graduate School of the Chinese Academy of Social Sciences



**KANEMOTO Yoshitsugu**

Professor, Graduate School of Public Policy, University of Tokyo  
Professor, Graduate School of Economics, University of Tokyo

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Dean, School of Humanities and Social Sciences, Tsinghua University



### **QIAN Yi**

Professor, Department of Environmental Science and Engineering, Tsinghua University  
Member of the Chinese Academy of Engineering



### **QIAN Yingyi**

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



### **WANG Chenguang**

Professor, School of Law, Tsinghua University



### **WANG Ming**

Professor, School of Public Policy and Management, Tsinghua University



### **XUE Lan**

Dean, 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

## © Director

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### **XUE Lan**

Dean, School of Public Policy and Management, Tsinghua University



Research Fellow

Dr. CAO Jing

**Major research areas:** Environmental economics, public economics, energy economics



Research Fellow  
Assistant Director

Dr. CHEN Ling

**Major research areas:** Science & technology policy, industrial development and environmental governance, policy-making process



Research Fellow

Prof. CUI Zhiyuan

**Major research areas:** Politics and economics, state-owned enterprise reform and privatization, macroeconomic policies



Research Fellow

Dr. GE Dongsheng

**Major research areas:** Product development management, supplier system management, Toyota production system



Research Fellow

Dr. LI Wanxin

**Major research areas:** Public policy-making, implementation, and evaluation, regulatory governance, sustainable development



Research Fellow

Prof. QI Ye

**Major research areas:** Resource and environmental policy and management, sustainable development theories, methods, and policies



Research Fellow  
Climate Change  
Project Coordinator

Dr. RONG Fang

**Major research areas:** energy economics and policy, climate change policy, urban planning and energy demand



Visiting Scholar

Dr. Elizabeth WILSON

**Major research areas:** energy policy and law, low-carbon energy management system



Research Fellow

Prof. WU Yongping

**Major research areas:** Government and market, industrial policy, the industrial policy of local governments and regional development, Taiwan issues



Research Fellow

Prof. YU Qiao

**Major research areas:** Government and market, industrial policy, the industrial policy of local government and regional development



Research Fellow

Dr. ZHENG Siqi

**Major research areas:** Urban economics, real estate economics and housing

## Major Projects

2009

### • China's CO<sub>2</sub> Emission Reduction Targets and Action Plan

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

This project focuses on the China's target to cut greenhouse gas emissions and its plan for achieving this goal. It also aims at proposing a feasible program for the UN Climate Change Conference held in Copenhagen at the end of 2009. The project is composed of two sub-projects: A study of the China's emission reduction target and its feasibility; and the public policies and management system of China's emission reduction commitment.



### • Translations of Classics of Service Economics

Professor Jiang Xiaojuan, Graduate School of the Chinese Academy of Social Sciences

This project invites experts in the field of service economics to identify and translate into Chinese classics of service economics literatures. The preliminary selection covers a wide range of topics including basic theories, analytical works, and latest works of renowned scholars. This project makes up for the current lack of material on theoretical studies of the service industry in China and strengthens the foundation of China's research on service economic theories.



### • China's Automobile Energy Strategy ( TBD )

Mr. Feng Fei , Director-General, Research Department of Industrial Economy,  
Development Research Center of the State Council

This project comprehensively studies the strategic options of automobile energy, its influence and security. It adopts the life cycle approach to analyze the efficiency of energy conversion and pollution discharge of alternative energy. The project conducts quantitative analysis of the effectiveness of major economic stimulus policies for new energy automobiles, and proposes additional policy recommendations.

2008

### • Benchmarking Research on Competence-Building for Chinese Automobile Enterprises

Professor FUJIMOTO Takahiro, Department of Economics, University of Tokyo

This research focuses on the logics between building enterprise organizational capacity and expanding enterprise scale to explore the fundamental competitiveness of Chinese automobile enterprises in terms of R&D and production. Based on systematic measuring and comparative studies of automobile enterprises in advanced and other developing countries, this research depicts the current development of Chinese automobile enterprises and highlights the problems they are currently facing. It then proposes relevant policy solutions.



## ● **Research on the Chinese Financial Administrative System**

Professor WANG Youqiang, School of Public Policy and Management, Tsinghua University;  
Associate Professor HOU Yilin, University of Georgia

This research examines the impact of the Chinese financial system reforms on the administration of grass-roots governments since the adoption of the tax distribution system in 1994. It focuses on the following issues: the evolution of the financial administrative system and relevant mechanisms (including the budget and the final accounting system); the process of financial administration; the formulation of financial administrative policies and regulations; the functions of the financial system at the county level; public services and expenditures; coordination between routine government power and government financial power; sources of revenue and intergovernmental fiscal transfer payments.

2007

## ● **China's Global Service Outsourcing: Extension of the Global Chain in the Division of Labor and the Development of China's Service Industry**

Professor JIANG Xiaojuan, Chinese Academy of Social Sciences

This project seeks to present a systematic understanding of the current status of China's global service outsourcing and to establish a unified framework to analyze manufacturing and service outsourcing. Through a comparative study of selected countries, the project explores the relations between service outsourcing and employment, development, and productivity. In addition, it adopts an empirical approach to specific industries, in the hopes of shedding light on the significant impact that service outsourcing exerts on enterprise competitiveness and technological learning. The research also analyzes trends in China's global service outsourcing and proposes relevant policy suggestions.

## ● **Reform of China's Health Care System**

Professor BAI Chong-En, School of Economics and Management, Tsinghua University  
Professor LIU Yuanli, School of Public Health, Harvard University

This project focuses on the following five issues: international experiences and reforms of health care systems; evolution of China's health care system since the reform and opening; evaluation of the new rural cooperative medical services system; reform of the health care system; and the underlying principles, architecture, and financial impacts of health care reform.

2006

## ● **China's Environmental Governance and Its Effectiveness**

Professor QI Ye, School of Public Policy and Management, Tsinghua University

This project provides a comprehensive summary of China's environmental governance problems and describes the distinctive functions of the environmental protection departments in both the central and local governments as well as their mutual relations. In addition, the project analyzes the problems of environmental governance and the role of government policies, measures, and instruments. The project concludes by proposing specific policy suggestions for improving China's environmental governance.

- **The Interactive Relationship between the Development of Producer Services and the Upgrading of the Manufacturing Industry in China**

Professor LI Shantong, Development Research Center of the State Council and Professor in the School of Public Policy and Management, Tsinghua University

This project explores the historical evolution and the underlying principles of both the development of producer services and the upgrading of the manufacturing sectors based on a review of current domestic and international literature. Thereafter, the project analyzes the features and trends in the interactions between China's producer services and the manufacturing sectors. The project concludes with new theoretical interpretations of the relationship between the development of producer services and the upgrading of the manufacturing sectors as well as relevant policy suggestions.

## Applied Policy Research

2009

- **The Impact of Changing Energy Prices on Industrial Restructuring, Income Distribution and CPI**

Professor Li Shantong, Development Research Center of the State Council

This project establishes a model to simulate the impact of changing energy prices on industrial structure, pricing structure, standard of living at various income levels. This is achieved through analyzing the effect of fluctuating energy prices on industrial restructuring, income distribution and CPI. Subsequently, policy recommendations are proposed for China's energy pricing mechanism.



- **A Series of Studies on Chinese Strategies and Countermeasures against Climate Change**

Dr. Rong Fang, CIDEG Visiting Researcher

This project is composed of three parts: a study of the development trend and financing mechanism of the international climate system; a comparative study of developing countries' strategies against climate change in the post-Kyoto era; a study China's practice of clean development mechanism in response to the climate change.



- **Comparing China's and the European Union's Low-Carbon Innovation and Policy: A Case Study on the New Energy Automobile Industry**

Dr. Chen Ling, School of Public Policy and Management, Tsinghua University

This project systematically reviews China's and the EU's policy measures concerning the promotion of low-carbon innovation, and its application in and effects on the automobile industry. It studies multinational companies' efforts in carrying out low-carbon automobile R&D in China and its technological spillover effect, as well as puts forward the governing structure to encourage China's automobile industry to be more active in international cooperation on the low-carbon technological innovation front.

## ● **China's Role in International Development**

Dr. Zhang Yanbing, School of Public Policy and Management, Tsinghua University

This project systematically examines the western theories and practices that have facilitated international development, while focusing on China's role in international development and providing useful experiences that may be adopted by developing countries.

## ● **The Governance System of Modern Universities**

Ms. Hai Yang (TBD), visiting research associate of CIDEG

This project explores the modern governance structure of Chinese universities through the use of international comparison, interviews and questionnaires. It focuses on the internal system of governance of universities, professor appointments and doctoral education.

2008

## ● **China's Environmental Governance and Its Effectiveness: Relations between Environmental Governance and the Financial System of Local Governments**

Professor QI Ye, School of Public Policy and Management, Tsinghua University

This project explores the relations between local government environmental governance and financial systems, based on the mechanisms of government behavior. It explores the taxation system, budget constraints, and administrative discretion of local governments and attempts to use these factors to examine how the financial system hinders local governments from effectively enforcing environmental measures.

## ● **How Does China Respond to the Challenges of Global Climate Change?**

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

This research mainly discusses the following issues that China is currently facing: how to cope with climate change and become involved in international climate negotiations; how to respond to the challenges of international rules while continually pursuing economic development; how to achieve efficient and sound administration by dealing with climate change and taking part in international climate negotiations and global governance; how to convert the challenges of climate change into development opportunities; how to establish an effective governance framework for energy, environmental, and climate issues.

## ● **Reform of the Health Care System: Financial Arrangements, Incentive Mechanisms, and Competitive Choice**

YU Qiao, School of Public Policy and Management, Tsinghua University

This project compares the health coverage networks of Chinese cities in the east and west, namely Jinhua in Zhejiang province and Nanchong in Sichuan province, and summarizes their typical experiences and basic lessons. It studies the fundamental problems of the health care consumers, health care providers, paid medical services (by third parties), and medical services regulations as a fourth party and their causes. It also puts forward a feasible alternative for the establishment of city (county)-based medical and health networks.

- **Regulatory and Consumption Policies to Improve Energy Conservation and Emission Reduction by the Chinese Automobile Industry and to Increase Their Competitiveness**

ZHANG Yongwei, Development Research Center of the State Council

This research systematically evaluates various factors that affect the application of regulatory and consumption policies in the Chinese automobile industry. It also studies the design, evaluation, and integration of long- and short-term regulatory and consumption policies in this area and provides detailed policy suggestions.

- **Case Studies on the Development of the Service Industry in South Jiangsu Province and Its Institutional Restraints**

WU Jinglian, Development Research Center of the State Council

This research conducts field studies of several key service enterprises in South Jiangsu Province and focuses on the innovative measures to enhance their competitiveness and value added. It tries to collect the service industry's expectation towards institutional innovation and government and analyze the institutional restraint for the development of service industry. This research will draw on the achievements of other sub-projects to explore the following issues: the comprehensive development of South Jiangsu's service industry; the development of finance, education and logistics.

- **The Impact of Chinese Urban Expansion on Environment**

ZHENG Siqi, Institute of Real Estate Studies, Tsinghua University

CAO Jing, School of Economics and Management, Tsinghua University

This research focuses on the following three issues: (1) Collecting, analyzing, and evaluating several environmental and energy consumption indexes of Chinese cities, including indexes on energy production and consumption, air quality, and CO2 emissions. (2) Establishing econometric models based on environmental economic theory so as to analyze the relations between energy consumption and environmental quality and urban expansion indexes. This research attempts to explore the impact and extent of rapid Chinese urbanization on the environment so as to arrive at an optimal green growth model for Chinese cities. (3) This research relies on empirical analyses to put forward relevant policy suggestions that aim to mitigate the negative impact of urban expansion on the environment.

2007

- **Comparison of Chinese and Foreign Prices of Refined Oil Products**

CHEN Xiaohong, Development Research Center of the State Council

This project compares refined oil prices in China and foreign countries on the basis of an in-depth analysis of the international oil price formation mechanism. It evaluates the pricing level of China's refined oil products and the economic and social impact of oil price policies, and presents relevant policy suggestions.

- **Evaluation of Social Factors in China's Environmental Impact Assessment**

LI Qiang, School of Humanities and Social Science, Tsinghua University

This project investigates various social, economic, and environmental impacts of construction projects before, during, and after implementation, and analyzes the possible reasons for these impacts. In particular, it attempts to establish an assessment system to include the various social impacts of construction projects.

## ● **Reform of the Health Care System in Suqian**

WEI Fengchun, School of Public Policy and Management, Tsinghua University

This project aims to comprehensively analyze the reform of the health care system in Suqian so as to understand the rationale and experience of health care reform in underdeveloped regions. The project selects the reform motivations of the Suqian municipal government as a starting point for carrying out research that combines both qualitative and quantitative analyses.

## ● **Reform of China's State Administration System**

YU An, School of Public Policy and Management, Tsinghua University

This project aims to provide a comprehensive history of the general environment in China's administrative reform and to analyze the key issues in current administrative reform from the perspective of administrative law.

## ● **The Impact of Environmental Factors on Chinese Provincial Productivity**

ZHENG Jinghai, Gotesborg University, Sweden

This project uses the method of data analysis and other production function models, together with all available data in China, especially provincial data, to reevaluate provincial total factor productivity performance while also taking into account environmental pollution. The project then consolidates the calculations and analytical results into a final report, which consists of the research background, theoretical foundation, empirical methods, available data and their statistical interpretations, and estimations based on experience, analysis, and results.

## ● **Management Reform in the Provision of Medical Services in China**

SHEN Qunhong, School of Public Policy and Management, Tsinghua University

This project first analyzes China's medical services system, the relationships among the various players in the system, and the underlying principles of the system. The project then compares various management models and establishes a method to monitor the performance of medical services provided by public hospitals. Based on empirical examples, the project also analyzes factors that influence the performance of medical services. The analysis provides background for the process of health care system reform in China.

2006

## ● **International Comparison of the Social Environment for Training, Selection, and Utilization of Talent**

MENG Jianjun, Non-resident Research Fellow of CIDEG

This project conducts a comparative study of the social environment for the talent selection and utilization systems in Japan and France. The study focuses on the institutions, policies, and social environments that foster the development of competency and quality-oriented education in human resource strategies. The report has been submitted to relevant government agencies for policy reference.

CIDEG holds workshops occasionally by inviting renowned domestic and overseas scholars to introduce the development and findings in the field of environment, industry and institution. So far, CIDEG has successfully held 60 workshops, including seminars, academic workshops and lecture series. Workshops held in the last year include:

## ▣ Academic Seminars

● On January 17, CIDEG held a seminar on “[The Relationship between Housing and Employment in China’s Growing Urban Environment: Empirical Studies and Policy Implications.](#)” Scholars from the Institute of Real Estate Studies and the School of Public Policy and Management at Tsinghua University, the Institute of Geographic Sciences and Natural Resources Research of CAS, the State University of New York at Albany, and China Academy of Urban Planning and Design were in attendance. Many also contributed their papers for discussion.

● On May 15 and 16, 2009, CIDEG hosted an international seminar on “[Rent Seeking and China’s Industrial Development.](#)” Chinese experts, joined by scholars from the United States and the Netherlands, shared experiences and exchanged ideas on the topic. Speakers, whose areas of expertise included coal, finance, tobacco, automobiles, beer, and the IT industry, focused on policy measures targeting their particular industry, as well as the behavior of local governments and SOEs.



● CIDEG held a roundtable discussion on the topic of the “[Response to the Global Climate Change and the Role of NGOs](#)” on May 27, 2009. It focused on how and the extent to which NGOs should participate in the fight against global climate change, as well as China’s role in the international climate debate in the post-Kyoto era.

● On September 12, 2009, CIDEG hosted a seminar on “[Governance and Policies for Low-Carbon Development,](#)” which focused on three topics: low-carbon governance, low-carbon technological innovation, and the economics of low carbon and social development. Energy, Environment and Economy Research Institute of Tsinghua University and the University of California, discussed the institution and leadership of low-carbon urban development, the cooperation between the central and local government in low-carbon development, international collaboration in low-carbon innovation, the application of energy conservation and emission reduction technology.



● On October 17, 2009 building on the research project “[Research on Chinese Financial Administration System,](#)” CIDEG held a seminar on “County-Level Fiscal Income, Expense and Budget Management.” In addition to summarizing the progress and achievement of the research project, scholars and government officials were invited to discuss and offer valuable insights regarding specific topics of county-level fiscal income, expense and budget.

## ▣ CIDEG Salons

- ◆ On March 20, 2009, Professor [Joseph Stiglitz](#) of Columbia University and a Nobel Laureate in Economics, was invited to delivered a speech titled “[Economic Crisis and Global Economy: Experience and Lessons for Economic Theories and Policies](#)”. Professor Stiglitz explored the manifestation, causes and challenges of this financial crisis. He discussed the global behavior of the crisis, the demand deficiency, America’s failed response to the financial crisis, as well as the need to restructure the overall economic system.
- ◆ On April 13, Professor Prof. [William Hsiao](#) was invited to attend a seminar on “[Scheme and Implementation of Reforming Chinese Health Care System](#)” to discuss Chinese and foreign health care systems as well as the progress and development of China’s health care reform. Other participants included scholars from Harvard School of Public Health, Oxford Health Economics Research Center, the National Center for Economic Research at Tsinghua University, the Chinese Academy of Social Sciences, and the Chinese Academy of Medical Sciences.
- ◆ On May 15, 2009, CIDEG held the “[Indian and Chinese Innovation: How to have them interact](#)” seminar to launch Unleashing India’s Innovation. Dr. [Mark Dutz](#) of the World Bank’s South Asia Finance and Private Sector Development Department and the author of Unleashing India’s Innovation, and Dr. [Shahid Yusuf](#), the Economic Adviser of the World Bank Development Economics Research Group, delivered the keynote speeches.
- ◆ On May 19, 2009, Mr. [Robert Rogowsky](#) of the U.S. International Trade Commission (USITC) visited CIDEG to give a speech on “[Reflecting U.S. Trade Policies](#).” He focused on four issues: (1) ITC’s function and working mechanism, (2) mechanism of formulating U.S. trade policies, (3) Sino-U.S. trade relations, (4) expectations of President Obama’s trade policies.
- ◆ On August 26, 2009, Dr. [Jean-Marc Coicaud](#), the Director of the United Nations University (UNU) Office at the United Nations, gave a speech titled “[A Global Public Policy for the Future and its Implication on China](#).” This presentation explored the future for public policy at the global level, analyzed the implications of global public policy on China, and outlined potential policy recommendations for training of the next generation of scholars and policy makers.
- ◆ On November 10, 2009, Professor [William Lazonick](#) from the Center for Industrial Competitiveness at University of Massachusetts Lowell gave a speech on “[The Fragility of the US Economy](#).” He addressed the reasons for which the US economy remains fragile despite its status as the global hegemon, and its implications for China.
- ◆ On November 19, 2009, Prof. [Daniel Hershkowitz](#), the Minister of Science & Technology of Israel, delivered a speech on “[Encouraging Cooperation between Research Institutes and the Industry](#)”. Minister Hershkowitz addressed the importance of science and technology in bridging the gap among people of different races and religious backgrounds and encouraging cooperation and exchange among nations.



◆ On December 17, 2009, Dr. [Yves Tiberghien](#), an associate professor in the Department of Political Science at University of British Columbia, delivered a speech on “[Explaining China's Preferences in Global Economic and Environmental Governance: Deliberative Participation and the Case of Genetically Modified Food Regulations.](#)” Professor Tiberghien discussed the theories, predicament and approaches of global governance while focusing on China’s role in global governance.

## □ 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 to December in 2009. This series of seven lectures revolved around the topic of cutting-edge technology, and its governance mechanism and policies. Dr. Wilson is an associate professor at the University of Minnesota Institute of Public Affairs. Her research interests include energy and environmental laws and policies.

### ■ [Lecture I: Can Technology-Oriented Agreements Help Address Climate Change?](#)

On September 28, Dr. Heleen de Coninck explored the possibility of improving the reciprocity provided in international climate agreements through a focus on innovation and technology. Dr. de Coninck is a specialist in international climate policy and technology from the International Energy and Climate Policy Institute at the Energy Research Center in the Netherlands.

### ■ [Lecture II: Risk Governance in Social Perspective](#)

On October 8, 2009, Professor Ortwin Renn of the University of Stuttgart addressed issues and challenges of risk management, and proposed a new concept of risk governance to further explore the subject of risk management.

### ■ [Lecture III: Local States, Policy Capacity and the Sustainability Transition: A Study of Policies for Wind Energy Development —in Xinjiang, Shanghai and Guangdong](#)

On October 26, 2009, Ms. Daphne Ngar-yin Mah discussed the structure of wind energy governance in provincial government agencies, the role of governance, and the key factors that influence wind energy regulation. Ms. Mah is a senior researcher at the Kadoorie Institute of the University of Hong Kong.



### ■ [Lecture IV: The Evolution of Development Thought from the Marshall Plan to the Millennium Development Goals \(MDGs\) and Beyond](#)

On October 28, 2009, Professor Brian Atwood discussed the history and progress of development from the Marshall Plan to current issues facing the field. Professor Atwood is the dean of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota.



## ■ Lecture V: Beyond the Barriers to CCS Deployment

On November 12, 2009, Professor Sarah Forbes introduced the importance of CCS technology in mitigating global greenhouse gas emission, and reviewed CCS deployment and demonstrations worldwide. Additionally, she analyzed the funding of CCS projects in the US and EU, and the way in which the government formulated laws, regulations and policies to promote CCS demonstrations.

## ■ Lecture VI: The Role of Science in Decision-Making at the US Environmental Agency-in Theory and in Practice

On November 25, 2009, Dr. Donald Barnes discussed the ways in which scientists and engineers support the government in making environmental policies. Dr. Barnes is the former director of the Science Advisory Board (SAB).



## ■ Lecture VII: Wind Power: The Relationship between Media Representation, Stakeholder Perceptions and Technology Deployment

On December 24, 2009, Dr. Elizabeth J. Wilson addressed the role played various political, economic, and technical approaches in achieving the current wind energy deployment in the United States. Dr. Wilson is an Associate Professor at the University of Minnesota and a current visiting professor at CIDEG.

## □ Academic Competition

### ※ Essay Contest

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2009

In order to raise public awareness of climate change and low-carbon economy among young scholars in various fields, CIDEG successfully held the Young Scholar Essay Contest in both 2007 and 2008. The theme of the 2009 contest was “Combating the Climate Change and Shifting towards the Low-Carbon Economy.” 18 papers from Tsinghua University, Chinese Academy of Social Sciences, Southeast University, Renmin University of China, University of Southern California and other universities or research institutes advanced into the final round of the contest following the preliminary examination of the expert panel. Dr. Chen Qixin from Tsinghua University and Dr. Fu Sha from Renmin University received the Nomination Award. Other four candidates received the Encouragement Award.

2008

CIDEG held the second essay contest for young scholars on “Global Climate Change: Countermeasures of Developing Countries.” A large number of candidates from Tsinghua University, Renmin University of China, the Chinese Academy of Social Sciences, and other universities or research institutes took part in the contest. Dr. Wang Ke from Renmin University of China won first prize, Dr. Cao Jing from Tsinghua University and Ms. Cai Wenjia from Tsinghua University were runner-ups.

2007

In order to encourage young scholars to become more involved in research on environmental protection and economic development, from May to July 2007 CIDEG held an essay contest on the sustainability of economic growth for young Chinese scholars throughout the world. A total of 27 candidates from domestic and foreign universities, including Harvard University, Cambridge University, and Tsinghua University, took part in this contest. Dr. Zheng Siqi from Tsinghua won first prize and three other candidates were nominees.

## ※ Undergraduate Field Investigation Contest

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In 2009, CIDEG held the first Undergraduate Field Investigation Contest in an effort to encourage students to actively participate in field investigations. On November 6, CIDEG successfully launched the first Undergraduate Summer Vacation Field Investigation Contest on “Low-Carbon Consumption in My Life.” The Excellence Award was awarded to the team of Yang Fan, Huo Yi, Li Wei and Liu Yue from Department of Construction Management at Tsinghua University. The Encouragement Award went to Ma Yuge and Li Jinghua from the School of Architecture at Tsinghua University, Li Yuan from the School of Architecture in Tsinghua University. The two teams that received the Memorial Award were Zhang Bin and Liu Fenglin from the Department of Environmental Science and Engineering at Tsinghua University, and Wang Yaqi from the Institute of Nuclear Energy Technology at Tsinghua University.

## ● International Cooperation on Climate Change in 2009

In October 2009, CIDEG joined the International Climate Change Information Programme (ICCIP) as a founding member. Initiated by the Hamburg University of Applied Sciences, ICCIP's members include UNEP, UNESCO, WMO, IPCC and FAO. The purpose of ICCIP, in collaboration with the UN, universities, research institutes, governments, and NGOs, is to acquire and disseminate the latest scientific discoveries on climate change and engage in educational, publicity and academic activities concerning climate change. Currently, CIDEG is launching a cooperative project to explore the impact of climate change on developing nations and evaluate the countries' ability to adapt to and mitigate the climate change.

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## ● International Program on a Low Carbon Economy and Innovation

Working with the UK think-tank Demos, CIDEG co-organized the research project on “International Cooperation and Governance Structure of a Low Carbon Economy and Innovation: Case Studies of the Chinese and EU Automobile Industries.” This research conducts case studies of Chinese and EU automobile enterprises to shed light on the current situation of R&D and international cooperation for low carbon technologies in the automobile industry, particularly management and strategies for international cooperation in intellectual property rights. In addition, this research compares the policies and innovation systems of China and the EU and explores the optimal model for global governance of low carbon technologies.

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## ● Pacific Rim Cities: Climate Change Mitigation and Adaptation Strategies

Tsinghua University joined several distinguished members of APRU to develop a collaborative research proposal through its Center for Industrial Development and Environmental Governance (CIDEG) in October 2007. The project is entitled: Pacific Rim Cities: Climate Change Mitigation and Adaptation Strategies. The purpose of the PRC/CMAS project is to build research collaboration among a trans-Pacific set of APRU/AWI member universities, focusing on common issues posed by climate change and the sustainability goals of major cities in the Pacific Rim. The first phase of the project is intended to provide initial results of practical value to public and private sector decision-makers and to develop an external funding strategy to go beyond the first year. CIDEG co-organized and hosted the first (planning) meeting in October 2007 and participated in the second meeting at the University of Malaysia. The insightful discussions at these conferences guarantee satisfactory progress on this project.

## ☐ CIDEG Research Series

Chief Editor: XUE Lan    Published by Shanghai SDX Joint Publishing Company.

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

Authors: LI Shantong, GAO Chuansheng    Published in November 2008

This book explores the development environment and the current situation of Chinese producer services and analyzes the interactive development between producer services and manufacturing, focusing particularly on their special relations and features. This book also conducts in-depth case studies of automobile enterprises and integrated circuit enterprises and probes into their upgrading in terms of industrial development, regional differences, and functions. In addition, the outsourcing of producer services is carefully studied and several policy suggestions are put forward regarding how China should select an optimal approach for international subcontracting.



### ● China's Environmental Regulation Mechanism

Authors: QI Ye et al.    Published in November 2008



This book conducts a systematic investigation of China environmental regulation mechanisms. This book also explores the fundamental institutional and systemic causes of this situation and provides feasible suggestions for the Chinese government to improve its environmental regulation system. In addition, the book studies traditional environmental management systems and describes some typical phenomena in environmental regulation. It explores the institutional and systemic causes of some regulatory deficiencies that have long been ignored, which is of great practical value for the improvement of China's environmental regulatory system.

## ☐ Book Series on “Service Outsourcing and Development of the Chinese Services Industry”

Chief Editor: JIANG Xiaojuan    Published by Renmin Press

### ● Services Globalization and Services Outsourcing: Status Quo, Trends, and Theoretical Analysis

Authors: JIANG Xiaojuan et al.    Published in November 2008

This book comprehensively reviews service outsourcing, describing its major features and significance in different respects. It carefully analyzes the macro environment for the development of service outsourcing and creates a new theory to explain human capital contract changes and industrial organization restructuring. This project makes a quantitative analysis of the current situation and trends in Chinese service outsourcing as well as in key industries, such as the software industry, design industry, banking industry, and insurance industry. India and Hong Kong, as the major outsourcing destinations, are also carefully examined.





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

Authors: LIU Shaojian Published in November 2008

This book defines the notion of international software outsourcing and its theoretical analysis framework based on foreign and domestic research literature, and classifies China's undertaking international software outsourcing into four patterns. The author believes that undertaking international software outsourcing might bring about a technical spillover effect and multinationals can play an even more outstanding exemplary role in this regard. In addition, this book compares China and India in terms of their capacity to undertake international software outsourcing and proposes feasible strategies for the Chinese government.

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

Authors: YANG Lin, WANG Jiajia Published in November 2008

While integrating theory and practice as well as quantitative and qualitative analyses, this book systematically analyzes financial services outsourcing theories, features, and trends in world financial services outsourcing, the effect of global financial services outsourcing, relevant factors and risks, as well as the current developments, features, and locational advantages of Chinese financial services outsourcing. At the same time, the book proposes policy options for the development of the Chinese outsourcing industry based on the Indian experience and the current Chinese situation.



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

Authors: WANG Xiaohong Published in November 2008



This book studies the development of global design services offshore outsourcing which is subject to the international division of labor. The current situation, main benefits, and prospects for China to undertake international design outsourcing are examined. In addition, the book describes the development of India's undertaking of international design outsourcing and the successful measures that major outsourcing countries and regions take to promote the design service industry, thus summarizing specific policy recommendations to foster the development of Chinese design outsourcing and China's design competitiveness.

● **Global Services Outsourcing and the International Division of Trade Theory**

Authors: JIANG Rongchun forthcoming

Based on the international division of trade theory, this book explains how international trade theory, foreign direct investment theory, new institutional economics, and management theory contribute to the development of service outsourcing research and it emphasizes the role of technological progress as an exogenous variable factor in promoting the development of service globalization and outsourcing. In addition, the book explores the internal mechanisms and external conditions for the development of service outsourcing against the backdrop of the globalization of the service industry and sheds light on general theories and rules for research on offshore service outsourcing.

## ● Developing Services Outsourcing: Experiences from India

Authors: LI Hui    forthcoming

This book focuses on the current situation, course, and influences on Indian outsourcing development, and analyzes India's reform of the telecom industry as well as its significance for outsourcing. The research concludes that the government might adjust its economic policies according to the changing economic situation and utilize the opportunity of globalization, thus giving an impetus to the outsourcing industry. It is believed that strengthening the function of industrial associations and reinforcing the protection of intellectual property rights will play a positive role in the development of the outsourcing industry.

## ☐ CIDEG Translation Series

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

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

Author: Liang Wensong, Zeng Yufeng    Publication Date: December 2009



In a world of uncertainty and change, current achievements are no guarantee for future survival. Even if the initial chosen set of principles, policies and practices are good, static efficiency and governance would eventually lead to stagnation and decay. This book provides an in-depth look at dynamic governance, the key to success in a world of rapid, increasing globalization and unrelenting technological advancements. If bureaucratic public institutions can evolve and embed the culture and capabilities that enable continuous learning and change, their contributions to a country's socio-economic progress and prosperity would be enormous.

## ● Unleashing India's Innovation

Author: Mark Dutz    Publication Date: January 2009

Since India launched its economic reform in 1991, the country's economic growth has been gradually catching up with that of China, particularly in the IT and health industries. However, the majority of India's citizens has not benefitted from the innovation and outstanding growth in these industries. Dutz's book explores the ways to not only maintain the current growth in the IT and health industry and promote innovation in other sectors, but also enable the people to benefit from this rapid economic growth. The discussion offers valuable insights for China's innovation strategy.





## ● Promoting Enterprise-led Innovation in China

Authors: Chunlin Zhang, Douglas Zhihua Zeng, William Peter Mako, James Seward

Publication Date: April 2009

The significance of this book consists in clarifying why the enterprises, rather than the governments, should lead the independent innovation. It is beyond dispute that nowadays governments play a vital role in stimulating economic growth. But during this process what deserve more attention is how to find an accurate position. This book recommends actions along four dimensions: pursuing a balanced strategy, creating the right incentives, building capacity of the private sector, and strengthening the ecosystem for the venture capital industry.

## ● The Big Necessity

Author: Rose George Publication Date: July 2009

Around 80% of the diseases worldwide are caused by inappropriate disposal of human feces. A child dies from fecal-contamination every 5 seconds. In human history, nearly all of the major epidemics are related to inappropriate fecal disposal and inadequate public health system. In other words, bad fecal disposal has become a serious threat for human health. After careful surveys and studies in various countries, the author breaks into this forbidden zone and explores its crucial relationship with the public health in order to highlight the graveness and urgency of correctly dealing with feces.



## ● Stability with Growth

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

There is growing dissatisfaction with the economic policies advocated by the IMF and other international financial institutions -- policies that have often resulted in stagnation, crisis, and recession for client countries. This book provides an alternative to the "Washington Consensus" neo-liberal economic policies by showing that both macroeconomic and liberalization policy must be sensitive to the particular circumstances of the developing countries. The book presents an alternative framework and discusses how alternative approaches to economic policy can better serve developing countries both in ordinary times and in times of crisis.

## ● The Economics of Medical Reforms

Author: Byung-Kwang Yoo Published in June 2008

Reform and innovation of the medical system are matters of global concern that pose the following difficulties for every country. This book discusses the realities of the development of the medical industry on the basis of economic principles and seeks to establish a sustainable reform program that will satisfy the requirements of future society, while drawing on the lessons and experiences of such developed countries as Japan and the United States. China's medical system design is at a critical stage, attracting great public attention. Therefore, this book is of reference value for relevant government departments, the medical industry, and various research institutes.



● **Housing Policy in the United States**



Author: Alex F. Schwartz    Published in April 2008

Alex Schwartz's *Housing Policy in the United States* is an essential introductory textbook that covers the foremost issues in the field, introduces key concepts and institutions, and examines the most important programs. It begins with a discussion of the context surrounding U.S. housing policy. Following this, the book focuses on individual subsidy programs. The closing sections discuss issues and programs that do not necessarily involve subsidies, including homeownership, mixed-income housing, and governmental efforts to improve access to housing by reducing discriminatory barriers in the housing and mortgage markets. It concludes with reflections on future directions of U.S. housing policy.

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

Author: Matthew E. Kahn    Published in January 2008

In *Green Cities*, Matthew Kahn surveys the burgeoning economic literature on the environmental consequences of urban growth. He discusses the environmental Kuznets curve, which theorizes that the relationship between environmental quality and per capita income follows a bell-shaped curve. The heart of the book unpacks and expands this notion by tracing the environmental effects of economic growth, population growth, and suburban sprawl. His concluding chapter addresses the role of cities in promoting climate change and asks how cities in turn are likely to be affected by this trend.



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

Author: Edward Luce    Published in November 2007



In *In Spite of the Gods*, Edward Luce, makes brilliant sense of India and its rise to a global power. Luce shows that India is an economic rival to the U.S. in an entirely different sense than China is. There is nothing in India like the manufacturing capacity of China. An inept system of public education leaves most Indians illiterate and unskilled. Yet, at the other extreme, the middle class produces ten times as many engineering students a year as the United States. Notwithstanding its future as a major competitor in a globalized economy, American leaders have been encouraging India's rise, even welcoming it into the nuclear energy club, in hopes of balancing China's influence in Asia. Above all, *In Spite of the Gods* is an enlightening study of the forces shaping India as it tries to balance the stubborn traditions of the past with an unevenly modernizing present.



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

Author: Takahiro FUJIMOTO      Published in June 2007



The book takes advantage of international comparative studies to explore the following questions during the several rounds of intense trade frictions between America and Japan since the 1970s: How did Japanese automobile enterprises cope with the urgent pressures from American enterprises? How did they adapt to the radically changing trade environment, for instance, due to the appreciation of the Yen? How did they gain greater organizational abilities instead of being forced to change their modes of production as a kind of compromise? The answers to these questions are of far-reaching reference value for managerial personnel in automobile enterprises as well as for policy-makers.

● **Reminiscences of an Environment Chief**

Author: Seiko Dolph      Published in January 2007

The author of this book is a retired official in the Japanese Ministry of Health, Labor, and Welfare. He recalls how environmental legal policies were formulated in government and industry departments to compensate victims of the industrial pollution in the 1950s and the 1960s. This is relevant to Chinese environmental legislation and other systemic changes.



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

Author: Geoffrey Heal      Published in July 2006



The book explains the idea of combining environmental protection with market mechanisms, which shows that the benefits of “market-based environmental protection” far outweigh the value created by commercial activities that harm the environment.

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

Author: Kenichi OHNO      Published in May 2006

The book describes Japanese's unique development course from a backward “developing country” to a developed industrialized country. It reflects a “translative adaptation” concept, meaning that a country is not dominated by external pressures but rather actively participates in the globalization process. This is of great importance to the development of China.



## ☐ Other CIDEG Publications



### ● China to Fight Global Climate Change

Author: Hu An-Gang, Guan Qingyou Publication Date: November 2009

Climate change is among the biggest challenges in human history with its far-reaching consequences. China has already been gravely affected, and as a responsible nation, it should fight against global climate change in an efficient and appropriate manner. This book classifies the 200 plus countries in the world into four categories and recommends a strategy for China in responding to this issue. The program proposes China make an emission commitment and transform its current economy into a low-carbon economy.

### ● By Force of Thought

Author: Janos Kornai Published in April, 2009

This autobiography of Janos Kornai, a Hungarian economist, documents his research career and achievements in the past 50 years as well as the social and political environment during that time. It clearly depicts the author's courage in carrying out his research and seeking truth despite encountering many challenges.



### ● My : Trans-Boundary Game in Life

Author: AOKI Masahiko Publication Date: October 2009

This is the memoir of Professor Aoki Masahiko, one of the most respected Japanese economists. He is the President of Research Institute of Economy, Trade and Industry (RIETI), a professor at Stanford University, and the President of International Economic Association. Professor Masahiko is an expert in comparative institutional theories. He is renowned for his "inside control" theory and an authority on the "other type of transition." His work has greatly influenced a new generation of Chinese economists.

### ● From Authority to Democracy: The Political Economics of Sustainable Growth

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

Once a developing country joins the ranks of the middle-income countries, it is bound to face many stark challenges. Therefore, the International Economic Association (IEA) invited economists from the United States., China, India, Chile, and the World Bank to take part in intensive discussions on sustainable growth so as to draw on the successful experiences of different countries and regions. During the conference, scholars from different backgrounds exchanged opinions and comments on four hot topics: the economic miracle and development path of East Asia; the experiences and lessons of Latin America; a comparison between India and China; and the appropriate development model for China's sustainable growth.





### ● **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

This book reviews the definition of poverty and possible causes for poverty based on economic theory. It then establishes a theoretical framework on the effect of information dissemination on peasant income and analyzes this mechanism based on the following argument: effective information dissemination expands the market, promotes the formation of an effective market, and enhances productivity. The book includes an empirical analysis of the current situation and problems for information dissemination in Chinese rural areas. Based on the empirical results, the authors argue for effective information dissemination in the rural areas and put forward corresponding policy suggestions.

### ● **Establishing a Health-for-All Society**

Author and Editor: LIU Yuanli, LI Weidong

Published by Chinese Peking Union Medical College Press

This book conducts systematic research on four sub-systems of China's health care system, namely the health insurance system, the medical service system, the health resource system, and the medical regulation system. The three pillars for the "health-for-all society" are highlighted as the health care system, the health-for-all economy, and the health-for-all culture.



The CIDEG Web site (<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 Web site 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 Web site is published in both English and Chinese to meet the needs of readers in China and abroad.

