



CIDEG

Center for Industrial Development
and Environmental Governance

Annual Review 2007



Nov. 5, 2007

○ About CIDEG



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



Add.: School of Public Policy and Management,
Tsinghua University
Beijing, P. R. China, 100084
Tel: (86-10) 62772497
Fax: (86-10) 62772593
E-mail: cideg@tsinghua.edu.cn
<http://www.cideg.org.cn>

○ The Board of Directors

• Chairman of the Board



CHEN Qingtai

Dean, School of Public Policy and Management, Tsinghua University

• Board members (In alphabetical order)



AOKI Masahiko

Takahashi Professor Emeritus,
Senior Fellow, Stanford Institute of Economic
Policy Research (SIEPR), Stanford University
Senior Fellow, Freeman Spogli Institute for
International Studies (FSI), Stanford University



SASAKI Akira

Senior Managing Director,
Toyota Motor Corporation



ISOGAI Masashi

President, Toyota Motor (China) Investment
Co., Ltd.



Lawrence J. LAU

President, Chinese University of Hong Kong



LU Mai

Secretary General, China Development
Research Foundation



NAKAGAWA Katsuhiro

Vice Chairman, Toyota Motor Corporation



QIAN Yingyi

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



QIN Xiao

Chairman, China Merchants Group
Chairman, China Merchants Bank



QU Geping

Chairman, China Environmental Protection Foundation
Chairman, Oriental Environmental Institute



TOKUCHI Tatsuhito

Managing Director, CITIC Securities Corporation



WU Jinglian

Senior Researcher, Development Research Center of the State Council



XIAO Meng

Senior Editor, Journal of Comparative Studies, CITIC Publishing House



XIE Weihe

Vice President, Tsinghua University



XUE Lan

Executive Associate President, Development Research Academy for 21st Century Tsinghua University
Professor, School of Public Policy and Management, Tsinghua University

• Academic Committee

• Joint Chairpersons



AOKI Masahiko

Takahashi Professor Emeritus,
Senior Fellow, Stanford Institute of Economic
Policy Research (SIEPR), Stanford University
Senior Fellow, Freeman Spogli Institute for
International Studies (FSI), Stanford University



WU Jinglian

Senior Researcher, Development Research
Center of the State Council

• Members of the Academic Committee (In alphabetical order)



BAI Chong-En

Professor and Chairman, Department of
Economics, School of Economics and
Management, Tsinghua University



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



JI Weidong

Professor , Graduate School of Law, Kobe
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



LI Qiang

Dean, School of Humanities and Social
Sciences, Tsinghua University



QIAN Yi

Professor, Department of Environmental
Science and Engineering, Tsinghua
University
Member of 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

Dean, School of Law, Tsinghua University



Christine P. Wong

Henry M.Jackson Professor of International
Studies, University of Washington



XUE Lan

Executive Associate President, Development
Research Academy for 21st Century Tsinghua
University
Professor, School of Public Policy and
Management, Tsinghua University

• Executive Director



XUE Lan

Executive Associate President, Development
Research Academy for 21st Century Tsinghua
University
Professor, School of Public Policy and
Management, Tsinghua University

◎ Research Group



Research Fellow in Residence

Professor WU Yongping

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



Research Fellow in Residence

Professor QI Ye

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



Research Fellow in Residence

Professor CUI Zhiyuan

Major research areas: Politics and economics, state-owned enterprises reform and privatization, macroeconomic policies, organizational reform of government, finance and taxation system reform



Research Fellow in Residence

Professor YU Qiao

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



Research Fellow in Residence

Dr. ZHENG Siqi

Major research areas: Urban Economics, Real Estate Economics and Housing



Research Fellow in Residence

Dr. CAO Jing

Major research areas: Environmental Economics; Public Economics; Energy Economics; Integrated Modeling of Economic and Environmental Systems; Climate Change Economics and Modeling



Non-resident Research Fellow

Dr. GE Dongsheng

Major research areas: Product Development Management, Supplier System Management, Toyota Production System



Non-resident Research Fellow

Dr. LI Wanxin

Major research areas: Public Policy-making, Implementation, and Evaluation; Regulatory Governance; Sustainable Development; Corporate Social Responsibility



Adjunct Research Fellow

Dr. MENG Jianjun

Major research areas: Product Development Management; Supplier System Management; Toyota Production System

○ Research

• Completed Projects

“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, using input-output tables of all sectors from 1992 to 2002, the project analyzes the features and trends in the interactions between China’s producer services and the manufacturing sectors. Case studies were conducted in a number of industries and regions in order to verify the above-mentioned features, trends, and laws. 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.

“International Comparison of the Social Environment for Training, Selection, and Utilization of Talent”

Dr. MENG Jianjun, Adjunct Research Fellow of CIDEQ

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 as a policy reference.

“Comparison of Chinese and Foreign Prices of Refined Oil Products”

Dr. 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.

“Reform of the Health Care System in Suqian”

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

This project aims to analyze comprehensively the reform of the health care system in Suqian so as to understand the rationale and experience of health care reforms 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.

• Ongoing Projects

• Major Projects

“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 will also analyze trends in China’s global service outsourcing and will propose 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; reform of the health care system; and the underlying principles, architecture, and financial impacts of health care reform.

“The Classification Mechanism of China’s Advanced-Tech Products and Relevant Government Policies” (Sponsored by the Ministry of Finance)

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

Professor Zhang Yansheng, Economic Research Institute of the National Development and Reform Commission

This project examines the definition and classification mechanism for advanced-tech products and services in China, and conducts a comparative study of selected countries. It then evaluates the impact of China’s preferential policies toward advanced-tech products. The project attempts to develop new methodologies to classify advanced-tech products and proposes policy changes with regard to China’s high-tech industries.

• Applied Policy Research

“Evaluation of Social Factors in China’s Environmental Impact Assessment”

Professor 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 will attempt to establish an assessment system to include the various social impacts of construction projects.

“The Impact of Environmental Factors on Chinese Provincial Productivity”

Dr. 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 the total factor productivity performance of the provinces while taking into account the 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, estimations based on experience, analysis, and results.

“Reform of China’s State Administration System”

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

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

“Management Reform in the Provision of Medical Services in China”

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

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

“Reform of the Health Care System: Financial Arrangements, Incentive Mechanisms, and Competitive Choice”

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

This research focuses on Jinhua city in Zhejiang province in the east and Nanchong city in Sichuan province in the west. Attention will be focused on the coordination of health coverage networks based on a solid empirical foundation of the typical experience of the lessons in the two selected cities. At the same time, the establishment of city (county)-based medical and health networks may provide an alternative mode of coverage. This study will examine the basic issues and background of the health care consumers, health care providers, paid medical services by third parties, and medical services regulation as a fourth party. Financial arrangements and incentive mechanisms will be analyzed as key points in the competitive choice to resolve the long-standing problems in the medical system.

“A Survey and Analysis of Financial Management at the County Level”

Dr. HOU Yilin, University of Georgia, U.S.

This project examines and analyzes typical county level and city regional data on fiscal management and the social economy in the eastern, central, and western areas of China so as to explore the role of county-level government in social transition. It attaches particular importance to the following two issues: policy-making and rule-making in financial management, and the compatibility of administrative power and financial power.

○ Policy Consultation and Communication

At present, China's healthcare reform is a popular topic that has attracted the attention of both the government and the public. In September 2006, the fifth CIDEG joint executive council meeting suggested that CIDEG pay more attention to China's healthcare reform. Thereafter, CIDEG organized in succession several research projects and academic activities in this regard, taking an active part in the discussion on China's healthcare system reform. In November 2006, CIDEG funded a short-term project on "Reform of the Medical and Health Care System in Suqian," which was followed by the support for a major project on "Reform of China's Healthcare System reform" in February 2007.

CIDEG researchers, including Prof. XUE Lan, Prof. BAI Chong-En, and Prof. LIU Yuanli participated and presented their views on China's healthcare system reform in a major conference convened by the State Council Leading Group on China's Healthcare System Reform to review the reform proposals in late May, 2007. During the conference, they also briefed leaders of the Leading Group on CIDEG's research on China's Healthcare System Reform.

On June 9th, 2007, CIDEG sponsored Tsinghua Symposium on China's Healthcare system reform. Renowned experts at home and abroad, including managers of leading hospitals, discussed the initial draft of the "Tsinghua Proposal on China's Healthcare System Reform". After further revision, the proposal was submitted to the State Council Leading Group. The proposal was very well received by the leaders of the Leading Group, who invited Prof. BAI Chong-En, Prof. QIAN Yinyi and Prof. XUE Lan, to a special consultation session to discuss the Tsinghua Proposal in detail.



◎ Academic Activities

• Major International Conferences

• Tsinghua Reform Program for China's Health Care System

The Tsinghua international symposium on China's health care reform, organized by CIDEG, was successfully held on 9 June 2007. The research team on China's health care reform (a major CIDEG research project) presented the objectives and principles, overall framework, and institutional innovation of the Tsinghua Reform Program for China's health care system. The long-term goal of this program was to establish a health care system that guarantees universal access to basic health care services. It constructed an overall framework of the reform program, providing different health care services for various groups in different regions based on their unique needs while taking into account such constraints as the current reforms of public institutions, unbalanced development, and the differing attitudes of all the relevant parties. In addition, the Tsinghua Reform Program carried out research on institutional innovation in terms of financial support, organizational support, and technology support for health care. In-depth discussions took place during the conference. Prominent American scholars in this field introduced international experiences in carrying out medical and health care reforms, especially U.S. experiences. They exchanged views with Chinese scholars and presented constructive suggestions for the Tsinghua Reform Program.



• International Economic Association (IEA) Roundtable Conference

— The Political Economy of Sustainable Growth

On 10-11 July 2007, CIDEG hosted the IEA Roundtable Conference: The Political Economy of Sustainable Growth in Beijing, co-organized with the School of Economics and Management of Tsinghua University. Participants included economists from the United States, India, Japan, South Korea, Chile, and China. The main topic of the conference was sustainable economic and social development in the contemporary world. Professor AOKI Masahiro and Professor WU Jinglian jointly presided over the discussions.



During the conference, scholars from different backgrounds exchanged opinions and comments on four topics: the economic miracle and development path of East Asia; the experiences and lessons from Latin America; a comparison between India and China, two large Asian countries with totally different political systems; and the appropriate development model for China's sustainable growth. The discussions all focused on what kind of institutional system is supportable and sustainable for a developing country to evolve into a modern state.

The participants at the conference presented the following arguments: some degree of an authoritarian system may limit the negative effects of populism and strengthen the decision-making and administration capability of the government, which can contribute to an economic take-off. On the other hand, some supplementary policies are also necessary to deal with the new problems of development and to maintain social order so that the virtuous circle of economic growth and society harmony can be realized. However, stability and growth over the long term require wider political participation by the different classes to prevent powerful incumbent groups from holding too much power. The experiences from India, Latin America, and the East Asian countries all support the above opinions.

The conference was highly successful and influential.



• International Economic Association (IEA) Roundtable Conference — The Sustainability of Economic Growth

On 13 and 14 July 2007, the International Economic Association (IEA) roundtable conference on “The Sustainability of Economic Growth,” jointly organized by IEA and CIDEG, was held at Tsinghua University. The subject of this conference was the sustainability of economic growth. Many well-known experts and scholars in the field of economics both at home and abroad participated in discussions on the major issues in the sustainable development of the global economy.

Professor Jeffrey Hill from Columbia University and Professor XUE Lan from Tsinghua University were the conveners of the conference. Professor Aoki Masahiko from Stanford University, director of IEA, chaired the opening ceremony. During the two-day conference with lively and meaningful discussions, the participants presented their research results on specific issues in such fields as resource management, deforestation, agricultural production, air pollution control, the environment and trade, climate change and mortality, and environmental protection of enterprises.

• Academic Seminars

Professor WANG Huijiong, senior research fellow in the Development Research Center of the State Council and deputy director of its academic committee, gave a speech on “A Forecast on the Industrial Structure in the 21st Century” at CIDEG on 20 January 2007.

Professor Wang first briefly reviewed the history of industrial structure analysis and its methodological foundation, and then comprehensively described the current situation and trends in the global industrial structure at the beginning of the 21st century. Finally, he analyzed eight factors that will affect change in the industrial structure in the future. Professor Wang believes that change in the global industrial structure is a process of historical evolution.



Professor Robert F. Sawyer, the chairman of the California Air Resources Board and professor emeritus at the University of California at Berkeley, was invited to attend CIDEG’s academic salon on 5 April 2007. He presented a well-received speech on “From Science to Regulations--On California Air Quality Projects” to teachers, students, and others engaged in environmental management to provide them with a better understanding of the transformation from scientific research to public policies and regulations.

Dr. Richard Silbergliit, physical scientist and chief researcher on global technology at the RAND Corporation, and Dr. Anny Wong, political scientist and cooperative researcher on global technology, on 4 June 2007 presented “Prospects for Global Science and Technology--The Outlook for Developing and Applying Science and Technology.” The talk was based on a recently released Rand study, entitled The Global Technology Revolution 2020: Trends, Drivers, Barriers and Social Implications.

Professor ZHENG Jinghai from the Economics Department of Gotesborg University in Sweden delivered a speech on “The Total Factor Productivity Calculation in Consideration of Environmental Factors” in CIDEG’s conference room on 14 June 2007. The seminar primarily covered the following topics: presentation of productive technology, mathematical representation of the distance function, decomposition of the productivity index, introduction to the directional distant function, and application of total factor productivity calculations in consideration of environmental factors in the OECD and Asian countries.

• International Cooperation

The Association of Pacific Rim Universities (APRU) World Institute (AWI) held a workshop on “Climate Change and Sustainable Cities--Challenges and Opportunities,” hosted by the University of California at San Diego in April 2007. Following the meeting, the AWI Board endorsed a proposal from the University of Melbourne to develop a Pacific Rim Cities research project. Representatives from the AWI were invited to join an organizing committee to develop a Pacific Rim Cities research project. CIDEQ Fellow Professor QI Ye participated in this program on behalf of CIDEQ.

The project held its first planning meeting on 14 October 2007 at Tsinghua University, hosted by CIDEQ. The specific objectives for the first project meeting were to define the research questions and approach; identify participating city/region teams; agree on goals for the following year; and develop an initial budget and strategy. The meeting achieved these objectives as a result of the successful cooperation between AWI and CIDEQ.

The organizing committee plans to meet again in April-May 2008, tentatively at the University of Malaya in Kuala Lumpur.



• Essay Contest

In order to encourage young scholars to become more involved in research on environmental protection and economic development, from May to July 2007 CIDEQ 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. Professor Aoki Masahiko, IEA chairman-designate, Professor Jeffrey Hill from Columbia University, and Professor XUE Lan, director of CIDEQ, presented the awards to the winners.



○ Publication

Column of CIDEQ: *The Journal of Comparative Studies* has established a CIDEQ column.

CIDEQ Book Series: Professor Aoki Masahiko and Professor WU Jinglian serve as the chief editors of the CIDEQ book series, published by China Citic Press.



• Published Books

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 actively participates in the globalization process. This is of great importance to the development of China.

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 the market mechanism, which shows that the benefits of "market-based environmental protection" far outweigh the value created by commercial activities that harm the environment.

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.

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

Author: Takahiro Fujimoto

Published in June 2007

Why is the Japanese automobile industry so powerful? An authority on the international automobile industry, the author reveals the true story behind this mystery. The book also takes advantage of international comparative studies to explore the following questions: during several rounds of intense trade frictions between America and Japan since 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.



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, a journalist who covered India for many years, makes brilliant sense of India and its rise to global power. Already a number-one bestseller in India, this book is sure to be acknowledged for years as the definitive introduction to modern India.

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, despite the huge potential labor force. 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. Deeply informed by scholarship and history, leavened by humor and rich in anecdotes, it shows that India has huge opportunities as well as tremendous challenges that make the future "hers to lose."

• Forthcoming Books

Housing Policy in the United States

Author: Alex F. Schwartz

Alex Schwartz's Housing Policy in the United States is an essential introductory textbook that covers the most important 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, including basic trends and problems, the housing finance system, and the role of the federal tax system in subsidizing homeowner and rental housing. 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 in U.S. housing policy.

With its current focus on housing policy, the Chinese government will find useful data and reference materials in this book.

Green Cities: Urban Growth and the Environment

Author: Matthew E. Kahn

What exactly is a green city? What does it mean to say that San Francisco is greener than Houston, or that Vancouver is a green city while Beijing is not? When does urban growth lower environmental quality, and when does it produce environmental gains? These are the questions that drive this smart and engaging book.

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. Kahn considers how cities can deal with the environmental challenges produced by growth. 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.

The Enlightenment of Economic History

Author: Okazaki Tetsuji

This book introduces basic economic theories, research methodology, and principles, and integrates them with significant events in the economic history of various countries. It covers the reasons for economic growth, the impact of social institutions, the process of market development, the changes in production organizations, and the improvements in the financial system. The book is known for its vivid characterization and takes advantage of interesting cases to disseminate elementary economic knowledge. The author is a professor at Tokyo University and a renowned economist in Japan. Professor Aoki Masahiko strongly recommends this book to readers.

The Economics of Medical Reforms

Author: Byung-Kwang

Reform and innovation of the medical system are matters of global concern that pose the following difficulties for every country: insurance coverage, social justice, expense control, industrial regulation, and technological and institutional innovation. 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. Professor Aoki Masahiko, chief editor of the CIDEQ book series, has written a preface to the Japanese edition of the book.

Dynamic Governance, Embedding Culture, Capabilities and Change in Singapore

Authors: Boon Siong Neo, Geraldine Chen

There has been a sense that the Singapore experience might have lessons for the business world. Its experience certainly appears to have learning value for other countries. But what exactly is this "Singapore model" that business managers and overseas officials seem so keen to understand and apply? The authors of the book Dynamic Governance, Neo Boon Siong, director of the National University of Singapore, and Geraldine Chen, director of Nanyang Technological University, try to give us an answer to this question. Dynamic Governance provides a revealing framework for thinking about how government is able to make good decisions, implement them, and revise them in such a way as to avoid crises.

Professor Michael E. Porter has written a foreword to this book, affirming Neo and Chen's framework.

Government and the American Economy

Authors: Douglass C. North et al.

This book is a penetrating analysis of the changing role of the government in the U.S. economy from colonial times to the present. It provides both a longitudinal view of the topic and an in-depth exploration of the role of government in many aspects of the economy during development.

The authors include institutional economist Douglass C. North who received the Nobel Prize in Economics in 1993. The book will be of interest to economists, political scientists, economic historians, and historians of public policy, who will find much to learn and much to teach. Chinese readers and policy-makers will find useful information to solve future problems.

Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value and Build Competitive Advantage

Authors: Daniel C. Esty and Andrew S. Winston

The book Green to Gold explores what every executive must know to manage the environmental challenges facing society. It shows how companies generate lasting value—cutting costs, reducing risk, increasing revenues, and creating strong brands—by building environmental thinking into their business strategies. The book provides clear how-to advice and concrete examples from companies like BP, Toyota, IKEA, GE, and NIKE that are achieving both environmental and business success.

Daniel C. Esty is Hillhouse Professor of Environmental Law and Policy at Yale University with appointments in the Environmental and Law Schools. Andrew S. Winston is director of the Corporate Environmental Strategy Project at Yale.

Stability with Growth

Authors: J. E. Stiglitz et al.

There is growing dissatisfaction with the economic policies advocated by the IMF and other international financial institutions -- policies that have often resulted in stagnation growth, crisis, and recession for client countries. This book presents 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 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. Stiglitz is recipient of the Nobel Prize in Economics and former chief economist at the World Bank.

○ Out-reach and Policy Impact

- The "Tsinghua Reform Program" for China's medical and health care system sponsored by CIDEG has generated great attention from government leaders.
- The briefing on the international conference on "the sustainable development of the political economy" organized by CIDEG has been submitted to the State Council.
- Leaders of the State Council have issued official comments on the report of the CIDEG major project on a "Diagnosis of China's Cross-Administrative Region Water Pollution Management System and Relevant Proposals" (Wang Yahua).
- XUE Lan has been participating in the L14 initiative, a new mechanism for global governance, sponsored by the Canadian think-tank, the Center for International Governance Innovation.
- Such media as Nikkei Business Daily, Finance, Business Weekly, and CCTV-9 have reported on the academic activities of CIDEG.

○ Web Site

- 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.

