

China - UK Competition and Regulation Project

Report on Year 1, Phase 3: Beijing Workshop 15-23 March 2004

This visit represented Phase 3 of Year 1 of the three year British Council-CRC research project on competition and regulation policy in China, funded by the British Council, Beijing and the FCO Global Opportunities Fund. The CRC team on this occasion comprised Professor Paul Cook, Mr Martin Minogue, Dr Yin-Fang Zhang (all of CRC Manchester University) and was joined by Dr Philip Rushbrook, Deputy Director of the Regulatory Impact Unit of the Cabinet Office, UK.

Workshop and Project Launch

A Workshop was held on 19-20 March 2004 in the Sheraton Great Wall Hotel, Beijing, titled 'Sino-British Research Project on Competition and Regulation: Policies, Institutions and Practices'. Some 40 participants were drawn from government ministries and agencies, academic institutions, and donor organisations. There were three main activities.

1. The research project was officially launched, with comments by Gary Hallsworth, Head of Governance at the Cultural and Education Section of the British Embassy; Professor Liang Zhipang, Director of the Shanghai Institute of Law and Economics; and Professor Paul Cook, Director of the Centre on Regulation and Competition, University of Manchester.

2. Those responsible for research projects in the collaborative programme gave summary accounts of their intended research. Presentations were made by
 - Zhang Junkuo, Director of the Research Institute of Market Economy, Development Research Centre of the State Council: 'China's Competition Policy in Economic Transition'
 - Gao Shiji, Institute of Economic System and Management, NDRC: 'Regulation and Competition Policy in China's Public Service Reform in the Transition Period'

- Yu Hui, UNIRULE Institute of Economics; 'The vertical and horizontal distribution of regulatory powers in the Water Sector'
 - Professor Ding Ding, School of Law, University of International Business and Economics: 'Securities Regulation and Corporate Governance'
 - Professor Chen Jianmin, Law School, Tsinghua University: 'The protection of Chinese consumers rights and interests in the transition period'
3. Presentations of comparative and international experiences. This session was opened by Professor Wu Jinglian, a senior researcher at the DRC of the State Council and co-Chair of the Council of the Shanghai Institute of Law and Economics. Presentations by external speakers included:
- Dr Philip Rushbrook, Deputy Director of the Regulatory Impact Unit and Head of the Public Service Team, in the UK Cabinet Office: 'Regulatory Reform and Impact Assessment' with supporting documentation and case materials
 - Professor Paul Cook, Director CRC, and Martin Minogue, Director of Research Programme in Regulatory Governance, CRC: 'Competition, Regulation and Regulatory Governance in Comparative Perspective', supported by CRC Working Papers
 - Dr Zhang Yin-Fang, Research Associate, CRC: 'Economic Regulation in Developing Countries: Empirical Findings'
4. Presentations on Chinese regulatory reforms, including accounts by Shi Yaodong of the DRC: Sun Yaowei of the Electricity Regulation Commission; and presentations on licensing reforms, as well as securities regulation.

Advisory Group

The first meeting of the Advisory Group for the UK-China research project was held, with membership drawn from Chinese and international and bilateral donor organisations. The purpose of the Advisory Group is to give strategic direction and advice to the project as it develops, and to undertake six-monthly reviews of

research reports and progress. A list of members is attached as Annex A to this report.

The first meeting of the Advisory Group heard brief presentations from the project researchers and then commented on particular aspects. There was strong support for specific projects, and for the concept of the collaborative research at a time when competition and regulation issues were at the forefront of economic policy debates. Donor representatives from FCO(UK) and the ADB also expressed support in principle; the ADB representative suggested that competition policy should have the major priority because of an 'over-regulation and under-competition' tendency in Chinese economic governance. Other speakers, however, emphasised the importance of institutional regulatory reforms.

Finalisation of Research Projects and Research Timetable

Professor Cook and Mr Minogue of CRC, together with Dr Lui Wei, the SILE Project Coordinator, held discussions with each Project Researcher to establish the approved outline and focus of individual projects, and to complete final drafts of logframe documents. The final versions of the logframes will be submitted to the British Council by Dr Lu., with the intention that research will begin as from April 2004. Project outlines were agreed as in the Phase 2 Report, but with two variations:

1. The RIME project to map competition and regulation would now focus more narrowly on competition and competition-related regulation.
2. The IESM project on public sector reform would now broaden out to map other areas of regulation not covered in the RIME project

It was agreed that the remaining projects were all likely to contribute material to the overall process of 'mapping' competition and regulation policies and institutions in China.

The *research timetable* was agreed as follows:

- 2004 April Initiation of Research Projects, together with the provision of research documentation and other support by CRC researchers, relating to UK and international policies and reforms (assistance to individual projects will be provided by Dr Yin-Fang Zhang, Research Associate, CRC; and Qing Zhang, Research Assistant, CRC, under the direction of Professor Cook and Mr Minogue)
- October 31 Submission of progress reports to SILE Coordinator by Chinese researchers
- November Individual research visits to CRC, Manchester (precise details to be agreed later)
- 2005 March Intensive workshop/seminar in Beijing, on the basis of research progress reports, and with the participation of Professor Cook and Mr Minogue of CRC
- 2006 March International Conference in Beijing, based on final research studies from the China-UK Project, but also incorporating contributions from other Chinese researchers and from international researchers

Dissemination

It is intended that research reports will feed into Chinese policy-making institutions and processes and make a direct contribution to the development and improvement of evidence-based policy in the area of regulation and competition. Other forms of dissemination include the preparation of Working Papers , which can be made available on-line both by CRC and by SILE; and eventual publication in book form in the CRC Elgar Series on Competition, Regulation and Development. It was also noted that SILE intend to prepare a book locally on UK experience, based on the February 2004 visit to the UK

Paul Cook
Martin Minogue
Centre on Regulation and Competition
University of Manchester UK

7 April 2004

Annex A Advisory Group

Members from China:

Jinglian Wu	Senior Research Fellow, DRC State Council
Ping Jiang	Co-Chair, Board of Academic Administration, SILE
Chen Quansheng	Department of Industries and Trade Research Office of the State Council
Huang Changjie	Legislative Affairs Office of the State Council
Wu Mingjiang	Ministry of Health
Qin Hong	Policy Research Center, Ministry of Construction
Wang Xuezheng	State Administration for Industry & Commerce
Teng Jiakai	Secretary – China Consumers' Association
Liu Wei	Assistant Director, Shanghai Institute of Law & Economics

Members from UK:

Paul Cook	Director, Centre for Competition and Regulation, Manchester University, UK
Martin Minogue	Director, Research Programme of Regulatory Governance
Gary Hallsworth	Head of Governance, the Cultural and Education Section of British Embassy, Beijing

Members from International Organizations in China:

Zhang Chunlin	Senior Enterprise Restructuring Specialist, World Bank
Peng Longyun	Senior Economist, Asian Development Bank
Gillian Cull	Foreign & Commonwealth Office, UK

Secretariat Group:

Maggie Wang	Projects Officer, Governance Beijing, Cultural and Education Section, British Embassy
Wang Yanyun	Project Assistant, Shanghai Institute of Law & Economics

Responsibilities of Advisory Group

The AG members are from high level, multi-sector supervising and decision-making organisation with an aim to realise the supervision to the project from the views of inner high level and outer profession, through ways of raising recommendations and improvement comments.

The AG will provide strategic advice to the project both in terms of the direction of the research programme and also in directing the results of research towards influencing policy.

The AG will convene a meeting every half a year purposed on reviewing the project of the past half year, and steering the overall direction of the project.

The AG will study the project progress reports provided by each project researcher, presenting suggestions and recommendations for improvement.