

CRC-China Research Programme in Regulation and Competition

Report on Study Visit by China Delegation, 8th-16th February 2004

Introduction

Stage 2 of the CRC-China Research Programme in Regulation and Competition has now been completed, with a visit by five representatives of the collaborating institutions to CRC in Manchester from 8-16 February 2004.

The visitors were:

Dr Liu Wei, Shanghai Institute of Law and Economics (SILE), Beijing

Mr Zhang Junkuo, Research Institute of Market Economy, Development Research Centre of the State Council, Beijing

Mr Yu Hui, UNIRULE, Beijing

Professor Ding Ding, School of Law, University of International Business and Economics, Beijing

Professor Chen Jianmin, Law Institute, Tsinghua University, Beijing

A programme of seminars and visits, based in Manchester and incorporating agency visits in London, was arranged by Professor Paul Cook and Mr Martin Minogue of CRC, Manchester, with administrative assistance from Ms Jayne Hindle of IDPM, Manchester, and coordination provided by Mrs Anne Weidemann and Mr Aidinal Alrashidi of the British Council, London. Mr Stephen Shaw of the British Council, Manchester was able to meet the group during the Manchester part of the programme. A copy of the Programme is attached at Annex A.

The realisation of the objectives of the visit is summarised below

1. Briefing on issues of regulation and competition policy and practice

A primary objective of the visit was to familiarise the Chinese researchers with leading issues and debates in the research literature on regulation and competition; a related aim was to introduce the research group to the CRC staff and work in Manchester. These objectives were realised through a series of seminars presented by CRC Research Directors, Research Fellows, and Research Associates. The topics covered were:

- Competition Policy (Prof Cook, Director of CRC, including research on competition in China by Guo Liang, Visiting CRC Research Fellow)
- Economic Regulation (Prof Colin Kirkpatrick, co-Director, Regulation Research Programme)

- Privatisation and Regulation in the electricity and water sectors (Dr Zhang Yin-Fang, CRC Research Associate)
- Law and Regulation (Prof Anthony Ogus, Professor of Law and CRC Research Fellow, including research on China by Zhang Qing, CRC Research Assistant)
- Regulatory Impact Assessment (Prof Kirkpatrick)
- Regulatory Governance (Martin Minogue, Director, Regulatory Governance Research Programme, CRC)
- Capacity-Building for Regulation and Competition (Mr Derek Eldridge, Director of Capacity-Building Programme, CRC)
- Competition and Innovation (Prof Stan Metcalfe, Director, ESRC Centre on Innovation and Competition, Manchester)
- Corporate Governance (Prof Karel Williams, co-Director, ESRC Centre on Corporate Governance, Manchester)
- Regulation in the UK National Health Service (Martin Minogue)

The Chinese participants were given substantial supporting documentation for these seminars.

The delegation were welcomed to the University of Manchester at a Reception hosted by Professor John Arnold Pro Vice-Chancellor of the University, and had the opportunity to meet other Manchester staff as well as representatives of the large contingent of Chinese postgraduate students at IDPM. In addition, CRC hosted a dinner for the delegation.

2. Introduction to Regulation and Competition Policy and Practice in the UK

A second objective of the visit was to introduce to the Chinese researchers the main features of the British regulatory system and regulatory institutions. This was achieved by a series of visits to British agencies involved directly in regulatory activities. These agencies were drawn from central government, the independent regulatory sector, non-government public policy (consumer) institutions, and research bodies. They included:

- The Regulatory Impact Unit, Cabinet Office, Whitehall (Dr Philip Rushbrook, Director, Mr M. Courtney, Mr E. Arnold)
- The Strategic Rail Authority (Ms Nicola Shaw, Manager of Operations)
- The National Consumer Council (Ms Georgia Klein, Senior Policy Officer)
- The Consumers' Association (Mr Phil Evans, Senior Policy Officer)
- Watervoive, OFWAT (Mr Andrew Milne, Director Thames Region)
- Centre on Risk and Regulation, London School of Economics and Political Science (Prof Mike Power, Director, Dr Martin Lodge)
- CASS Business School, City University (Mr David Tyrrell, Lecturer and former Finance Director of Network Rail)
- Centre for the Study of Regulated Industries, University of Bath (Dr Peter Vass, Director: session held in British Council, London)

The delegation were given valuable supporting documentation and source materials at all these agencies, and in several cases were encouraged to make further contact with agency staff in future.

3. Development of Research Projects

A third objective was to discuss and plan the collaborative research programme to be established over the remaining two years of the CRC-China Research Programme in Regulation and Competition. The lead partners are CRC Manchester and the Shanghai Institute of Law and Economics Beijing.

Paul Cook and Martin Minogue commented on the revised research project proposals prepared by the China group before the UK visit. Each of the five projects was allocated a Research Coordinator and a Researcher to provide assistance based in CRC Manchester: see the attached outline at Appendix B.

It was agreed that at least four (possibly five) of the Chinese researchers would undertake a two-week research visit to the UK in the period October-December 2004; this would be organised as two small group visits (2+2 or 2+3). The purpose of these visits would be to renew UK agency contacts, use UK library resources, and work together with designated CRC staff to take the research projects forward in terms of their comparative dimension. (This arrangement is subject to funding approval by British Council Beijing).

A provisional timetable was agreed, as indicated in Appendix B, with research outputs to be presented at workshops/conferences in Beijing in early 2005 and 2006; and possible presentations at CRC's international conferences in South Africa in September 2004 and Manchester September 2005. Professor Cook indicated that he had secured in principle support from the World Bank for two of the Chinese research group to participate in an international conference on competition/regulation in India in June 2004.

4. Concluding comments

A brief assessment with the visiting group indicated that the visit had met all its objectives, and had given the participants new knowledge and insights. It had also created new and valuable linkages with relevant UK institutions and specialists. Overall, therefore, the visit had moved the research programme forward.

The administrative arrangements had been excellent, and thanks were conveyed to the host institutions, to CRC Manchester, and to the Visits Department of the British Council. Particular thanks are owed to Jayne Hindle of IDPM, to Anne Weidemann and Aidinal Alrashidid of the British Council London, and to Wang Qiuning and Helen Lu of the British Council Beijing.

Paul Cook
Martin Minogue
CRC, University of Manchester

Appendix 1

CRC/BC-China Research Programme on Competition and Regulation Policy

Visit by China Delegation 8-16 Feb 2004

Introduction

This three year project is a collaboration between the British Council, Beijing, the Centre on Regulation and Competition (CRC) University of Manchester, and the Shanghai Institute of Law and Economics (SILE) Beijing, and associated Chinese research institutions.

The project objective is to strengthen integrated policymaking in the area of Chinese competition and regulation policy, the key themes being state-led private sector development and economic governance, regulatory and competition reforms, public-private service provision, and consumer participation. The research strategy is to combine overall mapping of the broad set of policies and institutions in regulation and competition fields in China, with case studies of specific sectors and policy issues.

Collaborating Chinese partners (other than SILE) include the Research Institute of Market Economy in the State Council Development Research Centre; the Institute of Economic Systems and Management of the National Development and Reform Commission; the School of Law at the University of International Business and Economics; the Law Institute at Tsinghua University; and the UNIRULE Institute of Economics.

UK Study Visit

A delegation of six researchers representing the above institutions will visit the UK from 8-16 February 2004. The objectives of this visit are:

- (a) to provide an overview of the research conducted in CRC, Manchester in relation to competition, regulation and regulatory governance;
- (b) to strengthen knowledge in relation to the Chinese partners' research proposals through theory and evidence drawn from comparative research and practice in the UK and elsewhere

Visitors

Dr Liu Wei
Shanghai Institute of Economics

Mr Zhang Junkuo
Research Institute of Market Economy, Development Research Centre of the State Council

Professor Ding Ding

School of Law, University of International Business and Economics, Beijing

Professor Chen Jianmin
Law Institute, Tsinghua University Beijing

Mr Yu Hui, UNIRULE, Beijing

Appendix 2

CRC-CHINA Research Projects Project Coordinators: Professor Paul Cook, Mr Martin Minogue, CRC; Dr Liu Wei, SILE)

1. Research Institute on Market Economy(RIME: Zhang Junkuo)

Mapping competition and regulation policies and institutions in China; identify ‘major issues and tasks facing China’s future reform’.

Coordinator Paul Cook

Researcher Yin-Fang Zhang

Research methods: Literature reviews, interviews and surveys of officials
Relatively little UK input, use CRC model

2. Shanghai Institute of Law and Economics (SILE: Professor Ding Ding)

To examine the relationships between regulation and competition through the case of the Chinese Securities Regulation Commission and its role in promoting systems of internal corporate governance.

Coordinator Paul Cook/ Thankom Arun/Anthony Ogus

Researcher Yin-Fang Zhang/Charity Mbewe

Research methods: Literature review, key informant surveys/discussions
UK inputs through documentary search and contacts
Relevant UK academics/regulators

3. Unirule Institute of Economics (UNIRULE: Yu Hui)

Distribution and structure of regulatory powers and institutions, relationships between different authorities (ministries, local governments) and with consumers. Uses case of water sector.

Coordinator Paul Cook/Martin Minogue/ David Parker/Jean Shaoul

Researcher Yin-Fang Zhang

Research methods: Case study, literature review, key informant interviews
Comparisons with UK water sector regulation/competition
Contacts with relevant UK agencies/academics

4. Institute of Economic Systems and Management, State Development Research Committee (IESM: Zhang An, Shiji Gao)

Review of institutional changes in China for public services delivery, with particular reference to the introduction of competition and regulatory reforms; case study of the health sector.

Coordinator Martin Minogue/ Kieran Walshe
Researcher Zhang Qing

Research methods: Case study drawing on comparisons of international health regulation and competition reforms (UK and OECD; transitional economies; large developing economies, literature and documentary reviews). Contacts with relevant UK agencies/academics

5 Tsinghua University (School of Law, Professor Chen Jianmin)

Examination of issues of consumer rights and participation, and how these may be affected by regulation and competition reforms. UK and international comparison, analysis of consumer-related developments in China.

Coordinator Martin Minogue/ Anthony Ogus
Researcher Zhang Qing

Research methods: Literature and documentary survey on policy and law in developed economies, contacts with relevant UK agencies/academics
Surveys and interviews in Beijing, Shanghai, and other Chinese cities.

Timetable

March 2004

Workshop in Beijing

Meeting with Project Team to give advice
on final research proposals

March-April 2004

Approval of budgets by British Council, Beijing

Research coordination and preparation of UK-based documentation

October-December 2004

Two two-week research visits to UK, in groups of 2/3 project leaders for each Visit.

January-March 2005

Workshop in Beijing, presentation of interim research papers/reports

April 2005-March 2006

Continuation of research projects in China; workshops/ conferences and dissemination/ publication to be determined