

Annual Report 2016

Beijing Cairncross Economic Research Foundation's operation in 2016 was followed up with the government requirements for none profit organizations and carried out the research projects related to the economic policy development and reforms. The objectives and aims of all activities have been achieved by the end of the year.

1. Study on “Strengthening Market Competition in China: Some International Perspectives”

The project objective is to support the realization of the CPC's 18th Central Committee 3rd Plenum decisions relating to making the “market play the decisive role in resource allocation”, and to the establishment of a “unified, fair, open and competitive market” in China.

The project is an international collaborative research project involving leading international and Chinese experts. The international experts include those who have served as chairmen of the United States' (US) Federal Trade Commission and the UK's Competition Commission. The Chinese experts comprise senior academics and professionals in competition law and economics, including a member of the Academic Advisory Committee of the Anti-Monopoly Commission (AMC) and a practising lawyer specializing in China's Anti-Monopoly Law.

With the efforts of all specialists, the final research report was completed in April 2016. The report includes three parts. Part I of the Report assesses the strengths and weaknesses in China's AML, current enforcement practices, institutional arrangements and the role of courts. Suggestions are made for building upon the strengths and for addressing the weaknesses. Part II examines three important features of China's policy and institutional environment that impact significantly on market competition, as well as on the design and effective implementation of the country's competition policy regime. These features are administrative monopoly, industrial policy and state-owned enterprises (SOEs), which all pose unusually prominent problems for competition in China compared to other countries. Part III concludes with an overview of the Report's key recommendations, categorising them into types of actions which could be taken now and those that may require a longer time span.

It is expected the Chinese research report will be published by CITIC Publishing House in early 2017.

2. Overseas Publication of Prof Wu Jinglian's Book

The project objective is to introduce the China's economic reform in the past 30 years. The project funded to publish the English book of “Twenty Subjects on China's Economic Reform” rewritten by famous Chinese Economist Prof Wu Jinglian in Oxford University Press. The book published by OUP in March 2016.

3. Study on the management system for the reorganization of bankruptcy listing companies

Since 2010, the Foundation has funded the Bankruptcy Law and Enterprise Reorganization Research Center of China University of Political Science and Law for the research projects of the management system for the bankruptcy reorganization of listed companies. The Foundation has signed an agreement with the Bankruptcy Law and Enterprise Reorganization Research Center to continue supporting their research project.

The research project includes two aspects: (1) study on the reform for reorganization of bankruptcy enterprises. The project will provide recommendations to build a process of reorganization of bankruptcy companies in line with China's market and legal environment; (2) study on the reform for the system for the company reorganization and acquisition settled out of court. The project will study on the current practices of the company reorganization and acquisition settled out of court in China and the challenges for implementation of reorganization of bankruptcy companies. The international experiences will be collected and adopted into the study.

The study will adopt the methods of social investigation and data collection. The evidence and analyses that support the findings and the recommendations are based on research undertaken by the project team members.

The final research report will submit to the Supreme People's court. It is expected that the project findings and recommendations will inference the relevant judicial system and policy development of the Supreme People's court.

4. “Strengthening China’s Fair Competition Review System: Lessons of International Experience”

In June 2016, the State Council issued an ‘Opinion on Establishing a Fair Competition Review System in the Development of Market System’ (SC Document no. 34; 2016). The proposed Chinese fair competition review system (FCRS) is aimed at correcting and/or preventing ‘government behaviour’ that eliminates, restricts or distorts competition. To support the Chinese governments to implement FCRC, the Foundation has funded an independent research project “Strengthening China’s Fair Competition Review System: Lessons of International Experience” from July 2016.

The objective of the CF project is to introduce and evaluate international experience with fair competition review systems, or their close equivalents, in other jurisdictions, and to make suggestions on features of international experience that could be usefully adapted to the development of a FCRS tailored to China’s socialist market system.

The project is an international collaborative research project involving leading international and Chinese experts. It is expected that the project will be finished in the end of 2017.

5. New Bashan Lun Conference

Beijing Cairncross Economic Research Foundation, in collaboration with the International Cooperation Center of the National Development and Reform Commission, held the New Banshan Lun Conference in November 27, 2016 in Beijing. The topic for 2016 Conference is fair competition and anti monopoly. The Conference is to memory of Bashan Lun Conference which held in thirty-one years ago. The Conference was discussed economic reform in China and shared the international and domestic experiences for competition policies and anti monopoly practices.

The international and national specialists from the Foundation introduced the outcomes and recommendations of the project "Accelerating China's Growth by Strengthening Competition: Some International Perspectives" and briefed the project of "China's Fair Competition Review System: International Perspectives" which started recently at the Conference. The Chinese officials from the National Development and Reform Commission and the State Administration for Industry and Commerce presented on the competition policy development and implementation in China.

Over 100 people including senior officials from relevant government agencies, experts and scholars from research institutions, and international organizations attended the Conference. About 50 media reported the Conference.

6. Construction of Aggregate Leading Indicators of International Financial Conditions (LIIFCs) for Macroeconomic Forecasting of China

Beijing Cairncross Economic Research Foundation and the International Cooperation Center of the National Development and Reform Commission are jointly funded the project of Construction of Aggregate Leading Indicators of International Financial Conditions (LIIFCs) for Macroeconomic Forecasting of China. The research project is leading by Professor Duo Qin at the Department of Economics at School of Oriental and African Studies, University of London.

The project aims to provide the first systematic analysis of the predictive impacts of international financial conditions for the purpose of enhancing macroeconomic forecasting capacity of China and possibly a number of other East Asian economies. Specifically, the project aims to develop a practical procedure of constructing aggregate international financial conditions indices (IFCI), which are shown to have (a) predictive macro-impacts on a number of key macro variables and (b) comparable properties to aggregate indices widely used outside the academic circle, such as CPI (consumer price index).

The project duration is 2 years started at November of 2016.

7. China Industry Policy: Formation, Implementation and Impact

The Foundation has funded a research project of the China industrial policy: formation, implementation and impact. The project is implemented by the Market and Network Economic Research Center of Beijing University. The project will focus on analysis the success and failure of China's industrial policies in the past 30 years, especially on the process of the policy formulation, implementation, and results and impact.

The expected outcomes are to publish the research papers and book. The tentative name of the research book is "Success and failure analysis on China's industry policy". We hope that the research outcomes will be considered by the government agencies and impact on to the industry policy development.

The project duration is 2 years started at November of 2016.

8. The Cairncross Foundation Scholarship Program

The Foundation has supported 5 students from Hunan University and Shanghai Jiaotong University to attend the courses in Oriel Summer School of Oxford University through the Scholarship Program. These students are all from poor families.

By the end of 2016, the Foundation has funded 30 students from poor families from poverty provinces and regions to the courses of Oriel Summer School of Oxford University. The program has achieved the aims of supporting China government's poverty alleviation initiatives.

9. The Lecture in the Chinese Universities

Beijing Cairncross Economic Research Foundation is organising an academic lecture in the universities who are implementing the Foundation's scholarships program. In May 2016, the lecture was held in the Business School of Hunan University. Professor Zhang Weiyang, the National School of Development of Beijing University, gave a lecture on "China economic growth and system reform". The other schools of Hunan University organized the video lectures for Prof Zhang's lecture at same time.

Over one thousand teachers and students attended lecture or watched video lecture. Professor Zhang's lecture has been warmly welcomed by the teachers and students and they were actively participated the discussion with Prof Zhang.

The Foundation has achieved the targets set up in the annual plan for 2016. All activities are implementing smoothly and according to its time schedule. The Foundation has passed the annual audit and government annual review in 2016. The Foundation will continue its efforts to achieve the targets in 2017.