“Provide thought leadership that meets at the intersection of Chinese politics and the global world of business.” The RCCPB has tried to set a standard to show how China specialists can be both top social scientists and socially engaged. This has been the RCCPB’s mission since it was founded in February 2007.

We have consciously engaged in research that speaks to both the scholarly and policy communities. Hence, our focus over the past three years on global governance, US-China business relations, and China’s policy process. And it is why we are now turning our attention to philanthropy. There is a huge gap in China between the growing problems the country faces and the government’s ability to deal with them. That gap must be filled by social activism, and philanthropic activity must be at the heart of this movement. But to date, philanthropy in China has been quite inefficient and ineffective, displaying many of the pathologies of the broader political system. There is extensive corruption and good works often lead to bad results. The RCCPB wants to help analyze the sources of these problems, identify the less common but successful cases of philanthropy, and point a way toward a more healthy philanthropic future for the country.

To begin, the Ford Foundation has provided the RCCPB and IU’s School of Philanthropy a $109,000 grant to carry out research and hold seminars on corporate philanthropy, the largest single component of giving in China. And we are now in the process of applying for funding from the Luce Foundation for a broader initiative, which would include research by multiple scholars, conferences and workshops, visiting scholars, a new course on civil society and philanthropy, internships for IU students in China, and our own philanthropic effort.

As winter turns to spring, we look forward to this new branch on our tree of activity that provides sustenance to both the scholarly and public communities.
Final Chinese Industry-US Government Roundtable

The RCCPB hosted the 7th and final Chinese Industry-U.S. Government Roundtable on January 25, 2013, in Beijing, at the Kempinski Hotel. The purpose of the series has been to provide a platform for sharing views and building friendships between two groups who have insufficient opportunities to get to know each other. Since July 2010, the center has brought together a total of 19 U.S. embassy officials, 24 Chinese business people, and 3 independent experts to participate in the roundtable. Most participants have attended more than one event. The industry participants represent a wide variety of sectors and come from around the country.

Roundtable topics have included innovation and intellectual property rights, global rebalancing, state-owned enterprises, the 12th Five-Year Plan, foreign investment, and strategic emerging industries. The final roundtable focused on what steps need to occur for the U.S.-China relationship to be strengthened in the future. The ties created through the roundtable have created greater opportunities for understanding between the two countries, and participants promised to share the positive experience of the roundtable with others from their home country.

The roundtable series was graciously supported through a grant from the Henry Luce Foundation. The RCCPB is now developing plans for a new series of activities that will continue to bring together important segments of American and Chinese societies.

Providing thought leadership on issues that meet at the intersection of Chinese politics and the world of business.

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The RCCPB conducted a short interview with William Zarit, the current Minister for Commercial Affairs at the U.S. Embassy in Beijing, China, regarding his thoughts on the Chinese Industry-U.S. Government Roundtable series and his views on the future of U.S.-China relations.

Q: How many RCCPB roundtables have you attended in the past? What are your thoughts about the roundtable series?

WZ: I attended 4 or 5 roundtables and found them extremely helpful for hearing what Chinese companies – large and small – are thinking about China’s economy, including reform. I was able to meet people that I otherwise wouldn’t have been able to, and to have discussions with all parties feeling able to share quite freely.

Q: Do you feel the roundtable series were effective in facilitating a platform for sharing views and build a relationship between two groups who have insufficient opportunities to get to know each other?

WZ: Definitely. I have established relations with a number of folks, and I can say even friendship with several with whom I regularly meet to discuss the economy on both sides of the Pacific.

Q: This last roundtable focused on what steps need to occur for the US-China relationship to be strengthened in the future. What are your concerns about the relationship?

WZ: The relationship needs more interaction. Government to government is robust, but needs to be more robust. Private sector to private sector is really in a nascent stage, and needs nurturing, which is part of my role in the Commercial Section of the Embassy. We need the interaction for better communication which leads to better understanding. China and the U.S. are very different. More people on both sides need to understand that difference is not necessarily a negative. In fact, our two countries have so many areas in which better understanding and cooperation will result in stronger economies, better environments, better lives, and a safer world. This cannot be overstated.

Q: What are your priorities for the coming year to strengthen U.S.-China relations?

WZ: As head of the Embassy’s Commercial Section I promote U.S. exports to China and Chinese investment in the U.S. Increase in both will result in significant benefits for China and the U.S. Within these two areas of promotion, priorities include introducing new U.S. products to China, many through on-line instruments, and helping to guide Chinese investors to better understand the U.S. investment environment.

About the Talk: In “Doing Business in China, India and ASEAN”, Kevin will discuss his experience living and working in Asia, some of the key business challenges as well as critical success factors. The scope will cover product design, supplier development, manufacturing operations, distribution, marketing as well as government policy.
Global Governance Experts Group

The three-year Initiative on China and Global Governance involves cutting-edge research, 30 working papers, multiple articles, 3 books, 4 international conferences, and the 7-part Chinese Industry-US Government roundtable series. But there is one more component, the Global Governance Experts Group. Quite honestly, when we started the initiative, we were unsure who would participate in this group and what its mission would be.

We fixed that problem. In the Fall 2012, the RCCPB and the Institute of World Economics and Politics (IWEP) of the Chinese Academy of Social Sciences agreed to collaborate on a series of meetings that would result in a report with policy recommendations on how the United States and China could push forward a global governance agenda in the coming five years. This is a particularly good time to write such a report because of the change of governments in Washington, DC, and Beijing, and the fact that the WTO is selecting a new leader by the end of 2013.

To this end, the RCCPB and IWEP co-organized a series of three brainstorming meetings with scholars, business leaders, and government officials in the winter. In late November, we held a meeting in Beijing to hear policy recommendations on issues related to trade, investment, finance, and climate change. The discussion ranged from the unilateral to bilateral, regional, and multilateral. We then repeated the exercise at the Peterson Institute of International Economics in Washington, DC, on December 11th. We are very grateful to Nicholas Lardy and his research assistant Nick Borst for hosting the meeting and helping attract participants. And then late January IWEP hosted a final meeting with participants primarily from Chinese government agencies and financial institutions. In each meeting, we discussed thematic issues such as whether China should be considered a developing country, issues about engagement mechanisms such as whether the US-China Security and Economic Dialogue should be remodeled, and policy issues such as how state-backed international investment should be treated.

As with all of the components of the Initiative on China and Global Governance, we are grateful to the Luce Foundation for its generous support. We also are appreciative of the commitment made by He Fan and IWEP, as well as the contributions to the discussion made by so many during the discussions of the past few months.

Recent Global Governance Working Papers


Full texts of working papers can be accessed from RCCPB’s website, at www.indiana.edu/~rccpb/Publications.html
On November 12, the RCCPB hosted its last colloquium of the semester, a talk by University of Michigan Law Professor Nicholas Howson, on the problems of China’s insider trading laws. His presentation challenged the legitimacy of China’s insider trading enforcement, arguing that the guidance that the China Securities Regulatory Commission (CSRC) is relying on itself is unlawful and unenforceable. He explained to the audience that this is because the CSRC’s own guidance is inconsistent with the People’s Republic of China (PRC)’s statute on insider trading prohibition laid out in the 2006 Securities Law. The guidance that the agency currently relies on is ultra vires, going beyond the limited object of the relevant statutory authorization.

Dr. Howson also pointed out that despite this unlawful enforcement mechanism, individuals and firms that are regulated have shown a remarkable tolerance to CSRC’s regulation. This demonstrates the weakness of the rule of law in China. He noted, though, that the CSRC itself has recently recognized this deficiency, and may take steps to bring its enforcement back in line with Chinese statutes.

**CHINA Town Hall--Successful Global Communication**

On October 29, 2012, the Research Center for Chinese Politics and Business (RCCPB), East Asian Studies Center (EASC), and the Center for Chinese Language Pedagogy (CCLP) co-hosted the annual China Town Hall. Organized and sponsored by the National Committee on US-China Relations, the event featured an address by American Ambassador to China Gary Locke broadcast to over 50 locations throughout the United States, accompanied by speeches given by experts at each of these locations.

At IU, Vivian Ling of the CCLP presided over the evening. The program began with a lecture by doctoral student Zhao Shuang, who spoke in Chinese as part of the CCLP’s Chinese Tidings Lecture series on “Opportunities and Challenges in US-China Relations.” She discussed the importance of US-China relations in world politics and provided an overview of issues and problems in US-China relations.

*continued on page 6*
The second part of the event featured the RCCPB Director Scott Kennedy, who looked at the relationship from the perspective of an American who lives in China. Professor Kennedy discussed the sources of mistrust between the US and China, providing examples on why this mistrust may exist, and shared his experience in working in the field of US-China relations.

In his remarks, beamed from Beijing, Ambassador Locke tried to reassure the Chinese and others of America’s good intentions in working with the Chinese government to address current economic challenges and to promote stability of the Asian-Pacific Region. He also stressed that his team would continue to press the Chinese government for more market access and make the Renminbi’s value more market-driven. Ambassador Locke answered questions about Chinese currency, Chinese leadership, the South China Sea, Tibet, trade, and other issues from a nation-wide audience.

**New Initiative on Philanthropy in China**

On January 16, 2013, The Ford Foundation approved a grant of $109,000 to The Trustees of Indiana University for support for the Research Center for Chinese Politics and Business and the School of Philanthropy to research corporate philanthropy in China. This new grant will be used for a 3-year program on philanthropy.

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**About the RCCPB**

The IU Research Center for Chinese Politics and Business (RCCPB) was founded in February 2007. Together with our partners and affiliated faculty, we seek to understand how China’s regulatory environment and political system shape the behavior of and chances for success of Chinese and foreign businesses; how economic conditions and corporate behavior shape Chinese regulatory framework and political institutions; and how China’s international economic engagement affects China itself, her trading partners, and international institutions like the WTO. The Center breaks down traditional boundaries by bringing together scholars from multiple disciplines and by building bridges between universities, stakeholders, and policymakers in the United States, China, and elsewhere.

**Keep in Touch with the RCCPB**

The RCCPB regularly holds colloquia on Indiana University’s Bloomington campus and group meetings attended by guest scholars and the center’s senior associates. We also provide training programs such as media workshops. We are planning conferences to be held in the next three years. We publish conference proceedings and our senior associates’ manuscripts through the working paper series. To keep informed about center events and publications, send us an email: rccpb@indiana.edu.

**Support the RCCPB**

We invite tax-deductible contributions in support of the center’s vision and programs. We accept personal and corporate donations, individual or matching, for the center in general and for each of the center’s three research initiatives: China and Global Governance, US-China Business Cooperation, and Economic Regulation and Lawmaking in China. You can donate online by simply clicking one of the links below or mail a check to the RCCPB’s offices. For more information on how to tailor support to fit your interests and the center’s needs, please contact center director Scott Kennedy at kennedys@indiana.edu.

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