

# Highlights

Atlas Economic Research Foundation

## SPECIAL FOCUS ON ASIA

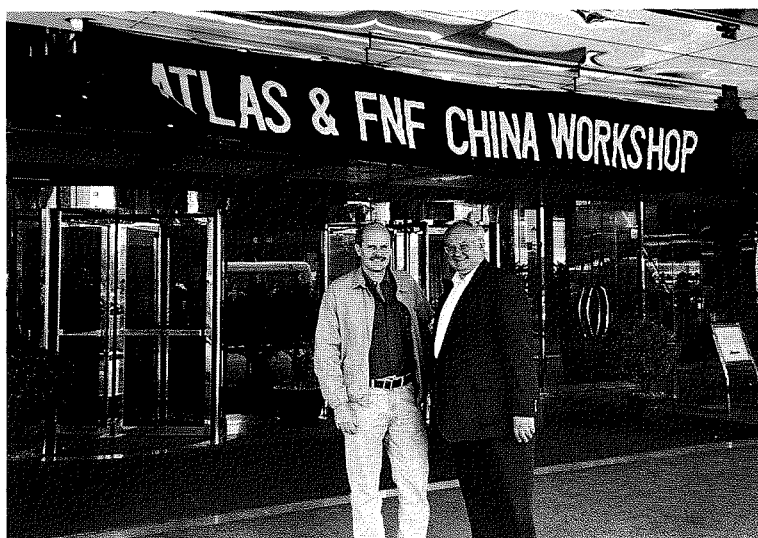
### Atlas Programs Extend To India, Hong Kong, and China

After cultivating ties with potential institute representatives in Asia for several years, this spring proved to be a season for many new opportunities. Atlas programs took the staff to China, Hong Kong, and India. At each stop, Atlas affiliates met new scholars and public policy professionals who share an interest in furthering a free society. Already, these programs have served as stepping stones for future collaborative efforts in the Asian nations.



Alejandro Chafuen and A. Eslava Villanueva (CITEL, Lima, Peru) at the Oxford Conference on Christian Faith and Economics in Agra, India

### 24th International Workshop Breaks New Ground In Beijing, China



Atlas president Alejandro Chafuen and executive vice president Leonard Liggio outside the New World Jing Guang Hotel in Beijing

Last year, during a meeting with Detmar Doering of the Friedrich Naumann Foundation (Königswinter, Germany), we shared our interest in developing stronger ties with public policy professionals in Asian countries. After subsequent discussions about our joint interests, Dr. Doering invited Atlas to co-host a program in China to introduce Chinese public policy scholars to institute leaders from Europe, North America, and Latin America. With critical local contributions from Rainer Adam in the Friedrich Naumann Beijing office, the institutes arranged a workshop for more than 30 Chinese scholars and policy analysts and over 30 of their counterparts from abroad.

For three days, participants exchanged ideas about economic issues, including "the market and the state,"

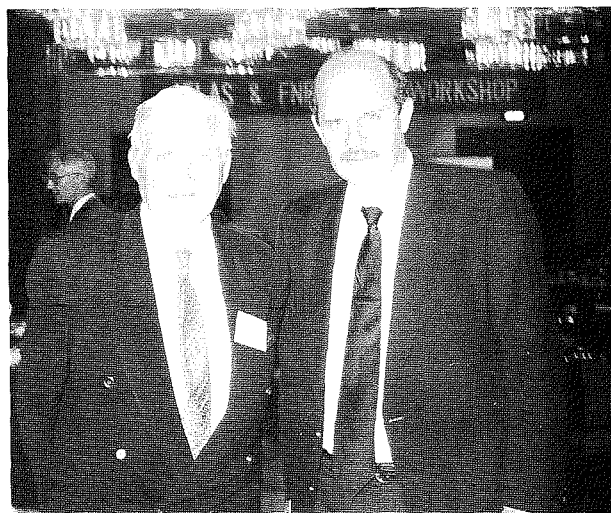
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Li Yining (Beijing University) and Zhang Yunling (Asia and Pacific Institute)



Gert Dahlmanns (Frankfurter Institute, Germany), Hon. Alvaro Donoso (Catholic University of Chile), Fan Gang (Economics Institute), and Wu Jinglian (State Council Research Centre)



Robert Mundell (Columbia University, NY) and Alejandro Chafuen

“market economies and world trade,” “free market economies,” and “free market environmentalism.”

Thanks to insightful planning by Rainer Adam, the opening address by Professor Wu Jinglian of the State Council Research Centre in Beijing established an atmosphere of openness and candor. Professor Jinglian was both openly critical and praiseworthy of various aspects of Chinese policy. His ability to look critically at the state enabled his fellow participants to explore alternative institutions candidly also.

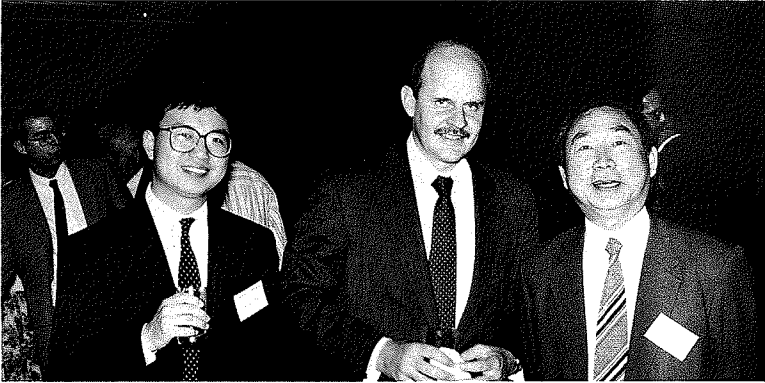
The Honorable Alvaro Donoso, former planning minister for Chile, shared ideas about the market and state based on the Chilean experience. The opening keynote speech, delivered by Professor Robert Mundell of Columbia University in New York City, addressed “Inflation and Growth—China at a Turning Point.” He drew on his major contributions to monetary theory to analyze China’s need for



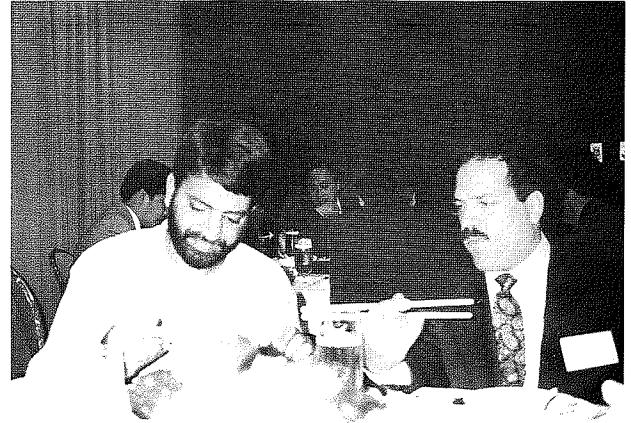
Michael Walker, Enrique Ghersi (CITEL, Lima, Peru), and Qiu Xiaohua (The State Statistical Bureau)



Rainer Adam (Friedrich Naumann Foundation), Zhang Yunling, and Michael Walker (Fraser Institute, Vancouver, BC)



*Yu Mingde (China Centre for Economic Research), Alejandro Chafuen, and Lu Yulin (China Reformer's Forum)*



*Barun Mitra (New Delhi, India) and Michael Fumento (CEI, Washington, DC)*

sound monetary foundations for economic development. Mundell's session was chaired by Professor Mao Yushi, a director at the Unirule Institute—an institute whose inspirational leaders include James Buchanan, Ronald Coase, and Mancur Olson.

In place of the traditional "Institute Reports" session, this workshop featured a panel to introduce the participating Chinese economic research and consulting bodies. More than a dozen analysts described their public policy programs (see page 5).

An evening reception open to representatives from the diplomatic community and international organizations provided further opportunities to learn about the policy environment in China.



*Participants at the 24th International Workshop, Beijing*



*Rainer Adam and Steven McGurk (Ford Foundation, Beijing)*



*Leonard Liggio and Maria Murillo (CITEL, Lima, Peru) at a Beijing silk market*

## Interest in Free-Market Ideas Renewed by Indian Writer

In early 1990, a science writer from New Delhi wrote to Atlas, asking for comments and advice on a local news article. Barun Mitra, an engineer with a special interest in environmentalism, wanted to know more about free-market environmentalism and how it could be applied, for example, to issues of fishing rights in India's Chilika Lake.

After five years of correspondence, Atlas president Alejandro Chafuen finally had the chance to meet Mitra in March. Chafuen was visiting India to attend the Oxford Conference on Christian Faith and Economics in Agra. (Also in attendance were colleagues Michael Cromartie, Ethics and Public Policy Center, Washington, DC; P.J. Hill, PERC, Bozeman, MT; Calvin Beisner, Covenant College, Lookout Mountain, GA; and Herb Schlossberg, Fieldstead Institute, Burke, VA).

Mitra visited Chafuen in Agra and shared information about his work in India. He was particularly excited about

the success of his booth at the Calcutta Book Fair.

The annual fair, initiated in the 1970s, is the "largest international gathering of book lovers," says Mitra. This year, local, national, and international publishing houses and book distributors sponsored more than 400 booths, representing 30,000 publications. Mitra sponsored his own booth, displaying classical liberal publications from over 30 organizations internationally.

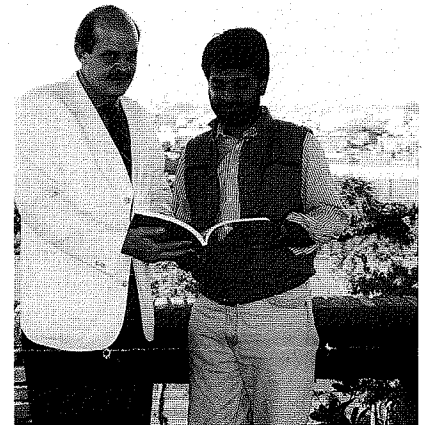
In a state where a communist-led coalition has ruled for nearly two decades, it is not surprising that at least a dozen different versions of *Das Capital* were readily available. But only one booth—Barun Mitra's—displayed copies of *The Wealth of Nations*. The writings of Ludwig von Mises, F.A. Hayek, Milton Friedman, Thomas Sowell, and Ayn Rand, were also on display, as were the works of free-market environmentalists Terry Anderson, Don Leal, Jo Kwong, Dixy Lee Ray, and Robert Balling, along with Indian advocates of markets, C. Rajagopalachari, B. R. Shenoy and Minoo R. Masani.

Mitra also held a public seminar on "Freedom of Expression: Threats and Prospects" at the open air auditorium at the fairground. As Mitra describes it, the seminar was "a high point of our participation at the Calcutta Book Fair," with prominent leaders and spokesmen defending the cause of freedom. Popular Bengali author, Buddhadev Guha, for instance, described why he would not accept any awards from government for his literary works.

"Consumer issues, environmental issues, and human rights issues" drew the most discussion at my booth," writes Mitra. "Most people interested in these concerns felt there was a lack of grass roots organizations working in

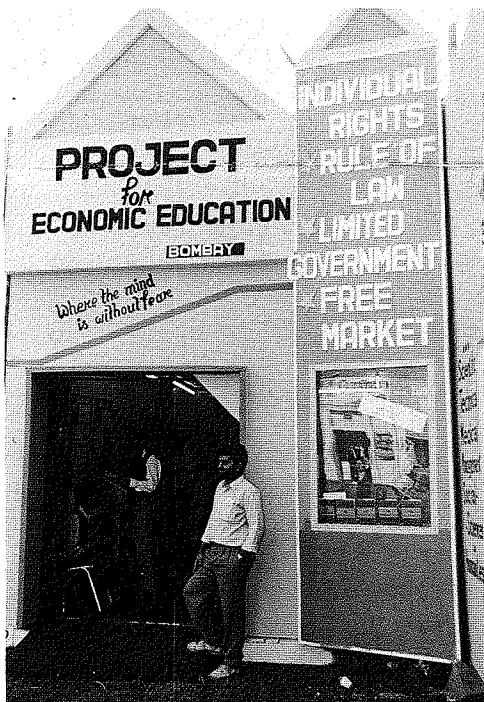
these areas in the state. Many found our attempt to provide free market solutions to these questions quite novel."

Mitra has a handy response for those interested in free-market environmentalism. Drawing from the work of institutes worldwide through his correspondence through Atlas, Mitra produced and published a monograph entitled "Facts, Not Fiction: Intellectual Pollution, And Not An Environmental One, Is The Real Threat." (Copies are available by writing directly to Barun Mitra at 96/10 Pushp Vihar - I, New Delhi 110 017).



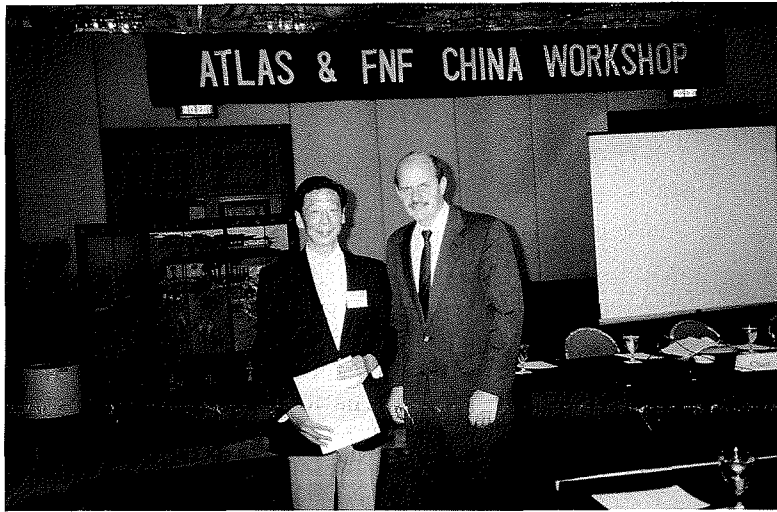
Alejandro Chafuen and Barun Mitra

Shortly after their March meeting, Chafuen was able to arrange for Mitra's participation in the Atlas international workshop in Hong Kong the following month (see back page). It is exciting for Atlas to initiate firm ties in these regions. We look forward to seeing more cooperation between Barun Mitra and other pro-market public policy institutes.



Barun Mitra's booth at the Calcutta Book Fair

## Public Policy Institutes Developing in China



*Mao Yushi (Chairman, Board of Directors, Unirule Institute) and Alejandro Chafuen*

Atlas workshops help the institute identify and strengthen ties with public policy leaders from around the world. The workshop in Beijing offered the opportunity to learn of dozens of institutes previously unfamiliar to Atlas. At the session devoted exclusively to the Chinese institutes, foreign participants learned of the vast network of policy scholarship developing, largely in Beijing and Shanghai. Each one is either affiliated with the government, universities, or the Chinese Academy of Social Sciences. What follows is a brief description of the represented organizations.

Zhang Yunling introduced the Chinese Academy of Social Sciences (CASS)—an umbrella organization representing over 5,000 people, 38



*Hai Wen (China Centre for Economic Research, Beijing University)*

academic level research centers, 60 journals, and two publication companies. CASS centers on four research divisions in economics (Institute of Economics, Institute of Rural Studies, and Institute of Finance), law and politics (Institute of Sociology), history, and international studies (Asia Pacific Research Institute).

Each CASS institute is affiliated with a graduate school department, and has its own Ph.D. and Master's students and its own library. Financing comes from the central government and is allocated among the research institutes.

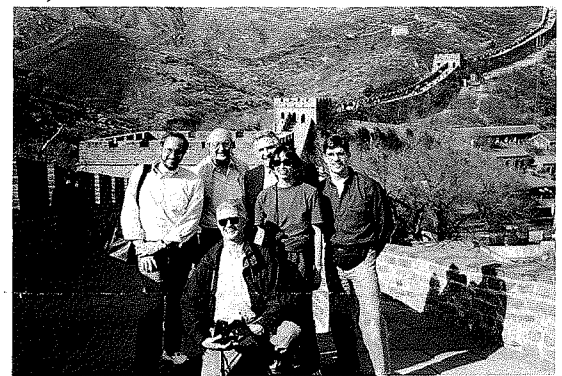
Shanghai Academy of Social Sciences, as described by vice president Xuejin Zuo, is the second largest research institute in China. It represents over 900 employees, including 600 researchers, and 15 research institutes.

The academy also sponsors institutes of philosophy, literature, law, religion, information science, and juvenile development. Part of its funding, particularly for population and development studies, comes from the Rockefeller Foundation.

Huang Fanzhang described

the Research Center for State Planning Commission, an organization consisting of eight institutes (technological economic studies, investment studies, energy economics, transportation economics, social development studies, regional economic studies, and pricing studies) which are currently focusing on four areas: economic performance, economic strategy and development, industrial and economic structure, and regional economic studies.

Peng Xizhe described several institutes affiliated with Fudan University in Shanghai, including the Institute of Population Research, Economic Research Center, and Center for European Community Studies. The research and teaching staff focuses largely on population and family planning, population aging, social development and social welfare, gender studies, and environmental studies.



*At the Great Wall: Greg Rehmke (Free Enterprise Institute, Houston, TX), Michael Walker and Gordon Gibson (Fraser Institute, Vancouver, BC), Jo Kwong (Atlas), Kris Mauren (Action Institute, Grand Rapids, MI) Front row: John Hamer (Discovery Institute, Seattle, WA)*

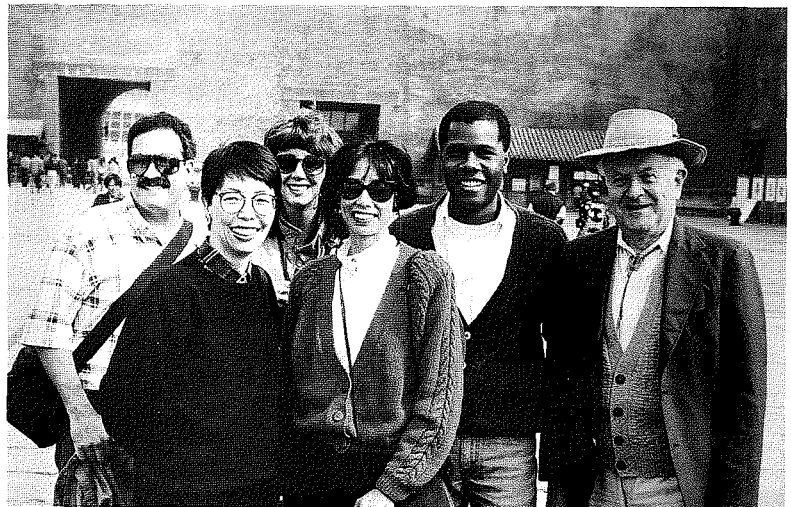
The China Center for Economic Research, an "independent, non-governmental institution," with its own board of directors and advisory committee, hopes to become a "hub for exchange throughout China's reform." An affiliate of Beijing University, the center offers Master's degrees and sponsors research in agriculture, money

and banking, urban economics, and international trade. It offers biweekly seminars and a working paper series published in both English and Chinese.

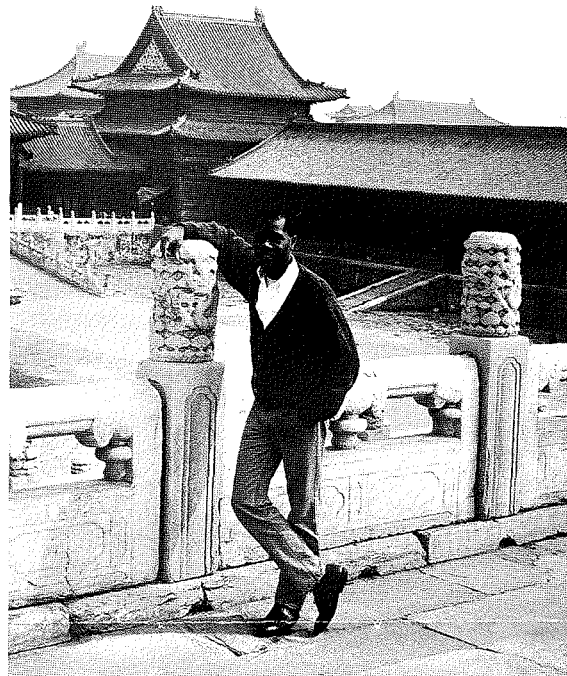
The **Oriental Research Institute** is a "non-governmental research entity" which focuses on economic issues. Founded in August 1993, the institute has sponsored more than ten international academic seminars, including one featuring Milton Friedman. Its scholars, from Beijing and Shanghai, have produced projects on the development of China's futures market, financial reform of the Shanghai region, anticorruption and administrative reform of the state, flow of economic capital, and studies on social security and medical insurance reform. Institute research reports are circulated to governmental bodies.

The **Unirule Institute**, another non-governmental organization, was established in 1993 by five principal scholars from the Chinese Academy of Social Sciences. This group of "liberal" economists conducts research on governmental institutes as part of its research in institutional economics. Highly influenced by Ronald Coase, James Buchanan, and Mancur Olson, the institute's research is critical of governmental "excess" and emphasizes market institutions. Projects include case studies of transitional economy in China, foreign exchange quota in China, and stock exchanges. It has cooperated with the Asian Development Bank and other international institutes. Research funding comes from consulting fees.

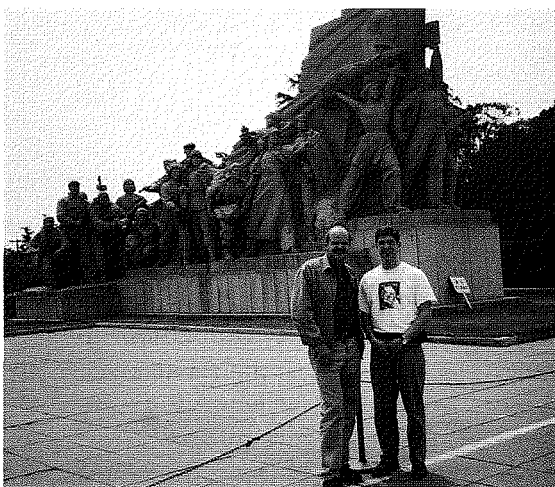
The **China Reformers' Forum**, represented by Lu Yulin, provides a platform for exchange on current problems in China. Established in 1994, the nonprofit, independent, private research institute of 40 research fellows and eight foreign advisors, provides advisory services to governmental entities. It invites foreign scholars and executives in China to keep abreast of theories and practices of the industrial world.



Back Row: Michael Fumento, Mary Oliver, Deroy Murdock (Atlas Adjunct Fellow) and Fred Singer (Science & Environmental Policy Project). Front Row: Susan Allen (Hines Consulting) and Jo Kwong at the Forbidden City



Deroy Murdock at the Forbidden City



Alejandro Chafuen and Kris Mauren at Tiananmen Square

The **Beijing Candle Economists Consultation Centre**, composed of economists and entrepreneurs, is a think tank for economic theory and decision making. It offers academic, consulting and training services to help establish "the socialist market economy with Chinese characteristics." It has sponsored over 30 symposiums and academic programs on "hot and difficult topics" about the socialist market economy, including property rights and social security insurance. The centre offers its services to both enterprises and governmental departments.

Lastly, director Zhao Lukuan introduced the **Chinese College of Modern Market Economy** in Beijing as the "first non-governmental college" in China. Established in August 1992, the college also promotes "socialist market economy."

For further information about these institutes, please contact Atlas.

## ABOUT THE FRIEDRICH-NAUMANN-STIFTUNG —

The Friedrich Naumann Foundation, Atlas's co-host for the Beijing workshop, is headquartered in Königswinter, Germany. Intellectually connected to the German liberty party FDP, the foundation sponsors international programs of political education to promote understanding of liberal ideas. Its international activities includes offering former communist countries support in the process of establishing liberal and stable democracies. For these activities, FNS has offices in Budapest, Prague, Warsaw, and Ljubljana. The foundation is active in nearly all the formerly communist countries of Europe as well.

In China, the FNS's main focus is to assist in the continuation and stabilization of China's economic reform, particularly human resource development in the agricultural and food sectors and economic policy analysis and advice.

The official policies of the People's Republic of China propose a collection of reform measures to establish a so-called socialist market economy. Through its work, the foundation aims to support proposals which have a market-oriented economic basis, more social fairness, more civil rights, and the encouragement of private initiative. By transferring, strengthening, and disseminating market-oriented and policy-related economic knowledge, the foundation hopes to see more people in a better position to understand and contribute to public policy decision making.

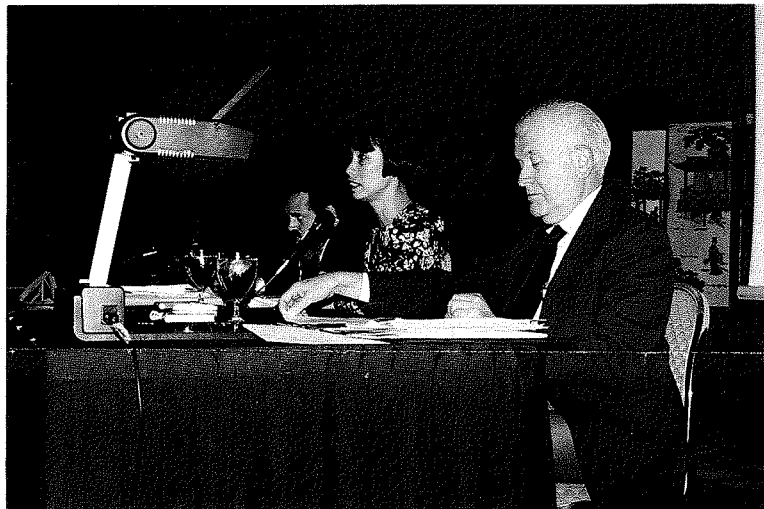


*Kris Mauren and Leonard Ligio with Friedrich Naumann Foundation staff in Beijing*

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Others, who were quite familiar with property rights theory, pressed on with questions of transaction costs, public goods, and externalities.

Several days later, during the last session of the International Workshop, Michael Fumento, Jo Kwong, and Fred Singer again presented their visions of environmentalism. The local institute scholars were particularly interested in aspects of global concern, such as climate change. Singer offered an important observation to the Chinese: Many governments are signing international treaties, pledging to reduce carbon dioxide emissions to 1990 levels. If the Chinese do not agree to curtail emissions,



*Michael Fumento, Jo Kwong, and Fred Singer at Beijing workshop environmental panel*

the global actions will have little, if any, effect on global climate change.

Several of the scholars shared their environmental research papers with Atlas during the program. Examples of paper topics from the Institute of Economics, include "Tentative Ideas of the Establishment of Chinese Ecological Economics," "New Economics - the Ecological Economics as Discussed in

the British Journal *Ecologist*," "Preliminary Research on Exploitation and its Economic Theory of Seas and Oceans," and "Economic Benefit Analysis and Optimization Model of the Utilization of Rural Bioenergy."

Collaborative plans are currently underway between Atlas and at least one professor in Beijing.

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## Free Market Environmental Presentations in Beijing and Hong Kong

Atlas colleagues in Hong Kong and China had several opportunities to share ideas about markets, property rights, risk analysis, and the politicization of environmental science.

On April 19th, the Hong Kong Centre for Economic Research in conjunction with Atlas, offered a one-day seminar featuring Dr. S. Fred Singer (Science & Environmental Policy Project, Fairfax, VA) and Michael Fumento (Competitive Enterprise Institute, Washington, DC) at the Hotel Furama in Hong Kong. The program attracted approximately 60 participants and media coverage from the *Far Eastern Economic Review*, CNBC Asia, Reuters television, and a dozen other print, television, and radio journalists.

Dr. Singer was among the first scientists to recognize that population growth would inevitably increase atmospheric methane, an important greenhouse gas. He also invented the instrument currently used in satellites to measure atmospheric ozone. As a renowned expert on global climate change and the greenhouse effect, Singer offered a challenging alternative to

popular apocalyptic perceptions through his lecture, "Science and Myth in Global Warming and Ozone Depletion."

Michael Fumento, an award winning science journalist and the 1994 Warren T. Brookes Fellow in Environmental Journalism at CEI, discussed "Environment and Technology: Partners or Adversaries?" His widely acclaimed book *Science Under Siege* (1993) offers compelling cause for

reexamination of conventional views about science, technology, and politics.

Following the presentations, a discussion session and book signing were held, giving participants ample opportunity to challenge Singer's and Fumento's unconventional perspectives. Key discussion questions included: "How clean is clean?" and "Why should Hong Kong care about 'global' environmental issues?"

Audiences in China also heard non-traditional discussions on environmentalism. The China Center for Economic Research at Beijing University invited S. Fred Singer and Atlas's Jo Kwong to address graduate level economics students and professors. Singer discussed aspects of global warming and Kwong presented an introduction to markets, property rights, and the environment.

A lively, challenging discussion followed the presentations. Many asked to hear more about how markets can be applied to environmental issues.



Fred Singer, Michael Fumento, and Richard Wong (standing) at the Hong Kong Economic Research Centre environmental program



Hai Wen and Lin Yifu (Centre for Economic Research) with Jo Kwong and Fred Singer at Beijing University

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