## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table of Contents</td>
<td>1</td>
</tr>
<tr>
<td>1. History and Mission</td>
<td>2</td>
</tr>
<tr>
<td>2. Research Programs</td>
<td>3</td>
</tr>
<tr>
<td>3. Summary 2006</td>
<td>5</td>
</tr>
<tr>
<td>4. Staff 2006</td>
<td>6</td>
</tr>
<tr>
<td>5. Students 2006</td>
<td>7</td>
</tr>
<tr>
<td>6. CSES Activities and Outputs 2006</td>
<td>10</td>
</tr>
<tr>
<td>CSES activities 2006</td>
<td>10</td>
</tr>
<tr>
<td>CSES detailed research publications and output 2006</td>
<td>17</td>
</tr>
<tr>
<td>7. CSES Research Associates</td>
<td>26</td>
</tr>
</tbody>
</table>
1. History and Mission

The Centre for Strategic Economic Studies (CSES) was established by the Council of Victoria University in May 1993. One of the six Designated University Centres, the CSES is located at the City Campus of Victoria University, 300 Flinders Street, Melbourne.

Professor Peter J. Sheehan is the Founding Director of the Centre. He is supported by a team of professional staff involved in research and business activities and by graduate students enrolled in both PhD and DBA degree programs.

The mission of the Centre is to:
- address long-term, strategic economic and social issues of international concern and significance;
- consider, in doing so, the role of both general ideas and specific institutions, and the relationship between ideas and institutions;
- develop a specific focus on basic issues relevant to Australia’s future, with special reference to the Asian region; and
- develop and train a body of graduate students with the motivation and skills to address these strategic issues in the future.

In fulfilling this mission, the Centre pursues activities in three main areas: research on long-term economic, social and technological issues; commercial activities, including publications, conferences and electronic data services; and postgraduate research training.
2. Research Programs

The Centre’s research programs focus on the massive processes of economic, technological and social change taking place in the contemporary world. They seek to develop an understanding of the causes and consequences of these global processes of change, and of the appropriate policy responses in different situations to the challenges arising. The Centre’s six main research programs are noted below.

Growth, trade and development

This program concerns the nature and causes of the emerging global knowledge economy and the implications of these trends for individual industries regions and countries. Particular attention is given to the effects of the integration of economies through trade, financial markets and knowledge flows, and to the policy implications – at regional, national and international levels – of this integration.

Governance and regional economies

This program addresses the impact of economic and social change on regional economies, both sub-national and supra-national, and the appropriate policy responses at different levels of government to the new trends. Particular attention is given to impacts at or below the state or province level, and to the effect of these changes on existing institutions and structures, such as fiscal arrangements between national and regional governments.

Inequality and work

The global changes noted above are bringing about fundamental changes in the nature of work, in the supply of jobs and the skills required, and in the distribution of the rewards from working. This program addresses these issues, exploring their implications for increasing inequality across individuals, families and regions, as well as potential policy responses.

Information technologies and the information industries

This program focuses on the economic and organisational impacts of Information and Communication Technologies (ICTs), including information industry development and policy; the application of ICTs across the economy; consequent structural changes in the economy; emerging business models for information-based businesses; and statistical indicators of information industries and information infrastructure development.

Sustainable development and the environment

This program focuses on the issues involved in achieving a sustainable development path, both nationally and internationally. Particular emphasis has been given to the development of numerical growth models incorporating environmental effects, including climate change, to the impact of technological change and to optimal policy responses.
Technology, innovation and industrial change

Work in this program investigates processes of innovation and technological change in both developed and developing economies. Emphasis is placed on the impact of the information technology revolution and the growth of knowledge intensive industries, but the role of innovation across all industrial and service sectors is also a focus of concern.

Within the broad areas of research focus, the Centre has developed a special emphasis on a number of technologies and/or industries. These include:

- information and communications technologies;
- biotechnology and pharmaceuticals, and
- environmentally sustainable technologies.
3. Summary 2006

The Centre for Strategic Economic Studies was established in 1993, and over time has developed a reputation for producing high quality research outputs in applied economics with a focus on globalisation and the development of the knowledge economy, together with the implications of these trends for economic, social and political change.

Four themes have emerged from the Centre’s work to date as of particular importance in the global knowledge economy:

- the central role of health, in terms of human welfare, technological change and economic growth;
- the impact of the convergence of information technologies and biotechnologies at the nano scale, which will have pervasive economic, industrial and social effects;
- the impact of rapid global growth on the environment and the climate, and the technological and policy responses to it; and
- increasing diversity at the regional and individual level, as economic returns concentrate increasingly on those who possess or can access knowledge.

One outcome of the Centre’s development activities has been the appointment of new staff members with high level research capabilities. During 2006 Professor Frank Lichtenberg of Columbia University in New York accepted a position as a part-time adjunct Professor at Victoria University, and visited the Centre in February and March 2007. Dr Brantley Liddle (from MIT) and Dr Sally Weller (from the University of Melbourne) have accepted positions as Senior Research Fellows, and started in early 2007. Further appointments will be made during 2007.
4. Staff 2006

The Centre has over a period of years built a small but highly qualified team, capable of producing high quality research outputs in applied economics, with a focus on better understanding the forces of globalisation, the development of the knowledge economy and their implications for economic, social and political change. Funding under PRIP has given CSES the opportunity to take this to a new level. The appointment of Prof Frank Lichtenberg of Columbia University, New York as an Adjunct Professor for three years is the first of a series of new appointments the Centre expects to make of this nature. Prof Lichtenberg is a world renowned expert on the value of pharmaceuticals for improved health.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Peter J. Sheehan</td>
<td>Director</td>
</tr>
<tr>
<td>Mr Bruce Rasmussen</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Professor Bhajan Grewal</td>
<td>Professorial Fellow</td>
</tr>
<tr>
<td>Professor John Houghton</td>
<td>Professorial Fellow</td>
</tr>
<tr>
<td>Professor Sardar M.N. Islam</td>
<td>Professor</td>
</tr>
<tr>
<td>Professor Tran Van Hoa</td>
<td>Professorial Fellow</td>
</tr>
<tr>
<td>Professor Greg Tegart</td>
<td>Visiting Professor</td>
</tr>
<tr>
<td>Professor Frank Lichtenberg</td>
<td>Adjunct Professor</td>
</tr>
<tr>
<td>Mr Kim Sweeny</td>
<td>Principal Projects Officer</td>
</tr>
<tr>
<td>Mr Ainsley Jolley</td>
<td>Senior Research Fellow</td>
</tr>
<tr>
<td>Dr Enjiang Cheng</td>
<td>Senior Research Fellow</td>
</tr>
<tr>
<td>Dr George Messinis</td>
<td>Senior Research Fellow</td>
</tr>
<tr>
<td>Dr Ahmed Abdullah</td>
<td>Research Fellow</td>
</tr>
<tr>
<td>Dr Dana Nicolau</td>
<td>Research Fellow (part-time)</td>
</tr>
<tr>
<td>Dr Fiona Sun</td>
<td>Research Fellow (part-time)</td>
</tr>
<tr>
<td>Ms Alison Welsh</td>
<td>Research Officer</td>
</tr>
<tr>
<td>Mr Jason Neilson</td>
<td>Research Officer</td>
</tr>
<tr>
<td>Ms Neelam Maharaj</td>
<td>Research Officer</td>
</tr>
<tr>
<td>Mrs Margarita Kumnick</td>
<td>Research Information Coordinator</td>
</tr>
<tr>
<td>Ms Michelle Motton</td>
<td>Administrative Officer</td>
</tr>
</tbody>
</table>
5. Students 2006

As well as supervising PhD students enrolled directly with Centre, CSES staff are also involved as supervisors of the thesis component of a number of DBA students enrolled with the Faculty. In some instances CSES also supervises PhD students enrolled outside the Centre.

<table>
<thead>
<tr>
<th>Student name</th>
<th>Thesis title</th>
<th>Supervisor</th>
<th>Year started</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudath Arumapperuma</td>
<td>The Role of Information Technology in Disseminating Agricultural Innovations: A Comparative Study of Australia and Sri Lanka</td>
<td>Peter Sheehan</td>
<td>2003</td>
</tr>
<tr>
<td>Wei Chen</td>
<td>The Relationship of Capital Structure and Corporate Governance in Emerging Market Countries</td>
<td>Sardar Islam</td>
<td>2005</td>
</tr>
<tr>
<td>Helena Grunfeld</td>
<td>Innovative Models for Telecommunications Network Deployment in Developing Countries</td>
<td>John Houghton</td>
<td>2006</td>
</tr>
<tr>
<td>Thi Thanh Van Hoang</td>
<td>Strategic Market Planning for Second-Tier Cities: An Application to Vietnam</td>
<td>Tran Van Hoa</td>
<td>2005</td>
</tr>
<tr>
<td>Baliira Kalyebara</td>
<td>Using Expected Value of Perfect Information to Improve Capital Budgeting Decision Making</td>
<td>Sardar Islam</td>
<td>2005</td>
</tr>
<tr>
<td>Yew Choe (Nicholas) Lum</td>
<td>Econometric Study of the Foreign Exchange Market</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Prabodh Malhotra</td>
<td>Pharmaceutical Industry and Public Health in Developing Countries: A Comparison Study of India and China</td>
<td>Bhajan Grewal</td>
<td>2002</td>
</tr>
<tr>
<td>Valerie McGown</td>
<td>The Effectiveness of Quality Control Systems in Australia and Japan: A Comparative Analysis</td>
<td>Peter Sheehan</td>
<td>1996</td>
</tr>
<tr>
<td>Giang Nguyen Minh</td>
<td>Education for a Beautiful, Good and Truthful Knowledge Economy: The Case of Vietnam</td>
<td>Peter Sheehan</td>
<td>2006</td>
</tr>
<tr>
<td>Quynh Anh Pham</td>
<td>Industrialisation in Vietnam: An Analysis of Manufacturing Competitiveness and Policy Options</td>
<td>Peter Sheehan</td>
<td>2004</td>
</tr>
<tr>
<td>Kashif Rashid</td>
<td>Option Pricing and Corporate Governance for the Emerging Financial Markets</td>
<td>Sardar Islam</td>
<td>2004</td>
</tr>
<tr>
<td>Bruce Rasmussen</td>
<td>Development Paths of Australian Biomedical Companies</td>
<td>Peter Sheehan</td>
<td>2002</td>
</tr>
<tr>
<td>Kim Sweeny</td>
<td>Competition in Australian Pharmaceutical Markets and the Returns to Innovation</td>
<td>Peter Sheehan</td>
<td>2002</td>
</tr>
</tbody>
</table>
### DBA Students Enrolled at CSES

<table>
<thead>
<tr>
<th>Student</th>
<th>PhD Thesis Title</th>
<th>Supervisor</th>
<th>Year Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syurkani Syurkani</td>
<td>Inflation Dynamics and Monetary Policy in Indonesia</td>
<td>Peter Sheehan</td>
<td>2006</td>
</tr>
<tr>
<td>Chokchai Suwetwattanakul</td>
<td>Knowledge Management in Thai Organisations</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Thanet Wattanakul</td>
<td>Economic and Trade Policy in Thailand: An Econometric Approach</td>
<td>Sardar Islam</td>
<td>2005</td>
</tr>
<tr>
<td>Ibrahim Al-Rahbi</td>
<td>The Role of Government for Enhancing the Knowledge Economy in Oman</td>
<td>Bhajan Grewal</td>
<td>2006</td>
</tr>
<tr>
<td>Arun Anton</td>
<td>Project Appraisal Methods</td>
<td>Sardar Islam</td>
<td>1995</td>
</tr>
<tr>
<td>Rodney Con Foo</td>
<td>SME Exit and the Role of Risk and Uncertainty</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Socrates Karagiannidis</td>
<td>Mergers and Acquisitions in Australia: Reasons and Timing</td>
<td>Peter Sheehan</td>
<td>2005</td>
</tr>
<tr>
<td>Alex Manzoni</td>
<td>A Performance Measurement Model for a Productive Unit of a Commercial Enterprise in Australia</td>
<td>Sardar Islam</td>
<td>2005</td>
</tr>
<tr>
<td>Hong Hoa Pham</td>
<td>A model of strategic marketing adaptation and performance of multinational corporation subsidiaries in Vietnam: An empirical investig</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Tanachart Raoprasert</td>
<td>Japanese Management Adaptation, Particularly in Thailand</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Anuphak Saosaovaphak</td>
<td>Internet Supply Management</td>
<td>Sardar Islam</td>
<td>2006</td>
</tr>
<tr>
<td>Toh Ung</td>
<td>Factors for Successful Franchising in Australia</td>
<td>Sardar Islam</td>
<td>2005</td>
</tr>
</tbody>
</table>

### Completed PhDs

<table>
<thead>
<tr>
<th>Student</th>
<th>PhD Thesis Title</th>
<th>Supervisor</th>
<th>Year Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Alexis Esposto</td>
<td>The Impact of Technology on Earnings Inequality in Australia</td>
<td>Peter Sheehan</td>
<td>2005</td>
</tr>
<tr>
<td>2. Sally Weller</td>
<td>Liberalisation on Commodity Chains in the Australian Clothing Industry</td>
<td>Peter Sheehan</td>
<td>2004</td>
</tr>
<tr>
<td>3. Dexin Yang</td>
<td>Foreign Direct Investment from Developing Countries: A Case Study of China's Outward Investment</td>
<td>Bhajan Grewal</td>
<td>2004</td>
</tr>
<tr>
<td>4. Jamie Sanderson</td>
<td>An Analysis of Climate Change Impact and Adaptation for South East Asia</td>
<td>Sardar Islam</td>
<td>2003</td>
</tr>
<tr>
<td>6. Yvonne Dunlop</td>
<td>Low Paid Earners in the Australian Labour Market</td>
<td>Peter Sheehan</td>
<td>2002</td>
</tr>
</tbody>
</table>
8. Asoka Wettasinghe  
The Diversity and Effectiveness of Industrial Policies in East Asia: A Case Study of the Republic of Korea, Malaysia and Thailand 1960–1997  
Peter Sheehan  
2002

8. Galina Tikhomirova  
Information Technology Industries and National Competitiveness  
Peter Sheehan  
2002

<table>
<thead>
<tr>
<th>Student</th>
<th>Thesis title</th>
<th>Supervisor</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mohamed Rusydi</td>
<td>The Determination of the Efficient Exchange Rate: Mathematical Models and Applications to Indonesia</td>
<td>Sardar Islam</td>
<td>1999-2006</td>
</tr>
<tr>
<td>Christina Mak</td>
<td>Cost-Benefit Analysis Related to Pharmacoeconomics</td>
<td>Sardar Islam</td>
<td>1996-2005</td>
</tr>
<tr>
<td>Songporn (Beau) Hansanti</td>
<td>Financial Liberalisation and the Crisis in Thailand in 1997</td>
<td>Peter Sheehan</td>
<td>2004</td>
</tr>
<tr>
<td>Mohani Abdul</td>
<td>Personal Income Tax Non-Compliance in Malaysia</td>
<td>Peter Sheehan</td>
<td>2001</td>
</tr>
<tr>
<td>Ros Brierty</td>
<td>Feasibility Study of Analytical Projects</td>
<td>Sardar Islam</td>
<td>1999</td>
</tr>
</tbody>
</table>
6. CSES Activities and Outputs 2006

The research activities of CSES reflect the broad range of such activities, including preparation and publication of books, research articles, reports, and working papers; conference presentations; internal and external seminar presentations; training programs; workshops; and dissertations of postgraduate research students. Details of these activities for 2006 are presented below.

CSES activities 2006

This year was one in which the Centre made significant progress in expanding its research programs to achieve its overall objectives. This is evident in the comprehensive list of research activities provided in the table below, and in the Centre’s research outputs for 2006 listed in the next section.

<table>
<thead>
<tr>
<th>GRANTS RECEIVED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria University Priority Research</td>
<td>The CSES was successful in a bid for funding through the Victoria University Priority Research Innovation Program for investment in research over 2006–2010. The Centre received $3.25 million for the period for research in the area 'The Global Knowledge Economy in the 21st Century'. The key objective is to build a centre of excellence, of international scale and quality, by 2010, with a focus on the following areas: converging technologies – applications, implications and policy; medicines, health outcomes and industry development; energy use and climate change in the new economy; and governance and regional development issues.</td>
</tr>
<tr>
<td>and Innovation Program</td>
<td></td>
</tr>
<tr>
<td>Merck Company Foundation</td>
<td>The Centre has been successful, against global competition, in being awarded one of ten grants of US$200,000 per annum under the Merck Company Foundation Program on Pharmaceutical Policy Issues (PPPI) for a further three years, 2006–2008. The PPPI grants support outstanding faculty and scholars capable of providing education and training, conducting rigorous, independent, policy-related research, and disseminating information related to pharmaceuticals and health. The central focus of the research is how companies, governments and other agencies respond to the major new round of product innovation in pharmaceuticals that is under way, and to the radical advances in science that are transforming the technological basis of the industry. The CSES project has four streams: (1)The Pharmaceutical Industry to 2010; (2) Health Costs, Drug Cycles and the Benefits of Innovation; (3) Innovation and Cost Management in Pharmaceutical Pricing; and (4) Structural Change, Innovation and Industry Development.</td>
</tr>
<tr>
<td>DIIRD matching grant</td>
<td>The Victorian Government, through the Victorian Department of Innovation, Industry and Regional Development (DIIRD), has supported the Merck Company Foundation Grant mentioned above by providing matching funding of US$50,000 per annum for the three years 2006–2008.</td>
</tr>
<tr>
<td>ARC funding</td>
<td>ARC Linkage Grant: General Purpose Technologies. The CSES ARC Linkage project titled ‘General Purpose Technologies, Complementarities and the Convergence of Industries’ was supported by a three-year grant of $50,000 per year (from July 2003 to June 2006). In December 2006, a final policy report was released titled Consistent National Policies for Converging Technologies: Some Preliminary Conclusions, along with 22 Project Working Papers. Industry partners included the Department of Industry,</td>
</tr>
</tbody>
</table>
Tourism and Resources, the Department of Innovation, Industry and Regional Development (VIC), IBM Australia Ltd, Starpharma Ltd and AusBiotech Ltd. Research on converging technologies will be continued with PRIP funding from Victoria University.

**ARC Linkage Grant: ASEAN+3 Free Trade Agreement and Its Impact on Australia-Vietnam Trade.** Tran Van Hoa joined the CSES in July 2005 and brought an ARC Linkage Project (2nd Round) of which he is the sole Chief Investigator. The funding is for the period 2004–2007 with total funding of $256,000 from the ARC, and $60,000 in cash and $220,000 in kind from the industry partner, the Vietnam Institute for Trade (VIT) at the Ministry of Trade (MOT) in Vietnam.

In 2006 two workshops were organised to present research of this project. Professor Tran Van Hoa presented two papers: ‘Australia-Vietnam: Regional and Sectoral Issues of Trade, Investment and Economic Integration’ at the First Biannual Progress Report Workshop (Hue, Vietnam, 11-13 August); and ‘Trade, Investment, Development and Risk Management under AFTA/WTO’, at the Second Biannual Progress Report Workshop (Hue, Vietnam, 30 November-3 December).

**TIAC grants**

In late 2005 and early 2006, the CSES received two grants from the Western Australia Technology and Industry Advisory Council (TIAC) to develop 2 reports: on ‘Expanding Western Australia’s Export Markets: The Drivers and Shapers of China’s Economic Development in the 21st Century’, for the Department of Industry and Resources’ ($76,980) and ‘Expanding Western Australia’s Export Markets: The Drivers and Shapers of India’s Economic Development in the 21st Century’, for the Department of Industry and Resources’ ($76,680). Both reports, finalised in late 2006, provide an understanding of the strategic drivers of Chinese and Indian economic development in order to provide options on expanding the Western Australia’s export market. Each report has 12 and 11 supporting papers respectively. The reports will be launched in February 2007 in Perth.

**Health funding**

Medicines Australia funded research on the Pharmaceutical Benefits Scheme carried out by Kim Sweeny for $43,000. He produced a report titled *Monitoring the Effects of Recent Changes to PBS Medicine Pricing Policies.*

Pfizer provided funding for $9000 with three reports being delivered by Kim Sweeny titled *Medicines with Prices in the United Kingdom, The Market for Antidepressants in Australia, and New Drugs, Generics and Pricing Options: An Analytical Framework for the Assessment of Alternative Policies Phase One: New Drugs for the PBS.*

APEC LISF program provided funding in health research for $26,502. A framework paper was written by Peter Sheehan, Bruce Rasmussen and Kim Sweeny; and delivered at the Fourth Annual APEC Life Science Innovation Forum (LISF) in Hoi An, Vietnam on 6-7 September, titled ‘Sustainable Health Care Systems to Support Innovation’.

**ICT funding**

The OECD has provided regular support for John Houghton to participate in the production of the OECD key ICT publications the *Information Technology Outlook* and the *Communications Outlook*. In 2006 it provided $55,000 for a paper titled ‘Globalisation of the ICT sector’ which was published as a chapter in the *OECD Information Technology Outlook 2006*.

The Commonwealth Department of Education, Science and Training (DEST) provided $36,000 for a research report titled *Research Communication Costs in Australia: Emerging Opportunities and Benefits.* The report was prepared by John Houghton and Peter Sheehan from the CSES and Colin Steele from the Australian National University. The study provides background information to support the development of the
Australian ‘Accessibility Framework’, which is intended to provide a strategic framework to improve management of, and access to, research information, outputs and infrastructure so that they are discoverable, accessible and shareable. It is available from the DEST website (see link below in the section listing Contract and Research Reports below). There were extensive references to this DEST report in the recent Productivity Commission report on Public Support for Science with following comments in several blog sites, such as: http://www.earlham.edu/~peters/fos/2006_11_12_fosblogarchive.html#116344467230316048SIGMETRICS@listserv.utk.edu

The Australian Computer Society provided $34,250 for Australian ICT Trade Update 2006, which provides a comprehensive review of the latest Information and Communication Technology (ICT) trade statistics. It is the latest in a series of Information Industries and Technologies reports by John Houghton.

### SEEK funding

The CSES commenced a joint research venture with SEEK Limited to develop the new SEEK Employment Index. The Index was launched in July 2005 by the Hon. Kevin Andrews, Minister for Employment and Workplace Relations, SEEK Chairman James Packer and Prof. Elizabeth Harman, Vice Chancellor Victoria University. Peter Sheehan and George Messinis at CSES have developed the index, which is the first Australian indicator to directly compare labour market supply with labour market demand. The SEEK index has been created to complement existing indicators from the Australian Bureau of Statistics (ABS) and the ANZ jobs ads series. Funding received for 2006 totaled $99,000.

### AusAID

AusAID provided funding for three projects.

In July the CSES hosted the ACESA 2006 Conference. Funding of $10,536 was provided by AusAID. For details of the conference please refer to the Section on Conferences in this table and to the conference website at http://www.cfses.com/06confchina/about.htm

In May 2006, Prof. Tran Van Hoa organised and facilitated an International Conference in Bangkok with $14,000 granted by AusAID-ISSS as part of the Regional and Progress of Trade Analysis and Reform Project. The project is managed by ACIL and local contact is Renmin University of China (RUC) in Beijing.

As part of the Trade Analysis and Reform Project (TARP) Tran Van Hoa received funding from AusAID of $23,000 for the organization of 3 workshops which were held on: 12-15 Feb 2006 in Hanoi, Vietnam; 8-11 May 2006 in Bangkok, Thailand; and 7-10 August in Hanoi, Vietnam. For more details see the section below on Workshops.

### Other funding

Microfinance. Research continues on microfinance carried out by Enjiang Cheng and partners in China with funding from The World Bank totalling $5421. As part of the project, the China Academy for Rural Development of Zhejiang University and the CSES co-organized the International Conference on NGO Microfinance and Rural Financial Reforms in China, held in Hangzhou, Zhejiang Province of China on 21-22 May. It was and sponsored by Ford Foundation, Beijing. Forty participants, including leading researchers and microfinance practitioners from China and researchers from Australia and the US, attended the meeting. The representatives from major donor agencies in China, including the World Bank, International Financial Corporation, Ford Foundation, GTZ also attended. A book Rural Finance and Microfinance in China was prepared and has been accepted for publication, by Zhejiang University Press

*Global Chains*, the first report from CEDA’s Competing From Australia
project, maps the rise of global production and supply chains. And it warns that Australia may find it increasingly difficult to link into these global chains. This report authored by John Houghton is on the front page of CEDA’s website, available at http://ceda.com.au/public/index.html

John Houghton joined the Centre for Innovative Industry Research and Whitehorse Strategic Group in 2005 to produce a report for the Department of Communications, Information Technology and The Arts. The report was released in April 2006 and is titled The Australian Software Industry & Vertical Applications Markets: Globally Competitive, Domestically Undervalued. It analyses the Australian software industry and opportunities for growth in eight key vertical markets. The consulting team was Ian Dennis, John Houghton (CSES), Richard Hogg, Phil Singleton, Brett McLean, Robert Eames and Tina Xydias.

John Houghton also joined a consultancy team including Cliff Gibson, John de Ridder and John Hibbard to produce a report for TIAC titled: Big Pipes: Connecting Western Australia to the Global Knowledge Economy, available at: http://www.tiac.wa.gov.au//ictforum/bigpipes/

A report commissioned by Country Racing Victoria in 2005 was finalised in February 2006 titled Economic and Social Contribution of Thoroughbred Horse Racing in Country Victoria. It was carried out in conjunction with the Centre for Hospitality and Tourism (VU), and covered the Victorian country racing industry. An important element of the study was to estimate total expenditure on goods and services by the Victorian country racing industry. Researchers included Bhajan Grewal, Peter Sheehan and Neelam Maharaj.

Sardar Islam completed a report with Ian Rouse (Dean of Science Engineering and Health, Victoria University) and others titled Western Region Metropolitan Councils Health Services Strategy, commissioned by the Brimbank City Council on behalf of the Western Region Metropolitan Councils.

PUBLICATIONS HIGHLIGHTS

CSES MUP book launch

The Vice-Chancellor of Victoria University, Professor Elizabeth Harman welcomed the Hon. Simon Crean MP to launch the new CSES book Engaging the New World: Responses to the Knowledge Economy, on Wednesday 12 July at the VU Conference Centre. The function was attended by a large number of friends and colleagues of the CSES.

This recent volume produced at the CSES and published by Melbourne University Press, leading economic analysts discuss the wide-ranging impact of the information economy – on education, health care, pharmaceuticals, public finance, regional economics and agriculture. These issues, critical to national and global economic policy today, are explored with the aim of stimulating the development of appropriate policies for the future.

With contributions from prominent Australian and international economists including Bob Gregory, Ann Harding, Frank Lichtenberg, Simon Marginson, William Melody, John Quiggin and Peter Saunders, Engaging the New World was published as a tribute to the work of Peter Sheehan, Director of CSES. It reflects his outstanding contribution to public discourse in Australia as a researcher, writer, leader and adviser to governments. The volume was edited by Bhajan Grewal and Margarita Kumnick.

CSES publications and invited presentations

CSES staff and students totalled 3 authored books (commercial publishers) and 2 edited books (commercial publishers), 12 chapters in books (commercial publishers), 6 refereed journal articles, and 21 refereed and published conference papers. Staff were invited to present 24 presentations and/or papers in Australia and overseas including UK, Germany, China,
Japan, Korea, Vietnam and Malaysia.

<table>
<thead>
<tr>
<th>CSES CONFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACESA 2006</strong></td>
</tr>
</tbody>
</table>
| The ACESA 2006 International Conference titled Emerging China: Internal Challenges and Global Implications was jointly organised by the Centre for Strategic Economic Studies (CSES) at Victoria University and the Association for Chinese Economic Studies (Australia) (ACESA). Enjiang Cheng was the convenor of the conference which was held at the Victoria University Conference Centre on 13-14 July.  

This meeting, the 2006 conference of the Association for Chinese Economic Studies (Australia), addressed both the internal challenges faced by the Chinese Government in ensuring sustainable growth and delivering the benefits of that growth to ordinary citizens, and the global implications of China’s emergence.  

Many issues were discussed, including the nature and sustainability of China's current growth path, the future of financial reform, the implications of continuing growth for energy markets and the climate, inequality and the distribution of income within China, including regional imbalances, the challenges facing the government sector and the implications of China’s emergence as a leading knowledge nation.  

Invited speakers included: Dr Brian Fisher, Executive Director, ABARE (Australian Bureau of Agriculture and Resource Economics); Professor Peiyong Gao, Deputy Director, Institute of Finance and Economics, Chinese Academy of Social Sciences; Professor R.G. Gregory, Professor Economics, Economics Program, Research School of Social Sciences, The Australian National University; Director, Center for China Studies, Tsinghua University; and Professor Peter Saunders, Australian Professorial Fellow and Director, Social Policy Research Centre, University of New South Wales.  

A range of leading experts, both from China and Australia, participated in the conference, which provided an opportunity for full and frank exchange about these important issues. |

<table>
<thead>
<tr>
<th>Microfinance Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enjiang Cheng jointly organised an International Conference on NGO Microfinance and Rural Financial Reforms in China held in Hangzhou, Zhejiang Province of China on 20-21 May 2006. The conference was co-organized by the China Academy for Rural Development of Zhejiang University and the CSES, and was sponsored by the Ford Foundation, Beijing. Forty participants, including the leading researchers and microfinance practitioners from China and researchers from Australia and USA, attended the meeting. The representatives from major donor agencies in China, including the World Bank, International Financial Corporation, Ford Foundation, GTZ also attended the conference.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PARTICIPATION IN HIGH LEVEL CONFERENCES, SEMINARS AND WORKSHOPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invited conference presentations</td>
</tr>
<tr>
<td>CSES staff were invited to present 25 papers at a variety of conferences, of which 11 were keynote or plenary presentations (see list below in Appendix 2). Another 20 refereed papers were presented at conferences and published.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workshops TARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tran Van Hoa was invited to participate as mentor in 3 AusAID workshops</td>
</tr>
</tbody>
</table>
### CSES Annual Report 2006

<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>project, Vietnam</strong></td>
<td>for Vietnamese senior government officials and researchers organised as part of the Trade Analysis and Reform Project (TARP). Workshops were held on: 12-15 Feb 2006 in Hanoi, Vietnam; 8-11 May 2006 in Bangkok, Thailand; and 7-10 August in Hanoi, Vietnam. A related activity was an invitation for Tran Van Hoa to attend, as a conference facilitator, the Australia-China Free Trade Agreement (ACFTA) Conference on 17-18 April 2006 at Renmin University of China in Beijing to deliver a keynote lecture. The conference was funded by AusAID ISSS with CSES as the Australian co-sponsor.</td>
</tr>
<tr>
<td><strong>Organiser and discussant</strong></td>
<td>Tran Van Hoa was invited to be discussant at the WTO, China and Asian Economies V Conference, Central University of Finance and Economics, Beijing, 24-25 June. He was also part of the Program Committee of the 5th Asia Pacific Economic Forum (APEF) Conference 2006 held at Kangwon National University in Chunchoen, Korea, on 4-5 July. After the conference he participated in the United Nations Economic and Social Commission for the Asia Pacific (ESCAP) Young Leaders Training Program for Sustainable Development in Asia and the Pacific held the next day on 6 July, where he delivered a course titled: Introduction to Methodologies in Development and Trade Analysis. Following that he was invited discussant at the Korea and the World Economy V Conference 2006, a joint conference of the Association of Korean Economic Studies (AKES), Research Center for International Economics (RCIE) (University of Washington), and Korea Development Institute (KDI), Korea University, Seoul, 7-8 July.</td>
</tr>
<tr>
<td><strong>Organiser Atlantic Economic Conference</strong></td>
<td>At the 61st International Atlantic Economic Conference held in Berlin, Germany on 15-19 March 2006, Bhajan Grewal was joint organizer with M. Peter van der Hoek (Erasmus University, Rotterdam) of the session titled ‘China’s Public Finances’ Both Peter Sheehan and Bhajan Grewal presented a paper in this session.</td>
</tr>
<tr>
<td><strong>Invited guest and Honorary Member</strong></td>
<td>Peter Sheehan was invited to become Honorary Member of the Academic Program Committee of the Association for Soft Science China and was invited speaker at the 4th International Symposium on Soft Science Innovative Nation: Theory and Practice, held in Beijing, 28-30 November. The Association for Soft Science China founded in 1994 is a national learned independent society organized on a voluntary basis by organizations, societies, institutions, enterprises and experts and scholars in the field of natural sciences, social science engineering and policy making.</td>
</tr>
<tr>
<td><strong>Convenor ICONN 2006</strong></td>
<td>Greg Tegart was convenor and chair for Symposium K of the 2006 International Conference On Nanoscience and Nanotechnology (ICONN) held in Brisbane in 3-7 July. The symposium topic was Nano-manufacturing, Reliability, Standards, Safety and Ethical issues. He was also Chair of Plenary Session 4.</td>
</tr>
</tbody>
</table>

### OTHER ACTIVITIES

<table>
<thead>
<tr>
<th>Role</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Visiting Professor</strong></td>
<td>Professor Frank Lichtenberg is a world renowned expert on the value of pharmaceuticals for improved health and a leading economist working on the quantitative assessment of the impact of new technologies, and especially medicines, on health outcomes. He is Courtney C. Brown Professor of Business at the Columbia University Graduate School of Business, and a Research Associate of the National Bureau of Economic Research. In February 2006, he visited the CSES for a month, to carry out research on Australian data. During the visit he gave four public</td>
</tr>
</tbody>
</table>
presentations (two in Melbourne and one each in Sydney and Canberra) and had a number of meetings with political figures and officials in Canberra.

Prof Frank Lichtenberg has been appointed Adjunct Professor for three years.

**New academic program**

As a part of the initiatives undertaken by Prof. Colin Clark, Dean, Faculty of Business and Law, Victoria University is introducing some new academic programs in the Faculty. A Program has been established on Decision Sciences and Modelling. Currently, Sardar Islam is leading the program (as Director) and later a formal organization/committee will be constituted for this program.

**Adjunct Professor**

Sardar Islam was appointed Adjunct Professor, School of Decision Sciences, Hong Kong Baptist University, Hong Kong.

**Project Director**

Greg Tegart was Project Director for a report *Environmental, Social, Legal and Ethical Aspects of the Development of Nanotechnologies in Australia*, carried out by the National Academies forum for the Nanotechnology Strategy Taskforce, Department of Industry, Tourism and Resources in Canberra as an input to the National Technology Taskforce (January-April). This entailed workshops with Fellows of the Academies in Sydney and Melbourne, meetings with regulators in Canberra and industry executives and researchers. A 40 page report was released by the Minister in September.

**Organizer Nano Mission**

Greg Tegart organized a Mission on Nanotechnology from Academie des Technologies in France in June/July.

**Invited member and chair**

Greg Tegart was invited to become a member of the Standards Australia Nanotechnologies Committee NT-001 and member of the Asia/Pacific Group of General Advisory Council of MANCEF (Micro and Nanotechnology Commercialization Education Foundation) for 3 years. He was also invited to become Chair of the Management Committee of the ARC Advanced Materials Research Network, for 3 years.

**Visiting Scholars**

The CSES had two visiting scholars in 2006. Jason Neilsen arrived in Oct 2005, he was completing his Master thesis (Chalmers University of Technology, Gothenburg, Seden). His thesis titled: ‘An Innovation System Assessment of the Australian Biofuel Industry’ was submitted and accepted in June 2006.

Zhang Bo joined the CSES in April 2006 for 5 months to work on his PhD thesis with the School of Finance at Renmin University of China. His thesis is titled: Fiscal decentralization in China.
CSES detailed research publications and output 2006

Publications and research outputs achieved by the Centre in 2006 are listed in full below. DEST category ones have been highlighted.

Books authored (DEST category)


Books edited


Chapters in books


Journal articles refereed


Journal articles not refereed


Conference papers and presentations, invited


of Nanoparticles and Nanomaterials’, Society of Environmental Toxicology and Chemistry (UK) and Environment Agency (UK), London, 19 September.


Conference papers, refereed and published (non-DEST category)


Conference papers, other


CSES research reports

1. Sheehan, P., Grewal, B. et al. 2006, Building on the Western Australian Boom: The Drivers and Shapers of India’s Economic Development in the 21st Century, Report to the Western Australian Technology and Industry Advisory Council (TIAC), Centre for Strategic Economic Studies, Victoria University, Melbourne.


ARC Linkage Project, Centre for Strategic Economic Studies, Victoria University, Melbourne.


Supporting papers to research reports


External seminars and courses


Seminars and internal working papers


## 7. CSES Research Associates

### External

1. Dr Sanjoy Bose  
   Lecturer and Director Executive Education  
   Graduate School of Management, Faculty of Law and Management, La Trobe University

2. Professor Nicolae Bulz  
   Professor  
   Ecological University, Bucharest, Romania

3. Dr Matthew Clarke  
   Lecturer  
   School of Social Science and Planning, RMIT University

4. Dr Hans Lofgren  
   Lecturer  
   Politics and Public Policy, Deakin University

5. Dr K.B. Oh  
   Senior Lecturer  
   Graduate School of Management, Faculty of Law and Management, La Trobe University

6. Dr Sethapong (Paul) Watanapalachaikul

7. Dr Sally Weller  
   Lecturer  
   Department of Anthropology, Geography and Environmental Studies, University of Melbourne

### Internal

1. Shameem Ali  
   Lecturer  
   School of Hospitality, Tourism and Marketing, Faculty of Business and Law

2. Professor Ray Anderson  
   Professor  
   School of Accounting and Finance, Faculty of Business and Law

3. Associate Professor Anona Armstrong  
   Director  
   Centre for International Corporate Governance Research, Faculty of Business and Law

4. Dr Steve Bakalis  
   Senior Lecturer  
   School of Applied Economics, Faculty of Business and Law

5. John Bentley  
   Senior Lecturer  
   School of Information Systems, Faculty of Business and Law

6. Roberto Bergami  
   Lecturer  
   School of Applied Economics, Faculty of Business and Law

7. Dr Nick Billington  
   Head  
   Victoria Graduate School of Business, Faculty of Business and Law

8. Associate Professor John Breen  
   Deputy Dean  
   Office of the Dean, Faculty of Business and Law

9. Megan Brown  
   Lecturer  
   School of Law, Faculty of Business and Law

10. Dr Richard Chauvel  
    Senior Lecturer  
    Social of Social Sciences, Faculty of Arts

11. Dr Michelle Fong  
    Senior Lecturer  
    School of Applied Economics, Faculty of Business and Law

12. Mukesh Garg  
    Lecturer  
    School of Accounting and Finance, Faculty of Business and Law

13. Romana Garma  
    Lecturer  
    School of Hospitality, Tourism and Marketing, Faculty of Business and Law

14. Richard Gough  
    Lecturer  
    School of Management, Faculty of Business and Law

15. P.J. Gunawardana  
    Senior Lecturer  
    School of Applied Economics, Faculty of Business and Law

16. Dr Inka Havrila  
    Lecturer  
    School of Applied Economics, Faculty of Business and Law
17. Hikaru Horiguchi  Student, Doctor of Business Administration  Victoria Graduate School of Business, Faculty of Business and Law
18. Dr Kandiah Jegasothy  Lecturer  School of Applied Economics, Faculty of Business and Law
19. Pandora Kay  Lecturer  School of Hospitality, Tourism and Marketing, Faculty of Business and Law
20. Jeffrey Kidd  Senior Lecturer  School of Hospitality, Tourism and Marketing, Faculty of Business and Law
21. Professor Brian King  Head  School of Hospitality, Tourism and Marketing, Faculty of Business and Law
22. Michael Longo  Senior Lecturer  School of Law, Faculty of Business and Law, Faculty of Business and Law
23. Sidney Lung  Lecturer  School of Applied Economics, Faculty of Business and Law
24. Dr Muhammad Mahmood  Senior Lecturer  School of Applied Economics, Faculty of Business and Law
25. Dr Karen Manning  Associate Dean Teaching and Learning  Office of the Dean, Faculty of Business and Law
26. Alex Manzoni  Teacher  School of Business, Hospitality and Personal Services, TAFE
27. Amerta Mardjono  Student, Doctor of Business Administration  Victoria Graduate School of Business, Faculty of Business and Law
28. Professor John Mclaren  Professor  School of Communication, Culture and Languages, Faculty of Art
29. Mario Miranda  Senior Lecturer  School of Applied Economics, Faculty of Business and Law
30. Dr Theo Papadopoulos  Associate Professor  School of Applied Economics, Faculty of Business and Law
31. Professor Michael Polonsky  Professor  School of Hospitality, Tourism and Marketing, Faculty of Business and Law
32. Dr Jadunath Pradhan  Lecturer  School of Applied Economics, Faculty of Business and Law
33. Mohammad Rusydi  Student, Doctor of Business Administration  Victoria Graduate School of Business, Faculty of Business and Law
34. Dr Jordan Shan  Associate Professor  School of Applied Economics, Faculty of Business and Law
35. Jasbir (Jesse) Singh  Lecturer  School of Applied Economics, Faculty of Business and Law
36. Lindsay Smyrk  Senior Lecturer  School of Applied Economics, Faculty of Business and Law
37. Jan Soutar  Lecturer  School of Management, Faculty of Business and Law
38. Michael Spisto  Lecturer  School of Law, Faculty of Business and Law
39. John Tippet  Lecturer  School of Management, Faculty of Business and Law
40. Professor Lindsay Turner  Head  School of Applied Economics, Faculty of Business and Law
41. Dr Chau Jo Vu  Lecturer  School of Applied Economics, Faculty of Business
42. Margaret Wang  
   Lecturer  
   School of Law, Faculty of Business and Law

43. Dr Despina Whitefield  
   Lecturer  
   School of Accounting and Finance, Faculty of Business and Law

44. Dr Guneratne Wickremasinghe  
   Lecturer  
   School of Accounting and Finance, Faculty of Business and Law

45. Ruth Williams  
   Lecturer  
   School of Applied Economics, Faculty of Business and Law

46. Dr Victoria Jane Wise  
   Senior Lecturer  
   School of Accounting and Finance, Faculty of Business and Law

47. Professor David Worland  
   Honorary Professor  
   School of Management, Faculty of Business and Law

48. Bruno Zeller  
   Senior Lecturer  
   School of Law, Faculty of Business and Law, Faculty of Business and Law

49. Ming Zhou  
   Lecturer  
   School of Law, Faculty of Business and Law, Faculty of Business and Law