

## Competition between state owned and private enterprises



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Many believe that the long term economic outlook of China depends greatly on whether the private sector will thrive or decline. This warrants a careful examination of private entrepreneurship in China—its past, present and future. Specifically, we can examine the questions of

1. How private firms operate in the context of weak and changing institutions;
2. How formal and informal institutions governing private entrepreneurship in China emerge and co-evolve;
3. How some private firms achieve better performance by maximizing the enabling element and minimizing the constraining element in the surrounding institutions;
4. How local firms can learn from foreign competitors and become stronger competitors.

The study aims at obtaining answer to these questions.