
1. From the Editors

The year 2005 witnessed China's continuing expansion in the world economy. This rapid expansion, with its increasingly staggering demand for energy and raw materials, has caused some international repercussions. Around mid-year, China National Offshore Oil Corporation's (CNOOC) attempted takeover of Unocal, an American oil company, became a hot issue on the US Capitol Hill. It ended with CNOOC's withdrawal of the bid and Chevron, an American oil company, emerged as the winner. In our News Commentary column, Elspeth THOMSON describes the evolvment of the saga and analyzes the economic and political implications for U.S. and China.

In the Law and Economics column, Yalei SUN compares the patent systems of China and the U.S. The first part of the study, included in this issue, focuses on the development of China's patent law system and compares the patent application processes in the two countries. The second part of the study, forthcoming in our next English issue, will discuss patent litigation and present case studies involving cross-border patent disputes.

Also in this column, Michael HIRSON analyzes the regulatory loopholes and financial market deficiencies leading to the debacle of D'Long, one of the largest private-owned conglomerates in China. The author points out that the constrained access to formal financing channels and weak regulatory regime could hinder the development of the non-state sector in the long run.

In the past decade, following the collapse of the old socialist welfare state, China has had to rebuild its social security system. In the Politics and Society column, Mingjiang LI describes a striking divergence in the state's social security reform: the divergence in social security provisions to the rural and urban residents. LI explores the political and institutional causes to this divergence, namely, the legacy of the traditional urban-rural separation, the Party-state's consideration for political legitimacy and stability, and the absence of interest representation on behalf of the rural population.

Finally, Haiwen WANG summarizes an experience of teaching educational testing and measurement at Tibet University, and Hao ZHOU summarizes the teaching of financial market and empirical method at Peking University, both under the support of OYCF Gregory C. and Paula K. Chow Teaching Fellowship.

We hope you enjoy this issue of *Perspectives* and welcome your comments, suggestions and manuscript submissions as always.

Wish you all a happy and fruitful new year,

The Editors