Doctor of Philosophy in Business Economics

“Aspects of Chinese Competition Policy: A Case Study-Based Approach”

Shuping Lyu

Supervisors: Prof. Caroline Buts, Ph.D. (VUB) & Prof. Marc Jegers, Ph.D. (VUB)

Abstract

Competition policy is a set of laws and policies to ensure that market competition is not restricted, reducing welfare (Motta, 2004). It plays an important role in economic development. China has had its competition policy since the early 1980s when it started the transition from a centrally planned economy to a market economy. Nowadays, Chinese competition policy has two primary tools, the Anti-Monopoly Law (AML) which took effect in August 2008, and the Fair Competition Review System (FCRS), which was established in June 2016. This dissertation contributes to the extant literature by means of a case study-based approach looking at these two primary tools. Two categories of monopolies that competition policy regulates, i.e., the administrative and economic monopolies are both studied. Besides, a comparison with the EU’s related competition policy is also explored.

This dissertation is composed of four substantial chapters. The first employs a systematic literature review methodology to investigate how the case study method is applied in the research on competition policy. The second and third chapters focus on the newly established FCRS. Firstly, in Chapter 2 a single case study was carried out to evaluate how the FCRS is implemented. Data are collected from various documents and semi-structured interviews. Secondly, a comparison of China’s FCRS and the EU’s State aid control regime is probed in Chapter 3 by means of a comparative legal analysis methodology and expert interviews as triangulation. The fourth chapter zooms in on the AML and the use of economic analysis, which plays a crucial role in the enforcement of competition laws, especially in cases of merger control enforcement. This chapter explores how the antitrust authorities of China and the EU apply economic analysis methods in merger control reviews. A comparative case study methodology is applied.

The findings of this dissertation confirm that the case study method plays a vital role in competition policy research. It is widely used for merger cases, especially for the three largest jurisdictions, the US, the EU, and China. It can respond to diverse objectives and single and qualitative case studies are most frequently conducted. The FCRS can promote a competitive market to some extent, but it faces challenges. Corresponding suggestions are provided. Between the FCRS and the EU’s State aid policy there exist similarities and differences regarding objectives, provisions, and procedures. Differences in political and economic systems and different historical development are the main reasons for the differences. After high-level comparisons and in-depth case studies, certain similarities and differences are observed between the EU and Chinese antitrust authorities and discussed.