

Place Leadership with Chinese Characteristics?

A case study of the Zaozhuang Coal-mining region in Transition

Xiaohui Hu

Economic Geography, University of Kiel

Zaozhuang in Shandong Province



in the past, a battle site, destroyed.
Nowadays, rebuilt as a 'Ancient Town' for Tourism

4 Empirical case study

□ Media reports on Zaozhuang's tourism

| Media name (in Chinese) | News title | Date of publishing |
|---|--|-----------------------|
| Wenweipo (<i>wen hui bao</i>) | Zaozhuang's 'sea turtle' dual Ph.D. mayor is ready to show capability | 2008-03-07 |
| People's Daily (<i>ren min ri bao</i>) | Mayor Chen Wei disentangles the restructuring of Zaozhuang | 2009-03-13 |
| China Tourism News (<i>zhongguo lvyou bao</i>) | Zaozhuang's mayor Chen Wei - the best tourism ambassador in China | 2010-10-25 |
| China Daily (<i>zhongguo ribao</i>) | Seeking for scientific paths in resource cities: proactive transformation in Zaozhuang | 2012-04-15 |

Outline



- Research gap and aims
- Theoretical accounts
- A contextualization of place leadership in China
- Empirical case study
- Conclusions

1 research gap and aims

- Institutions and regional economic change – poorly understood (Martin, 2000; Gertler, 2010)
- A more **agency focused, multi-scalar and relational-evolutionary integrated approach** (MacKinnon *et al.*, 2009; Bathelt and Glückler, 2014; Hassink *et al.*, 2014; Grillitsch, 2014).
- Place-leadership approach, bringing ‘**people**’ back into the core of regional development studies (Stimson *et al.*, 2009; Collinge and Gibney, 2010; Sotarauta *et al.*, 2012)

1 research gap and aims

- leadership – collective action, collaborative capability that shape institutional environment (Gibney et al., 2009; Collinge and Gibney, 2010)
- Leaders are **institutional entrepreneurs** (Sotarauta, 2011)
- The new notion is in its infancy, and still conceptually vague and empirically insufficient...

1 research gap and aims

- The role of the Chinese local state in regional economic development e.g. the local state corporatism (Oi, 1995); the entrepreneurial local state (Zhu, 2004)
- regard the local state **as a behavioral agency as a whole**, the role of state leaders (groups of officials) has been largely neglected.

1 research gap and aims

“Any conceptualization of local economic restructuring [in China] **must humanize the state and take into consideration the role of the local leaders and their economic and political interests.**” (Ma, 2002, p.1552, EPA)

Research Questions:

1. What kind of version of place leadership in Chinese context? why it is essential for China's regional development?
2. how does place leadership in a Chinese context shape institutional bases for industrial dynamics in practice?

2 leadership, institutions and industrial change

- Institutions – firm based and locally embedded, affect the ways of economic interaction – downward process. upward process?
- the importance of individual human actors in restructuring regional economics in a Western context

2 leadership, institutions and industrial change

Some examples

| region | Key human actors | role | source |
|-------------------------------|---------------------------------------|--|------------------------------|
| Basque Country, Spain | Transformational Political leaders | Created a clear vision, inspired commitment | Arrosipde et al 2011 |
| Sophia Antipolis, France | Politician: Pierre Laffitte | Developed Initial vision enacted new institutions | Parker 2010 |
| Styria, Austria | Styrian Minister: Herbert Paierl | 'Initiator' of appropriate cluster policy | MacNeill and Steiner 2010 |
| Bitterfeld-Wolfen, Germany | Economic leaders | Network builders, Altruistic managers | Bathelt 2013 |

2 leadership, institutions and industrial change

- Three styles of leadership as building blocks for the empirical part :
 - Interpretive leadership
shapes actors' prevailing perceptions and knowledge
 - Formal leadership
is oriented to goal achievement and expected consequence by positional power.
 - Network leadership
directs all the opportunities and resources of networks to the desired direction

3 the context: why local state leadership in China?

- National leaders: From Mao to Deng (Wei, 2000; Fan and Sun, 2008)
- Sub-national leaders: key actors for local experiments and reforms
 - e.g. Qiu He (official with personality) (Fewsmith, 2006; 2010)
 - e.g. Bo Xilai (the Chongqing Model) (Zhang and Peck, 2014)
 - Grass-rooted cadres in China (Eaton and Kostka, 2013)

We see these cases are logical outcomes enabled by Chinese-specific political arrangements and institutional settings:

3 the context: why local state leadership in China?

- Two main institutional fundamentals that constitute the Chinese version of place leadership, **namely local state leadership**
- 1. the unique version of decentralization
Asymmetric decentralization (Chien, 2007; 2010) or 'Regionally decentralized authoritarian' (Xu, 2011).
- 2. the cadre cross-region shuffling system.
The term of 'airborne cadres' (空降领导)

3 the context: why local state leadership in China?

□ What the differences from the Western concept of local state leadership?

| Item | Context | |
|---------------------|--|--|
| | Western democratic context | Chinese authoritarian context |
| Leaders | Elected Mayor, Councilor, Party leader | Appointed Mayor and CPC secretary (Mainly at municipal and county level) |
| Potential followers | Local governors, residents, communities, non-state organizations | Local subordinates, state-backed individuals and organizations |
| Civic engagement | Strong and active | Weak or even absent |
| Accountability | Voters, affiliated party, council | Upper states and higher-ranked officials |
| Decision-making | Shared, open, collective, slow process, with a variety of purposes | Less-shared, non- or semi-transparent, fast process, with a coherent purpose of economic development |
| Power exercise | Formal and based on rules of the law | Formal and informal (with a flexible, emergent and tentative manner) |
| Orientation | Relationship-oriented | Task-oriented |

Source: author own compilation based on related literature

4 Empirical case study

□ The case and methodology



1. A typical coal-mining region in crisis
2. Since a new mayor came to power in 2006, the rapid growth in the tourism industry has been observed.
3. The industry contributed 1816m \$ of revenue in 2011. Five-fold larger than in 2005 (372m \$). (ZBS, 2012)
4. 'Zaozhuang Practice' (China Daily, 2012)

4 Empirical case study

□ Methodology

- In-depth interview (March and April 2013)
- With 37 informants in 25 organizations (coal SOEs, tourism companies, government authorities and vocational colleges)
- Semi-structured questions, lasting about 2 hours for each interview

□ Important notes:

- Official introduction from Beijing
- Possible biases due to the lack of civic voices.

4 Empirical case study – interpretive leadership

□ Empirical analysis:

- *Interpretive leadership: bring a shared vision for local development*
- 1. an in-depth investigation process on local conditions
- 2. introducing a new development vision by providing easy-to-understand conception, namely “*the theory of a tank of fuel*” (一箱油理论)
- 3. interpreting the vision with feasible action guidelines:
namely ‘*One campaign, three strategies*’ (一大战役，三大战略)

4 Empirical case study – formal leadership

- *Formal leadership: reshaping governmental institutions by authority.*
- Formal authority: to restructure the local government system (e.g. new agency for tourism and service industry) and to create new organizations (e.g. tourism training system).
- Authority was also used to reform the local Cadre Evaluation System (CES).
From the GDP-ism to the transition-ism
- Coercive power – giving local state agencies and SOEs compulsory tasks.
 1. local coal SOEs to start new tourism businesses
 2. the Zaozhuang Two-Day Trip program (*attract government personal from elsewhere as tourists*)

4 Empirical case study – formal leadership

- “All of the 59 municipal governmental units. For example, we received an annual quota of 2,500 tourists” (Interview with ZDRC, 2013).
- about 1.5 million state-affiliated tourists over China were methodically attracted from 2009 to 2011 (ZSB, 2012)

4 Empirical case study – network leadership

- *Network leadership: creating a broader facilitative environment*
- leader-participated marketing and regional branding



Examples of mayor-participated tourism promotion in CCTV programs.

Source: captured by the authors from CCTV Online.

4 Empirical case study – network leadership

- Example 1
- Taking advantage of the emerging ‘high-speed railway economy’, to raise wider public attention by tourism promotion in railway stations over China.



Source: author, Match and May, 2013.

4 Empirical case study – network leadership

- This type of leadership is derived from leader-context interaction, which reshaped the context itself:
- “Owing to our ‘railway station’ marketing project, Zaozhuang was deliberately selected as **the only ‘resource-exhausted pilot city’ in East China by the State Council.**” (Interview, 2013)

4 Empirical case study – network leadership

- Example 2:
- Using local historical assets (WWII) as a bridge to network Taiwanese tourists.

“Our aim is clear, that is, to show that we respect the historical facts, and we want Taiwanese to see this, join us, and make a greater contribution together to Taierzhuang’ development.” (*Qilu Evening News*, 23 April 2012)

5 conclusions

- Conceptually:
- place leadership does not produce immediate effects on local industrial dynamics, but rather through influencing and shaping institutions as *'mediators'* of economic practice (Bathelt and Glückler, 2013)
- Chinese local state leaders as *key initiators, promoters, and entrepreneurs in institutional change for the restructuring of regional/local economies*
- Place leadership should be treated as fundamental to explain *the motive and upward causation* of local (economic) goal-oriented institutionalization and reforms in China.

5 conclusions

- Empirically:
- Interpretive leadership – context embeddedness and visionary resetting
- Formal leadership – institutional ‘layering’ and ‘combination’ and ‘conversion’ and ‘task assignment’
- Network leadership – multi-scalar interaction and facilitative environment improvement/creation for local development issues.



Thanks for your attention!