

It is important to point out some further implications of the study. First, a logical continuation of it would be to compare experiences of investors in KETDZ with those of other zones in the delta region or even all of China to learn more closely how institutional innovations such as embedded autonomy are employed as means of competition for FDI between localities, as it was only really touched upon here. Is this competition a fast-track path to a good business and development climate in China? Second, is there a risk that being increasingly exposed to globalization will lead to increased conflict between the local and national political leaders? Witness for example the case of the recently instituted labor law that steeply increases hiring costs for firms, leading them to reduce employment. Laws that are politically necessary or expedient but undermine the conditions of successful development – is it a premonition of future political conflicts in China? Can such conflicts be solved at reasonable costs in an authoritarian system? These are problems typical of political life in the type of “middle-class society” (小康社會) that is the aim of current policy if one is to trust the banner hanging from the Yushan district administration building at the top of renmin road in Kunshan, Jiangsu, China.

Appendix A– Field study

The field study was carried out in the form of semi-structured interviews, individual follow-up interviews and to a limited degree participant observation (observations of business and government representatives involved in more casual dinner conversations). Rather than provide direct evidence, observations of social situations are informative as to the way trust and relations are built and sustained in the local business culture. The general impression is that informal social interaction such as Karaoke, drinking and eating with business partners, government representatives and co-workers are the primary rituals for establishing trust in a setting where impersonal legal rules are a relatively new concept.

Interviews

Representative	Position	Organization	Time	Location	Record
Anders Thorén		Karlsson Spools	20080218	Factory, East	Mp3

					recording
Steve Chen		Sanmina SCI (四海電子)	20080218	Factory, East	Mp3 recording
Ryo Usuba		Te-Ding Industrial Corp. (特鼎)	20080218	Factory, East	Field notes
Anders Jonsson		Östberg Fan	20080219	Factory, East	Mp3 recording
Gavin Xu		Kyoden Inc.	20080225	Restaurant, city center	Field notes
Johan Gralén		Diab Group	20080226	Factory, East	Mp3 recording
Steve Chen		Sanmina SCI (四海電子)	20080304	Restaurant, city center	Mp3 recording
Liao Wan-Guo		TBA (台商協會)	20080304	Café, city center	Field notes

Table 2. Interviews conducted

Questionnaire

The questions are based on topic areas for discussion and were intended to provoke tales of experiences and events in the working position of the interviewee. They were framed to open conversations about and obtain information about autonomy, as in the behavior and professionalism/predictability of the local government, and embeddedness, as in the interviewee's perception of the role and ambitions the local government had in their mutual relationship.

Establishment phase

-When, why and how did your establishment here in Kunshan come about?

-What were your experiences with local cadres in that process?

Investment regulations

-Did you run into any problems with the written regulations as regarding your first and/or expanded investment?

-How flexible have the written regulations been if you ran into conflict with them?

-Do local officials seek input from you in updating and changing the formal rules governing investments?

Negotiations with local officials

-What are the typical issues subject to negotiation between you and local officials?

-How would you describe the attitude of local officials and in negotiations?

-Have attitudes and outcomes in day-to-day negotiations between you and cadres changed in any specific way since you established in Kunshan?

Regular consultation

-Do you have regular consultations with cadres, and if so how do you describe their attitudes, the issues you discuss and the outcome and long-term results of your input?

Service provision

-Is infrastructure such as transportation, electricity, water and telecommunications adequately provided?

-If there are problems or disagreements over such service provision, how have you solved the problems?

-Do you think the government has become more ambitious in providing services that were not here when you first established?

Taxes

-Do you feel the taxation is reasonable, fair and predictable?

-What changes in taxation have you come across during you time in Kunshan, increases/decreases and extraction methods?

Corruption

-Are gifts/extensive dining with cadres a regular event in your relations to them?

-Have you had experiences with cadres trying to abuse their position for personal gain?

-Do you feel these instances, if at all, have increased or decreased since your establishment?

Appendix B – Development zones in Jiangsu, Zhejiang and Shanghai

Jiangsu(江苏)

Kunshan Economic and Technological Development Zone <http://www.ketd.com.cn>

Suzhou Industrial Park <http://www.sipac.gov.cn>

Suzhou National New & Hi-tech Industrial Zone <http://www.cs-snd.com.cn>

Wuxi New District <http://www.wnd.gov.cn>

Nanjing Jiangning Economic and Technological Development Zone
<http://www.jndz.com>

Nanjing New and High Technological Development Zone <http://www.njnhz.com.cn>

Nanjing Chemical Industry Park <http://www.ncip-cn.com>

Jiangyin Economic Development Zone <http://www.zgjy-edz.com>

Changzhou Hi-tech Development Zone <http://www.cznd.org.cn>

Zhejiang(浙江)

Hangzhou Economic and Technological Development Zone <http://www.hetz.gov.cn>

Hangzhou High-tech Industrial Development Zone <http://www.hhtz.com>

Xiaoshan Economic and Technological Development Zone <http://www.xetdz.com>

Jiaxing Economic and Technological Development Zone <http://www.jxedz.com>

Ningbo Economic and Technological Development Zone <http://www.netd.com.cn>

Ningbo Free trade Zone <http://www.nftz.gov.cn>

Shanghai(上海)

Shanghai Songjiang Export Processing Zone <http://www.sjstp.com>

Shanghai Minghang Export Processing Zone <http://www.fscidz.gov.cn>

Shanghai Caohejing Export Processing Zone <http://www.caohejing.com>

Shanghai Zhangjiang Hi-tech Park <http://www.zjpark.com>

Shanghai Qingpu Export Processing Zone <http://www.greenin.com.cn>

Shanghai Lujiazui Finance and Trade Zone <http://www.shld.com>

Shanghai Zizhu Science-based Industrial Park <http://www.zizhupark.com>

Shanghai Xinzhuang Industrial Zone <http://www.shxip.com>

Shanghai Pudong Kangqiao Industrial Zone <http://www.pudong.com.cn>

Shanghai Jiading Industrial Zone <http://www.jdiz.com>

Shanghai Nanhui Industrial Zone <http://www.sn-iz.com>

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