

The Urban Governance of Economic Restructuring Processes in China: The Case of Zhongda Textile District in Guangzhou

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Abstract

Seen against the backdrop of increasing global competition, China's export-driven growth model is no longer suitable for modernizing the country. Since the mid-2000s, China has been implementing the *Second Transition* to shift its economy toward more value-added products and services. Based on a case study of an inner-city area known as Zhongda textile district in Guangzhou, China, this paper analyzes the governance of local economic restructuring and upgrading strategies in the face of global, national, and regional competition. In doing so, an analytical governance approach is applied. This includes a discussion of how Western governance models can be adapted to the situation in China. The investigation of the upgrading process in Zhongda textile district identifies two distinct development phases with changing stakeholder coalitions and shifting governance modes. The empirical analysis clearly shows that the situation cannot be described in terms of ideal types of governance modes, but that hybrid forms must be used. In general, a shift from clientelistic to more corporatist elements of governance can be observed. This is mainly linked to institutional innovations, which allow for more transparent decision-making. Finally, the paper discusses the limits of empirical research on urban governance in China and calls for further case studies and the inclusion of further theoretical approaches.

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Introduction

In February 2012, the World Bank presented a comprehensive study titled “China 2030,” which had been researched in cooperation with Chinese think tanks. The subtitle “Building a Modern, Harmonious, and Creative High-Income Society” summarizes the major development aspirations of the Chinese leadership. Above all, the study contains proposals to restructure the economy along the lines of a more qualitative growth model — with particular consequences for the labor-intensive sectors, such as the textile and clothing industry.

The authors of this paper on the urban governance of restructuring processes have chosen the Zhongda textile district (*Zhongda bupi shichang*) as a showcase for an analysis of spatial-economic restructuring in China. It is a densely populated, vibrant, and almost completely built-up inner-city area in the heart of Guangzhou,