

From West to East? Understanding the Dynamics of Manufacturing Competitiveness in Guangzhou, China

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Abstract :

The world economy is experiencing a radical process of restructuring as the centre of control shifts from West to East. China's economic renaissance has played an important role in this through the development of manufacturing capability in relatively low-value products. Nevertheless, Chinese manufacturing firms are moving up the value chain and are beginning to focus on high value-added products. This on-going shift reflects a radical alteration in Chinese manufacturing based on product and process innovation, design and the development of Chinese brands. High value-added manufacturing is heavily reliant on new forms of expertise and knowledge including that provided by business and professional services (BPS) – intermediate providers of information, knowledge and expertise. This project will explore the changing nature of manufacturing in Guangzhou, the capital and largest city of Guangdong province, China. In China, Guangzhou has a unique geographical advantage in that it has had access through Hong Kong to world class BPS expertise well before many other Chinese provinces. Guangzhou's special geography raises a series of important questions that will be explored in this project:

- a) What are the drivers behind the development of high-value added manufacturing in Guangzhou?
- b) What is the relationship between the development of high added value manufacturing in Guangzhou and the availability of BPS expertise in Hong Kong?
- c) To what extent does Hong Kong BPS expertise substitute for and/or shape the development/diversification of BPS in Guangzhou.
- d) How does the national, regional, and local policy context affect the dynamics of industrial up-grading in Guangzhou?

The project builds on an on-going collaboration between the University of Birmingham and Guangzhou that has recently led to the establishment of a Joint Research Centre.

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In China, Guangzhou has a unique geographical advantage in that it has had access through Hong Kong to world class business and professional service expertise well before many other Chinese provinces. Guangzhou's special geography raises a series of important questions that will be explored in this project:

- e) What are the drivers behind the development of high-value added manufacturing in Guangzhou?
- f) What is the relationship between the development of high added value manufacturing in Guangzhou and the availability of world class BPS expertise in Hong Kong?
- g) To what extent do Hong Kong Business and Professional Services substitute for and/or shape (enhance through knowledge transfer etc., or inhibit) the development/diversification of BPS in Guangzhou.
- h) How does the national, regional, and local policy context affect the dynamics of industrial up-grading in Guangzhou?
- i) What are the specific local governance arrangements made to steer industrial restructuring in the city-region? What is the relationship between the main actors and institutions involved?

The project build's on an on-going collaboration between the University of Birmingham and Guangzhou that has recently led to the establishment of a Joint Research Centre. This new Centre provides access to an extensive network of contacts in China.

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