

foreign-invested businesses, this paper points to some changes in local government behavior and procedure that helps to explain Kunshan's massive economic transformation.

## **Chapter outline**

This thesis is organized into five chapters. First is this introduction, and the second section discusses the choice of method. The third chapter is a discussion of the theoretical background and the literature in the field and accompanying specifications of key terms such as "institution", "autonomy" and "embeddedness" – ending with a specification of an hypothesis. The fifth chapter is a presentation of the evidence from the field study in light of the theoretical discussion in section two. Finally, the sixth chapter sums up the results and offers concluding remarks.

## **Chapter 2: Method**

The Field study enquires about the nature of the relationship between business and government in Kunshan, from the point of view of business. Enquiring about these issues is suited to qualitative methods by nature, since it involves personal experiences, perceptions and impressions rather than quantifiable facts. Still, there is room for use of descriptive statistics to back up arguments. As follows, the data gathering method is semi-structured in-depth interviews, in all but the cases where time and other constraints as well as follow-up interviews dictated another course. Results from such an investigation are limited in their scope as they can only provide us with good inputs regarding the casual relationship between the three main variables of changing relative prices, embedded autonomy and economic development in the case of Kunshan. Results are not, virtue to themselves, extendable to the general relationship between these variables in the entire population of 'states'. Burnham et. al (2004:53-55 and 157-162) demonstrate how valid support of such a hypothesis requires nothing less than a study of a randomized sample of states.

The great value of contemporary China to social science research is the wealth of local ‘states’ that experiment with different strategies for development, and together these cases can offer strong evidence in crediting or discrediting hypotheses such as mine.

### **Data and sample**

The data was gathered during February 12<sup>th</sup> to March 5<sup>th</sup>, 2008 in the city centre and east-of-center KETDZ (昆山經濟技術開發區) in the form of MP3 files and field notes (for a more detailed description of the data set, see appendix). The sampling of interviewees is of special importance here. Despite the argument of Burnham et. al (2004:91-92) that both representativeness and inference-making suffer from snowball samples, in practice it turned out to be the only practical way of gaining access to interviews. Outside of the interviews, a significant amount of time was spent on socializing and networking with entrepreneurs as a means to better understand their life and working conditions in Kunshan, and how this influences their attitudes. The strength of the sampling method was that it enabled access to some relevant entrepreneurs in terms of experience, networks and insights into the daily workings of the local government – which effectively renders it the only reasonable method for a research project of this type. The weakness of the data is that it contains no interview with Kunshan government officials. This hole in the data has two main reasons. One, the author’s spoken Chinese is insufficient for anything but social conversation and simple interviews (entrepreneurs tend to be more proficient in English than local government officials). In the cases where the author had to conduct interviews in Chinese, it was done in the presence of company to avoid misunderstandings. The authors’ bad Chinese thus introduces a source of bias in the sampling that skews the data, albeit it is unclear how significant this effect is and in what direction. Two, contacting local government officials through official channels proved ineffective – by all means an anticipated difference between China and the author’s native Sweden. The same situation prevailed for private companies with local managers (Foreign companies with foreign overseers and local managers is a common solution).

The main source of quantitative data is the Kunshan statistical yearbook (昆山統計年鑒) as compiled annually by the statistics bureau of Kunshan (昆山市統計局).