

Unique Institutions of China's Local Economic Development and Investment in China's Local Energy Infrastructure

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Institutions, Economic Development and The Energy Industry

- Explaining Institutional Change:
 - ◆ Supplying Energy Side: Political, Economic, Social/Cultural Groups;
 - ◆ Demanding Energy Side: Political, Economic, Social/Cultural Groups;
 - ◆ We Must Consider that Groups are Often Grounded (Territorial) or Ungrounded, and Also That Resources and Consumption Patterns are Unevenly Distributed;
 - ◆ We Must Consider that All Interactions of Groups are Guided by History, and in Particular the Organizational History of Groups;
 - ◆ We Must Also Consider that Under Globalization Populations are More Mobile and that Organizations are Disappearing and Emerging at a More Rapid and Unpredictable Pace.

Path-Dependency in Organizational Change

- Path-Dependency in Technological Change:
 - ◆ QWERTY Keyboard, Electricity, Video, Refrigerators;
- Path-Dependency in Organizational History:
 - ◆ Successful Regimes versus Failed Systems;
 - ◆ Successful Corporations (GE) versus Failed Corporations (TVA);
 - ◆ Functional vs. Dysfunctional Social Groups.
- Path-Dependency and Identity Formation
 - ◆ How does the History of Organizations Constrain the Way We Come to Identify, Associate and Exchange With Others?
 - ◆ More Specifically Here, How does the History of Organizations Constrain the Way We Come to Identify, Associate and Exchange With Others in Order to Produce, Exchange or Consume Energy?

Who Controls Energy in China?

Grounded Organizations

- Grounded, Unassociated Local Groups, Including Tribes, Clans, Monastic Communities, Squatters, Intellectual or Artistic Colonies;
- Grounded, Inter-Locality Associated Groups, including Governments and Parties, Locality Associations, Protest Groups, Civic Organizations, Trade and Investment Associations, Production or Work Units (from market firms to planned economy danwei), Property Protection Groups and Networks (gangs and clans, residential property associations), Manufacturing and Service Sector Labor Groups (unions and professions, migrant labor networks), Generational and Gendered Social/Cultural Groups (youth associations, bride migration networks, and all territorial religious, ethnic, linguistic groups and networks);
- Grounded, Distinctly National Associated Groups of all of the above (including international and multi-national actors).

Who Controls Energy in China?

Ungrounded

- Ungrounded, Mobile Populations in China: National Exile, Nomadic and Diasporic Groups, including Ethnic, Religious, Linguistic, Production and Consumption Networks (China as home to “others”);
- Ungrounded, Chinese Mobile Populations: Transnational, Exile, Nomadic and Diasporic Groups, including Ethnic, Religious, Linguistic, Production and Consumption Networks (Chinese also in home of “others”);
- Ungrounded and Unassociated Groups, Including Generational, Gendered, Economic Status, Ethnic Status Production and Consumption Groups (Generations of “Chinese”, The Sexes, Classes, Castes).

Supplying Energy: Political Organizations

- Given China's History as a Regional Planned Economy, Main Grounded Political Organizations Affecting Supply of Energy are Local and National Associated Groups:
 - ◆ Communist Party and Government Usually Controlling All other Groups in China, and Obstructing Formation of Rival Political Organizations, but Note Decentralization of Nomenklatura Authority and Cadre Retirement and Professionalization Trends Since 1970s that Strengthen Local Party Organizations and Also Mobility in and out of Party;
 - ◆ Protest Groups Can Disrupt Supply, But Primarily Locally Because of Party's Control Over Central Government, and Because of Lack of a National Welfare or Environmental Cleanup Policy Program; Grounded and Unassociated Local Political Groups Only Affect Supply if Energy Projects Involve their Territory;
 - ☞ Western and SW China, a Few Of These in Mountainous Regions.
 - ◆ Ungrounded Mobile Populations Within China or From Outside China Currently Have Little Impact on Supply Unless Energy Projects Involve their Temporary Territory or Tie In With Nationalism, International Security or Environmental/Ethnic Policy:
 - ☞ Western China and Turkic, Muslim Groups; Western and Northern China and Mongolian Tibetan Buddhist Sects, Dalai Lama, Pilgrimage/Tourism Groups; NE China Korean Diaspora and Potentially Anti-Japanese Groups, and SE China (Fishing Networks, Taiwanese Assoc. and Religious Communities on the SE Seas); Transnational Environmental/Ecology Groups and Influence on World Bank, ADB, etc.

Supplying Energy: Economic Organizations

- Given China's History as a Globalizing Regional Planned Economy, Main Grounded Economic Organizations Affecting Supply of Energy are Local, National and Transnational Associated Groups, with Transnational Increasing Rapidly in Influence Under WTO;
 - ◆ Chinese NOCs Still Control Supply: Local Suppliers of Energy Increasingly Exposed to Competition from Development of a National Market and International Market (capital, labor, technology), and Having Fewer Means to Form Local or Regional Cartels, But Can Form Temporary Regional Coalitions to Block Investment by National and International Companies (especially at subsidiary or oil/gas field administration level where lack of corporatization and deregulation allow these to maintain political, Party control; also at neighborhood and residential property association level if projects cross their territory) (note also potential formation of regional and transnational identities based on economic resources and historical ties - see social/cultural);
 - ◆ Ungrounded and Unassociated Economic Groups Have Little Influence on Supply of Hydrocarbons in China, Particularly With Diasporic Chinese Investment Focused on Manufacturing in Non-Resource Producing Areas, and Return to Investing in SE Asia, but do Affect Supply if Investing in Electricity in Home Areas in China; Change in Supply in Biomass by Gender and Class in Countryside Under Urbanization and Industrialization, but Mainly in NE, S, E.

Supplying Energy: Social/Cultural Organizations

- Because of China's History as a Socialist Planned Economy and as a Country With a Large Diasporic Population, The Supply of Energy in China is Affected Socially/Culturally by Investor and Production Groups at all Levels:
 - ◆ Grounded Local and National Social/Cultural Groups Affect Supply Mainly as Isolated Protest in Response to Project Development or Privatization (note that China's danwei have social history because of construction, maintenance, marriage and family-associated property, and then shared privatization experiences; note colonial associations of labor in NE, East, South, Shanghainese and Hongkongese; potential water-oriented economic organizations in SW with River Basins in Yunnan, Burma, Vietnam, Laos, Thailand; Potential NE River Basin with Korea, Russia; and now Yellow and Yangtze river development authorities, with construction companies, utilities, development banks and labor networks as facilitators); Unexplored is How Local Populations and National Populations View Privatization of Energy Industry, Particularly Across Fuels and Sources (Study Daqing).
 - ◆ Diasporic, Nomadic, Exile Populations Mainly Affect Supply as Potential Disruption in NW (Turkic, Islamic, Tibetan) and as Potential Investment in SE (Overseas Chinese from SE Asia) or Potentially as Labor Networks in Development of New Fields or Pipeline Projects and Associated Infrastructure (via construction companies), with All Influence Locally Decreasing Under Globalization, and Development of SE Asia in Particular.



Demanding Energy: Political Organizations

- Given China's History as a Decentralizing and Liberalizing Regional Planned Economy, Demand for Energy is Increasingly Locally Determined by Party and State for Most Fuels and in Most Regions:
 - ◆ Local and Central Party and State Have Diverging Interests under Fiscal Federalism and Establishment of a National Social Welfare System and Environmental Cleanup System via Privatization for all Energy Everywhere; Crucial Unresolved Issue of Privatization of National Railways and Ownership of Coal Production, And Tie to North and South Relations over Related Resources, Especially Water; Crucial Issue of Household Registration and Population Mobility for all Energy; Crucial Issue of Tying Energy Demand by Fuel to Local Government Economic Development Plans and Lifestyle Propaganda (little thus far, except at the very local level in cities, where it has been influential: residential/neighborhood associations); Unexplored Ability of Central Party and State to Use Nationalism to Change Individual Demand for Fuels and Sources (note unknown impact of use of national symbols and international events, including Olympics and economic forums, especially if localities are indirectly taxed to support these, as in the past).
 - ◆ Ungrounded, Mobile Populations Within China or From Outside China Only Impact Demand Politically Indirectly Through Association with Transnational Lifestyle Affiliations (unexplored success of tying environmental conditions and consumption to liberalization and class status).

Demanding Energy: Economic Organizations

- Given China's History as a Globalizing Regional Planned Economy, Main Grounded Economic Organizations Affecting Demand for Energy are Local, National and Transnational Associated Groups, with Transnational Increasing Rapidly in Influence Under WTO and Urbanization;
 - ◆ Local and Transnational Groups Most Likely to Play a Role in Changing Demand for Energy Fuels and Sources so Long as Privatization and Deregulation Leave Unresolved Issue of Compensation for Environmental Issues (Chinese NOCs to Emphasize Environmental Only at Subsidiary Level) and Accidents (especially gas and coal); Unexplored Role of Residential Property Associations to Promote Environmental Identity in Urban Areas; Unexplored Influence of Linkages Between Environmental and Energy Consumption Lifestyles in Advertisements by National and Transnational Corporations in Chinese Cities (note that decentralized ownership of automobile industry and construction, transportation industry in most forms makes national linkages on hydrocarbon switching particularly problematic for China's localities); In General, How Much Do Chinese People View the Energy Industry as a Local Economic Development Tool, and How Will People in New, Especially Post-Fordist Cities and Regional Mega-Cities (Greater Shanghai) Identify with Energy Consumption Groups Elsewhere?
 - ◆ Ungrounded and Unassociated Economic Groups Have Influence on Demand for Energy in China Primarily Indirectly Through Lifestyle Identification, Most Likely Primarily in Urban Areas of East and Southeast.

Demanding Energy: Social/Cultural Organizations

- Because of China's History as a Socialist Planned Economy and as a Country With a Large Diasporic Population, The Demand for Energy in China is Affected Socially/Culturally by Consumption Groups at All Levels, Most-Likely Particularly So in Urban Areas of S and SE:
 - ◆ Contrary to the Efforts of Political and Economic Actors in Localities in Resource Providing Areas in N, NW and NE to Promote Local History, Identity in Order to Form Producer Associations, the Political and Economic Actors in Urban, Coastal Areas of East and Southeast are Promoting Transnational Identifications In Order to Brand Themselves to Attract Domestic, International Investment, and To Promote Civic Identity for Fiscal Reasons: Note that Both Processes Involve Use of "Traditional" Chinese Social and Cultural Forms of Association, Either as Point or Counterpoint (vs. Modern); Unexplored is How Energy Demand and Environmental Awareness/Conservation Are Tied to These;
 - ◆ Diasporic, Nomadic and Exile Population Mainly Affects Demand for Energy Indirectly Through Consumption Lifestyle Identifications, Suggesting Increased Influence in Areas with Either More Ties to Diasporas (SE) or More Ties to Transnational Chinese Middle Class (the global cities of Shanghai, Beijing, Guangzhou); Unexplored is How Creation of Local History for Tourism Might Affect International Cooperation on Energy (Silk Road of the West and Tang, Buddhist Associations of the East; Colonial of NE, South); Also Unexplored is Role of Media, Education in Shaping Identity of Urbanizing Woman in China Today.

Future Research on Importance of Locality in China in Affecting Supply and Demand for Energy

- On Supply of Energy in China, Future Study Should Focus on Center-Local Relations on Development of Fiscal Regime Dealing with Costs of Decentralization, Privatization and Deregulation of Energy Industry, and Public Perceptions of Importance of These; Disruptions in Supply Largely Temporary and Local; Ungrounded and Unassociated Associations Have Much Less Impact on Supply;
- On Demand for Energy in China, Future Study Should Focus on Center-Local Government and Company Relations and How These Constrain Development of a National and International Energy and Environmental Policy and Promote Competing Local Plans and Local Government Coalitions, Associations; Many Unexplored Areas on How Competing Identifications and Competing Agendas Made by Political, Economic and Social/Cultural Organizations Affect Ability of Chinese People to Change Fuel or Source Demand.