ABSTRACT

The automotive industry has long been of interests to economic geographers because of social and political importance and the crucial role the state has played in supporting local firms and coordinating relationships between suppliers and assemblers. In the Chinese automotive industry, since the 1980s, the “exchange market for technology” policy aimed to foster industrial development through introducing foreign capital and technology by forming joint ventures. However, it is found that the Chinese automotive industry has become more dependent on foreign technologies and failed to obtain indigenous innovations. Although the lack of innovation is identified as a key factor, I argue that it is insufficient in providing a deep-rooted explanation. My case studies of Changchun and Shenyang demonstrate how the “exchange market for technology” policy has constructed technological dependency through restructuring China’s institutional arrangements that prioritize foreign technology and hinder indigenous innovation. Contrary to those scholars that advocate technology transfer as an effective strategy for development, especially among developmental states, I instead understand technology as being political; it is a means for both development and institutional reform. Through disclosing the power relations embedded within the foreign technologies, I investigate the industrial restructuring and institutional transformation it brings in the technology transfer process.