#### ORIGINAL PAPER



# What are the factors behind the successful EU-China cooperation on the subnational level? Case study of the Lodzkie region in Poland

Tomasz Kamiński <sup>1</sup>

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#### Abstract

Analysing the relations between the EU and China one can notice a growing network of links on all levels, including subnational. Within the framework of the One Belt One Road (OBOR) Initiative Chinese regions are eager to develop contacts with European counterparts. The case of the Lodzkie region's (Poland) cooperation with Sichuan Province is often presented in media as a flagship example of taking the advantage of the possibilities posed by the OBOR. The direct cargo train connection with China has been accompanied by close political relations on the regional level as well as academic cooperation. Neither distance nor great asymmetries between the partners impede smooth collaboration in the Lodzkie case. The main aim of this paper is to answer the question what are the factors behind the success of the Lodzkie region in order to recognise the conditions that may play an important role in the process of building strong bilateral links between European and Chinese subnational units. The Lodzkie case clearly shows the key role of the personal factor. Politicians and officials have identified a great potential in a small-scale business initiative and have helped it to enhance in cooperation with local stakeholders (the city authorities, academia, local companies). Moreover, they have been able to create an attractive story which appeals to international media and attracts business.

#### Introduction

China with the total value of trade reaching more than 500 billion EUR is the second most important EU trading partner. Fast development of economic relations would not have been possible without a growing network of links on all levels, including

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Faculty of International and Political Studies, University of Lodz, Łódź, Poland



subnational. More and more regional and local authorities in European countries establish contacts with Chinese counterparts trying to promote business relations, attracting Chinese investors, students and tourists. This element in the EU-China relationship is very much in line with the One Belt One Road (OBOR) Initiative, which presupposes an active role of subnational cooperation networks and as Summers (2016) argues "rather than being seen as a substantially new policy idea put forward by the current Chinese leadership, should be viewed as an extension, consolidation and political elevation of pre-existing policy ideas and practice at the subnational level in China"

In the academic literature on the EU-China relations the subnational dimension has been almost completely omitted. Even very recent publications do not cover this phenomenon either in the context of economic relations and OBOR (Christiansen and Maher 2017; Farnell and Irwin Crooks 2016; Men and Linck 2017; Minghao 2016) or people-to-people dialogue (Burney et al. 2014). Also in the literature on paradiplomacy<sup>1</sup> of European regions there is no comprehensive analysis of the growing interconnections between European and Chinese regions and cities. Although there are some empirical studies (Blatter et al. 2008; Nagel 2010; Tatham 2016), they are concentrated rather on intra-European activities not on the relations with third countries.

The subnational relations of Polish regions<sup>2</sup> with Chinese partners are distinctive to some extent because you can find many remarks on this topic in international media. In particular the Lodzkie region (and its capital city of Lodz) serves as an example of success in developing strong links with China. It is presented in numerous analytical publications and media reports in Europe (Casarini 2015; Mierzejewski 2016; Shepard 2016; Szczudlik 2015; Tiezzi 2016), as well as in China ('How Poland's Lodz benefits from China-Poland rail cargo connection' 2017; 'Poland, a gate to Europe in Belt and Road Initiative' 2017). The Lodzkie region's relations with Sichuan Province have been endorsed by Polish ministers of foreign affairs Grzegorz Schetyna ('Schetyna: dla współpracy polsko-chińskiej ważna jest lokalność 2015) and Witold Waszczykowski ('Minister Witold Waszczykowski starts his China visit', 2016) as an important part of Polish foreign policy. In 2014 and again in 2015 Chengdu and Lodz, the capital cities of Sichuan and The Lodzkie region, were even awarded the China-Poland Friendly Cooperation Award by the Polish Ministry of Foreign Affairs (MFA) and the Chinese People's Association for Friendship with Foreign Countries "to praise the intensive pragmatic cooperation" between partners ('Chengdu won China-Poland Local Cooperation Award again' 2015).

What attracts attention to the Lodzkie is the direct cargo train connection with China. Lodz is a flagship example of soaring demand for a rail cargo service between China and Europe and one of the few clearly successful stories behind the OBOR. Despite growing numbers of competitors, it was estimated that in 2016 between 27% (Jakóbowski et al. 2018) and 40% of trains travelling between China and Europe were loaded or unloaded in the terminal in Lodz (Łaski 2017; Mierzejewski 2017). Even if

<sup>&</sup>lt;sup>2</sup> In Poland after administrative reform in 1999, there are 16 regions (voivodships).



<sup>&</sup>lt;sup>1</sup> International relations conducted by subnational governments on their own, with a view to promoting their own interests.

this share drops in the future, Lodz is expected to remain an important logistics hub for China-Europe trade ('Chengdu to run 1,000 cargo trains to Europe in 2017' 2017).

The main aim of this paper is to answer the question what are the factors behind the success of the Lodzkie region in order to recognise the conditions that may play an important role in the process of building strong bilateral links between European and Chinese subnational units. Unfortunately, none of the "most-likely" explanations (functionalism, culturalism and rationalism) of intensive foreign activities of the region presented in literature (Blatter et al. 2010) has applied to the case. Having relatively limited financial resources, the regional authorities can allocate only about 25,000 EUR per year to cooperation with China (Łaski 2017). This together with a low level of economic interdependencies with China (Adach-Stankiewicz and Machulska-Bachura 2015) and low numbers of immigrants from China (Kaczmarczyk et al. 2016) questions functionalist reasoning, which posits that it is plausible that socioeconomic interdependencies trigger political activities. The Lodzkie also has no strong regional identities which culturalists regard as motivating factors for foreign activities of subnational governments. The third theoretical model, rationalism, stresses the role of policy autonomy and the influence of regional leaders, usually linked with a big regional budget and wide constitutional competencies of the region in foreign affairs. Neither is the case in the Lodzkie, where the regional government has a relatively small budget (about 190 million EUR, the eighth place amongst Polish regions) and limited constitutional competencies (Poland is a unitary and not a federal state).

A lack of theoretical clarification on the basis of well-developed theories has impelled the author of this paper to search for an alternative explanation. Some authors (Happaerts et al. 2010; Lecours 2002) have noticed that paradiplomacy might be a way for political leaders to build legitimacy and international presence which can be used for a variety of reasons, including regional or national political power or personal prestige. Our research tests this opinion and proves that indeed the personality of the regional leader can determine the intensity and the course of subnational involvement in international affairs even if the material grounds are rather restrained.

This paper is one of the first comprehensive case studies of subnational relations of a European region with Chinese partners. Apart from presenting latest data about the subnational dimension of the Polish-China relations it also draws attention to the factors which create favourable conditions for successful cooperation, which might be food for thought for policymakers. The findings may also suggest analytical paths for the examination of other regions' relations with China, which is the value added of this paper for the academic knowledge in the field of the EU-China relations.

The paper is divided into six sections. The "Methodology" section briefly discusses the methodology, in particular the source of the statistical data and the chosen analytical framework for the purpose of the case study presentation. In the "Subnational relations between Poland and China" section, subnational relations between Poland and China are briefly presented in order to put the case study into a broader context. In the "Case study of the Lodzkie region" section, the relations between Lodzkie voivodship and Sichuan Province are analysed. Next, in the "Determinants of success" section, the author discusses the determinants of the Lodzkie's success pointing out major factors that have created conditions favourable for the development of bilateral relations with Chinese partners. This study concludes with suggestions for further research and presentation of the questions for policy-makers which it provokes.



# Methodology

The investigation of paradiplomacy requires a comprehensive approach. Therefore, varied research methods, both quantitative and qualitative, have been applied. In the quantitative part of the study, data will be obtained through a survey amongst 16 Polish regional authorities. In the concise survey we asked if the region cooperates with China, in what form, in which areas and for how long. All regions have sent filled in questionnaires; thus, we have been able to map Polish-China regional cooperation on the basis of the complete data set.

The qualitative part of the research has been based on in-depth interviews with officials and former officials engaged in international relations of Lodz and the Lodzkie region, i.e., the director of The Department for Foreign Affairs of the Lodzkie region, the City Mayor of Lodz, the former director of the Lodzkie House (an official regional office in Brussels). Those interviews helped to understand the specific conditions of the Lodzkie international activities.

In order to analyse the Lodzkie relation with partners from China, the explanatory framework of paradiplomacy created by Kuznetsov (2015), based on a multiple response questionnaire (MRQ) technique (see, e.g. Foddy 1993), has been used. The analytical model consists of a list of questions and a given set of possible responses regarding subnational activities in the international arena. Kuznetsov has constructed a useful template for other researchers to conduct a study of chosen cases of paradiplomacy; however, it has never been tested on the case of subnational relations with a selected partner. With the purpose of making it fully suitable to this end, the Kuznetsov analytical framework has been marginally modified (see Table 1 and Appendix) by changing the focus of questions with preservation of the core concept of each.

Table 1 Modification of Kuznetsov's analytical framework

Kuznetsov's analytical framework	Modified analytical framework
What are the causes of the blooming of the paradiplomatic activities?	What are the causes of the blooming of the paradiplomatic activities of the Lodzkie region with China?
2. What are the legal grounds of paradiplomacy?	2. What are the legal grounds of the paradiplomatic relation with Chinese partners in Poland?
3. What is the predominant motive of the regional government to be involved in international affairs?	3. What is the predominant motive of the local government of the Lodzkie region to be involved in international affairs with China?
4. How has paradiplomacy been institutionalised?	4. How have the region-to-region relations with China been institutionalised in the Lodzkie?
5. What is the attitude of the central government towards the paradiplomacy of the region?	5. What is the attitude of the central government in Warsaw towards the paradiplomatic relations of the Lodzkie with China?
6. What are the consequences of paradiplomacy for the development of the whole nation?	6. What are the consequences of the Lodzkie paradiplomacy for the development of relations with China on the national level?

Source: own compilation based on Kuznetsov (2015)



## Subnational relations between Poland and China

Poland is a unitary state, not a federal one. Nevertheless, after regaining independence in 1989, a discussion about decentralisation of power in Poland started. The emphasis on multi-level governance intensified along with the progress in the process of accession to the European Union. On 1 January 1999, the reform became effective and introduced major changes in the administrative structure. The most important change was a creation of 16 regions out of former 49. In terms of international cooperation those newly established regions (voivodships) became the most important entities, with a right to enter into bilateral and multilateral cooperation with foreign partners (Yoder 2003). The process of development of regional international presence was fostered by the accession to the European Union. Wanting to benefit as much as possible from the integration with the EU, Polish regions set up permanent offices in Brussels as well as expanded their links with neighbouring countries.

Membership in the EU made Polish regions more attractive also for distant partners, including Chinese. As shown in Fig. 1, the first partnerships with Chinese partners were established even before the accession to the EU, but it was the year 2004 that started the wave of new links. The second wave began in 2011, which was clearly connected with upgrading the bilateral relation between Poland and China on the level of "strategic partnership" ('Wspólne oświadczenie Rzeczypospolitej Polskiej i Chińskiej Republiki Ludowej w sprawie ustanowienia partnerskich stosunków strategicznych' 2011).

Article 7 of the common declaration stated that both sides will promote inter-regional and city-to-city cooperation, in order to deepen the understanding between two countries' societies, promote local economic development and cultural and educational exchange. It can thus be seen that the central governments of both countries acknowledge the growing role of cooperation between local authorities (Mierzejewski 2016).

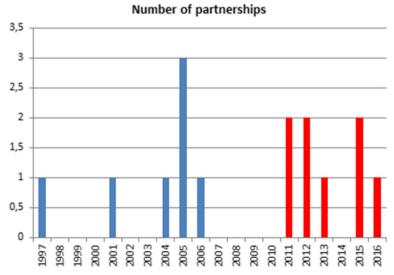


Fig. 1 The number of partnerships with China established between 1997 and 2016. Source: own calculation based on the survey (2016) amongst all regional offices responsible for cooperation with China



Further development of links between Polish and Chinese subnational units has been related to the OBOR Initiative that was presented by Chinese president Xi Jinping in 2013 (Minghao 2016; Szczudlik 2015; Wang 2016). This comprehensive and long-term vision of development of Chinese ties in Eurasia, sometimes called the New Silk Road, has been widely perceived by Polish regions as an opportunity to attract Foreign Direct Investments (FDI) and increase trade links with China (Szczudlik 2016). Since 2011 as many as eight new partnerships have been established and China has become third most important foreign partner for Polish regions, after Ukraine and Germany. At the end of 2016 only three Polish voivodships had no Chinese partners (see Map 1).

Apart from regional cooperation also city-to-city dialogues have developed and in 2016 about 20% of 100 biggest Polish cities declared collaboration with Chinese partners (Szewczak et al. 2016). Amongst all 16 capitals of Polish regions, 10 cities have partnerships with the Chinese. What is more interesting, links with China are developed by Poznań, Kielce, and Białystok, the capitals of the regions which do not cooperate on the provincial level (Skorupska 2017).

As for main areas of cooperation higher education and research is declared by all 13 regions that have contacts with China, followed by economy that is pointed out in almost all cases (see Table 2). Therefore, universities, research institutes and enterprises are the main local partners for the regional administration in its development of links with China. Academic exchanges and business contacts often account for the substantial share of actual cooperation between both partners.

Officials from both sides confirm the value of the subnational dimension of Sino-Polish relations. President Xi said at the China-Poland Regional Cooperation and Business Forum that "we should optimize the mechanism to forge a synergy from



Map 1 The number of partnerships of Polish regions with Chinese counterparts (2016). Source: own calculation based on the survey (2016) amongst all regional offices responsible for cooperation with China



Table 2 Main areas of cooperation with China, declared by Polish regional authorities

Area of cooperation	Number of regions
Higher education and research	13
General economy	12
Administration and region management	8
General education	8
Agriculture and rural development	6

Source: own calculation based on the survey (2016) amongst all regional offices responsible for cooperation with China

local governments, enterprises and other civil organizations. Local governments of China and Poland should continue to strengthen communication, and build more and better connection for local enterprises and other civil organizations, so as to expand practical cooperation in all fields and consolidate the public opinion foundation for China-Poland friendship" ("Xi Jinping Attends Opening Ceremony of Silk Road Forum and China-Poland Regional Cooperation and Business Forum with President Andrzej Duda of Poland" 2016). Polish Secretary of State Jan Dziedziczak called regional cooperation "one of the pillars of Poland's relations with China" ("4th Poland-China Regional Forum" 2016).

Such a clear support from the central governments creates a friendly environment for subnational contacts; however, there are a lot of obstacles which hinder the development of regional links. Some of them, such as a lack of financial resources or weak administrative capacity to operate internationally, are quite typical, also of other Eastern European regions (Nikolova 2007, p. 252). Others, which might be labelled as "asymmetries" (Pyffel 2015), are distinctive of the contacts with China. The most obvious one is size. The whole Poland could be compared to some Chinese central provinces (e.g. Henan) being at the same time twice smaller in terms of GDP from such coastal provinces as Guangdong or Jiangsu. In consequence, Polish voivodships have to cooperate with entities at least a few times bigger in terms of economy, demography or territory. These huge differences in scale lead to the asymmetry of expectations. Chinese partners are often interested in common projects which are much bigger than the potentials of the Polish side. Academic exchanges may serve as a good example of this phenomenon. Chinese institutions expect places for hundreds of students whilst the Polish side is ready for several people. The same problem occurs with business relations. Sometimes potential Chinese partners expect supplies on a scale which far exceeds the actual capacity of Polish companies (Łaski 2017).

The other worth mentioning "asymmetries" are "time" and "competencies". Chinese long-term thinking is at odds with planning on the Polish side which is very much dependent on the election calendar. Polish regional authorities have to renew their democratic mandate every 4 years, which often limits the planning horizon to this term. Moreover, different actors are often engaged in decision-making process in Poland, sometimes from opposing political parties. Cooperation between them is sometimes problematic due to political or even personal reasons. That may cause unpleasant surprises for the Chinese, when the agreement reached with one institution may be obstructed by the other. The investment in the cargo hub in the city of Lodz, which was



preceded by long-lasting preparations, and which was later unexpectedly blocked by the Polish Ministry of Defence, may serve as a good example (Frak 2017). That was possible because of, quite normal in the democratic system, division of competencies between authorities that might not always be clear for Chinese counterparts and may undermine the authority of the Polish partner in their eyes. Another problem is a limited control of Polish regional politicians over business, which makes them much less powerful than their Chinese partners.

# Case study of the Lodzkie region

The first contacts with Sichuan Province were established after signing the declaration of strategic partnership by presidents of Poland and China. Chinese representatives from the Chamber of Commerce visited Lodz on March 6, 2012. But the main reason behind the fact that the Lodzkie attracts attention in the context of cooperation with Sichuan Province in China is the direct railway connection, the first in Poland and one of the first in Europe. The direct freight train from Lodz to Chengdu started operation in 2013 (Hatrans Company was the Polish operator) and the services quickly attracted such companies as Dell, Gillette, P&G and Hutchinson. Thanks to this link shipping time from Europe to China shrank by 50% (14 days)<sup>3</sup> compared to the sea route (Niu 2016). The establishment of this link was accompanied by a high-level regional political meeting which took place in Lodz on June 13, 2013, between Chen Zhongwei Minister of Logistics from the City of Chengdu and Witold Stępień, Marschal of the Lodzkie region (Regiony partnerskie n.d.).

The railway connection is a showcase of cooperation between the Lodzkie and Sichuan, but the said cooperation is much broader. In the next paragraphs this case is analysed using modified Kuznetsov (2015) framework (see Appendix).

As for the causes of establishing the relations with China three predominant factors can be selected out of the Kuznetsov list, first of all, the central government insufficient effectiveness in foreign relations. As Atkey (1970) noted, "the skills, knowledge and resources required for some types of (...) international activity are found only in provincial government departments". Indeed, subnational governments tend to be more effective in the low politics issues with regard to education, or cultural exchange and tourism, but also in attracting foreign investors and promoting regional companies abroad. Although some researchers claim that the support offered by local authorities had only a minor impact on the foreign investor (Dorożyński et al. 2014), local officials stress the importance of such activities in the case of cooperation with the Chinese (Łaski 2017; Zdanowska 2015).

The second factor was the outside stimulus. In the Polish context it was the accession to the European Union that became a major step in the engagement of regions in foreign affairs but in this particular case the incentive came from the bottom, from entrepreneurs. The aforementioned Hatrans Company had been looking for political support from the regional authorities which they had perceived as necessary

 $<sup>^3</sup>$  It is also about 20% cheaper than air transport while at the same time contributing to a 95% reduction in  $\rm CO_2$  emissions.



to build credibility of the company in the eyes of Chinese partners. That was why they pressed the regional and city authorities to engage in contacts with China.

This bottom-up pressure would have been ineffective without the third, personal factor. The role of regional leaders is invaluable. The personal engagement of the Marshal Witold Stępień and the Lodz City Mayor Hanna Zdanowska determined the intensity and the course of the involvement in the affairs with China (Łaski 2017). Both politicians share the view that the relations with China are strategically important for the development of the region and its capital city. Both are aware that the political engagement of the local and regional authorities is particularly important for the Chinese. As the Mayor of Lodz confirms in an interview (Zdanowska 2015),

I am conscious, that for some investors political cooperation on the subnational level is crucial and for that reason I dedicate my time to that.

Such an approach enabled close cooperation even though Zdanowska and Stępień have often been in open political conflict which hindered smooth collaboration between the Marshal Office and the Mayor Office in many other areas (Gałczyńska 2015).

The legal grounds of paradiplomacy in Poland are quite encouraging for the development of foreign relations on the subnational level. It is regulated by the special act (Ustawa o samorządzie województwa z 5 czerwca 1998 r. w art. 41) and according to this law in particular Marshal Offices are responsible for cooperation with foreign regions.

Self-governmental units' participation in international affairs is limited only by their legal competencies, Polish foreign policy and state's international obligations. As a result of that the regional authorities have to consult their foreign activities with the Ministry of Foreign Affairs but it is hardly ever perceived as an important barrier. Being asked about the barriers to the development of foreign activities Polish local officials rarely pointed out legal or administrative obstacles (19%), showing rather financial problems (79%) as a predominant discouraging factor (Fuksiewicz et al. 2012). The officials in Lodzkie voivodship perceive the legal environment of their relations with China as adequate, although signal some shortcomings in collaborations with the Polish MFA (Łaski 2017). All in all, one can say that the state of law in Poland is good enough to develop the foreign relations of subnational units (ThinkTank 2012).

The third question concerns the predominant motive of the local government of the Lodzkie region to get involved in international affairs with Chinese partners. In the literature on paradiplomacy there are different approaches. Soldatos (1990) proposed a complex list of 16 factors of influence categorised into three groups: influences from the global, federal/national and component/subnational level. Other authors (e.g. Blatter et al. 2010; Keating 1999) distinguish three types of motives for foreign activities: economic, political and cultural. Kuznetsov (2015) added cross-border housekeeping that is important in case of frontier regions.

There is no doubt that economic motivations have been the main driver of collaboration between the Lodzkie and Sichuan Province. Taking into account the Chinese rising presence in the world and its "going out" policy (Norris 2016; Yelery 2014), the regional authorities want to receive maximum benefits from this phenomenon. As the Director of the International Department of the Lodzkie region confirms,

We develop relations with China in three areas: business, higher education and cultural exchange. Business relations are flourishing, cooperation between universities is accelerating but the cultural institutions are lagging behind.



Economic motivation is clear in business contacts but also visible in academic relations. *Our ultimate goal is to attract Chinese students to study in Lodz*—says Dominik Mierzejewski, Director of the Centre for Asian Affairs at the University of Lodz, engaged in the organisation of the first summer school for the Chinese in Lodz in 2017.

Cultural, political or cross-border motivations virtually do not exist. Collaboration with China is motivated neither by cultural similarity, secessionist ambitions nor geographical proximity. In literature on paradiplomacy, numerous authors (Blatter et al. 2010; Kuznetsov 2015; Soldatos 1990) stressed many different features, motives and enabling/restricting factors at play. However, in the analysed case the economic motivation seems to be a dominant driving force.

The fourth problem under consideration is the institutionalisation of the regionto-region relations with China. In this regard a special position of Sichuan in the network of the Lodzkie international partners is visible at first glance. The joint office of the Lodzkie and the City of Lodz in Chengdu is the only foreign post of the region apart from the office in Brussels. Opened on March 28, 2014 it employs a permanent representative responsible mainly for facilitating the presence of companies from the region on the Chinese market. Moreover, it is the tool to optimise working contacts with the Chinese local authorities. In 2015 the twin office was established by the Chinese side in Lodz and Chengdu and Lodz officially became sister cities. Furthermore, the letter of intent was signed between regional authorities. In April 2016 the official partnership agreement between Sichuan Province and Lodzkie voivodship was signed. After 5 years the agreement is going to be automatically prolonged ('Umowa pomiędzy Województwem Łódzim a Prowincja Syczuan w sprawie ustanowienia partnerskich relacji' 2016). It is worth noticing that the agreement was signed 2 years after establishing the office in Chengdu to confirm already developed cooperation. In many cases it is the other way round: documents are signed prior to any significant form of collaboration.

Besides the opening of the permanent office also official visits of the regional authorities are worth mentioning. Since the establishment of relations high-level visits to China have been organised each year and also Chinese senior officials have been hosted in Lodz. For instance in 2015 the Vice-Governor of Sichuan Liu Jie visited Lodz. Bilateral contacts were developed also through participation in various international events like exhibitions and forums: such as the Poland-China Regional Forum, 16+1 Local Leaders Forum or EU-China Business and Technology Cooperation Fair in Chengdu. In 2015 the Poland-China Regional Forum was even organised in Lodz, which gave a great possibility to promote the region's cooperation with China.

Another form of cooperation has been the participation of the regional authorities in official delegations of the Polish central government to China. Marshal Witold Stepień was the only representative of subnational entities during the Polish MFA Witold Waszczykowski visit to China in April 2016. It is worth mentioning that the delegation visited not only Beijing but also Chengdu, where Waszczykowski met the top regional politician, the Secretary of the Chinese Communist Party Wang Dongming.

The institutionalisation of contacts between the Lodzkie and Chengdu is complex, which proves that the relations with the distant Chinese partner have become a priority to the regional authorities.

The fifth question is related to the attitude of the central government in Warsaw towards the paradiplomatic relations of Lodz with China. There is no doubt that the



Polish government perceive paradiplomacy as a supplementary source of national foreign policy. Searching for new economic opportunities the Lodzkie has a positive impact on the national economy as well. Moreover, thanks to well-established contacts in China regional politicians from Lodz are perceived as important agents able to provide some assistance to the government decisions in international affairs. The Lodzkie officials for example were consulted when the government decided about the opening of a Polish Consulate General in central China in 2016. Having a choice between Chongqing and Chengdu, finally the MFA chose the latter.

The above-mentioned participation of Marshal Stepień in the official governmental delegation to China as well as political support from MFA Grzegorz Schetyna to establish a think-tank dedicated to Asia (and China in particular) at the University of Lodz (Ośrodek Studiów Azjatyckich/Centre for Asian Affairs) are just a few examples of growing importance of Lodz in the area of China policy of the Polish government.

Following the classification presented by Soldatos (1990) and then included by Kuznetsov in his analytical framework, we may describe the relation between regional and central authorities with the Parallel-harmony pattern. This model presumes that the regional government acts in accordance with its competency but independently in the foreign affairs; at the same time, however, its actions are harmonised with and do not contradict national foreign affairs.

The last problem to analyse is the question about the *consequences of the Lodzkie paradiplomacy for the development of relations with China on the national level*? Theory (Kuznetsov 2015; Soldatos 1990) suggests that the segmentation of actors and policies in internal relations leads to the rationalisation of foreign policy-making. This notion of rationalisation reflects a principle of subsidiarity, i.e., a theory that the central government should delegate to a subnational level all those tasks which can be effectively performed by constituent units.

The interviews with regional officials show that such an effect of rationalisation is indeed noticeable. Having not enough capabilities to keep up with fast-developing economic relations with China, the central government decided to support the activities of regional authorities. It has multiplied the scale of contacts adjusting it to the needs and expectations, also from the Chinese side. The decision to place a new consulate in Chengdu, where the regional office of the Lodzkie had already operated, had rational grounds, too. Established contacts with Sichuan officials (good *guanxi*) which regional representatives had already had were very helpful for the new MFA staff starting their work in the brand new mission.

To conclude, we can see that the regional activities of the Lodzkie have a positive impact on the development of the Polish foreign policy towards China. The provincial officials and governmental diplomats work shoulder to shoulder on many issues, local politicians participate in the central government delegations, both sides share information and know-how. All of that seems to be important in the context of the multi-level framework of foreign relations which is preferred and implemented by China.

## **Determinants of success**

Analysing major factors that have created favourable conditions to the development of bilateral relations between the Lodzkie and Sichuan a few should be distinguished. Firstly, smooth cooperation between the regional authorities and local partners: the City Office,



academia and business. Despite some political and personal tensions between regional and the city of Lodz officials, cooperation with China was perceived as a common priority. Therefore, the regional and local authorities have closely coordinated their activities towards China and have been trying to avoid competition and cacophony of voices in public (Łaski 2017). The establishment of the permanent office in Chengdu is the best example. At first, it had the same structure as the office in Brussels, which serves as regional and the city of Lodz representation at the same time. However, such a structure of bureau was criticised by other local authorities from the region, which questioned the 'privileged' position of Lodz, underlining that 'not only the capital city has relations with Chinese partners'. It was true in the case of for example Kutno, where a competing rail terminal was opened, but on the other hand, the dominant position of the region's capital in the relations with China was undisputed. The Lodz authorities, instead of launching a political conflict, quietly stepped down. The bureau in Chengdu changed its structure to 'regional', with no harm to the relations with Chinese partners (Łaski 2017).

Apart from the local authorities also academia has played its role in the development of successful contacts with China. From the very beginning the regional authorities closely cooperated with the academic institutions in the region. Having at the University of Lodz, one of the leading Polish academic teams specialising in Asian studies (The Department of East Asian Studies), the regional authorities have used its staff as advisors, interpreters and translators or trainers for officials, who had to learn a lot about China to be prepared for cooperation with the Chinese. The Marshal Office also supported many academic initiatives such as the already mentioned establishment of the Centre for Asian Affairs, the summer school for Chinese students or cooperation projects between universities. The existence of strong academic institutions in the region, employing experts in the field of Chinese studies, eager and able to collaborate with China, has without doubts fostered the bilateral cooperation.

The role of local business is also not to ignore. At the very beginning the cooperation was driven by the private logistics company Hatrans, which became the operator of Sichuan–Łódz railway (Mierzejewski 2017). The needs of this private partner drew the attention of the regional authorities to the prospective cooperation with China and was a direct impulse to establish official links with Sichuan. The fame around Hatrans and the railway connection attracted the attention of other local companies, which started to search for business opportunities in China. The Marshal Office in cooperation with the Lodz Agency of Regional Development as well as private partners (e.g. Amber Consulting) started to organise a system of support for local business, concentrated on export promotion. The effects became evident, when the trains coming to Lodz from China started to travel back loaded with Polish food products or machine parts (Łaski 2017).

The second pillar of successful favourable external conditions has to be pointed out. Using the OBOR framework many Chinese provinces, earlier not very active abroad, started to build their international presence actively searching for new partners. That was the case of Chengdu and Sichuan. When the State Council published in September 2014 the document "Yangzi River Economic Belt", in which Chengdu was named as an "international hub", it was interpreted as a clear incentive to develop external links (Mierzejewski 2017). The Lodzkie region, with already existing rail connection, became for the Sichuan authorities a low-hanging fruit.

Apart from the OBOR also the strategic partnership between Poland and China, signed during the official visit to China of the Polish President Bronisław Komorowski



in December 2011, gave an impetus for subnational contacts ('Wspólne oświadczenie Rzeczypospolitej Polskiej i Chińskiej Republiki Ludowej w sprawie ustanowienia partnerskich stosunków strategicznych' 2011). Central governments of both countries acknowledged the importance of cooperation between local authorities<sup>4</sup> and encouraged further cooperation. The interviews with Polish (Łaski 2017) but also other European regional officials (Rasimelli 2017) convince that such signals from the national level are of crucial importance for their Chinese counterparts, always cautious if their activities are placed within the framework of the central government policy.

The third factor behind the successful cooperation of the Lodzkie region and China is the personal one. On the one hand, the Lodzkie case confirms claims (Happaerts et al. 2010; Lecours 2002) that paradiplomacy might be a way for political leaders to build their personal prestige and legitimacy. Witold Stępień, the Marshal of the Lodzkie region, clearly and consequently builds his international presence. He is deeply engaged not only in the relations with China but also the works of the Committee of the Regions, the EU advisory body composed of locally and regionally elected representatives coming from all the Member States. Together with the Mayor of Lodz, Hanna Zdanowska, he was also involved in the efforts to organise Expo 2022 (Lodz lost only at the final stage). Such an attention paid to international activities evidently distinguishes him from his predecessors.

However, analysing the personal factor we should not underestimate the role of senior officials, directly responsible for organising collaboration with China. In the case of the Lodzkie Marshal Office, the person in charge is clearly fascinated by China and very much devoted to the idea of bilateral cooperation.<sup>5</sup> Thus, the political ambitions of the Marshal have met with the personal interests of his senior official, favourable external conditions and local collaborators from academy, business and other self-governmental units.

Finally, though, the development of the relations between the Lodzkie and Sichuan would have never attracted the attention of international media and politicians without a proper public relations campaign. The regional authorities, together with business partners from Hatrans, managed to create an attractive 'story' about 'the first permanent railroad link between Europe and China'. It attracted foreign journalists to Lodz, and it opened doors to numerous presentations of the Lodzkie case at international events in Europe and China. Noteworthy, the senior official in Lodz responsible for contacts with China used to work as a PR specialist, which again stresses the role of the personal factor.

## **Conclusions**

The case of the Lodzkie region cooperation with Sichuan Province serves as a flagship example of taking the advantage of the possibilities given by the OBOR. Fast development of transport infrastructure and trade links is followed by political relations on the regional level as well as academic cooperation. Neither distance nor great asymmetries between partners impede smooth collaboration. Amongst the determinants of this success one can point out a few factors. Firstly, the Lodzkie has made use of

<sup>&</sup>lt;sup>5</sup> Similarly, in Mazowieckie region, which is also quite successful in developing ties with Chinese. The person responsible for contacts with China has studied in this country and worked in Polish embassy in Beijing.



<sup>&</sup>lt;sup>4</sup> Article 7 stated that "both sides expresses their satisfaction with current stage of local governments exchange and will promote interprovincial and intercity cooperation, in order to deepen both countries society understanding, promote local economy development and cultural and educational exchange".

favourable external conditions, in particular the growing demand for subnational ties from the Chinese side, within the framework of the OBOR Initiative. Secondly, the regional authorities have properly responded to the bottom-up pressure from a small local logistics company which needed a political 'umbrella' in the relations with the Chinese partners. Politicians and officials identified a great potential in a once small-scale business initiative and have helped it to enhance in cooperation with local stakeholders (the city authorities, academia, etc.). Thirdly, the Lodzkie region has built on the basis of the rail connection with China an attractive story which appeals to international media and attracts business.

The presented case study does not match any 'most-likely' explanations found in the literature on the subject of fast growing international presence of the region. It provokes further research questions about the determinants behind other successfully established subnational links between European and Chinese regions. The case of the Lodzkie suggests some possible patterns (e.g. the personal factor, the role of public relations activities, cooperation with local stakeholders) but further investigations and comparative studies might be interesting for policy-makers in the European regions which want to develop their ties with China.

This paper also gives an impetus to much deeper investigation of the phenomenon of the fast-growing subnational links between the EU and China. This third and bottom level of relations has risen to prominence practically without notice from the researchers and analysts. This gap definitely needs to be filled.

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