— CHINA’S EMERGENT CITY-REGION GOVERNANCE: A New Form of State Spatial Selectivity through State-orchestrated Rescaling

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Abstract
This article examines the emergence of city-region governance as a specific state spatial selectivity in post-reform China. The process has been driven by the state in response to the crisis of economic decentralization, and to vicious inter-city competition and uncoordinated development. As part of the recentralization of state power, the development of urban clusters (chengshiqun) as interconnected city-regions is now a salient feature of ‘new urbanization’ policy. I argue in this article that the Chinese city-region corresponds to specific logics of scale production. Economic globalization has led to the development of local economies and further created the need to foster ‘regional competitiveness’. To cope with regulatory deficit at the regional level, three mechanisms have been orchestrated by the state: administrative annexation, spatial plan preparation and regional institution building, which reflect recent upscaling in post-reform governance.

Introduction
The concept of urban clusters (chengshiqun) has recently resurfaced in China. The notion has existed in Chinese geography for a long time, mainly originating from the study of urban systems (see e.g. Yao et al., 1992), but recently it has been picked up in government policies either to build stronger coalitions for regional competitiveness or to solve the over-concentration of growth in large central cities. For example, in an effort to find solutions for the problems of smog and population over-concentration, in 2014 the new Chinese leader Xi Jinping called for a regional approach to the future development of Beijing in the capital region, known as Jing-Jin-Ji, which led to immense interest in city-region governance. In March 2015, the central government approved the outline of the Jing-Jin-Ji Collaborative Development Plan, which indicated that the notion of the urban cluster had become an official term in governance and had become popularized. In May 2016 the State Council approved the Yangtze River Delta Urban Cluster Development Plan. However, the term chengshiqun is used quite flexibly and is only vaguely defined in Chinese. Another concept, that of the metropolitan interlocking region (MIR), initially proposed by Zhou (1991), has not been used much. While MIR is similar to the mega-region or megalopolis (Gottmann, 1961), chengshiqun in practice refers to the city-region within the larger MIR. Thus, the city-region consists of the core city and its surrounding areas, such as its suburban areas and outskirts. Several adjacent city-regions then form an extended urbanized area such as the MIR. In China, these two scales are closely related: the Jing-Jin-Ji, the Yangtze River Delta (YRD) and the Pearl River Delta (PRD) are highly populated areas of an MIR with interlocking city-regions. In short, the Jing-Jin-Ji, the YRD and the PRD themselves are not a single city-region but rather a cluster of city-regions situated adjacent to each other.

The development of Chinese city-regions seems to echo a new spatial form of city-region in advanced capitalist economies (Scott, 2001). Originally, city-regionalism is mainly regarded as having emerged as a result of globalization and consequently of the global economy. However, some scholars (Jonas and Ward, 2002; 2007; Jonas 2012;
Jonas et al., 2014) argue that the formation of city-region governance is a deliberate process of scale building, which involves both state and non-state actors (Harrison and Hoyler, 2014). Brenner’s (1999; 2004) seminal research on ‘state spatiality’ describes how the rise of regional governance can be broadly understood as a process of ‘state reterritorialization’, and the specific form of the city-region as ‘state spatial selectivity’, which means that a specific scale has been chosen or built by the state. The ‘new regionalism’, which goes beyond individual cities, is created through the ‘politics of distribution’ (Jonas and Pincetl, 2006). In the US, participatory and partnership models of governance were developed to tackle the challenges of urban growth resulting from exclusive local growth machine politics. Consequently, the ‘new civic regionalism’, as it is called, has been rolled out by those who have large-scale business interests and has led to the reorganization of local and state government powers at the scale of city-regions. The current literature seems to be useful as it reveals the role of state and non-state actors in external processes—that is, the particular scale is being chosen through local and regional politics. However, how this process is actually unfolding remains a theoretical assumption. In non-Western contexts, we know very little about its applicability.

The thesis of state rescaling and state spatiality has been examined in non-Western contexts (Park, 2013), in particular in the transformation of the East Asian developmental state (Park et al., 2012). This emerging form of governance is seen as selective liberalization in response to the challenge of nation-state-centred developmentalism or the developmental state (Park, 2013). Similarly, in Brazil the recently rolled-out development state focuses on the ‘metropolitan scale as both a projected space and a privileged arena to implement their political agenda’ (Klink, 2013: 1183). Both studies highlight the importance of city-regions.

Against this background, this article adopts the theoretical perspective of city-region governance, in particular regarding the specificities of the new form of state spatial selectivity at the city-region scale. I must emphasize that the intention of this article is not to conduct an empirical case study, as a vast literature on Chinese regional governance is currently becoming available, although these studies tend to focus on specific local issues. There is thus a clear need to build upon the literature on Chinese economic decentralization and urban entrepreneurialism (Xu and Yeh, 2005; Wu and Zhang, 2007; Chien and Gordon, 2008) and recent upscaling studies (Lin, 2009; Li and Wu, 2012a; 2012b; Li et al., 2014; Ye, 2014) to ascertain whether state spatiality applies to China and what its limitations may be. This article’s original contribution lies on two fronts. First, it provides a nuanced understanding of rescaling beyond decentralization and more accurate periodization, which identifies a recentralization process that has been neglected in empirical studies. Secondly, this article contextualizes specific state spatial selectivity in China as crisis management, hence leading to a better understanding of the key role of the state in the process of forming city-region governance. Rather than seeing this selectivity as a democratization process (Purcell, 2007), as a task to manage social provision (Jonas et al., 2014) or as a form of regionalist politics (Park, 2013), we explain the continuation of state governance in the strategically selected city-regional space. This article provides a comparative conceptual framework of periodization (Brenner, 2004) for understanding this process of city-region building while highlighting the role of the state within this process.

**Literature review and conceptual framework**

- State spatial selectivity and city-regionalism
  The formation of the global city-region (Scott, 2001; Scott and Storper, 2003) raises the question of ‘scale building’ in advanced capitalism (Jonas and Ward, 2007). The politics of rescaling suggests that rescaling is not simply a matter of decentralization
or upscaling of state functions to a larger scale (Cox, 2009). A growing body of literature suggests that the politics of distribution rather than globalization is responsible for creating city-regions—and for the state selecting the city-region as scale (Jonas, 2012; Jonas et al., 2014). For example, the city-region is imagined, pursued and created for various purposes to deal with the social reproduction of workers, communities and neighbourhoods (Gough, 2002) or with social and environmental problems largely in regional forms (McCann, 2007). These are more broadly described as ‘spatial practices’ (Jonas, 2006).

In the US, city-regionalism is produced to answer to the need to organize the collective provision of social and physical infrastructure while at the same time maintaining the competitiveness of the neoliberal state (Jonas et al., 2014). In the UK, the new spaces of governance aim at collective provision fulfilment, while also coping with growth pressure (While et al., 2004). Purcell (2007) argues that regionalism is associated with advocating democracy to counter growth politics, as participatory democracy is intrinsically associated with regionally presented politics. The literature of rescaling has been much enriched by other studies too. The downscaling of governance is now seen as the emergence of ‘new state space’ (Brenner, 2004) rather than as the absence of state influence. Actors pursue their strategic interests and represent practical motivations on the regionalism agenda (McGuirk, 2007). Local governance can be seen as the assemblage of state power (Allen and Cochrane, 2010), and according to Ward and Jonas (2004: 2135), ‘competitive city-regionalism is best understood as an on-going struggle for control of space rather than a new emergent form of capitalist territorial competition and development’. In terms of Hall and Pain’s (2006) description, there are multiple state and non-state actors in large polycentric city-regions, and hence city-region governance is fragile (Harrison and Hoyler, 2014). All these studies seem to suggest the need for understanding the concrete processes of city-region building.

State spatial selectivity and the comparison of two sets of periodization

While the Western experience of state spatial selectivity and its periodization is useful for deriving a conceptual framework for understanding Chinese city-region governance, the value of comparison lies in that it does not suggest Chinese exceptionalism. Rather, it provides a more nuanced understanding of the Chinese state and its operations. The specific form of state spatial selectivity is contingent upon specific histories and geographies. Within Western economies, diversity still exists: for example, in their work on Canadian cities, Boudreau et al. (2007) compare the consolidated Toronto and Montreal city-regions and examine the relationship between civil society and metropolitan institutions under different Francophone and Anglophone traditions. They found that while Toronto pursued a more entrepreneurial approach to reach regional consensus around growth, Montreal tended towards a state-centred strategy. Recently, state spatial selectivity has been fruitfully examined in non-Western contexts too (Klink, 2013; Park, 2013; Tsukamoto, 2012). While rescaling is the common feature, the form of rescaling differs markedly in different contexts. For example, in Japan, rescaling means that the Japanese developmental state no longer pursues a balanced national growth pattern: the Tokyo city-region now reveals the outcome of a rescaled state system (Tsukamoto, 2012). In Brazil, in turn, the national developmental regime has seen up-, down- and re-scaled competitive state spaces in the metropolitan region (Klink, 2013).

Within the literature of rescaling, Brenner (2004) explicitly proposes a framework of periodization of state spatial selectivity (see Table 1). He conceptualizes shifting selectivity as a series of crises and crisis management (Brenner, 2004), which describes changes from spatial Keynesianism and Fordism to new rounds of ‘glocalization’. Interestingly, the framework suggests a subtle difference between the initial stage of glocalization in the 1980s, characterized by a focus on strategic urban regions, and the
second stage in the 1990s, aimed at building larger regions through regionalization. While the terms Keynesianism and Fordism reflect geographical specificity and are not applicable to China, the periodization implies that rescaling is an outcome of major conflicts and contradictions. Similarly, in the framework for Chinese state spatial selectivity that follows, I divide forms of state spatial selectivity into different historical formations of socialism and its reform.

Periodization of Chinese state spatial selectivity

The literature on advanced capitalism and other non-Western contexts provides two important points of understanding: first, scale building is a political process beyond the necessity of globalization; and secondly, the particular selectivity of state spatiality depends upon geographical specificity and the history of state governance. These two points are relevant to Chinese state spatiality. China has been an authoritarian state since 1949, and the national scale has been dominant. The state was concerned with regional inequalities (Fan, 1997; Wei, 2000) through regional policies, but increasingly the focus has shifted to growing cities as the drivers for national development (Xu and Yeh, 2005; Zhang and Wu, 2006; Lin, 2009; Wei et al., 2009).

The city-region was formed in the context of Chinese economic decentralization and the effort to reverse this trend. Market-oriented reform triggered downward rescaling and the rise of entrepreneurialism became centred on the country’s central cities (Zhang and Wu, 2006; Shen, 2007; Chien and Gordon, 2008; Yang and Wang, 2008; Li and Wu, 2012a; 2012b). In the YRD, traditionally characterized by close economic linkage and regional culture, market reform led to localism and local competition (Chien and Gordon, 2008). For example, Guangzhou strove to compete with Shenzhen and Hong Kong to reposition itself in the PRD region (Xu and Yeh, 2005).

Besides the literature of inter-city competition and downward rescaling, recent studies on emerging regional governance have begun to reveal changes in regional governance (Zhang, 2006; Yeh and Xu, 2010; Li and Wu, 2012a; Ye, 2014). The YRD began to consider inter-city collaboration to build a competitive region (Zhang, 2006). Confronted with inter-city competition, the PRD recently emphasized regional coordination (Yeh and Xu, 2010). Core cities began to annex nearby cities, and many counties were turned into urban districts in the 2000s. The development of the PRD shows a strong pattern of regional growth (Lin, 2009) and the integration of cities has become a new strategy, in which the state plays a leading role (Ye, 2014). Jiangsu, for example, experimented with inter-city cooperation (Luo and Shen, 2009), and the subnational regional plan

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<td>Glocalization Round I: 1980s</td>
<td>Regeneration of local economies; strategic urban regions</td>
<td>Entrepreneurial city; retrenchment of welfare; abandonment of municipal institutions</td>
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became the focus of new experiments (Luo and Shen, 2008). The call for more strategic regional development means that the central state tries to maintain its leadership in regional development, especially through powerful ministries (such as the Ministry of Land and Resources), which allocate land development quotas (Xu et al., 2009). The central government thus encourages provincial and local governments to formulate a metropolitan strategy that focuses on collaboration rather than competition, as shown in the integration of the two cities of Guangzhou and Foshan in the PRD region (Ye, 2014). In regional infrastructure projects such as railway development, interaction between the central government (the ministries) and local governments has become essential (Li et al., 2014). However, available case studies have not revealed concrete mechanisms of region building.

Based on the literature of state spatiality selectivity in advanced capitalism, this article divides Chinese governance into the following phases: state socialism (1949–1978), early market reform (1979–2000) and post-WTO (World Trade Organization) market society (2001 to the present) (see Table 2). Accordingly, the specific form of state spatial selectivity during the phase of state socialism was the national scale, characterized by a centrally planned economy. Its form of urban–regional regulation was based on state managerialism, which was achieved through hierarchical planning coordination. Planning commissions were the major regulatory bodies that allocated resources and defined development targets. Its major contradiction was urban–rural dualism, because, although the whole territory was subject to an authoritarian state, the rural areas were left largely underdeveloped and insulated from the urban industrial sector, which was supported by the state. During the early stage of market reform, through economic decentralization, state spatiality was at the scale of the central cities. This period was characterized by rising urban entrepreneurialism and the devolution of planning control to individual cities and even their districts, which led to fierce inter-city competition and uncoordinated development. From 2001, when China joined WTO, a new form of state spatiality emerged, on which this research focuses and which will be examined in detail in the section that follows. While economic decentralization in the early stage of economic reform has been referred to in the literature, this upscaling towards city-regions has not been fully examined, although there are a few studies (see Hsing, 2010; Xu and Yeh, 2010). The mechanisms for achieving upscaling are administrative annexation that strengthens the metropolitan region rather than central cities, spatial plans initiated by the central state to maintain its regulatory control, and soft regional institutions built through inter-city negotiations. A major contradiction in this state spatial selectivity is that it is adopted as a spatial fix, because the new form is largely state-orchestrated and lacks a regional identity, and civil society is not developed around this city-region scale. The ‘politics of redistribution’ outside the state sector are

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<td>Administrative annexation; spatial plans; regional institutions</td>
<td>Lack of regional identity; state imposed rescaling</td>
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SOURCE: Simplified adaptation of Wu and Zhang (2010: 61)
not fully developed to drive the formation of city-region governance and the governance of the city-region is still a state-imposed administrative process. The state tries to build city-regions but at the same time its deep involvement becomes an obstacle to further regional integration.

**Shifting state spatial selectivity**

— The impact of urban entrepreneurialism

Economic decentralization in the 1990s led to a new central–local relationship and to fiscal autonomy for local governments (Wong, 1991; Walder, 1995; Zhang 1999). In economic terms, China was arguably de facto federalist (Qian and Weingast, 1997). Local governments were faced by a much more defined budget line than in the previous phase and had to balance their budgets. If they managed to generate additional revenue, they were allowed to retain it for local use. The consequence of fiscal reform was that local governments acted more like a firm (Walder, 1995), which gave rise to local entrepreneurialism (Wu, 2003; Chien and Gordon, 2008; Lin, 2009). In addition, land reform in the 2000s greatly incentivized local governments to initiate land development as an extra-budgetary source of revenue, leading to land-based local development (Yang and Wang, 2008; Hsing, 2010). Administrative adjustment, in particular the adoption of ‘city-leading-counties’ system, significantly consolidated the power of the core city (Ma, 2005). Urban entrepreneurialism drove the city to expand its territory, to enter into coalitions with development partners and to compete with other cities in order to gain the central position in the region (Zhang, 2002; Xu and Yeh, 2005; Zhang and Wu, 2006; Chien and Gordon, 2008; Lin, 2009; Ye, 2014). From the 1990s onwards, hierarchical control weakened. Rising local entrepreneurialism was mainly urban-based. Development priorities shifted from the inland areas to the coastal regions and uneven regional redevelopment was tolerated and justified more widely for the sake of economic growth (Fan, 1997). As a result, redistributive regional policy was phased out and a new regional governance became centred on the urban areas (Wu and Zhang, 2010; Li and Wu, 2012a).

The rise of urban entrepreneurialism created an impact on the city-region. First, rapid urban expansion into the whole municipal territory meant that the central city became closely linked with its peripheral areas and suburban counties to form the metropolitan area. Before this massive urban expansion, the suburbs of Chinese cities were in essence rural and mostly supplied food and vegetables for the central city. Land-driven urban development promoted urban redevelopment in the central areas and mass residential relocation into the suburbs. The development of new towns facilitated suburban industrial growth, while the central areas were redeveloped for official and commercial use. This happened in conjunction with efforts to build global cities. This process of ‘metropolitanization’ transformed the relationship between the central city and its suburbs from one characterized by scattered industrial satellite towns with a vast rural area for vegetable cultivation to one of suburban new towns and a globalizing central area that formed a unified global city-region.

The growth of the global city-region under urban entrepreneurialism is evident in Shanghai and its environs. In the 1990s, Shanghai adopted a strategy to develop the Pudong area. Since 2001, Shanghai had been creating a new city-region strategy to develop ‘one city and nine new towns’, which led to rapid suburban industrial development. The suburban district of Songjiang, for example, has seen massive residential development, as well as the development of a university town and industrial parks (Shen and Wu, 2012). Subsequently, the core city areas have been upgraded for office and commercial use, while the suburbs have been industrialized to accommodate new global-oriented manufacturing industries (Shen and Wu, 2016). The division of
economic functions between the central city and suburban districts has thus led to the creation of a more metropolitan scale of development, and in essence this is the scale of the city-region.

Secondly, the impact of entrepreneurial governance on the city-region goes beyond its municipal boundaries. Cities now have to position themselves in their regions and fierce inter-city competition is evident from the rivalry between Shanghai and nearby cities in the Jiangsu and Zhejiang provinces (Li and Wu, 2012b). Just outside the metropolitan area of Shanghai lies the county-level city of Kunshan, a rural county until 1990. Kunshan used its location near to Shanghai, its high-quality land and its flat topography to pioneer the use of foreign investment to initiate export-oriented industrialization, which represented a new model of growth in the YRD. The rapid development of industrial land led to the transformation of the county territory into a municipal area. As a rural county, Kunshan’s built-up area had been very compact and had been concentrated in the small town of the county seat. The territory of the county was metropolitanized through industrial development in several towns, including the Kunshan Economic and Technological Development Zone and Huaqiao Business Park near the border with Shanghai. The development of Kunshan began to outdo Shanghai’s suburban districts of Songjiang and Jiading. To counter the advantages the low-cost investment environment in Kunshan offered, the Shanghai municipal government announced Project 173 in 2003, with the aim of attracting investment to an area of 173 square kilometres along the border with Kunshan (Zhang, 2006: 48). Jiangsu province, in turn, launched an industrial belt along the border with Shanghai (Li and Wu, 2012b). In some places, a ‘zero land price’ was introduced (Yang and Wang, 2008). Development was driven by the GDP-ism associated with a cadre promotion system based on the GDP performance of localities (Chien and Gordon, 2008). The rise of entrepreneurialism drove previously unrelated or only loosely connected cities to compete, and their development strategies necessarily had to go beyond their territories to adopt a regional development approach. Inter-city competition thus gave rise to the governance of the city-region.

Thirdly, urban entrepreneurialism has driven extensive infrastructure development in the metropolitan region and beyond. Cities began to compete to develop mega infrastructure projects such as deep-water ports, airports and highways to strengthen their status and position in terms of accessibility. For example, in the PRD, several airports and deep-water ports competed with each other (Xu and Yeh, 2005). In the YRD, Shanghai built its own deep-water port, while Zhejiang province wanted to develop Beilungang at Ningbo, and Jiangsu province tried to develop Taicang port and Nantong port, both located in its territory. To achieve its aim of becoming an international shipping centre, Shanghai built its own port at Yangshan Islands with a total investment of 100 billion yuan—much to the dismay of Jiangsu and Zhejiang provinces, from which the new Shanghai port attracted potential cargo away. Infrastructure development even became a way to deter other cities from competing, while cementing a monopoly position for some cities in infrastructure provision (Zhang and Wu, 2006). For example, Shanghai’s Hongqiao International airport becoming a largely domestic airport had a devastating effect on nearby IT industries in Jiangsu province, a situation that improved only recently, when the Hongqiao transport hub was opened. The extension of line 11 of the Shanghai metro to Kunshan was fraught with extraordinary difficulties: while the last station on the line was to be at Jiading district within Shanghai’s boundary, it was only through intervention of then top party leaders of Jiangsu province, Shanghai municipality and the National Development and Reform Commission (NDRC) that it became possible to extend it to connect with stations in the Huaqiao Business Park of Kunshan (Li and Wu, 2012b). Similarly, the development of the inter-city railway in the PRD and the Guangzhou–Foshan Metro involved complex
negotiations between governments across various scales from central government ministries and provincial governments down to local cities (Li et al., 2014). The recent development of high-speed trains, inter-city railways and metro line extensions has rapidly changed China's accessibility map: the geographical scope of travel has been expanded, leading to a spill-over of economic activities and to a rise in the number of residents commuting across the boundaries of cities. The development of inter-city infrastructure has led to these cities becoming interlocking city-regions.

Fourthly, the regionalization of the economy did not lead to inter-city collaboration, but rather strengthened the fragmentation of governance at the regional scale. Local governments in the region pursued similar industries they deemed profitable. As a result, the industrial structures of the cities became rather similar. For example, most cities in the YRD aimed to develop export-oriented industries, based on the successful development of Suzhou and Wuxi. Eight out of 16 cities in the YRD selected petrochemical industries, 11 selected automobile parts manufacturing and 12 selected IT and communication equipment. Almost all cities along the Yangtze River, coastal Jiangsu and Hangzhou Bay proposed to develop similar export-oriented industries and thus competed for raw materials in the same markets. Because individual cities were acting as the agencies of development, they tended to race to the bottom to attract investment and compete for the market, which aggravated fragmentation. Similar industrial structures should not in themselves be a problem; nevertheless, such similar investment projects forced local governments to compete with each other. Inter-city competition and lack of regional coordination led to environmental degradation and excessive farmland development. In short, multiple jurisdictions in the region pursuing the same direction towards industrialization led to the regionalization of urban economies, while simultaneously contributing to the fragmentation of city-region governance.

Finally, competition-minded cities are seeking to merge with nearby jurisdictions to increase their population size and development capacity. The central city often promotes a strategy of building an urban cluster or seeking alliances with nearby cities. This may or may not involve administrative annexation or adjustment; however, through spatial plans and unified service provision, it hopes to achieve ‘urban unification’ (tongchenghua). Examples include the unification of twin cities such as Xi'an and Xianyang, Guangzhou and Foshan, Zhengzhou and Kanfeng (Zheng-Bian), Shenyang and Fushun, Hefei and Huainan, and the tri-cities of Shantou, Chaozhou and Jieyang. These strategies clearly have regional competitiveness in mind, based on their desire to enhance agglomeration effects. Nevertheless, the actual implementation often confronts the complicated politics of scale production. For example, Guangdong province hoped that in Shantou, Chaozhou and Jieyang it could build a growth coalition to speed up economic growth in underdeveloped eastern Guangdong, because historically these three cities had been part of the same city before they were broken up. However, these cities took the opportunity provided by the provincial city-region agenda to seek their own growth advantages (Li et al., 2015) and progress towards a coalition has been slow because of inter-city politics.

Overall, the rise of urban entrepreneurialism has generated an impetus for growing cities larger and stronger beyond their boundaries, while regionalization of infrastructure and economies has made the scenario of the city-region a possibility. However, city-region governance cannot be assumed and is subject to the politics of scale production, to which I will turn in the next subsection.

Regional economies and regulatory deficit

China has become the world’s factory since it joined the WTO in 2001. Economic globalization has driven the development of regional economies. According to Scott (2001), this process will lead to the formation of global city-regions. The operation of
the Chinese world factory seems to confirm Scott’s theory of the city-region, because production factors go beyond the territories of individual cities. For example, in terms of foreign investment, the border of Jiangsu and Shanghai is no longer an obstacle. The development of the automobile industry in Jiading district of Shanghai led to the creation of a dozen German factories across the border in Jiangsu province. The city of Taicang in Jiangsu province used this chance to set up a German industrial park to benefit from spill-over effects. Similarly, investment in information technology and communication (ITC) by Taiwanese investors is located in Kunshan and Suzhou inside Jiangsu province as well as in the industrial suburbs of Shanghai. In short, the new export manufacturing economy presents a regional scale.

In terms of labour force, rural migrant workers are mobile and not limited by the boundaries of individual cities. This is because they are not treated as residents of a particular city (Smart and Lin, 2007) and are thus not entitled to access social services at the scale of the specific city. The location choice of migrant workers is thus not a matter of individual cities but rather a comparison between regions, for example, the YRD versus the PRD. More interestingly, the shortage of rural migrant workers just before the global financial crisis in 2008 was at a regional scale, that is, widely across cities in the PRD.

Although Chinese manufacturing industries faced a decline in export in the wake of the 2008 crisis, they are associated with the global economy, and economic development under globalization saliently takes place at the regional scale. The clustering of development zones, industrial districts and high-tech parks form the backbone of the regionalized industries. For example, in southern Jiangsu, industrial parks exist in proximity to each other. From Shanghai to Nanjing, there are a number of industrial parks, including Kunshan Economic and Technological Development Zone, Suzhou New and High-tech District, China–Singapore Suzhou Industrial Park (CSSIP), Wuxi New and High-tech District, Changzhou High-tech District, and Nanjing Economic and Technological Development Zone. These industrial districts and parks adopt similar preferential policies towards investors and compete with each other through similar governance structures, for example, by providing one-stop services (Wei et al., 2009).

Although the Chinese economy has become regionalized under economic globalization, its regulatory approach is still based on competitive states and urban entrepreneurialism (Wu, 2003; Chien and Gordon, 2008; Li and Wu, 2012a; Ye, 2014). This has created a regulatory deficit at the regional scale. The tension between the regionalization of economic production and city-based governance has triggered a process of governance rescaling. The need to re-establish regional governance is accompanied by an overall shift of governance at the national scale. In the 2000s, the political ethos shifted from ‘development as the priority’ through the economic devolution of Deng Xiaoping to the ‘scientific approach to development’ through the regulatory consolidation of Hu Jintao. These changes paved the way for establishing regional governance. The emphasis on ‘new urbanization’ under the current Chinese leadership (particularly Premier Li Keqiang) requires a regional approach to urban and rural development, rather than treating them as separate issues. The development of city-region governance thus represents an effort to fill the regulatory control gap in the peri-urban areas and in-between urban spaces.

— The formation of city-region governance

However, the development of city-regions in China reveals the strong involvement of the state in the crisis management of market-oriented growth under globalization. The crisis of entrepreneurial governance includes but is not limited to issues of environmental degradation, redundant production capacities, and fragmented land
use and sprawl. This is contradictory to what Scott (2001) described as the driver of globalization and regional economies. As a result of this crisis of entrepreneurial governance, regional coordination has become a major priority on the government’s agenda. The problems associated with inter-city competition are being recognized by both the competitive local states and by the central government, which has led to the emergence of regional governance. Recently, regulatory control over urban land development has been strengthened (Xu et al., 2009)—for example, ‘basic agricultural land’ is thus designated to protect it from encroachment by urban development. Some regional plans have been set up to achieve better coordination between cities (Wong et al., 2008)—for example, a new urban and rural spatial development plan has been drafted for the Beijing–Tianjin–Hebei region, with a special section on sustainable development. These regional plans reflect a return to a concern with the public interest. In the field of urban planning, the central government sends planning inspectors and auditors down to local governments to check their implementation of urban plans. This suggests that the central government is striving to monitor local practices, as local governments have often found tactics for evading central control. For example, to circumvent the protection of basic agricultural land, they invented various ways to manipulate the quota of developable land (Yang and Wang, 2008) by finding poor land in other places to replace lost basic agricultural land. Through this swap, the loss of agricultural land did not show up in the land assets balance sheet.

Because of the alarming environmental crisis, the issue of sustainability started appearing on the agenda of regional policymakers and planners. Confronted with environmental challenges, planners started to reconsider the objectives of urban and regional planning. There have been growing appeals to change the objectives of planning from promoting purely economically oriented targets to fostering sustainable development. The new sustainability agenda has begun to justify the need for spatial plans beyond individual cities. This is particularly salient in the spatial plans for larger regions such as the PRD Urban Cluster Coordination Plan and the YRD Regional Plan. While previous regional plans in the 1950s and 1960s were mainly aimed at reducing regional inequalities between the coastal, central and western regions, these new city-region plans emphasize coordination between cities in the city-region to ensure environmental sustainability. This new objective differs significantly from the promotion of competitiveness under entrepreneurialism.

In addition to changing objectives, there is also the upward trend of rescaling of governance towards the regional scale (Yeh and Xu, 2010). However, this superregional scale is not workable because of the constraints of the political and administrative system. Politically, the superregion would be too big and too powerful, and administratively, it misses a tier of government. The city-region seems to be a compromise, as it is based on the central city but also on a system of settlements and economic development zones that promote the area’s competitiveness. Government planners recognize that the failure of previous regional policies was in part attributable to the downsizing of governance to individual cities (Wu and Zhang, 2010). Under economic devolution, GDP growth targets were allocated to local governments, which were required to fulfil their targets, and whose performance was assessed accordingly. Government officials were promoted according to their achievement of GDP growth targets (Chien and Gordon, 2008). Local governments were also offered discretionary incentives. Such downsizing hindered inter-city cooperation, as each locality raced to the bottom and wanted to develop its own base for growth (Chien and Gordon, 2008). To cope with the problems created by decentralization and increasing regional inequalities, the scale of the city-region became the new form of state spatial selectivity since the mid-2000s. In the next section, I examine the concrete mechanisms that led to the development of city-region governance.
The mechanisms of Chinese city-region governance

Administrative annexation and metropolitanization

The Chinese government’s administrative system was remarkably stable over the imperial period until the era of economic reform. Initially, in the 1980s, administrative boundaries were adjusted to strengthen the central city. This change served the purpose of opening up development spaces for the core city. Counties were annexed into the territories of central cities under the city-leading-counties system (Ma, 2005). As a result of counties being assigned to central cities, the central cities were able to use their hinterland to strengthen their resource base. Under the ‘city leading counties’ system, the county retained its county status. In the 1990s, a new practice led to the conversion of counties to ‘urban districts’. This was a major change, as the county was a rural administrative unit, while the city was an urban government. The conversion from county to city status raised the standard of infrastructure provision in the city plan. In the period from 1996 to 2006, 171 counties were converted to urban districts (Qiu and Wang, 2011). This change usually served major cities such as those that were under direct jurisdiction of the central government (Beijing, Shanghai, Tianjin and Chongqing), provincial capitals and sub-provincial capitals (important cities within a province without provincial capital status may be thus designated to enable them to enjoy greater decision-making capacity under direct jurisdiction of the provincial government). When these cities expanded their administrative areas, they usually absorbed nearby counties into urban districts.

During the early stages of administrative annexation, the purpose of annexing the counties was to support the central city. However, the policy then started aiming at solving inter-city conflicts. The government hoped that through annexation of the counties, friction between different administrative units could be reduced. For example, the city of Changzhou and nearby county Wujin had long been rival governments that strove to protect their own interests, although its built-up areas are, in fact, adjacent to each other. However, there was a lack of unified services for the municipal area and administrative division caused fragmentation of public services in the urbanized region. In 2001, Changzhou annexed Wujin, which then became its urban district. After annexation, the city of Changzhou began to provide public services to Wujin district (Zhang and Wu, 2006).

Planners also hoped that administrative annexation would help reduce competition between the core city and nearby counties. The central state perceived administrative annexation as a way to solve problems associated with uncoordinated development and excessive growth in the central cities and it has therefore been used extensively to harmonize fragmented administrative units. For example, three districts in Tianjin (Tanggu, Hangu and Dagang) were merged into Binhai district in 2009. Similarly, Pudong district of Shanghai annexed Nanhui district to create vast areas for development. Xiamen and Shenzhen, two special economic zones, extended the boundaries of their special economic zones to cover the whole municipal territory. In 2010, four urban districts of Beijing were merged into two districts. The purpose of the merger was to expand the influence of two well-developed urban districts (Xicheng district and Dongcheng district) to two old urban districts (Chongwen district and Xuanwu district). The adjustment of administrative boundaries helped to link these units in the metropolitan region, with the effect of consolidating their metropolitan governance.

Administrative annexation facilitates the process of metropolitanization, as it expands the tax base of the central city, thus enabling the central city to pull financial resources together from nearby counties to initiate mega development projects. The policy of administrative annexation thus improves the ‘regional competitiveness’ of the...
whole city-region, as competition between central cities is also competition between their city-regions. Because of the hierarchical political system, Chinese administrative annexation is not a result of local social movements but rather originates from a jurisdictional review by the upper levels of government, and is approved by the central state.

Spatial plans and strengthened coordination by the central state

In the socialist period, individual cities prepared their urban master plans to guide general land use patterns. Later, under urban entrepreneurialism, the local government prepared ambitious plans to expand its built-up areas (Wu and Zhang, 2007). These expansionist plans no longer followed the technical requirements of a statutory master plan. Rather, they reflected the thrust for urban expansion and were aimed at enhancing the status of the central cities. For example, the 2002 Guangzhou Conceptual Plan envisaged the dramatic expansion of Guangzhou towards the south in the PRD. The plan, prepared at the request of local government, gave little consideration to inter-city cooperation. From the mid-2000s, the central state began to create a newly invented spatial plan to strengthen regulatory coordination in its city-regions. Adopted at the scale of subregional and urban clusters, these spatial plans focused on spatial structure rather than on concrete land use. They were prepared for densely populated regions such as the YRD, the PRD, Jing-Jin-Ji, as well as other regions.

For example, Jiangsu province prepared the Yangtze River Industrial Belt Plan (Jiangsu) and the Suzhou, Wuxi and Changzhou Regional Plan (Luo and Shen, 2008). The PRD Urban Cluster Coordination Plan was led by the Ministry of Housing and Urban–Rural Development (MOHURD), and the YRD Regional Plan was initiated by the NDRC. The PRD Urban Cluster Coordination Plan envisaged that the region should adopt a spatial structure consisting of ‘one core area, three belts and five axes’. By creating a spatial structure, urban sprawl in the region could be prevented. A new governance form was proposed to accompany the new spatial structure. A planning ordinance was set up to enforce land protection. The plan also designated various spatial policy zones to implement coordination mechanisms. Rather than being driven by a bottom-up entrepreneurial thrust, these spatial and regional plans were prepared in a top-down manner, reflecting national concerns over sustainability, urban–rural integration and a harmonious society (Li and Wu, 2013)—environmental and social issues that justified the need for high-level state intervention.

A new type of spatial plan is the ‘main functional area plan’ (zhuti gongnengqu guihua), which was prepared through a system of development and reform commissions since 2005 and has been applied to major city-regions. For example, the municipality of Beijing under the direct jurisdiction of the central government has a status equivalent to a province, while the districts of Beijing municipality are equivalent to counties. The main functional plan of Beijing divides the whole territory of Beijing municipality into four specific functional areas: the capital core functional area, the urban extended functional area, the urban new development area, and the ecological containment and preservation area. The plan aims to create a functional division of the metropolitan region, which strengthens the coordination of city-region governance.

Rather than fostering the competitiveness of individual cities, the urban cluster plan aims to enhance coordination between cities in their city-region. According to Xiaojiang Li, former president of the China Academy of Urban Planning and Design (CAUPD), a leading planning institution in China, ‘The Seventeenth CCP Congress officially adopts the concept of urban clusters ... The central government recognizes the need to intervene in the development and uses the urban clusters to set up the necessary coordination mechanism’ (Li, 2008: 5).1

1 Extract translated from Chinese by the author.
The YRD Regional Plan envisages that the YRD region will consist of interlocking city-regions. The structure is specified as ‘one city (Shanghai) and nine axes’ and the plan specifies the functional division of 16 cities in the YRD region. Shanghai is designated a global city with advanced and comprehensive services, while other cities, such as Nanjing, Suzhou, Wuxi, Hangzhou and Ningbo, are granted the status of subcentres. Shanghai is tasked with developing finance, marine logistics and other producer services, while Hangzhou, as the southern wing, is to focus on cultural industries, tourism and leisure, and the electronics business, and Nanjing, as the northern wing, is to become the gateway city to the middle and western regions of China. Nanjing is also to develop advanced manufacturing and producer services, as well as become a centre for science and technology. The YRD Regional Plan was approved by the central government in 2010. In fact, the plan was largely formulated and implemented by the central government rather than the municipal governments. Through functional designation, the central government hoped that vicious inter-city competition could be avoided in future.

Regional institutions and inter-city collaboration

Efforts to build regional institutions in the early stages of economic reform failed because the dominant trend at that time was decentralization. For example, in 1982, the State Council decided to set up the Shanghai Economic Region (SER), which included ten cities in the YRD. In 1986, the SER was expanded to include five provinces and the municipality of Shanghai. In 1982, the office prepared a regional development strategy and the regulation of the SER, wishing to initiate the treatment of Taihu Lake. However, against the trend of economic decentralization, the office could not achieve coordination between the various cities in the region and it was abolished in 1988.

Despite the failed setting up of the SER, Shanghai continued to maintain some linkages with other cities in the region through various joint meetings. In 1992, joint meetings of senior officials in the economic commissions of the cities in the YRD were set up. In 1996, the Coordination Association of Urban Economies in the YRD was established (Wu and Zhang, 2010). The mayors of these cities are members of the association (Luo and Shen, 2009), which aimed to promote cooperation in transport, tourism and human resources management. In 2000, the Forum of Economic Collaboration between Shanghai, Jiangsu and Zhejiang formed a channel of communication between senior officials of these provincial-level governments (Luo and Shen, 2009; Wu and Zhang, 2010). Since 2005, collaboration has focused on comprehensive transport, science and technology development, energy, and environmental protection.

The case of the YRD shows that large-scale regional coordination has been difficult in China. The Office of Western Development and the Office of Revitalization of Northeast Old Industrial Bases were not able to play their roles and had to be absorbed into the State Council. The only practical way to set up regional collaboration seemed to be through city-based linkages. In essence, the role of the city-region has become increasingly important, as regional collaborations are basically achieved through collaboration between central cities.

Inter-jurisdictional cooperation has been driven by the practical need to develop cross-jurisdiction infrastructure (Li et al., 2014) to organize public services in the city-regions and to enforce environmental protection at a regional scale, for example, shared water systems. In the PRD, the mayors of five county-level cities along the Tangjiang River signed an agreement to protect water quality in the river basin (Li, 2008). Similarly, Guangzhou, Foshan and Dongguan in the PRD collaborated in the development of the regional rail system (Li et al., 2014). Shenzhen and Dongguan managed to coordinate waste treatment and the development of road systems. Collaboration is also required
because infrastructure investments now come from different sources than in a single city.

Beijing had to develop a collaborative relationship with Tangshan, another city in the region, because of the relocation of Capital Steel from Beijing to Caofeidian in Tangshan and the port of Tangshan serving the city-region. In Hunan province, the provincial government encouraged three major cities, Changsha, Zhuzhou and Xiangtan (also known as Chang-Zhu-Tan), to share responsibility for the provision of services, for example, postal services, telecommunications, banking and regional transport, with the objective of providing standardized services to all three cities as if they were a single city. In the YRD, the development of a 15+1 model has stimulated tourism cooperation and inter-city collaboration in public transport development. In Fujian province, Xiamen, Quanzhou and Zhangzhou have begun to form a regional association that serves to protect the ecological quality of two rivers in the region, to collaborate on the Xia-Quan-Zhang cross-sea bridge and to develop the coastal transport corridor and high-speed train from Xiamen to Fuzhou.

The governance of city-regions remains based on the collaboration of individual cities. For example, the two cities of Jiangying and Jingjiang reached an agreement to jointly create a development park, known as the Jiangying Development Zone Jingjiang Park (Luo and Shen, 2009). The park is located in the city of Jingjiang but is managed jointly by the two cities. The joint project indicates a closer form of collaboration between two local governments over a physical space. However, no government body has been set up for the park. Collaborations between cities are more or less based on joint meetings of local governments. In contrast to rising political regionalism (Park, 2013), China is still characterized by a strong central state and civil society remains under-developed. There is no electoral mechanism to strengthen the identity of city-regions, and there is no intermediate layer between the central state and provincial government, which means it is difficult to coordinate cities beyond provincial boundaries. In this case, the interlocking city-regions in the Beijing–Tianjin–Hebei and the YRD regions exceed their provincial boundaries and hence coordination remains difficult and fraught with problems.

**Conclusion**

The established wisdom of post-reform Chinese governance is economic decentralization (Wong, 1991; Walder, 1995; Zhang 1999). Research on the central–local dichotomy reveals the role of the local state in economic governance (Zhang, 1999) and the rise of entrepreneurial urban governance (Zhang, 2002; Wu, 2003; Chien and Gordon, 2008; Ye, 2014). The thesis of the rescaling of urban governance in Western market economies (Brenner, 1999; 2004) is generally applicable to this process, as similar studies demonstrate its applicability in non-Western contexts, although studies of non-Western economies expanded the scope and revealed specific, locally contingent politics of rescaling (Park, 2013). In the West, emerging city-regionalism tends towards competitive city-regions (Harrison, 2007). Jonas and Ward (2007: 176) argued that ‘the emergence of city-regions [is] ... the production of a particular set of economic, cultural, environmental and political projects, each with their own logics’. Emerging city-regionalism corresponds to the politics of distribution as ‘politically constructed through state-orchestrated processes of redistribution and social provision’ (Jonas, 2012: 822). This article highlights the recent recentralization of, for example, land management, towards the central government (Xu et al., 2009) and the upscaling of governance towards city-regions (Lin, 2009; Luo and Shen, 2009; Wu and Zhang, 2010; Li and Wu, 2012a). This article contributes to the debate by revealing that the logics of Chinese city-regionalism are based on these being the state’s response to the crisis of economic decentralization. The article examines the mechanisms of rescaling and provides a periodization of Chinese state rescaling (as shown in Table 2).
There are two seemingly contradictory but, in fact, complementary logics in the Chinese context. First, the competitive state led to the extension of cities by incorporating their regions. Individual cities wished to build larger territories to be competitive and to compete with others. Secondly, in response to the uncoordinated competition and the regional problems brought about by this competition, the state strove to fill the regulatory deficit at the regional scale. These two logics can be described in detail as follows.

First, entrepreneurial thrust arising from a set of market reform conditions drives cities to compete, while at the same time cities have become more connected under globalization. Developments spilt over administrative boundaries into neighbouring areas in the YRD and PRD regions. However, uncoordinated development led to serious economic, social and environmental problems that manifested themselves at the regional scale. These problems necessarily needed to be solved beyond the scale of individual cities. In an attempt to strengthen their competitiveness and overcome developmental constraints, cities have tried to create a network of cities, or, in Chinese idiom, to build urban clusters to enhance their developmental capacity. This logic corresponds to state rescaling through ‘territorialization’ (Brenner, 1999), which is driven by economic competitiveness.

Secondly, in response to the uncoordinated development brought about by inter-city competition, the state has been attempting to re-regulate the economy and transform the scale of governance. In particular, the city-region has been chosen as the appropriate scale to develop governance through the politics of regulation. A discourse of inter-city cooperation has thus emerged in China, as shown in recent Beijing–Tianjin–Hebei governance practices and the policy of ‘new urbanization’ that seeks to develop a new relationship between the city and its countryside, which reflects this endeavour in region building. More specifically, city-regions are also referred to as the urban clusters (although this Chinese term is only loosely defined), which contain the central cities and their connected settlements. However, the identification of urban clusters is arbitrary and not necessarily based on functional areas. Thus, this study on Chinese city-regionalism differs from the Western literature (Harrison, 2007; Harrison and Hoyler, 2014) in that it regards rescaling towards the city-region not as a continuation of decentralization of state governance but rather as a countermeasure towards localism (based on individual cities). It is not an outcome of the politics of distribution within the city-region (Jonas, 2012) but rather the central state’s endeavour to reverse decentralization and identify a specific scale (the urban cluster, or the networked city-regions) to impose its regulatory control. In East Asia, developmentalism prioritized national economic growth (Park et al., 2012). However, in the 1960s and 1970s, regionalist politics challenged the nationalized spatial selectivity of the Korean developmental state (Park, 2013). Chinese state spatial selectivity has experienced a shift from national state space to local city-based state space and has now been rescaled towards the city-regions, which represent a compromise between fostering economic competitiveness and crisis management. A particular contribution of this article is that it reveals the specific state spatial selectivity in Chinese state governance beyond decentralization.

This article identifies three mechanisms of city-regionalism: administrative annexation leading to ‘metropolitanization’; strategic regional plans for consolidating urban clusters; and regional institutions for enhancing inter-city coordination. First, administrative annexation aims to capture suburban development under metropolitan governance (Ma, 2005), pacify contests between adjacent administrative units (Zhang and Wu, 2006) and turn ‘in-between spaces’ into urban districts. These are broadly similar to what Young and Keil (2014) identified as the exclusion of in-between spaces from the strategic decision-making process of city-regional investments. Similar to what Boudreau et al. (2007) found in the process of metropolitanization as ‘state
rescaling strategy’ in Canadian cities, Chinese metropolitanization is a regulatory exercise that uses the metropolitan region as a scale to manage economic development.

Secondly, the central state uses spatial plans to strengthen the coordination of infrastructure development through various regional plans such as the regional plans of the YRD (Li and Wu, 2013) and the PRD (Xu and Yeh, 2005). The Jiangsu provincial government prepared subregional plans—the Yangtze River Industrial Belt Plan (Wong et al., 2008) and the Su-Xi-Chang subregional plan (Luo and Shen, 2008)—which consolidated regulatory control to ensure a more ordered pattern of development.

Thirdly, regional institutions created a mechanism of coordination through joint meetings of mayors and various associations of local government departments (Zhang, 2006). The new city-regionalism in China created horizontal links between cities, although these are characterized by a lack of political processes that would lead to a necessary new government layer. Soft institutions are seen as complementary to strengthened regulatory control by the central state at the regional scale. Owing to the state-dominated development regime in China, city-regionalism has to a lesser extent seen collaboration between regional businesses, civic networks through the backing of private corporations and public policy advocacies (Jonas and Pincetl, 2006).

A growing body of literature on state rescaling in general (Brenner, 2004) and city-regionalism in particular (Jonas and Ward, 2007; Harrison and Hoyler, 2014; Jonas et al., 2014) reveals the historically contingent and geographically specific politics that challenged the centralized form of the national state. Studies of non-Western contexts contribute to the knowledge of concrete driving forces beyond globalization and local competitiveness (Park, 2013). Non-Western contexts reveal the complexity of the ‘politics of distribution’, which may include different levels of growth of civil society, political democratization and greater concern for uneven development (Park, 2013). These factors are not the main driving forces in China: emerging city-regionalism in China reflects state-orchestrated selectivity or a new spatial fix to maintain the coherence of governance, because earlier economic decentralization created vicious inter-city competition and environmental problems. The crisis discourse legitimizes the recentralization of state power as well as a regional representation of the central state. In this regard, Chinese state dominance in governance is distinctively different from Western and other non-Western contexts.

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