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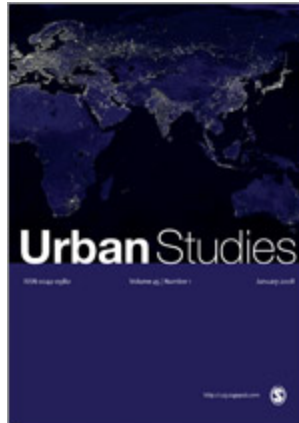
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**On Shifting Foundations: State Rescaling, Policy
Experimentation and Economic Restructuring in Post-1949
China**

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Book review symposium: On Shifting Foundations

Kean Fan Lim, *On Shifting Foundations: State Rescaling, Policy Experimentation and Economic Restructuring in post-1949 China*, Hoboken, New Jersey, USA: Wiley Blackwell, 2019; 256pp.: ISBN: 978-1-119-34455-1, £60.00 (hbk); ISBN 978-1-119-34456-8, £24.99 (pbk)

Introduction

David Featherstone¹, School of Geographical and Earth Sciences, University of Glasgow

Kean Fan Lim's *On Shifting Foundations* develops an original engagement with questions of state rescaling in post-1949 China through a comparative analysis of the development trajectories of the Greater Pearl River Delta and Chongqing. By focussing on these 'nationally strategic' sites of policy experimentations, it articulates a new analytical framework that explicitly considers the relationship between state rescaling, policy experimentation, and path dependency. Through doing so it makes a number of key contributions to urban and regional studies which are critically discussed in this review symposium. Firstly, by applying literatures on state rescaling to China, Lim's account speaks back to broader debates on state rescaling and makes a major contribution to debates on the geographies of the state. Secondly, through foregrounding connections in the logics of socio-economic regulation in Mao and post-Mao China it revises key ways of understanding China's spatial political economy. Finally, it provides an important lens on the dynamics of

¹ David Featherstone was the editor of the RGS-IBG Book series between 2015 and 2019 and organised the author meets critics session at the 2019 RGS-IBG Conference on which this review symposium is based. The series is now being edited by Ruth Craggs, Kings College, London, and Chih-Yuan Woon at National University of Singapore.

uneven regional development in contemporary China and explores their political implications.

This review symposium brings together three scholars who draw attention to key contributions of the book, while also putting forward critiques and questions to Lim. Amy Yueming Zhang draws attention to the way that *On Shifting Foundations*'s engagement with uneven regional dynamics helps challenge accounts which position China as a unitary state. She probes aspects of *On Shifting Foundations*, however, arguing that rhetorics of spatial egalitarianism or "coordinated" regional development need to be unpacked more critically. Thus she asks whether such geographical imaginaries are something the Chinese Communist Party (CPC) is seriously committed to or whether they function merely as 'rhetoric for performing the "socialist" part of the "socialist market economy"' especially given the entrenched 'uneven development in China's economy'.

Ashok Kumar pushes at the limits of some of the methodological approach taken by Lim. While recognising the importance of Lim's contribution to industrial geography, Kumar argues there is a need to recognise that 'China's development story goes beyond the agency of the bureaucrats and party functionaries' that are foregrounded in *On Shifting Foundations*. By contrast Kumar asserts the importance of considering the dynamics of such a 'development story' from below, stressing the need to account for working class agency in leveraging reforms from the state. In her contribution, Wenying Fu draws attention to the specific contributions of *On Shifting Foundations* to work on state rescaling, highlighting Lim's critique of nation-state-centred approaches. She argues that his account offers an alternative perspective through positioning 'the nation, regions and localities as 'co-constitutive and co-evolving'. She contends, however, that the book would have benefited from more attention to 'the role of industrial actors in the private sector and grassroots organization' such as village collective committees.

In response Kean Fan Lim highlights what he sees as the core contribution of *On Shifting Foundations*, which is to adopt a ‘critical *sensibility* to the geographical unevenness that complicates, if at times also contradicts, “national” history’ (emphasis in original). He also considers some of the implications of recent developments in CPC strategic approaches, particularly in relation to the linkages of private enterprises and financiers to the state. In short, the review symposium signals both the importance of the critical agendas which *On Shifting Foundations* articulates which are central to urban and regional studies and signals key debates prompted by the book.

Commentary I: *On Shifting Foundations* and spatial strategies in and of China

Reviewed by: Amy Y. Zhang, Department of Planning and Environmental Management, School of Environment, Education and Development, the University of Manchester

Kean Fan Lim’s *On Shifting Foundations: State Rescaling, Policy Experimentation and Economic Restructuring in Post-1949 China* provides a thorough analysis of how policy experimentations in post-Mao China are shaped by the interactions and tensions between state rescaling initiatives and the inherited institutions and regulatory logics, or in other words, the tendency of path dependency. It demonstrates that state rescaling in China is an outcome of the Chinese central government’s or the Communist Party of China (CPC)’s negotiation with the global neoliberalizing capitalist political economy on the one hand and subnational governments’ developmental agendas on the other hand. And it examines state rescaling in China in relation to both the CPC’s need to maintain and reinforce its ruling and

legitimacy in China and the multi-layered presences and influences of inherited institutions and institutional changes. As a multifaceted study, this book makes important contributions by not only offering a detailed and grounded examination of state rescaling through the case of “nationally strategic new areas” but also constructing a nuanced understanding of China and its party-state apparatus.

The rest of this review consists of three sets of questions, reflections, and propositions generated through my reading of this book. I regard this book as a constructive addition to the broader field of researching the political economy of post-reform China, and my intention in this review is to use this space to discuss how this book may inform further conversations in this field and may be built upon.

The first set of questions and propositions concerns the policy experimentations and reforms in Chongqing. Lim’s analysis of Chongqing and especially the Liangjiang New Area shows two interconnected strands of policy experimentations and reforms taking place roughly simultaneously: one is economic or industrial and the other is social. The economic/industrial strand is exemplified by the Chongqing government’s investment in infrastructure, especially transportation infrastructure, which, as Lim’s analysis shows, is enabled by the strong state involvement in Chongqing’s economy as a result of past reforms and institutional changes in China, and results in “an almost total territorialisation” (p.167) of all levels of the production networks of computing notebook manufacturing. The social strand of policy experimentations and reforms in and through the Liangjiang New Area focuses on urban-rural integration, which manifests through the provision of public rental housing to lower-income groups, especially migrant workers, and “the flexible conversion of rural migrant workers’ hukou into ‘urban’ status” (p.180). These reforms are justified as serving the economic/industrial strand by releasing investors from the “burden” of social reproduction. From these policy experimentations, the Chongqing government, as Lim writes, “began to

argue that it is possible to perpetuate and proliferate industrialisation (spearheaded by the Liangjiang New Area) without exacerbating the socio-spatial inequality that already exists at the national scale” (p.192).

This claim made by the Chongqing government leads to some questions that remain to be answered: To what extent is this vision of socially equitable developmental pathway realized in Chongqing? What are the effects of the policy experimentations on urban-rural integration in Chongqing, especially on rural migrant workers? The “Chongqing model” has attracted much attention, most of which, however, is due to and on the components of the model that create a spectacle resembling the Cultural Revolution. This book offers a much-needed starting point to probe into the policies and politics of the “Chongqing model”, from where more in-depth examinations of its effects and possible alterations are needed. Such examinations are particularly necessary given, as Lim points out, the implications that the socioeconomic reforms in Chongqing potentially have for the vision of national spatial egalitarianism, which is supposedly to be central to the CPC’s political economic agenda. There are, however, also the questions of to what extent spatial egalitarianism or “coordinated” regional development actually is a vision that the CPC aims at achieving and to what extent it is merely rhetoric for performing the “socialist” part of the “socialist market economy”, especially considering the significant role played by uneven development in China’s economy. These questions lead to my second set of reflections and propositions based on this book. Lim’s analysis of the cases of Guangdong and Chongqing together show that the three “nationally significant new areas” examined here all function as spatial strategies or fixes in response to certain challenges or crises that the CPC faces. In particular, the Liangjiang New Area in Chongqing functions as a spatial fix to the challenge and pressure that the Chinese central government faces after the 2008 global financial crisis in terms of retaining firms in China while some of them contemplating leaving China’s coastal

city-regions. To some extent, this spatial fix was made possible due to uneven development between the coastal seaboard and the western interior of China that results from past rounds of reforms. Given China's need to continue participating in the global neoliberalizing capitalist economy, uneven development across China is arguably a necessity for China to be able to maintain its attraction to transnational capital and to mitigate potential crises.

Therefore, it is questionable to what extent the CPC's vision of spatial egalitarianism can be realized or is intended to be realized.

In addition, as Lim argues, "the generation of new subnational borders ... has become a necessary precondition of China's engagement with the global economy" (p.203). It is then important to consider to what extent the CPC's reliance on spatial strategies, especially state rescaling, as a fix to crises is a sustainable solution. As Lim highlights in the concluding chapter, with which I strongly agree, "How – or whether – place-specific policy experimentation could pre-empt or contain crisis tendencies would thus be an important focal point in future research agendas on socioeconomic regulation in China" (p.203). To this point, I would like to add that, it may also be necessary to consider the limits of this solution to crises, namely to consider what kinds of crises or challenges emerged in the CPC's simultaneous negotiations with transnational capital and subnational governments' developmental agendas can be mitigated through this spatial strategy and what may not be. The Chinese central government was (and has been more or less continuously) facing two noticeable political economic challenges when this review was first written in mid-2019, with Hong Kong on the one hand and the US on the other hand. While some forms of mitigations have already been applied by the CPC, it remains to be seen whether, how, and to what extent spatial reconfigurations will be employed to respond in the longer term.

Following from this point on the role played by generating new subnational borders in China's engagement with the global economy, my third and final set of reflections and

propositions take Lim's thesis to a different space and scale, namely the presence and actions of the "global China". While there have been strong scholarly interests in examining the increasingly global presence of China across the global North and global South, there is still a need for more research that looks into the rationales, causes, and justifications for different Chinese actors' choices to "go global". And the answers to these exist as much in China's global footprint as inside China. In *On Shifting Foundations*, Lim demonstrates how one type of spatial strategy, namely generating new subnational borders, plays a significant role in China's participation in the global economy and in the CPC's attempt to retain political power. It is then worth asking, whether, how, and for what objectives that the "global China" functions as another type of spatial strategy. This research avenue could also enrich the inquiries on the effects of the "global China". After all, the "global China" phenomenon cannot be disassociated from the political economy of and in China, and analyses of the "global China" need to be built upon understandings of "What is China".

In this regard, I would like to conclude by highlighting one main contribution of *On Shifting Foundations*, which is its construction of an understanding of "What is China" through deconstructing "China", namely through moving away from regarding China as a unitary state. This book shows that both continuities within changes and the many inconsistencies, uncertainties, and spontaneities exist in and constitute "China". This kind of more nuanced and grounded understanding of "What is China", I argue, is a necessary basis and an important task for future research that concerns China, to which this book can act as a valuable example.

Commentary II: China's Reforms as Class Compromise

Reviewed by: Ashok Kumar, Department of Management, University of Birkbeck, UK.

Kean Lim's *On Shifting Foundations: State Rescaling, Policy Experimentation, and Economic Restructuring in Post-1949 China* is an important contribution to our understanding of contemporary industrial geography. Each chapter and the cases contained within them are richly detailed with each bound together by a unified theoretical thread. Lim draws a distinction between China under Mao and the period after Mao, charting the continuity between these two political systems at national-level policy by comparing the development of the Pearl River Delta with Chongqing.

While the history and analysis remain sharp and informative, China's development story goes beyond the agency of the bureaucrats and party functionaries that Lim foregrounds. Indeed, in the tension between two schools of historiography – history from above versus history from below – Lim's book lies somewhere in the middle in which provincial mandarins are the agents of history.

In order to maintain this argument, Lim presupposes an ideological continuity between the period under Mao and the period after Mao. However, in the move away from state socialism (under Mao) towards a market-driven system ("state capitalist") – we go from policy interventions through a command economy with a commitment to the idea of communism to one that functions to optimize the conditions for capitalist accumulation. Thus, reforms in the post-Mao era must be read in a similar light to that of capitalist development in the advanced capitalist world.

Under Mao, China eliminated private ownership of the means of production and fundamentally transformed society. After Mao's death and the dethroning of his heirs, the gang of four, his legacy was quickly dismantled. Crucially, the post-Mao period, operating under market logics, produces a similar programmatic genealogy as its bourgeoisie liberal

counterparts in the West. There is, however, an internal consistency in Lim's argument. He briefly discusses early in the book Marx's base-superstructure relation. Here Lim states that there is an inverse relationship in China to the base/superstructure relationship from its classical Marxist formulation in *The German Ideology*. Marx and Engels (1970) maintain that the superstructure (the cultural, political, and ideological) effectively grows out of the economic base, whereas Lim argues that in China the superstructure informs the base². Certainly, under Mao this could be the case, however, under market-driven post-Mao – by all accounts, the superstructure appears to be growing out of the base. Whatever its problems, Mao was certainly more than simply a social democrat – a few welfare reforms do not make a Maoist.

Reading Lim's book, a number of other questions spring to mind. Namely, are the Chinese state's five-year plans shaped by ideological power struggles from above? or are they also responding to the subjective agency of the working class from below? Are the reforms in Chongqing part of a 'class compromise' similar to European capitalist development? or, as Lim suggests, is this part of the ongoing battle of ideas and ideologues within the Chinese Communist Party? In Lim's reading, the Chinese Communist Party (and its various actors and apparatchiks) hammer out their own ideological tensions and contradictions internally - but is this *really* how reforms are formulated and enacted?

In chapter 4, Lim outlines the developments in the Pearl River Delta region and concludes that various factors (such as the global financial crisis) put firms under pressure and that this pressure resulted in the need for capital and the Chinese state to expedite the development of new economic zones. Enter Chongqing (the focus of chapters 6 and 7). Absent in this rather state-centric (and by extension capital-centric) analysis is the factors of labour (labour shortage, unrest, arbitrage).

² This corresponds to theories developed by Louis Althusser (1969) who complicates Marx's base/superstructure relationship in the context of China.

The Chinese working class, so often caricatured in the West as either globalization's passive victims or its active vectors—have, since at least the 1990s, been exploding this mythology, and asserting themselves in ever-higher numbers. Younger workers, who moved from their villages in the interior to the industrial metropolises newly emergent in southeast in the form of the PRD, during the early 90s, are proving rather unruly.

In the government's own dubious figures, the incidence of mass protests between 1993 and 2003 grew six-fold, from 10,000 protests to 60,000; from some 730,000 protestors to over 3 million. Since 2010, strikes have increased exponentially in China's PRD. In 2015, figures from the China Labour Bulletin revealed that the number of strikes and workers' protest dramatically increased particularly in manufacturing, construction and mining. This, combined with falling monopsony power, have resulted in labour costs for big global buyers tripling - encroaching upon and often flattening profit margins (Kumar 2020). Real term wage increases in PRD increased by 20% per annum from 2008 to 2013 and outside firms contracted in the PRD stated plainly that they'd relocated production due to rising labour costs.

Indeed, the move away to expand development beyond the PRD could be less about "spatial egalitarianism" (as articulated by WangYang and Hu Jintao in the so-called Chongqing model) – and more about absorbing a profitability crisis, while also controlling for the antagonisms that have plagued much of the PRD since 2003. This is more consistent with David Harvey's (1982) 'spatial fix' -- or the need to explore new terrains of profitability. Chapters 6 and 7 are a case study of the national industrial strategy in Chongqing. Lim observes that the reforms that began in 2007, were a continuation of policies inherited under Mao alongside the drive to link the area to global value chains and high-end global production. The 'red songs' and Maoist rhetoric was of course critical in building hegemony – but were a classical form of talking left while facing right. The argument here is framed

between the tensions of an old-world top down political order and a new-world top down political order. Bo Xilai's strategy to liberalise Chongqing is only limited by the 314 strategy. The 314 strategy, Lim states, 'was itself a response to the Mao-era "dual structure" and the growing inter-regional inequality caused by Deng's spatial strategies'. In this reading of history, policies are shaped by other policies which are themselves responses to other policies. The story that Lim lays out, therefore, reads as one of a clash of various personalities and their ideologies. Absent are the social forces that help to shape this history and compel various state actors to enact reforms.

At times the book treats China as a project of socialism-in-waiting (as a continuity of Maoism) when it now operates almost entirely under the logics of the market. Indeed, the development of Western liberal democratic reforms give us clues into some of the reforms in contemporary China. For example, by chapter 7 the introduction of 'socially-progressive reforms' is again tied to ideological traditions that are coalesced into the 314 developmental strategy. When discussing the large-scale public rental housing construction projects in Chongqing its largely in discursive terms when a more materialist analysis would tell a fuller story. The dichotomy posed by Le Corbusier in France in 1922 is a universal one: "it is the question of building which lies at the root of the social unrest of today; architecture or revolution" to Le Corbusier the necessity of providing public housing was to ensure the ongoing durability of the system. Similar existential calculations are at play for the Chinese state and are essential in the generation of social reforms.

In analysing the reforms in Chongqing that follow the 2007 directives by Hu Jintao, it is important to recognize that this is not a 'natural' process but the history of capitalist development everywhere – discursively presenting it as a continuity of Maoist socialism is a kind of bait-and-switch performed by the mandarins of the CCP.

A number of scholars of Europe's transition from feudalism to capitalism remain critical of the 'bourgeoisie revolutions' thesis – in which the interests of sections of the elites aligned with the subaltern. Brian Manning (1976) describes the significance of mass urban movements in driving and maintaining the reforms during and after the English Revolution. Similarly, Georges Lefebvre (1962) describes the French Revolution not simply as a social conflict between elites (the aristocracy against an emerging bourgeoisie), but instead places the peasantry central in the transformation of that society. Under these readings, Europe's introduction of liberal reforms was not simply directed from above and contested between elites but driven 'from below'. Further, Vivek Chibber (2014) documents how the genesis of modern political liberalism in England and France was not the 'heroism' of the emergent bourgeoisie against the landed gentry, but reforms were introduced nearly two centuries later as a response to the contestation by the subaltern and working class. Indeed, reforms were implemented not because of the bourgeoisie but despite them.

This goes to the heart of how reforms are wrung from the state. Looking at the mid-20th century, the late Erik Olin Wright (2015) maps how post-WWII social democracy in Europe came into being as a 'positive class compromise' between the capitalist class and popular social forces. In the workplace, Michael Burawoy's (1982) *Manufacturing Consent* details how collective bargaining is a form of class struggle that reduces labour militancy at the plant by 'promoting conditions for the organization of consent'. Chris Chan and Elaine Hui (2014) apply Burawoy's concepts to analyse trade union reform and workplace collective bargaining in China. Chan identifies how 'collective bargaining by riot' was absorbed by the state as "party state-led wage bargaining'. They argue that the Chinese state promoted the practice of collective bargaining as a direct response to the wave of strikes sparked by Honda workers in 2010.

What we find is that time and again changes, be they from the state or within the workplace, rarely occur through the interpersonal machinations of elites but, rather, occur in response to the political contestation by workers, peasants, and the subaltern.

This takes us back to the original question of: How do liberal reforms come about?

In the book's penultimate page Lim's parting reflections are captured in the following passage:

'The book highlights the need for a broader comparative study that examines how the Chinese state apparatus managed to build on its Maoist past without experiencing the massive socio-political instability that emerged in the former Soviet bloc. Indeed, the 'relative' political stability of 'transition' in China – the term 'relative' is used deliberately in light of the 1989 Tiananmen riots, arguably the most serious challenge to CPC rule since 1949 – could be attributed to the Chinese central government's adroit utilization of geographically-targeted policy experimentation'

Why is this an afterthought? As Lim plainly points out here, the policy implementation itself could be a form of absorbing these potentially shocks. It is entirely possible, nay likely, that these reforms are a direct result of lessons learned from Tiananmen and the Soviet Union.

In sum, Kean Lim's book is a cogent, comprehensive, and eminently readable industrial policy history of modern China, but a history that is shepherded by its mandarins.

Commentary III: Economic reform as a spatial “chessboard” strategy

Reviewed by: Wenying Fu, Department of Geography and Environmental Sciences,
Northumbria University, UK

Kean Fan Lim's *On Shifting Foundations* is strikingly illuminating through the way it overhauls the dichotomy of a pre-reform and post-reform period of China's development since overtaken by communism. It begins with an exciting argument which negates the linear spatial process of state (re)scaling, and advocates a dialectical view of institutional layering between national and regional governments. Lim develops key insights into the nature of socialist "new China": "to develop a national economic project through the extraction of monetarily-defined surplus value from labor power" (p.30). This serves as an essential thesis to understand the path dependency of Chinese socialist institutions and the *continuity-through-change* observation which is vividly demonstrated throughout the book.

Through the case studies in Hengqin, Qianhai and Chongqing, Lim demonstrates how the establishment of these 'nationally strategic new areas' is a locally initiated yet centrally orchestrated process to retain the party state's control over capital, labor, and land. In a nutshell, Lim has concluded that 'decentralization serves as a function of centralization'. I like, in particular, his illuminating metaphor of 'chessboard', as proposed by Mao early in the war time, as a long-lasting powerful strategy in China's economic geography. I understand the 'chessboard' strategy in economic geographical terms as such that the chess pieces, representing the city regions, is to be mobilized for the sake of the national interest. The ability to make use of geography to retain a reform dynamic and mitigate the tensions between needs for socio-economic change and political stability is certainly unique within a context of large authoritarian state. This is what Lim frames as the 'institutionalized spatial unevenness' in the book.

Chapter 3 “State Rescaling, Policy Experiment and Path-dependency in post-Mao China”, it proposes a cross-scalar perspective of ‘path dependency’, dialectically transcending beyond the place-based notion of path dependency in some evolutionary studies. Lim advocates that the path dependency of a specific city region, with the evidence presented by the process of Chinese economic transition, should relate to a broader nation-level politics. He also raises a theoretically significant question about how place-based experimentation and the ensuing path creating processes influence upon the national structural coherence. Given the evidences presented in the case studies of this book, the central government of China has managed to ensure geographically-targeted growth without unsettling the macro-regulation.

Such historicized and dialectical view of geographical scales has been taken up by many scholars, such as Ash Amin’s work on spatialities of globalization informing about the ‘perforation of scalar and territorial forms of social organisation’ (Amin, 2002: 395), as well as the GaWC (Globalization and World Cities) approach viewing city regions in contemporary globalization as networks and processes other than spatial entities (Taylor, 2001). Similarly, this book has made excellent illustration about how the party state creates and restructures scales to reinforce the so-called ‘revolutionized’ social relations in the New China. What is distinct about this book from other cross-scalar argumentations, is its spotlight on nation-level politics and ideology in China as an essential element on mediating the ways through which city regions interact with global forces. Also, Lim is critical of nation-state-centred approaches to state rescaling, and proposes a way of viewing the scalar relationships between nation, regions and localities as co-constitutive and co-evolving.

The following chapters further explore the empirics around “nationally strategic new areas”, namely the Pearl River Delta to reform the national institution of RMB-denominated

monetary system, and Chongqing to overhaul the urban-rural dual structure. The careful selection of cases reflects the heated debate on the superiority of the *Guangdong Model* versus the *Chongqing Model* in post-crisis China. Building upon the discourse analysis of key policy makers and informants at various levels of regulatory hierarchy and the major policy documents, Lim has weaved seamlessly historical nuances and contemporary development of China in a logical and theoretically intriguing manner.

Lim's argumentation is of a political logic rather than an economic one. This politico-economic approach is useful in the context of China's deep entwinement between the state and the market. In Chapter 4 and Chapter 5 on "Becoming 'More Special than Special' (the PRD), he examines the *raison d'être* for the-then provincial governor Wang Yang's policy actions on "double relocation" and "nationally strategic new areas" of Hengqin and Qianhai. For the PRD firms in the industries that are fully integrated into the Global Production Networks (GPN), we can see either a backflow of foreign firms or relocation of domestic private firms to South East Asia already in the aftermath of the 2008 crisis. It is also plausible to argue that the 'double relocation' strategy is more of an ex-post political framing to mitigate the negative social and economic impact of global economic downturns. Indeed, whether or not the 'double relocation' strategy could be interpreted as a 'risk-laden attempt of Wang Yang' also depends on the power struggle among the party echelons involving both central and provincial party elites. One noticeable lack of attention, however, is the role of industrial actors in the private sector and grassroots organization (e.g. the village collective committee) despite the fact that they constitute the backbone of Guangdong economy. This invites further review on Shirk (1993)'s "reciprocal accountability" in communist regimes, in which the accountability of political leadership is limited out of the reach of ordinary citizens in the sense that, reciprocity has been coproduced through ongoing power struggle between

the “bottom-up” clientelist networks and “top-down” bureaucratic selectorates. If the *Guangdong Model* represents market-prone ideology instituted by Deng since the 1980s, is the market free of boundaries, meaning everyone takes a chance in participating, or confined to “inside the system” including only local governments, state-owned companies, banks, and least importantly, certain politically significant entrepreneurs?

While Chinese regional development may be a function of political favoritism and historical legacies, the story of Chongqing – a city deemed as economically disadvantaged in the opening era – effectively illustrates that such favoritism is not pre-given. Rather, it reflects the significant agency of local officials through which the central state is capable of maneuvering economic geographical reconfiguration to meet national development agendas. In Chapter 6 and Chapter 7 “State Rescaling in the Through Chongqing”, the agency of the *Chongqing Model*, through the spatial project of Liangjiang New Area, is unique in the sense that it delicately softens, if not erases, the seemingly developmental paradox between economic growth and social inequality. What is more important, it has paid due attention to the forces at the global scale in the discussion of the *Chongqing Model*. The imperatives of lead firms in the GPN (Coe and Yeung, 2015), such as the large-scale provider of electronic manufacturing service Foxconn to “tame” the labor power (see also Phillips, 2011: 385-386), has been well articulated with regional institutional power to pay the price for the ambitious social programs. Related to this, the book does not sufficiently discuss whether hukou transformation of rural residents to urban residents truly represents enhanced social welfare. The homestead and contracted land, which the peasants give up in exchange for social security and urban service, might enter into the next round of capital accumulation driven by debt-driven real estate development. In regard to state-market entwinement, the *Chongqing Model* demonstrates striking resemblance to the *Guangdong Model*.

On the global scale, the book has regarded the integration into global capitalism as the outcome of the national-local dialectical processes. Nevertheless, the currently escalating geopolitical tensions that are threatening the party statecraft are worth taking into account when contemplating on the scalar dialectics. Furthermore, there are emerging indications that Chinese statecraft has also taken the challenges faced by the mainstream neoliberal developmental ideology into their economic and political ‘chessboard’. One example would be China’s massive investment and trade with Africa since the early 2000s. So, whether and how the extra-territorial strategies and trends influence and is influenced by the economic geography within China? Under ongoing Hong Kong unrest and US-China tensions, the national strategy to designate Shenzhen as “National Experiment and Demonstration Area of Socialism with Chinese Characteristics” and that to nominate Hainan Island as “Free Trade Port” offers another potentially interesting case study about the dialectical institutional layering of local, national as well as the global scales. It remains interesting to observe and analyze the extent to which the attitudes and strategies of global actors impact the willingness and capabilities of the Chinese localities and regions to act upon scalar regulatory reconfiguration.

‘On shifting foundations’ represents first-class economic geographical scholarship that is deeply engaged with recent academic concepts, and offers a historically enlightened interpretation of China’s contemporary rise. I challenge you to read this book against the backcloth of post-pandemic world geopolitics, and critically evaluate the notion that Lim has put forward, namely, how change – or the so-called “reform” alluded by the communists – and continuity could be dialectically constituted and geographically contested.

Author Response

Kean Fan Lim, Centre for Urban and Regional Development Studies, School of Geography, Politics and Sociology, Newcastle University, UK

As “nationally strategic” policy experimentation gained high profile in China a decade ago, the first aspect that caught my attention was the implementation – or, more precisely, the superimposition – of these policies in the established city-regions of Tianjin, Chongqing, Zhuhai and Shenzhen. There was clearly something about their locations that made them launchpads for a new round of socioeconomic reforms, and it was this curiosity that engendered more specific research questions regarding the politics, scales, and histories that eventually underpinned the analysis in *On Shifting Foundations*. A decade on, I feel very grateful for the opportunity to discuss how I addressed these questions with three outstanding scholars – Wenying Fu, Ashok Kumar, and Amy Yueming Zhang. It is such an honour that these scholars have expended precious time to engage with the book: they not only possess excellent knowledge of China, but also addressed my analysis from their respective areas of expertise (economic geography, international political economy, and urban planning). Their comments therefore presented a very rich and multi-dimensional platform to further explore the themes and findings of the book.

On Shifting Foundations presents an overarching argument that the restructuring of the Chinese political economy is characterised by “continuity-through-change” (p. 15). Developing this argument has not been straightforward because the events occurring in the targeted city-regions appear to be all about change. In what is probably the clearest contrast to

the Mao era, as Kumar rightly points out, the Chinese political economy now “operates almost entirely under the logics of the market”. The proposed economic experiments highlighted in the case studies – RMB internationalisation and interest rate liberalisation (Chapter 5) and the westward migration of transnational corporations’ production networks (Chapter 6) – all engage with market mechanisms that are congruent with the global economy. Yet, this book’s approach to the market is aligned with Karl Polanyi’s (1957) perspective that markets are outcomes of social objectives; that the economic must always be understood in tandem with the non-economic. And as Chapter 2 demonstrates, the primary social objective of marketisation is to enable perpetual rule for the Communist Party of China (CPC). It is in this regard that the Marxian notion of “superstructure” continues to take precedence over the market economy, although there are signs it is experiencing increased strains.

Indeed, as I was working on my response for this symposium in September 2020, the CPC implored private enterprises and financiers to form a “united front” (*tongzhan* 统战) with the party through what appears to be the first such official documentⁱ since market-like rule was re-introduced in 1978. Establishing this front entails private economic actors to be “agents of political understanding” (*zhengzhi shang de mingbairren* 政治上的明白人). This clarion call underscores a tenet of CPC-led marketisation: private enterprises becoming ‘too big to fail’ is not a concern; something needs to be done when these firms become too big *and* influential.

Shortly prior to this imploration, the CPC launched a “dual circulation” strategy (*shuangxiang xunhuan zhanlüe* 双向循环战略) that appears to be a throwback to the Mao era. First proposed in May 2020ⁱⁱ, this strategy refers to two interacting forms of “circulation”: one geared towards international exports, imports and investments, and another focused on

domestic production and consumption. Particularly noteworthy was the emphasis on “accelerating” internal circulation (*Xinhua*, 2020).

While the CPC was keen to explain it was not returning to a fully-closed system of internal circulation reminiscent of the Mao-era, these recent approaches to “expand internal demand” and recalibrate “political understanding” contain strong echoes of Mao’s “self reliance” campaign during the Cultural Revolution. Crucially, these measures are not simply responses to ongoing US efforts to decouple from China-based production networks; the Chinese President, Xi Jinping, first called for travelling the “road of self-reliance” back in 2018. Their introduction not only suggests Chen Yun’s ‘birdcage’ model of economic governance, discussed at length in Chapter 4, continues to loom large over the Chinese political economy, but also indicates how, in spite of the introduction of market-based instruments within Chinese city-regions, the eventual developmental outcome will not be a straightforward embrace of neoliberal rule (cf. Zhou *et al*, 2019).

Focusing on this national-scale “continuity-through-change” certainly has its challenges. This book has foregrounded one aspect: the possibility that developmental pathways at subnational scales – and particularly in the city-regions identified for “nationally strategic” reforms – may not complement national goals (e.g. p. 74 and p. 199). Subnational regions have specific histories that could enable or encumber the rollout of “nationally strategic” reforms, and these histories are given due attention in Chapters 4 and 6 (with respect to the case study regions of the Greater Pearl River Delta and Chongqing) because they not only coexist with but also constitute the national attempt to consolidate structural coherence. Yet this focus on the path-dependent effects of city-regions presents an incomplete historical picture, as all three scholars rightly point out.

Specifically, I concur with the points that the experiences of key socioeconomic agents, notably “the role of industrial actors” and “grassroots organizations” in Guangdong, as highlighted by Fu, and “the factors of labour” and “social forces that...compel various state actors to enact reforms” in both Guangdong and Chongqing, as identified by Kumar, would present a more complete account of political-economic evolution. This said, the research design focusing on the reconfiguration of regulatory relations within state institutions was already filled with challenges. Space limitations meant these challenges were not discussed extensively in the book, but published separately in a critical methodological reflection on the study (Lim, 2018). Working with these constraints, the “history” that is eventually presented in *On Shifting Foundations* is necessarily incomplete. What I hope to contribute, rather, is a critical *sensibility* to the geographical unevenness that complicates, if at times also contradicts, “national” history. Fu and Kumar’s suggestions that more actors need to be considered actually enhances this sensibility by foregrounding the existence of multiple agendas, some of which have been plainly overlooked in the CPC’s ongoing quest for socialism.

Because this book is unable to consider these agendas comprehensively, Zhang is justified in asking the extent to which “spatial egalitarianism or ‘coordinated’ regional development actually is a vision that the CPC aims at achieving”, or whether such claims are integral to “performing” socialism. Along the same line, Kumar notes how “the book treats China as a project of socialism-in-waiting (as a continuity of Maoism)”, which understandably seems strange given the rising incidences of mass protests by wage-labourers. A revelation in May 2020 by Li Keqiang, the Chinese Premier, that 600 million Chinese workers, or around 60% of the total workforce, earn “only” 1000 *yuan* (~US\$147) a month further accentuates

how uneven development remains an intractable problem (*Sina Finance*, 2020). Where, indeed, *is* socialism?

I have argued in this book and elsewhere – and this is where I am in agreement with Kumar – that a *materialist* approach would be fundamental to ascertaining what constitutes “socialism with Chinese characteristics” (Lim, 2014). Specifically, socialistic proclamations and policies have to be examined as *empirical facts* rather than ontologically-distinct ideas. Where this socialistic path leads to is unknown, but it is one that is empirically verifiable through the CPC’s rolling attempts to revive and repurpose Vladimir Lenin’s New Economic Policy after 1978 (Horesh and Lim, 2017). What emerged was a tentative engagement with transnational capital on the one hand and a reproduction of its domestic legitimacy through “socialist” policies on the other. *On Shifting Foundations* makes an attempt to illustrate and evaluate this rolling attempt from a geographical perspective – specifically, from city-regional experimental launchpads like Chongqing and the Greater Pearl River Delta).

Herein lies the importance of the city-regional locations that captured my attention a decade ago: the chosen case studies were examined through the lens of *inter-scalar connectivity*, namely how “nationally strategic” policies were first justified and then implemented through their respective positions within their provincial hinterlands as well as within the national hierarchy. One goal of the book is to evaluate the impacts of these policies, and this evaluative process needs to continue given that the experimentation was only around five years old when the book was completed. Fu is therefore correct in pointing out that the book could not present a conclusive verdict on whether the so-called market-oriented reforms in the Greater Pearl River Delta engendered more political accountability, or whether the socialistic reforms in Chongqing genuinely enhanced social welfare. Much has changed,

indeed, in both the Greater Pearl River Delta and Chongqing since this book was published in 2019! What the book hopes to have achieved is a critical understanding of city-regional policy experimentation as windows into fundamental developmental challenges facing the CPC – structural imbalances, socio-spatial inequality, capital flight, and highly footloose global production networks are but some urgent issues highlighted in the case studies. It does appear that the more “nationally strategic” the policies, the more pressing the underlying challenges.

Looking forward, could these challenges be resolved through further rounds of spatial reconfiguration vis-à-vis deteriorating China-US political-economic relations? Would the uncertain situation in Hong Kong, a primary hub for capital flows to and from China, affect the current trend of experimentation in targeted city-regions? These are highly-relevant questions posed by Zhang, and they clearly spotlight the analytical role of geography. Drawing from the framework introduced in Chapter 3, my sense is the impetus for tackling the crisis-prone aspects of transnational capital accumulation will always exist insofar as the CPC remains both a facilitator *and* a participant. And this is where geography remains integral to the mitigation process, as David Harvey (2010) puts it incisively: capital never solves its crisis tendencies, it merely moves them around.

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ⁱ The full name of the document is “The Opinion on Strengthening the United Front Work of the Private Economy in the New Era” (关于加强新时代民营经济统战工作的意见). The full text was published on 15 September 2020 here: http://www.gov.cn/zhengce/2020-09/15/content_5543685.htm

ⁱⁱ The strategy was first proposed by Chinese President, Xi Jinping, on 14 May 2020 as “Constructing a mutually enhancing domestic and international dual circulation as a new developmental structure” (构建国内国际双循环相互促进的新发展格局).