Innovating China: governance and mobility in China's new economy
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Innovation China:
Governance and Mobility in China's New Economy

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Abbreviation

B2B	Business to Business
B2C	Business to Customers
CSOs	Civil Society Associations
CCP	Chinese communist party
DIY	Do-it-yourself
IT	Information technology
LLP	Limited liability partnership
NGO	Non-government organizations
OEM	Original equipment manufacturers
PPP	Public private partnership
SEZ	Special Economic Zones
TSC	Tech-entrepreneurship Service Center
WFOE	Wholly foreign owned enterprises
VR	Virtual reality

Acknowledgement

The completion of this thesis has been a fruitful as well as long journey. I started my Ph.D. research in the winter of 2012. I still remember the first day I met with my supervisor, Professor Frank Pieke, in his office. The first question he asked me was "what do you want to ask in this Ph.D. research?" I answered him in seemingly non-fluent English: "I want to know how the state penetrates society in China after the reform." He said "Penetrate is a good word." I appreciate that he did not laugh at me for asking a large, uninformed question. He never judged when I changed my research topic in my third year. He carefully co-thought with me and astutely pointed out my problems through the long journey. He always encouraged me to ask questions based on my own discoveries and insights, and he believed in my research capability.

Unlike most of my peers, who received several years of training in social or political science in preparation for their Ph.Ds., I was prepared with just passion and curiosity. At the very beginning of my Ph.D., I actually did not know how to ask questions that would be appropriate for Ph.D. research. (And I eventually found out that any confidence in" asking a good research question" would be definitively" ruined" by the experience of fieldwork.) Professor Pieke guided me towards joining classes in Anthropology and Political Science, and he pushed me to write up three field-statements to prepare for my research proposal in 2013 and 2014. It was not until the spring of 2015 that I submitted my final research proposal and went back to China to do my fieldwork.

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Summary

This thesis is a result of thirteen months of fieldwork research in Shenzhen, the borderland established as a "special economic zone" in 1980, that is now being transformed into an "innovation city." This thesis examines how innovation is practiced, imagined, mobilized, and reinterpreted by China's local developers and its subjects. The Chinese innovation movement is not the same as the "disruptive innovation" of recent years mainly driven by digital technology in the European and North American contexts. The state plays a very salient role in innovation, investing in the social and economic system to provide a constant demand for innovation to unleash the dynamism of development.

The aim of this thesis is to contribute to the understanding of the state's role in socio-economic transformation and its governance model in innovation activities. This thesis discusses the state-market-society relationship not merely from an institutionalist perspective that focuses on the interplay between the state, the market, and society. I discovered that the state creates a range of government institutions to regulate and shape society. Further, in recent years the local state has been an important producer of the emergence of China's new civil society that drives innovation and entrepreneurship as ways to enhance social mobility. These findings run counter to the general thrust of the existing thinking that argues that the strong involvement of the Chinese state in innovation-driven market economy and civil society may harm the innovative and entrepreneurial spirit of Chinese society, or that an overemphasis on the commercial value chain and commercial success may overshadow technological innovation in China. Furthermore, the transformative role of the state would be an idea that China's innovation movement could offer to understand other emerging economies.

Focusing on innovation, this thesis looks at the (re)production of society by the local state. In describing the versatile role of the local state and the concrete forms that innovation takes, this thesis uses three terms: "society-making", "subject-making" and "space-making." I argue that these three makings shape local government policies that attempt to formalize the informal creative industries, and to re-organize new associations for mass entrepreneurship and innovation.

The concept of formalization indicates that the state is attempting to create a society that is governable. This leads to "society-making", spawning a multitude of new social associations that act as brokers of local state in the new economy. In addition, the recognition of individuality and the promotion of mass entrepreneurship encouraged "subject-making." Young professionals and graduates are driven to innovate not only by policy schemes but also by their family and peer pressure. The realization of self-achievement is considered essential and highlights a creative subjectivity in the new economy. The new subject-making incorporates the younger generation moving away from traditional labor to new ways of developing a new self-identity that is flexible and that brings esteem. This in turn leads the party-state to change its tactics of governance.

These tactics can include taming aspiring tech-entrepreneurs by targeting, training and shaping them into "innovative" citizens who serve the state's developmental agenda. Lastly, society-making and subject-making require "space-making" in which the new generation of "dream catchers" invent housing strategies and aspirations of mobile life in urban space. Space-making is a process of infrastructuralization of state power, with local state sectors extending their reach through urban renovation programs such as "the production of Silicon Valley in South China."

For the local government in Shenzhen, policies and development practices to promote mass entrepreneurship and innovation, especially to attract a new highly skilled workforce, must be achieved through the local government's infrastructural construction. Shenzhen acts as an innovation hub for middle-class jobs and a mobile-living site, changing the meaning of a house, the meaning of relocation, the meaning of work, and the meaning of mobility.

Among other conclusions, this thesis also argues that "Innovating China" is not merely a practice through which a late-socialist economy redefines its position on the global ladder of innovation, but a pragmatic policy process through which the Chinese state endeavors to deal with domestic dilemmas of economic development by mobilizing its governance tools rooted in its Leninist legacy. In this way, the thesis also contributes to development studies. Shenzhen's innovation involves a local concretization and appropriation of central macroeconomic policies. Furthermore, this ethnographic study also conclude that the process of innovation is not limited to technological innovation. China's innovation has revolutionized society, market, and everyday life, but such revolutionary stimuli go hand in hand with the incentives of the Leninist state.

Samenvatting

Dit proefschrift is het resultaat van dertien maanden veldwerkonderzoek in Shenzhen, het grensgebied dat in 1980 werd opgericht als een "speciale economische zone" en nu wordt getransformeerd tot een "innovatiestad". Dit proefschrift onderzoekt hoe innovatie wordt toegepast, ingebeeld, gemobiliseerd en geherinterpreteerd door de ontwikkelaars van de lokale overheden in China en hun burgers. De Chinese innovatiebeweging is niet hetzelfde als de "disruptive innovation" van de afgelopen jaren, die voornamelijk werd gedreven door digitale technologie in de Europese en Noord-Amerikaanse context. De staat speelt een zeer opvallende rol bij innovatie, ze investeert in het sociale en economische systeem om te voorzien in een constante vraag naar innovatie om zo een dynamiek van ontwikkeling te creëren.

Het doel van dit proefschrift is om bij te dragen aan het begrip van de rol van de staat in de sociaal-economische transformatie en zijn bestuursmodel bij innovatieactiviteiten. Dit proefschrift bespreekt de staat-markt-samenleving relatie niet alleen vanuit een institutioneel perspectief dat zich richt op de wisselwerking tussen de staat, de markt en de samenleving. Ik ontdekte dat de staat een reeks overheidsinstellingen creëert om de samenleving te reguleren en vorm te geven. Verder is de lokale overheid de afgelopen jaren een belangrijke producent geweest van de opkomst van China's nieuwe civiele samenleving die innovatie en ondernemerschap stimuleert als manieren om de sociale mobiliteit te vergroten. Deze bevindingen druisen in tegen de algemene strekking van het bestaande denken dat stelt dat de sterke betrokkenheid van de Chinese staat bij de innovatiegedreven markteconomie en het maatschappelijk middenveld de innovatieve en ondernemersgeest van de Chinese samenleving kan schaden, of dat een te grote nadruk op de commerciële waardeketen en commercieel succes technologische innovatie in China kan overschaduwen. Bovendien zou de transformerende rol van de staat een idee zijn dat de Chinese innovatiebeweging zou kunnen bieden om andere opkomende economieën te begrijpen.

Met de focus op innovatie, kijkt dit proefschrift naar de (re)productie van de samenleving door de lokale overheid. Bij het beschrijven van de veelzijdige rol van de lokale overheid en de concrete vormen die innovatie aanneemt, gebruikt dit proefschrift drie termen: "society-making", "subject-making" en "space-making". Ik beargumenteer dat deze drie kenmerken het beleid van de lokale overheid vormgeven; het beleid dat probeert de informele creatieve industrie te formaliseren en probeert nieuwe bewegingen voor massaal ondernemerschap en innovatie te reorganiseren.

Het concept van formalisering geeft aan dat de staat probeert een samenleving te creëren die bestuurbaar is. Dit leidt tot "society-making", waardoor een groot aantal nieuwe sociale bewegingen ontstaan die optreden als makelaars van de lokale staat in de nieuwe economie. Bovendien stimuleerde de erkenning van individualiteit en de bevordering van massaal ondernemerschap "subject-making". Jonge professionals en afgestudeerden worden gestimuleerd om te innoveren, niet alleen door beleidsplannen,

maar ook door hun familie en groepsdruk. Het realiseren van zelfrealisatie wordt als essentieel beschouwd en benadrukt een creatieve subjectiviteit in de nieuwe economie. Het nieuwe "subject-making" omvat de jongere generatie die afstapt van traditionele arbeid om nieuwe manieren te gebruiken om een nieuwe zelfidentiteit te ontwikkelen die flexibel is en die aanzien geeft. Dit leidt er op zijn beurt toe dat de partijstaat zijn bestuurstactieken verandert. Deze tactieken kunnen bestaan uit het temmen van aspirant-tech-ondernemers door op ze focussen, ze op te leiden en te vormen tot "innovatieve burgers" die de ontwikkelingsagenda van de staat dienen. Ten slotte "society-making" en "subject-making" vereisen "space-making", waarbij de nieuwe generatie "dromenvangers" huisvestingsstrategieën bedenken en ambities hebben over een mobiel leven in de stedelijke ruimte. "Space-making" is een proces van infrastructuralisatie van de staatsmacht, waarbij lokale staatssectoren hun bereik vergroten door middel van stadsvernieuwingsprogramma's zoals "de productie van Silicon Valley in Zuid-China".

Voor de lokale overheid in Shenzhen moeten het beleid en ontwikkelingspraktijken om massaal ondernemerschap en innovatie te bevorderen, met name om nieuwe hoogopgeleide arbeidskrachten aan te trekken, worden bereikt door middel van de infrastructuurprojecten door de lokale overheid. Shenzhen fungeert als een innovatiehub voor banen in de middenklasse en als mobiele woonomgeving, waardoor de betekenis van een huis, de betekenis van verhuizen, de betekenis van werk en de betekenis van mobiliteit verandert.

Naast andere conclusies stelt dit proefschrift dat "Innoveren van China" niet alleen een praktijk is waarmee een laat-socialistische economie haar positie op de mondiale innovatieladder herdefinieert, maar ook een pragmatisch beleidsproces is waarmee de Chinese staat probeert om te gaan met binnenlandse dilemma's van economische ontwikkeling door haar bestuursinstrumenten te mobiliseren die geworteld zijn in haar leninistische erfenis. Op deze manier draagt het proefschrift ook bij aan ontwikkelingsstudies. De innovatie van Shenzhen omvat een lokale concretisering en toe-eigening van centraal macro-economisch beleid. Verder concludeert deze etnografische studie ook dat het innovatieproces niet beperkt is tot technologische innovatie. De innovatie van China heeft een revolutie teweeggebracht in de samenleving, de markt en het dagelijks leven, maar zulke revolutionaire stimuli gaan hand in hand met de prikkels van de leninistische staat.

Chapter One   Introduction

The ability to innovate is not strong. This is the "Achilles heel" of China's economic giant. Leading and driving development through innovation has become an urgent requirement for China's development. Therefore, I have repeatedly stressed that grasping innovation means grasping development, and seeking innovation is the future.

——Xi Jinping (Xi 2016)[1]

At the very beginning when the state started to promote innovation as a *zhengfu gongzuo renwu* (政府工作任务 work obligation of government), we felt so nervous because there was no standard to define what is innovation. The initial task we did with this is making standardization of what is innovation and making projects to promote innovation in this city.

——Huang (2016)[2]

In 2015, the Chinese government launched a masterplan for China's transition to the innovation-driven industrialization entitled "Made in China 2025", for which Germany's *Industrie 4.0* concept serves as the reference. This plan, designed to change its position and advance the country's tech-driven innovation in order to upgrade the traditional industries, has gained much attention in media and academic circles. Debates focus more on effectiveness, shortcomings, or threat of Chinese innovation in the world economy. However, the policy implications, institutional practices, and the socio-economic rebalancing of this great transformation have not been well understood and documented.

In this thesis, I draw on my ethnography of "seeking innovation" in the current massive socio-economic transition in urban China. I approach the emergence of Chinese innovation, a political-economic restructuring as well as a social movement, from the perspective of anthropology of economy and politics. The aim was to explore how methodological insights from the study of social movement may offer analytical resources for understanding the transformative potential of technological and social innovation in China. In this context, the definition of social movement is: the non-

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[1] All quotations in this dissertation from Chinese policy documents, media reports and Chinese informants were originally in Chinese and have been translated by the author.

[2] Huang is an informant working in the Science and Technology Association which was affiliated with the Science and Technology Bureau of a district-level government. The names of informants have been changed to protect their privacy. The names of well-known local scholars are real.

institutional, sometimes informal, collective politics involved in the formal and institutional changes apparent in "seeking innovation" in China.

Chuangxin, innovation or creativity in Chinese, is neither a common, neutral term in contemporary China's market economy, nor a mere strategy for developing the Chinese tech-driven (post-)industrial new economy (e.g. produce and consume new technological goods, create niche markets). As depicted in later chapters, "seeking innovation" extends into physical, social, and symbolic environments where state and non-state organizations create non-government organizations as alternative "governing bodies" to strategically formalize (正规化 *zhengguihua*) informal economic forces, to organize people, and to consolidate the state's role in the new economy. Philip C.C. Huang describes the large informal economy that has developed since the reform and opening up: this includes township enterprises, private enterprises accommodating laid-off workers and migrant workers, and the self-employed (个体户 *getihu*) (2009: 412). This study argues that the connotations of this informal economy are constantly changing with the emergence of new economic phenomena and changes in the employment system. The contemporary informal economy is comprised of not only workers working in the above fields, but also workers working in state enterprises or private enterprises in an informal employment scheme (e.g. in external, sub-contracted or outsourced contract systems), as well as entrepreneurs who have formal jobs but have also started their own businesses.

The *zhengguihua* does not mean that robust, informal, urban economic forces are weakened and suppressed. It means that the state actively joins in the production of new, robust, and informal economic forces. This strategic formalization is pragmatically exercised in three institutional changes in new economic governance of accelerating social mobility in urban China: state supported society-making, subject-making and space-making. My abstract summary of these three makes comes from specific observations and research from my internship work in the government sector during my time in the field and from interviews. In society-making, varieties of non-state associations are organized and encouraged to promote new industrial policies.[3] In subject-making, new flexible workers and working patterns are invented by big tech-companies, local government, family, and state-led organizational reforms at the company-level.[4] In the following year, these policy reforms had been quickly followed

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[3] The *shiye danwei* (事业单位 enterprise sector) where I interned became part of society-making itself, and at the end of 2015 it was officially separated from the institution to become a non-government enterprise providing "innovation and entrepreneurship" service to the district-level government.

[4] I also found in the course of my fieldwork that the promotion of innovation policy is strongly linked to the new talent policy and residency policy making. Since 2015, Shenzhen has been promoting a series of talent policies to facilitate professional workers to come to Shenzhen. As reported in the South Daily: Nearly $10 billion per year to attract talent Shenzhen's new talent policy is benchmarked against the highest standards in the country, 23 December 2016. Please see: http://shenzhen.sina.com.cn/news/n/2016-12-23/detail-ifxyxusa4904090.shtml (Accessed December 3, 2018).

by other local governments.[5] In space-making, the state penetrates into everyday life and refreshes people's expectations for socio-economic mobility through infrastructural construction.[6] These three makings of institutional changes are mutually constructed to bolster the socio-economic influence of innovation-related policies over China's market society, domestically and internationally. The third session of introduction will elaborate how these three makings reshape Chinese market society into an innovation machine.

Informal innovation activities are massively organized by young professionals with entrepreneurial spirits, in the new economy. Several strands of innovation have recently coalesced in China to push a new governing agenda for "Made in China 2025" into the policy arena. They are also associating locally, across the nation, and internationally, to manufacture strategies for the "Belt and Road Initiative". The emergence of social association by these groups has been understudied in social sciences literature dealing with the new economy in a late-socialist context. The association and mobility of these groups are interpreted as reflecting an ongoing struggle to define a place for social and individual concerns that are threatened by an increasing emphasis on new-economic competitiveness in global markets. Driven by the big reform, young professionals, local developers and authorities mobilize to chase innovative alternatives of a suspended economy and options for a better life, at the frontier of China's new economy. In this sense, the innovation becomes the organizing force.

This thesis interrogates how innovation is practiced, imagined, mobilized, and reinterpreted by China's local developers and its subjects. Empirically speaking, this study explores how and why subjects of Chinese innovation–the young professionals, local authorities, and policy-knowledge planners–associate in Chinese metropolitan cities, apply this economic movement to innovate China, and respond to the state's rising governing agenda on technology and the society.

This thesis is a result of 13 months of fieldwork research in Shenzhen, the borderland established as a "special economic zone" in 1980, that is now being gentrified as an "innovation city." From the age of ten, I often traveled with my grandparents to this area to visit their relatives, who had moved from rural areas to Shenzhen in the mid-1990s as migrant workers. Although we visited the same city, each trip seemed like we were visiting a new place because of the rapid changes being made in this city. This ethnography is about how "world-factory China" is being mobilized into "innovation China"—about how a new modernity driven in the mode of a social movement is being invented in the late-socialist agenda.

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[5] As reported in a document of Heilongjiang Committee of China National Democratic Construction Asssociation, *xuexi jiejian shenzhenshi rencai zhengce haojingyan dali zuohao Ha'erbin shi rencai fazhan gongzuo de jianyi* (Learning from the good experience of Shenzhen's talent policy to vigorously do a good job in the development of talent in Harbin): http://www.hljmj.gov.cn/index.php/index/diaoyan/diaoyan_show/c_id/1787 (Accessed December 3, 2018).

[6] I interviewed several urban planners who I met during my intern job for the enterprise sector "Tech-entrepreneurship Service Center," they told me that the mass entrepreneurship and innovation project also implies an innovation in urban planning, where new urban spaces have to be re-planned to accommodate new people and new industries. This data will be elaborated in chapter two.

1.1 Background: Trade War and the Great Transformation of "Mass Entrepreneurship and Innovation" in China

To strengthen their links with local communities and to solve local unemployment problems, many local governments supported innovation campaigns to establish a free maker-spaces for young people to work. The Chinese premier, Li Keqiang, first promoted his mass entrepreneurship and innovation campaign at the 2014 Summer Davos in Tianjin. The local success of the grass-roots maker movement drew attention from national policymakers, who reformed the urban-developmental agenda. In the spring of 2015, the term "Maker" was appropriated and used several times by Premier Li Keqiang in his Report on the Work of the Government, the annual plan of the state. Anxiety about the arrival of the post-industrial digital age forced the Chinese government to change its rationale for economic development: declining labor-intensive industries should be gradually replaced by a "talent-intensive tech-based creative industry."[7] In addition, national policymakers propagated "Internet Plus (互联网＋ *huliangwang jia*)" to digitalize and reform the traditional manufacturing industry.[8] With this rationale, anyone active in digital technology, especially young professionals, became key policy targets. Compensating policies are being implemented to encourage young professionals to chase entrepreneurial ambitions by commercializing their technological innovations. The political privilege of the innovation movement also shows that the state is trying to invent a new type of regulative governance in developing the innovation economy. I will discuss the tactics of governance in a theoretical framework of governmentality and articulate it in the contextualization of questions. I use the term governmentality to define the arts or tactics of governance that aim to define the subject and manage the mentality and practice of people via a series of normative and regulative tactics, rather than rigid control.

The practice of Chinese innovation movement was driven not by "the trade war" but by the anxiety local authorities have about economic development, and the expectations the young generation have regarding mobility. The Trumpian trade-war scenario was neither visible when I started to conduct pilot fieldwork in the summer of 2013, nor influential in shaping the new voice of "innovation-China." Trade businesses run by local authorities quickly re-oriented after the Chinese government launched supply-side economic policies in 2015. These economic policies were invented with greater reliance on domestic consumption rather than on mercantile exports. The local merchant-driven

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[7] In the National "Twelfth Five-Year" (2011-2015) Development Plan of Science and Technology, of which one of the key objectives is to develop a tech-based creative economy to optimize and upgrade China's industrial structure. Also see: http://www.most.gov.cn/kjgh/ (Accessed March 10, 2019).

[8] As reported in a document of State Council, *Guowuyuan guanyu jiji tuijian hulianwan jia xingdong de zhidao yijian* (State Council's Guideline for Promoting Internet Plus): http://www.gov.cn/zhengce/content/2015-07/04/content_10002.htm (Accessed March 10, 2019).

supply chains of innovative products span the Asian-Pacific. A skilled labor pool and the capacity for communication and transportation attracted growing numbers of individual foreigners and foreign enterprises to build up extensive supply-chains in China, especially in Shenzhen. The locality-led and grassroot-driven innovation movement was ignored after the expansion of trade-war from 2018.

In the summer of 2013, I went to Shenzhen for a short time to prepare my research agenda. I visited industrial zones in Bao'an and Nanshan District of Shenzhen City and was impressed by what I saw: several huge industrial blocks were obsolete because some of the labor-intensive factories had moved to Southeast Asia and other inland, less developed Chinese cities. Some of these factories were closed due to rising labor and property costs. Shenzhen was not the Shenzhen that I had frequently traveled to as a child. It seems that Shenzhen, the first special economic zone (SEZ) for export-oriented manufacturing production in China, had experienced a de-manufacturing process. In parallel with the quickly declining manufacturing factories, creative clusters and science parks were being constructed over the obsolete manufacturing hubs to establish entrepreneurship training institutes and creative enterprise startups. The re-development of obsolete industrial areas, carried out by local governments, sheds lights on what Daniel Bell called "the coming of post-industrial society" (1999) in which the "light" service industries and hi-tech creative industries gradually replace the "heavy" manufacturing industries.

This city is witness to the new wave of migration and the social fever of "becoming startup tech-entrepreneurs" is set to revive the local stagnant economy. This was especially so, following the visit by the Premier of the State Council, Li Keqiang, to a Silicon Valley style training institute that is home to the state-led tech-entrepreneurship training program. The institute offered tech startups low rent office space, technology consultancy and financial support. This institute and the establishment of social training centers are supported by a local authority called the Tech-entrepreneurship Service Center (科技创业服务中心 *keji chuangye fuwu zhongxin*). The TSC called the institute incubator (孵化器 *fuhuaqi*, a type of training institute for young tech-professionals becoming tech-entrepreneurs). The term "startup" defines the new business in the form of a temporary organization designed to grow into a large-scale enterprise. The English term is interpreted in Chinese official discourse as "tiny scale tech-company" (科技小微企业 *keji xiaowei qiye*). Although most young tech-professionals run their startups in the *fuhuaqi,* state sponsored training institutes, they like to say that the "state should be less governing."

Increasingly, social training centers were organized under the aegis of "inno-associations." The existing social association (协会 *xiehui*), bound by kinship or specific industries, started rebranding themselves as inno-associations. These associations were witnessed as "the third sector" between the state and the new market. This new change makes me think about the relationship between the local authorities and these young tech-professionals in the rising innovation industries.

The tech-youths with entrepreneurial ambition who I encountered in Shenzhen are almost all male, between the ages of 22 and 30. Additionally, as will be explained in the following chapters, these young Chinese and non-Chinese professionals are also migrants. They are from other areas of China and other countries, with university degrees, having studied mainly science and technology. They identified themselves as "makers"[9] (创客 *chuangke)*. The social background of these young tech-professionals varied according to their educational achievements (university-educated locally or overseas), specific profession (IT engineering, electrical and electronic engineering, and mechanical engineering, etc.), and work experience (not all were "newcomers" to the competitive market). By moving away from treating them as "mature" entrepreneurs, I focus on the procedure of "becoming tech-entrepreneurs" to show how different social actors–such as young tech-professionals, local authorities, and foreign tech-entrepreneurs– are involved in this procedure.

The rapid retreat of export-oriented low-profile manufacturing industries accelerated the rise of innovation economy and inspires young professionals looking for mobility. In the spring of 2014, I received a WeChat message from a former informant, Xiao Zou, who had been working in Shenzhen since 2013. He is one of the young engineers considered brave enough to leave a state-owned company (SOE) in Hunan in search of another opportunity in the metropolitan city. After graduating from a university of technology with a master's degree of electronic engineering, he worked as a junior engineer in the state-owned iron and steel company in my hometown, Xiangtan, a small city in Hunan Province. However, feeling frustrated with the trivial and routine work, he left that iron rice bowl (铁饭碗 *tiefanwan*) of the SOE company in 2013. "There is no future for me in that old-fashioned SOE and not enough space for self-achievement (自我实现 *ziwo shixian*). Administrators and senior engineers are trying to exploit you. I would waste my life if I was still in that company. So, I quit." He told me via messages, "Although, running our business is more tiring than 'working in a stable position' SOE, co-working with my creative partners makes me happier because I feel I am creating my personal value." I was told that more and more young practitioners of technology, who hold at least a bachelor's degree of engineering or work as engineers in industry, were joining the "maker movement" and finding chances to run their own start-ups, producing fancy and smart hi-tech products with addictive value, which are conceived totally differently from the mass-production items.

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[9] "Maker": in the industrial sub-culture of America, "maker" is used as a term to define those who focus on DIY crafts and who possess a high level of technological skill. The word is being appropriated by Chinese tech-youths and in state official discourse to define people with "entrepreneurial creativity." Maker is an imported word, but when we understand its translation, "chuangke," we should be aware of the implicit meaning of *chuang* 创 in the Chinese context: it implies an ideology of "daring to be the pioneers and create something new" following the reform and opening up. Here, I thank Dr. Anne-Christine Trémon for her comment on this translation. In subsequent chapters, I will still choose to use "maker" to indicate the identity that some of my informants use to recognize themselves as new immigrants and economic innovators.

Bearing the shameful title of "capital of 'copycat'" (山寨之都 *shanzhai zhidu*)[10], and facing the shrinking of manufacturing factories, Shenzhen's government had tried hard to re-brand Shenzhen city as a "capital of innovation" or "Hollywood for Makers" by promoting the construction of technology-based creative clusters in the obsolete manufacturing zones since 2009 (Keane 2013). In 2014, this local appeal for innovation was echoed in central government reports and in Premier Li Keqiang announcement of "mass-entrepreneurship and innovation" (万众创业, 大众创新 *dazhong chuangye, wanzhong chuangxin*) at Davos. In 2014, the proportion of GDP in the tertiary industry surpassed the first and second industries for the first time in China. In the categorization of national economy, the tertiary industry underpinned by information technology-driven service enterprises is recognized as a dominant engine of economic restructuring.[11] More and more technology-based incubators emerged within the new creative clusters. As reported by Shenzhen Municipal Science and Technology Innovation Council, within these two years (2013-2014), 67 technology-based incubators were established[12], with an additional ten tech-spaces which function as incubators but are not listed on the Council's website. Further, to broaden its influence on global innovation, Shenzhen government have encouraged local creative enterprises to organize international creative-industrial fairs to exhibit the new facade of Shenzhen, beginning in 2014.

At the same time, the job market has been boosted by the supply of professional workers, especially young graduates with technology and engineering skills, due to the expansion of higher education and the decline of manufacturing industries in China. Different to the manual workers working in manufacturing plants or assembly lines, professional workers with their knowledge about information and engineering technology, are perceived as having the skills needed to transcend from old industry to new tech-based creative industry engineering. "Innovation capability" becomes the new global competition power. This involves multitudes of professional-talents, governing entities, and capitals. How the Chinese state mobilizes and manages the booming number of young professional workers as practitioners of a tech-based innovation economy to revive the stagnant economic situation is a research puzzle. This puzzle arose when I encountered a lot of ambitious Chinese and non-Chinese young tech-professionals running tech startups, appropriating the Silicon Valley innovation

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[10] Shanzhai, "copycat" in English, appeared in the government report at the sixth meeting of the Fourth Shenzhen Municipal People's Congress in 2009. Shenzhen ex-Mayor, Xu Zongheng, said that he would standardize and guide the "copycat" products to upgrade the brand, transform and upgrade, and follow the path of imitation development and innovation. Please see: http://ip.people.com.cn/GB/8859472.html (Accessed August 7, 2015).

[11] This mindset of reforming national economy was reflected in Li Keqiang's speech at the opening ceremony of the 2014 Summer Davos Forum: "The positive changes in China's economy are not only reflected in the increase in employment and income growth of residents, but also in structural optimization. Simplified administration and decentralization, together with fiscal and taxation measures such as 'directional tax reduction' and 'directional reduction of standards', have effectively supported the development of the service industry, 'three rural', small and micro enterprises, private enterprises and emerging formats." Please see: http://www.chinanews.com/gn/2014-09-10/6578895.shtml (Accessed August 7, 2015).

[12] The list of time and space of incubators in Shenzhen: http://www.szsti.gov.cn/services/resources/incubators (Accessed August 7, 2015).

model in Shenzhen. For these advocates of change, such technological innovation driven "industrial upgrading" falls within the purview of a nation-state trying to sustain the economic reform and an ambitious young generation taking the risk of doing something different and new, albeit this not necessarily a sign of anti-state sentiment.

1.2 Research Questions and Rationale

1.2.1 Research Questions

This study, as one of the first in-depth anthropological studies of social and technological innovation in contemporary China, aims to approach the question of how innovation occurs from an anthropological perspective. This study homes in on the governance AND mobility, rather than purely on governance OF mobility, in the emergence of innovation and bottom-up entrepreneurship and innovation. In this thesis, mobility pertains to social mobility and spatial mobility. The former is expected by the rising Chinese young graduates and professional workers who want to work or start up business in the innovation-driven sectors. Spatial mobility is recognized a means for those young graduates and professional workers to relocate to places that offer them more of their dream jobs. These two patterns of mobility are mutually constructive and are influenced by the policies that the state launched to reform the economy and economy.

This study attempts to explore the shifting relationships between the professionals, local developers, entrepreneurial migrants and the state, along the frontier of Chinese market economy. My research empirically focuses on the social and political production of urban innovation and tech-entrepreneurialism in the metropolitan city of Shenzhen, the first Special Economic Zone (SEZ) for experimenting with quick marketization and privatization after 1978. This follows what was argued by anthropologists Gisela Welz that knowledge-based and technologically enhanced innovation forms a regime of valuation and valorization that reproduces things, capital, people, networks, and places in the intensified process of globalization (Welz 2003: 256).

Unlike in the reform period, when development prospects were created through export-oriented economy, the current developmental plan was triggered as part of the state-promoted domestic innovation. At the same time, young Chinese and non-Chinese skilled professionals, rather than the "peasant migrant workers" that came from rural China in the 1990s, pour into the coastal Chinese Silicon Valley in search of their "first bucket of gold." At an organizational level, the state and market institutions have outsourced and marketized social affairs to NGOs, like "social associations" and "inno-associations." Chinese IT-based industrial tycoons are intensively outsourcing their commercial programs to "startups" organized in limited liability partnership (LLP) to cut down on costs. This dynamic is so intense that the number of social associations and tiny-scale startups is booming under the aegis of policies such as "mass-

entrepreneurship and innovation" and "one-belt and one-road initiative." Policies, new ideologies, cultures, spaces, identities, institutions, and the relationships between all these are being quickly (re-)invented, contested, and connected in this huge change.

In discussing the social and political production of tech-entrepreneurship as policy and part of the state program in urban China, I try to bring back both the state and agency to understand what kind of subject and mentality is being defined and shaped when the state (central and local) promotes tech-entrepreneurship in the development agenda in China? Does the state intend to transform tech-entrepreneur subjects into technocrats, and does it intend to govern them through their own autonomy based on a political agenda? Does the state have to define a new subject, new social associations and invent new techniques of governing young tech-entrepreneurs based on the economic development agenda? Or both? The tech-youths (born in the 1980s and 1990s), who are passionate about hacking and updating technology, seem to be intentional in their use of available resources to build their own networks of social relations and to start entrepreneurial careers, which are seen as a means for them to become mature participants of a new economy.

Hence, my main research question is:

How chuangxin, innovation or creativity in Chinese, is shaped by political economy of late-socialist China? What does chuangxin mean in understanding the current political-economic transitions in China? And, how and to what extent were chuangxin movements invented to mobilize the market society in the late-socialist state?

This thesis will diagnose the relations between the innovation of governing tools in the new economy and its effect on social-spatial mobility in urban China, through the governing side, social relational side, and mobilizing side of the movement of innovation in China. The thesis intends to probe the sub-questions:

1. How state-led Chinese innovation movements are practiced in the local and global context, especially how local state performs in regulating existing government-business networks in local economy? (Chapter 2)

2. How are existing social associations dis-embedded and inno-associations re-embedded in response to the global and local production of "innovation-China?" (Chapter 3)

3. The techniques of governance in the Chinese new economy, especially how social policies concerning "mass entrepreneurship and innovation" affect the grass-roots innovation movement and expectations of mobility in urban China? (Chapter 4 and 5)

4. The re-assembling of the innovation society and its population, especially the young professionals of this new economy who reinvent their social status and life-work strategy in this social movement? (Chapter 6 and 7)

In this thesis, I am interested in how innovation is imagined, practiced, and realized in and by the social and political arrangements in urban China. I find that the making of innovation happens through social movement, as well as political incentives, that manifest an alternative governance model which is changing the scenario of state-

society relations in China. In the long run, the contemporary Chinese governance swings between the Leninist campaign-style governance and normal governance. Campaign style governance means that the bureaucrats use organizational resources to break through the existing bureaucratic system's conventional mechanisms and carry out top-down command mobilization in the bureaucratic system (Townsend and Womack, 1986: 64). After this campaign-style governance is routinized into daily, conventional policy process, it turns into an informal governance which compensates normal governance in the bureaucratic system (Zhou, 2012: 124). However, the studies cited above assume that these governance models are fixed within the bureaucratic system and actualized by governmental behaviors.

The argument is as follows: the processing of "innovation China" is conducted neither in pure top-down campaign-style governance nor in a conventional normal governance. I argue that the practices entailed by the agenda of economic development and institutional change are embedded in the social movement of innovation. This involves a society strongly driven to ask for an alternative to the Chinese developmental agenda, social mobility, and recognition of specialty and newness in culture and economy. I also argue that sub-cultural values could underpin the state-led innovation movement which constitutes practitioners 'everyday strategies to respond to this massive transition. Furthermore, I argue that China's innovation is driven by local governments and realized by the making of new subjects, new space, and new society. The Chinese state, especially the local state, plays an important role in the process of mobilizing innovation and participating in the global competition of "market modernity."

1.2.2 Research Rationale: *Chuangxin* as Social Movement in Urban China

My investigation focuses on everyday practices of mobilizing and governing activities of innovation in urban China. There are strong interactions between central government, local authorities, market-oriented organizations, and tech-entrepreneurs in the making of specific innovation campaigns in Shenzhen. This study looks at how innovation is realized, and how it is a window to show the flexibility and dynamism that defines governmental practices in present-day China. Another caveat on the topic of this thesis is that it deals with innovation campaigns as imaginaries, not as pure institutional change. People involved in the innovation economy conceive entrepreneurship and innovation as alternative ways to create better lives, accelerate their social mobility, and compensate for the anxiety of status-suspension in urban China. Chinese people, especially the urbanites, have been questioning whether their social status and standard of living can be sustained. In their word, anxiety (焦虑 *jiaolü*) about social mobility and self-achievement is being derived. In addition, the authorities of the Chinese state, especially the local state, accelerated the reform and innovation agenda to restore people's trust in the state during the economic downturn. The policies invented for the national innovation campaign have increased the spatial and social

mobility of young entrepreneur-to-bes who identify themselves as the targeted group, those with potential and ambition for technological and social innovation.

In my thesis, I find that the state's governance of China's innovation economy is based on the state's invention of socio-economic mobility and movement. For a long time, mobility resulting from social movements was conceived as creating challenges for the governance of the state (Tilly 1978, 1986; Miller 1994). In addition, social movement activities were identified as informal collective association which were soutside of the formal polity (Tarrow 1998: 123). The rubric of new social movement research in Anglo-Saxon post-industrial context argues that working class-based protests were gradually substituted by new form of middle-class activism (Habermas 1981, 1984; Cohen 1985) and anti-marketization activities (Polanyi 1944). Civil society actors then engaged in social movements to appeal for alternative social norms in formal polity such as "recognition struggles" (Fraser 2000: 117).

Sociologists and anthropologists studying innovation have begun to draw attention to the similarities between the organizational dimension of innovation activities and social movements. In particular, they discuss how civil society organizations orchestrate a range of grass-root activities to promote "responsible innovation" (Grasseni 2018) and common goals around personal growth, "newness," and self-achievement (Giddens 1991: 30; Calhoun 1993: 391). This also involves networks and individuals in associations. Other scholars see innovation as an integral part of contemporary democratic movements. New entrepreneurial spaces and civil society are created by social activists for a public that has been ignored by hegemonic society and commercial logic (Björgvinsson, Ehn and Hillgren 2012). We might use the analytical perspectives from social movement research to further our understanding of the techno-social innovations in China.

However, different from these mainstream social movement research, the creation of socio-economic movement strengthens state governance in Chinese innovation economy. Chinese innovation economy is characterized by the promotion of entrepreneurial spirit, human agency, and organizational autonomy in practicing policies. My ambition is to link academic considerations of governance and mobility together to understand how state governance and social-spatial mobility are mutually configured in the movement of innovating China, and how state creates the social movement as a strategy for triggering social and technological innovation in China. State and non-state sectors are involved in the process of shaping and practicing China's innovation policy. And to some extent, the line between state and non-state is not so clear in policy practice.

This research deals with two argumentative social puzzles involving techno-socio innovations in China: first, the mobilization of innovation; second, the organization and governance of innovation. In what follows, I will elaborate these approaches and position the scope of this study in relation to sociological and anthropological thoughts on innovation. This study also touches on other issues, such as the subject-making of professional class and society-making in the spatial and institutional formation of

innovation. I then discuss methodology, and conclude with a brief overview of the chapters. Later chapters will depict and analyze how the state-led mobilization of innovation is embedded in anxiety and expectations of social mobility in urban China, and how the new organization of innovation contributes to a new conceptualization of entrepreneurial society and the formation of social relations in new economies. I will argue, in the chapters, that the technology-driven innovation movement is mobilized through the recognition of autonomy and individuality by the Leninist state, local authorities, commercial institutions, and families. Here, I agree with Jonathan London that Leninism in contemporary socialist countries is more than just a set of ideas, "it is a set of historical experiences, institutionalised residues and discourses that have decayed but retain significance" (London 2017: 409).

The innovation movement is also operationalized through knowledge and spatial renovation by developmental policy makers, and then organized in the everyday entrepreneurial activities in the new market. The innovation movement does not challenge the socialist governing agenda on China's market economy. The perceived contents of innovation, such as an entrepreneurial spirit of innovating society, new technologies, and products, equalizing and specializing the nation-state in the imagined world-system, and recognizing individuality, are appropriated and assimilated into the new governance of mobility and economic life in China.

1.3 Policy Reform and Its Organizing Effect on Entrepreneurship and Innovation: 1978 Onwards

During the post-Mao market reforms in 1978, China experienced remarkable economic growth along with the emergence of the private sector. Self-employed entrepreneurs emerged, especially after the decline of a guaranteed employment system (known as the "iron rice bowl" in the state-owned sector), the de-collectivization in rural areas, and the opening up to global markets.

The issue concerning "the wave of innovation and entrepreneurship" (创业潮 *entrepreneurship waves*) is not new in the official discourse of China because this nation had already witnessed three main "waves of making entrepreneurship," in the 1980s, the beginning of the 1990s, and at the turn of the 21st century. In the 1980s, self-employed people (个体户 *getihu*) and "migrant entrepreneurs" suddenly emerged in urban areas, and township entrepreneurs in rural areas (Zhang 2001; Hsu 2007). The beginning of the 1990s witnessed a large number of mid-level officials, and some cadres in state-owned sectors, doing business in coastal cities such as Shenzhen and Guangzhou. This trend of leaving jobs in the state-owned sectors to go into the private sectors is called "plunge into the sea" (下海 *xiahai*). In addition, after 1997, combined with the first wave of overseas returnees, Chinese internet tycoons appeared.

The social attitude toward the image of businessmen (老板 *laoban*) and

entrepreneurs (企业家 *qiyejia*) also changed according to the mental and moral transformations in the socialist market economy. As was described in Carolyn L. Hsu's ethnographic notes in Harbin (an industrial city in Northeast China), at the end of the 1990s, *laoban* and *qiyejia* were seen in a positive light, compared to the negative discourse concerning businessmen in the 1980s when private enterprises were emerging. In the collective discourse, the image of *qiyejia* is even more positive than *laoban* because a *qiyejia* was characterized as a businessman with "modern managerial skills" and a "wider vision". However, trying not to label themselves as qiyejia, the young generation of tech-professionals-turn-entrepreneurs, I encountered, were more likely to call themselves "career-creators" (创业者 *chuangyezhe*) or simply makers (创客 *chuangke*). In their concept, *chuangyezhe* is a business group with fewer workers and less capital. One of my informants, Xiao Zou, makes fun of his team, saying that "…unlike those big bosses, we have few assets, and we have only three people, a CEO (Chief Executive Officer), a CTO (Chief Technology Officer), and a CFO (Chief Financial Officer)." Some of my informants even explained to me that the term entrepreneur is too old to define them. "We are not those old capitalists!" one young tech-entrepreneur said to me. Different from private enterprises in classic industries (manufacturing, construction, etc.), the newly booming tech-based creative enterprises are conducting different ways of organizing business, which means that tech-startup teams always have between three to five people. Learning from the Silicon Valley model, the Chinese tech-startups do not use an employment system to organize people. Instead, they use the "equity incentive plan" to equally divide stock among all the collaborators of a startup. In this arrangement, the bosses and workers of tech-startups do not call themselves boss and workers, but instead business partner (合伙人 *hehuoren*). The only means of production they need are several laptops, desks, and a small technical industrial lab.

There are three tensions which should be seen as background or history in understanding my research in this contemporary context.

First, as a long-term research topic in Chinese studies, the tension between communist party-state and private entrepreneurs is key to understanding the political and institutional transition in the market expansion after the marketization and privatization reforms in 1978 (Nee 1992; Walder 1995; Wank 1996; Nevitt 1996; Dickson 2003, 2008; Heberer 2003). Based on new-institutionalist studies, some scholars strongly argued that the market transition would reform state socialism and change the redistributive economy into a market economy in which private enterprise would gain more space in this market economy (Nee 1992: 21-2). Dickson and Wank hold dissimilar opinions about Nee's argument. Based on sophisticated empirical studies, Dickson argues that private entrepreneurs are "more likely to be partners with the state, rather than adversaries of it" (Dickson 2003: 23).

Second, tensions exist between the central government and the local government in the economic development agenda as a consequence of the 1994 tax-sharing reforms

that resulted in the local governments becoming poorer. It has to make money from implementing national policies because each policy brings about funding from the central government, and private investment to construct new infrastructure programs in local economic planning. In this way, patron-client ties are easily cultivated between local state and local private enterprises (Wank 1996, Khan 2005). Local governments act as strategists and entrepreneurs to form and manage relations with local businesses (Kostka and Hobbs 2013: 206).

The third tension is between "the youth," especially the tech-youth and "the state", pertaining to "youth employment" and "youth development issue." "The youth is the future of the nation" is a global ideology appropriated by different states.[13] The Chinese state is not an exception in practicing this ideology. While in China, the youth policy is practically designed to consolidate legitimacy in the younger generation. When the state develops youth policies, the goal is to make youth feel that their life chance, especially in terms of employment and housing, were improving (Rosen 2009: 367). However, the state's provision of economic expectations and material benefits for young people may be hindered in times of stagnant economic growth. Besides, the young generation of Chinese young urban professional workers, who were born after the planned economy and have comparatively more opportunities to receive a better education than their parents, have a closer affiliation with the idea of (neo)liberalism in the global market, and may demonstrate a stronger will of "self-realization," expecting more "freedom" and "individualism."[14] This may lead to the party-state changing its tactics of governance.[15]

That is to say, the formation of young tech-entrepreneurship is a representation of the tensions which have already existed in the market economy. Economic transition driven by entrepreneurship and innovation became the key task announced in the state's work reports and policies since Xi Jinping gained his authority in the Chinese Communist Party state. This series of new policy makings shows an evident scalar shift from an initial focus on singular developmental plan to systematic makings of a domain of policies and incentives for techno-socio transitions of "innovation China". As argued by Susanne Brandstädter, this creates new spaces of formalization that are the revolutionary transitions demarcated as rational and scientific practices designed to re-write the governing agenda (Brandstädter 2007: 133). However, the new transition may drive new changes within the tensions. I would like to explore three changes occurring in this process.

I further argue that the new governing agenda is realized and formalized through state-led policies on three makings of institutional transitions, and the three makings of

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[13] International organizations such as United Nations and UNICEF often includes this slogan in the youth development program's manifesto, please see the document "Empowering our young people to face the future confidently." Please see: https://www.unicef.org/thailand/stories/empowering-our-young-people-face-future-confidently (Accessed March 10, 2019).

[14] Interview, 07-12-2015.

[15] Chapter three will analyze how local government invent new governing strategies on youth's mobility and how young people reply to it.

institutional transitions are mutually constructive with each other.

The first and foremost is society-making. In 2015, the State Council revised new policies to restructure the authority of civil society in China.[16] By bureaucratically and financially dis-embedding state-supported civil societies, such as social associations, from state sectors, the central government creates new space for civil society making. I will articulate this in chapter three: during my fieldwork, I found that the local state tends to outsource social services to newly emerging civil societies and treat them as new governing hands of local markets. This re-organization of state sectors and invention of social associations creates an intensive force of social management in the new economy. The changing role of the state permits and promotes the construction of small private tech-enterprises and social associations. The Amended Company Law in 2013 no longer requires a minimum amount of registered capital to run a company. Hence, it has become easier to register and to start running a private small-scale startup in China. In addition, under the promotional policies that encourage the market societies, tiny scale tech-startups have a greater chance of receiving bank loans from national banks and of receiving tax reliefs. Even ten years ago, most opportunity seekers found it difficult to obtain bank loans to run their own small tech-business.[17]

This was fulfilled by the second transition: subject-making. The state tries to create and train tech-entrepreneurial subjects and groups, putting them into its policy agenda, and giving financial support when they are initiating their startups. While focusing on developing the tech-based creative economy to revive the stagnant development situation, a series of policies have been implemented to promote the program of "creating-entrepreneurs." The Ministry of Education required that elite universities introduce entrepreneurship education as an obligatory course in 2012.[18] The training institutes supported by the local government for tech-startups rapidly experienced a boom within these years. For example, before 2013 there were 20 state-sponsored technology training institutes built in Shenzhen. By the end of 2014, this number had increased to 107.[19] The appreciation of laboring and making is only one side of the coin; the other side is entrepreneurship. In 2015, the State Council of China issued a notice entitled "Opinion on Several Policies and Measures for Vigorously Advancing Mass Innovation/Entrepreneurship" (SCC, 2015b). This notice stated that being a maker is to amalgamate innovation and entrepreneurship, creating employment opportunities by oneself. The 2016 policy subsequently urged individual actions and regulatory reforms

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[16] As reported in a document of State Council, *Zhonggong zhongyang bangongting guowuyuan bangongting yinfa hangye xiehui shanghui yu xingzheng jiguan tuogou zongti fangan* (The General Office of the Central Committee of the CCP and the General Office of the State Council issued the "General Plan for Disembedding Social Associations from the Administrative Organs"), please see: http://www.gov.cn/zhengce/2015-07/08/content_2894118.htm (Accessed March 10, 2019).

[17] Interview, 07-12-2015.

[18] *Jiaoyubu guanyu zuohao "benke jiaoxue gongcheng" guojiaji daxuesheng chuangxin chuangye xunlian jihua de tongzhi* (Notice of the Ministry of Education on the Implementation of the National Student Innovation and Entrepreneurship Training Program of the "Undergraduate Teaching Project"), Please see: http://www.moe.gov.cn/srcsite/A08/s7056/201202/t20120222_166881.html (Accessed March 10, 2019).

[19] See article: http://www.shipsc.org/index.asp?bianhao=730# (Accessed March 10, 2019).

to "let capable, determined people (graduates, migrant workers, the unemployed) become entrepreneurs and start their own business" (MGS, 2016). Talent policies[20] practiced at the local level created a new drive among local governments to compete for enlarging the "talent pool."

The state's efforts on the society and subject making agenda led to the third transition: space-making. I discovered that in the practice of the local government, newly released techno-driven urban planning is for re-valuating the land-use rights of urban space, and for attracting growing numbers of young professionals to the area. The state has been actively participating in and directly creating the space for the production of urban tech-entrepreneurialism. The Chinese version of smart cities has been explicit in its appreciation and appropriation of the maker spirit advocated by a group of Chinese maker-entrepreneurs, who have graduated from domestic or overseas universities, and value the work of laboring and professions, rather than of ideas alone. Early official attention to innovation-driven urban planning appeared in the Nation Management of Pilot Smart Cities (MHURD, 2014), for which smartness largely rested on coordinative urban governance assisted by new information technologies and entrepreneurship infrastructures.

It is important to interrogate how institutional changes create decentralized and participatory logics aligned with the Chinese state, which announced its slogan of "Mass Innovation and Entrepreneurship" in 2015. The term "mass" has a socialist legacy, indicating a totalizing construction of a smart nation through a massive transformation of labor force and mobility in China. In June 2016, that notice was followed by a notice entitled "Implementing Opinions of the State Council on Construction of the Mass Innovation/Entrepreneurship Demonstration Bases" (SCC, 2015a). Next, the 2016 policy advocated the continuation of techno-driven development by integrating the idea of the techno-innovation shift to the real economy. In this way, smart cities contribute to the overall industrial development plan of "Made in China 2025", which the State Council expects will boost the development of new firms, new products and new markets. To achieve this goal, the strategic measure is 'mass innovation/mass entrepreneurship '(SCC, 2015a).

The state's strong support of innovation and entrepreneurship drives me to consider what is happening, and what would happen, when the state encounters the tech-based creative economy. There are three reasons for my choice of tech-professionals who become tech-entrepreneurs (tech-professionals-turn-entrepreneurs) as the research social group that shows more changes in the governance of the rise of the tech-based creative economy in China. The first reason is that the new changes in China's development program strongly privileges tech-entrepreneurial individuals – a subject who is seen as having more professional capability to commercialize science and

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[20] As reported in a document of State Council, *Guojia zhongchangqi rencai fazhan guihua gangyao (2010-2020)* (Outline of National Medium and Long-term Talent Development Plan 2010-2020): http://www.gov.cn/jrzg/2010-06/06/content_1621777.htm (Accessed March 10, 2019).

technology. The state intends to facilitate the stagnant economy and implement a shift to accelerate the tech-based creative economy. Tech-professionals are a group of well-educated people, who are expected to be reformers of technology, and are considered the pioneers of the state-guided "wave of innovation and entrepreneurship" with not only *suzhi*[21] (素质 quality), but also "destructive creativity"[22] to reform the stagnant economy. Second, the educational and social backgrounds of the tech-youth-turn-entrepreneurs provide distinct advantages over other entrepreneurial groups; that is, they are able to create their own space and networks based on their technological skills. Compared to other types of entrepreneurs, like those who emerged in the 1980s and the 1990s, the young generation of tech-entrepreneurs has more cultural and educational credentials to compete in the tech-based creative economy. The third reason is that their desire for individual transnational activities challenges state regulations in the globalized tech-based creative economy. For example, more and more tech-entrepreneurs try to find informal overseas platforms to collaborate with foreign tech-entrepreneurs and venture capitalists.[23] The ideology and business-ecosystem of Silicon Valley "creationist capitalism"[24] (Boellstorff 2008; Close 2014) are overwhelmingly accepted by Chinese tech-entrepreneurs as the best model to develop their own businesses. Furthermore, the formation of new tech-entrepreneurship identity may lead to new tensions.

1.4 "Innovation" in Capitalism and the Methods of Conceptualizing Late-socialist China in the Global Innovation

1.4.1 Innovation as Solution in Capitalism

"Why study innovation?" was conceived as both an empirical and theoretical question deeply rooted in 18th century Anglo-Saxon economics. This topic was then abstracted into the language of management schools and operationalized by nation-states through industrial capitalism and under fierce modernization. In the Schumpeterian economic sense, innovation is perceived as representative of advanced productivity and a solution to the bottleneck of industrial capitalism. Innovation is conducted by "disruptive

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[21] "Suzhi" (quality) is a discourse to define the value of a human being by her/his skills, manners and productivity. (See, Kipnis 2007)

[22] Destructive creativity is a Schumpeterian Economics term which refers to the capability to revolutionize the economic structure from within. It is highly appropriated by the Chinese government in formulating its economic development discourse.

[23] In the March of 2019, I visited CIC Rotterdam, a Dutch owned innovation hub for entrepreneurs. I interviewed a Chinese startup which works for producing 3D printers and finding market in Europe. The startup runners told me the reason they came to the Netherlands was that they want to brand their product in the Netherlands and market it in Europe with their Dutch business partners.

[24] Drawing from the global ideology of Silicon Valley, Boellstorff defines creationist capitalism as an ecosystem where "labor and work is understood in terms of creativity, so that production is understood as creation." (See, Beollstorff 2015, 206)

entrepreneurs" who are conceived as "alertly noticing ("discovering") where these errors have occurred, and of moving to take advantage of such discoveries, and thus of nudging the market systematically in the direction of greater mutual awareness among market participants" (Kirzner 1999: 6). In the study of political economy, the study of innovation and entrepreneurship is the study of how an economically and politically risky present could, through innovation, be reformed into a (still) capitalist future (Baumol 2002; Cowhey and Aronson 2012).

Drawing from critical theory and ethnography in developed regions, emerging studies from sociology, anthropology, and human geography have developed new lenses to study innovation and the enterprising of society. This scholarship finds that innovation and entrepreneurship is embedded in neo-liberal agendas after the Reagan-Thatcherian reforms in the United States and the United Kingdom. These economic reforms were then appropriated through policy mobility in developing Asian and South-American countries in the high-speed globalization of the 1980s (Okimoto and Nishi 1994: 195). There are emerging works which address the rise of the innovation in different contexts to understand how capitalism is sustained and, at the same time, changed to a form of "creationist capitalism" or "dynamic capitalism" (Kirchhoff and Greene 1998; Kenney and Von Burg 2000; Gates 2008; Boellstroff 2008) by making use of creative workers with entrepreneurial ambitions.

The production of an entrepreneurial innovation campaign in the tech-based innovation economy is favored by the Silicon Valley model (Davidson 2008). The Silicon Valley model is characterized by an industry-academia-research economy centered on universities or research institutions and supported by financial institutions (Aoki 2000). Under the initiatives of the provost Frederick Terman from Stanford University, the academy first established partnerships with industry and created training institutes, training a generation of students with entrepreneurial spirit to work together to achieve collaboration between research institutions and industry. These training institutes fostered a positive entrepreneurial culture among the so-called "newly emerging community of technical scholars" (Leslie and Kargon 1996). The Silicon Valley model, which focuses on stimulating entrepreneurship and innovation, is seen as the iconic model for facilitating the new development agenda not only in some developed countries (Macdonald 1983; Aoki and Takizawa 2002; Casper 2007), but also in rising economic entities such as China and India (Saxenian and Hsu 2001; Arora, Gambardella and Torrisi 2001). Despite the .com economic bubble of the late 1990s, Silicon Valley regained legitimacy when internet companies such as Facebook and Paypal became new economic tycoons.

During the height of Silicon Valley's boom in the 1990s, anthropologist Paul Rabinow (1995) conducted an ethnographic study of the Silicon Valley economy. After interviewing the CEOs of biological technology start-ups, he found that they were a mix of inventors and entrepreneurs, and that many of them had experienced the North American leftist student movement in graduate school. However, as they grew into technology entrepreneurs, the ideals of the leftist movement gave way to ambitions for

a new economy. The former leftist students became the defenders of a new model of technological capitalism.

1.4.2 Innovation as Anti-capitalist Social Movement

Holding Foucauldian assumptions, some critics argue that the enterprising of society is a governmentality, invented by Post-Cold War nation-states, to justify the retreat of the welfare state in their new economies. Such research initially reframed the study of innovation and entrepreneurship into the study of governance and mobility in global capitalism. Their arguments are based on the assumption that the new form of capitalism is characterized by technological innovations such as information technology. Innovation is retooled and revalued by global powers to reframe the catch-up of "the third industrialization." The expectation for technological innovation accelerates reforms of market institutions, such as company law, and the increasing global competition on human capital/resources. After innovation and entrepreneurship are fully perceived as the key elements of the continuity of capitalism, as mentioned by these critics of neo-liberalism, new governmentalities and governing tools were invented by liberal democracies: the welfare system is gradually marketized; the new working people are highly entrepreneurial, chasing newness and social mobility and attributing personal failure to lack-of-competence; the definition and valuation of labor is highly influenced by the volatile global supply chain; civil-professional societies are re-organized to answer the state's call for social management, taming society at less cost (Terranova 2000; Webb 2004; Castles 2010; Anyon 2014; Schor 2016).

Along these lines, Pang Laikwan, a cultural studies scholar at the Chinese University of Hong Kong, discussed how "creativity" as an ideology has been commercialized in the "Western" contemporary intellectual property legal system (2012: 184). The author argues that the moves of the contemporary Chinese government to further reform the export-oriented manufacturing industry and embrace the "Western" intellectual property system reflects the government's anxiety about image of "Chinese pirate". The author analyzes how the direct goal of the Chinese government's industrial policy is to wash away the humiliating label of "world factory for cheap manufacturing" in the existing "world system" and vigorously develop the cultural and creative industries (2012: 197-203).

However, the abovementioned studies have been conducted in neo-liberal and democratic conditions in which the state is a less powerful social actor, compared to other market participants. I intend to discuss the governing side of the issues resented above to understand how state tries to stretch itself into the emerging socio-economic innovation in the context of China. This is a topic seldom discussed. "The hand of the state" pertains to studies on the role of the state, which became a topic of research after China's marketization and privatization reforms in 1978. By looking specifically at how urban tech-entrepreneurship is socially and politically produced in the context of China,

I intend to explore changing state-society dynamics, especially the particular re-arrangements in the market economy by states and ambitious participants in the innovation economy.

1.4.3 The Consent and Dis-consent of "Innovation China"

I position my study amidst these scholarships, focusing on analyzing governance and mobility in the re-making of innovation and entrepreneurship in the Chinese new economy. However, grounding their accounts in the context of contemporary China studies, I find that the promotion of innovation and the making of an entrepreneurial class in China attracts limited English academic attention. This has two potential reasons, or may be based on two narratives: (1) China is perceived as an authoritarian party-state without an innovating and enterprising drive in the market-oriented economy, despite the liberalization and marketization after the Reform and Opening Up in 1978; (2) China followed the copycat developmental trajectory experienced by Japan and Korea in the 1970s, where domestic industrial authorities copied what was innovated in American industries, especially industries producing high-end consumer goods (Breznitz and Murphree 2011; Abrami, Kirby and McFarlan 2014; Zhou, Lazonick and Sun 2016).

Scholars of innovation in Chinese academia have come mainly from political science and management schools. Lu Feng is considered to be one of the first Chinese political economists to focus on the innovation economy in China. He conducted research on tech-innovation in industries such as automotive, aircraft, and communication standards during 2003-2006. Trained in Political Science at Columbia University, which is framed by institutionalism as a fundamental theoretical assumption, and concerned that Chinese industry has long been "lagging behind Europe and the US," Lu Feng examines how organizations such as universities, firms, and government provide organizational safeguards for technological innovation (Lu 2019). He is also one of the scholars from political science who has directly influenced innovation policy in China. His research provides a theoretical and case study basis for the central government's industrial policy emphasizing "self-dependent innovation" (自主创新 *zishu chuangxin*). Chinese management scholars who have focused on innovation care about: (1) researching and exploring management methodologies leading to technological innovation (Wu 2000; Hong 2011; Xie 2011); (2) guiding enterprises and entrepreneurs in the development and management of innovative products (Luo and Yu 2012; Wu 2014); and (3) researching national innovation systems and industrial cluster networks, including a preliminary discussion of the relationship between the state, the market and society in the establishment of innovation systems (Xiao and Lin 2014; Gu 2017; He and Li 2017). Under the influence of neo-institutional and development studies, their research has mainly reinforced the framework of innovation and national economic growth.

In recent years, Chinese scholars from Science, Technology, and Society (STS) studies have gradually shifted from the framework of business and management schools and industrial policy studies and to discuss the relationship between technological innovation and contemporary Chinese society. These studies, explore the politics of the socialization of technological innovation and, in particular, the relationship between new technologies (e.g. the internet, smart communication devices) and the growth of Chinese civil society (Song and Zhang 2009; Wang and Wang 2013; Xu 2014). In addition, based on a Marxist research perspective, some scholars from labor studies also see the impact of technological innovation on the workforce in China (Fang 2013; Wang 2016; Wu and Li 2018). The subsequent chapters of this thesis will discuss these areas of study further.

However, what Chinese innovation has to do with global innovation has remained unclear for socio-political studies of the new economy. In contrast to the Silicon Valley model of innovation, as summarized in the previous section, the innovation model in China has the following characteristics.

The transition of "innovation China" is conceptualized in the context of the Chinese urbanization and industrialization agenda, which was reformed by the Chinese state after the 2008 global crisis. The 12th Five-year Plan (2011-2015) for National Economic and Social Development highlighted the relations between technological innovation and social development. The innovation-driven development plan was combined with a strong drive for urbanization in policy practices. In order to coordinate urban and rural development, and to actively and steadily promote urbanization, the Plan asked that governments, at all levels, understand technological innovation as important in accelerating the transformation of economic development mode and domestic migration in China.[25] At the level of social imagination, urban areas are considered to be "innovative creative centers" with more chances to realize social mobility. The rising mode of "innovation China" signifies new forms of governance and mobility in Chinese society. From the 1990s onward, migrants in Chinese cities not only pursue urban work in industry in the hope of achieving social mobility. They also come to pursue a rich and cosmopolitan urban life, to practice cultural and spiritual activities.

China's innovation is perceived as an important part of this new form of urbanization, comparable to migration in other Asian countries. In *Making Cultural Cities in Asia* (2015), scholars from mainland China, Hong Kong, Taiwan, India, Singapore, and Malaysia explored the export-oriented developing countries of contemporary Asia. Top-down urban development policy practice is challenged and negotiated by the bottom-up urban residents cultural and economic power demands (2015: 7). The construction of contemporary "innovation China" is a process of social change with a lot of tension: on the one hand, the civic life in the post-Maoist era has resulted in increasing numbers of new urban immigrants positively anticipating a more open and

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[25] Outline of the 12th Five-Year Plan for National Economic and Social Development, 16 March 2011. Please see: http://www.gov.cn/2011lh/content_1825838_2.htm

diverse culture and economic-centered living opportunities; on the other hand, the structural contradictions of local state's fiscal crisis and spatially unequal development have made the new urban construction a process of gentrification, accelerating the spatial division within the city and class differentiation (2015: 74-75).

Third, the relationship between "China" and "the world" has been reframed as a state of tense transition in the context of "innovation China". After 2000, academic and media circles paid more attention to the "new workers" in China's export-oriented economy. Studies of China's contemporary market-society in the English-speaking world began paying attention to how China's "world factory" became a "high-tech innovative center" (Chen and Ogan 2017). In 2008, Shenzhen was awarded the title of "Design Capital" by UNESCO. In recent years, the Pearl River Delta ushered in a phased immigration wave of "foreigners in China" which followed the "migrant workers boom." Based on ethnographic fieldwork in Dafen Village, an oil painting export base in Shenzhen, Won Wong vividly describes the move from the "market-society" of "copycat China" to "innovation China" in the 40 years of Reform and Opening-up, and depicted the structural dilemma of changes in industry, labor market, and ideology promotion that China encountered in pursuing the "creative modernity" of globalization. Wong depicts the transformation of Dafen Village into a cultural and creative industrial park. However, this transformation did not increase the value of the art labor in the transition period (2014: 8-9). Wong argues that the manufacturing and pricing of this degraded copycat art is a microcosm of global commodity circulation and labor hierarchy. Wong continues by stating that "copycat China," in the dualistic imagination of the period, is still very strong: globalization of the supply chain strengthens the dichotomy of "copycat/innovation," and this hierarchical imagination shapes the value of labor (2014: 91). We might say that the change from "copycat China" to "innovation China" means a change not only in industrial structure, but also in the deep value of discourse and ideas.

In general, the current study of "innovation China" in the English-speaking world is less likely to analyze the political and economic factors under this social change, and more likely to analyze existing structural dilemmas such as the China-world tension, urban-rural duality, and the decline of the unequal social distribution system. The structural study of political economy also gives less importance to the everyday practices of the local statist actors in this transition. This series of "changes" is shaped by a series of new modes of capital appreciation, and is the result of consultations among different institutional actors.

It should be noted here that my aim is not to establish a straw man of theoretical criticism, nor do I intend to reinforce theoretical dichotomies of China-the West and Socialism-Neoliberalism. I am emphasizing, in the context of an established academic discussion that has developed these dichotomies, how innovation in China is not extremely exceptional in comparison to innovation in Europe and North America. However, innovation as a process has its own significance in the Chinese political and economic context, and this significance can provide a comparative perspective for other

developing countries and regions. More importantly, I do not want to overemphasize a "comparative perspective" with an implied sense of distance, because Chinese innovation is also impacting other (developed or developing) countries and regions.

1.4.4 Towards the Political Anthropology of "Innovation China": The State-society Revisited in the *chuangxin* Movement

I probe the Chinese innovation movement as a social, ritual, and ideological construction of market modernity in the context of late socialism, where the state is still influential. The multi-faceted Chinese state complicates this process. My informants from government and social organizations do not treat technology-driven innovation as a strategy to upgrade the Chinese market economy and organize power to make China great, but as a means of utilizing the national and global innovation movement to rejuvenate local economy. I term the Chinese state a multi-faceted state due to its attempts to unify the processes of mobilization and regulation of market and society in- and outside the bureaucratic system. As mentioned above, the governance of the new economy has involved the "innovation China" movement, which manifests mass appeals for economic development alternatives and anxiety/expectations around mobility through entrepreneurship and innovation. That is, the Leninist party-state attempts to naturalize the mobilization agenda in society, to coincide with the characteristics of entrepreneurial society in late-capitalist contexts. Nevertheless, this top-down mobilization creates uncertain risks and space for local authorities to gain more chances at local development. Several strands of innovation activities have recently coalesced in China to push a new governing agenda for "mass entrepreneurship and innovation" into the policy arena. The emergence of the innovation movement from these groups has been understudied in social sciences literature dealing with the new economy in a late-socialist context.

Viewed as examples of Polanyi's concept of the double movement of societal self-protection, the goals of these groups are interpreted as reflecting an ongoing struggle to define a place for social and individual concerns that are threatened by an increasing emphasis on new-economic competitiveness in global markets. Diverging from the pattern of eastern European post-socialist transitions, the market reform in China did not lead to a "state retreat" in which the state is replaced by the invisible hand of the market (Verdery 1996; Humphrey 2002). This is usually expected under the assumptions that opening up to the global market withdraws the power of the state. The Chinese state still plays a strong role despite market expansion. In fact, the market expansion assisted the state to reform and strengthen itself (Yang 2001; Pieke 2009). This salient role of the Chinese state was observed by China researchers following the death of the socialist centralized and command economy, in discussions on the relationship between state and society (Oi 1992, 1995; Shue 1990, 1995; Wank 1996;

Lu and Tang 1997; Hertz 1998; Huang 2008).

The research orientation of "bringing the state back in" (Evans, Rueschemeyer, and Skocpol 1985) compels me to observe state-oriented innovation to see how local governments use the words and imagination of "innovation China" to reorganize the place in terms of politics and business. In other words, whether it is the "copycat China" in the unequal world system that is criticized by scholars, or the "innovation China" they have constructed, "de-industrial transformation" has become the local government discourse that justifies new governance in local society. It has evolved into a governance reform of the local government to reshape the world's imagination of China.

On one hand, with the large-scale "escape" of the export-oriented manufacturing industry from the Pearl River Delta region, the former export-oriented industrial zones have been turned into a high-end "post-industrial center" by the local government. The high-tech parks are designed to attract graduates with "innovative entrepreneurial talents." The migrant workers in the 1980s and 1990s, who were regarded as a low-end labor force, once again became a marginal population in the mainstream discourse of "innovation China." At the same time, the export-oriented manufacturing process was tagged as "low-end industrialization," and peasant migrant workers as "low-end" floating populations (Solinger 1999; Zhu 2007). The coming young graduates are targeted as "new workers" in the "world innovation center." This knowledgeable youth group with middle-class dreams, professional knowledge and creative brains, have become the backbones of the current innovation campaign.

On the other hand, the authorities have empowered "Chinese-characteristic innovation" and promoted China's globalization strategy of "going out" (走出去 *zouchuqu*) in recent years, establishing a series of "institutional innovations" and "design platforms" for cross-border cooperation to promote the infrastructure of creative industrialization. More and more foreigners coming to China to seek cooperation opportunities have also joined in the making of Chinese innovation in large Chinese cities. The "Chinese innovation" in the industry is actually related to the policy context of institutional innovation since the 18th National Congress of 2012: local governments are encouraged by the central government to release "social space" on a large scale, and some social welfare undertakings are transferred to more "upgraded industries." The spirit of innovation is reconsidered as a business that social associations and companies are likely to operate, and it has gained copious praise in groups of entrepreneurs-to-be.

The Chinese government conducts new modes of social management through mobilizing and training the subjects of *chuangxin* economy through inventing new social associations. This study highlights that the local state supported inno-associations, newly emerged under the form of "NGOs," are highly instrumentalized social management channels of local government. The *chuangxin* and the so-called "post-industrial" socioeconomic activities (e.g. mass tech-entrepreneurial vigor, maker activities, etc.) that are bound to it, are important in the social management of

"mobility," conducted through different people and (state and non-state) organizations to mobilize human capital in the new economy. In line with the top-down "de-industrialization" and "mass-entrepreneurship and innovation" policy to create and position an "Innovation China" in the world economy, *chuangxin* is widely recognized as a "solution" in the uncertain great transformation of China. The local governing apparatus of the new economy, namely the government and state-supported NGOs and IT tycoons, are gradually monopolizing social projects under the aegis of "innovation."

This study does not solely term the state, especially the local state, as an important agent to facilitate the governance. The three institutional transitions on society-making, subject-making, and space-making require attention to the social networks of practitioners, and to the formation of sophisticated norms involved in social infrastructures such as workplace, families, and societies. This study highlights the importance of these social infrastructures: they are negotiated by the state to achieve development or reforms. As the anthropologist James Ferguson argues in *Anti-Politics Machine*, the unintended outcome of many developmental projects, which he terms "anti-political machines," is the expansion of bureaucratic state power and extension of power relations via "diversion of project energies and resources to 'social infrastructure'" (Ferguson 1990: 273). Ferguson shows how development discourse and de-politicized technocratic interventions in social infrastructure by the state and international organizations have failed in localized development. In order to understand China's political economy of reform and development, Lowell Dittmer (1995) proposes a framework to articulate how development and reform projects can be abducted by a kind of implicit and covert politics which he terms "informal politics." This covert politics emphasizes the informal but decisive influence of factions of senior central government leaders on local development policy. However, distinct from (neo-)liberal democratic developing states that process extended power relations via an "anti-politics machine" (Ferguson 1990) or Chinese "informal politics" in the reform era, when patron-client relations were naturalized in local politics and market economy (Dittmer 1995), the current innovation of China's economic governance establishes a political apparatus to strengthen state power in the social infrastructure to develop vibrant and globalized IT-driven innovation economy.

Besides, this study also elaborates the governance of workplace and the role of family in the industrial and post-industrial context. Further, this study strengthens the reflexive understanding of socio-economic transition in contemporary China. In the forthcoming chapters, I join Michael Burawoy's (1979) analysis and debates about how young entrepreneurs-to-be consent to a situation where the apparent work-life is massively manufactured and entrepreneurial spirit is institutionally encouraged in the governance and management of workplace.

The chapters will show that local urban planning and "spatial renovation" projects draw new agendas of space-making and social governance on the aspirations and emotions of urban citizens, regarding the innovation-driven individualistic development of their urban life. Based on the presumptions of individualization theory,

social analysis of feeling and emotion is an important approach to understand the coming of an individualistic society (Williams 1977; Honneth 2004; Lingard and Gale 2007). Rather than directly appropriating the analytic tools of the social analysis of feeling, I bring the production of social feeling into analyzing the institutional changes that shape collective feelings and drive people to mobilize through "following their emotion."

1.5 Methodologies and Fieldwork Site

1.5.1 Shenzhen as the Fieldwork Site

Firstly, the reason I chose Shenzhen as the field site for this research is the strong likelihood that the young technology professionals I spoke with, would select Shenzhen as their target city to create tech-startups. Beijing, Shanghai, Guangzhou and Shenzhen, are four prominent metropolitan cities in China regarded as paradise cities for startup runners. However, Shenzhen is the better choice for tech-based startup runners because it has cheaper and faster tech-component manufacturing systems and financial systems, with backup support from Hong Kong. [26] These two characteristics assist young professionals in commodifying technology. Shenzhen brands its welcoming attitude to migrants regardless of where they come from. Due to the majority of the indigenous Shenzhen people being migrants or second-generation migrants from other areas of China, they seldom discriminate against newcomers, and young technology professionals with little social capital are always encouraged by Shenzhen's comparatively hospitable environment.

Secondly, Shenzhen has traditionally been a "training institute" for hi-tech small and private enterprises. After the "reform and opening" period of 1978 in which the Chinese state proposed marketization and privatization, Shenzhen was designated the status of a "Special Economic Zone" which immediately attracted national and international investors, as it developed into a manufacturing center in the south of China. In addition, in 1992, to solve the reform dilemma caused by political campaigning in 1989, Deng Xiaoping visited Shenzhen, Zhuhai, Guangzhou to re-establish the direction of the "reform and opening" program and to restart the market reform process. From that moment, Shenzhen accelerated its pace of developing private and internationalized mass-manufacturing industries, real estate industries, and financial service industries. As a result, the first wave of entrepreneurial "plunge into the sea" initially gained momentum in Shenzhen in 1992. However, in the last ten years, while trying to stimulate local investment and upgrade the labor-intensive manufacturing industries, the Shenzhen government encouraged technology-intensive industries to settle in the

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[26] As reported by the Economist, Shenzhen is recognized the best place for a hardware innovator to be. Please see: http://www.economist.com/news/special-report/21593590-why-southern-china-best-place-world-hardware-innovator-be-hacking (Accessed August 20, 2017).

area, and constructed numerous hi-tech industrial parks which later became the original sites for training institutes. Shenzhen has branded its special "tradition" as a "paradise for tech-entrepreneurs," which is the reason that Shenzhen was the ideal place for me to demonstrate how tech-entrepreneurs, local authorities, and other marketers work together to produce an entrepreneurial fever.

1.5.2 Who did I interview? Who and what did I go to observe? How did I conduct my interviews?

In this session, I will describe how I came to the field, what I did, and what I intended to do. The pre-research fieldwork session lasted about 18 days: seven days in August of 2013, and 11 days in August of 2014. From September 2015 to March 2016, I conducted the first phase of fieldwork, and the second phase from May to October. I followed up my fieldwork research in Shenzhen in the summer of 2017-2018.

One of my informants accompanied me on a visit to a training institute in the Overseas Chinese Town Tech-creative Parks of Nanshan District and helped me to build relationships with some tech-startup runners. During the one-week semi-structured interviews and participant observation period, I collected data on their personal and social backgrounds (educational achievements, family background, work experience, etc.), and their everyday schedules in their small businesses (production, meetings, revision, marketing, etc.). I was impressed by the booming fever evident in the young tech-professionals trying hard to become tech-startups runners in Shenzhen during this time. In the summer of 2014-2015, I revisited the training institute and the tech-startup teams. Most of the teams had moved to bigger state-sponsored training institutes in the same area. The training institutes were managed by the state-owned sector "Tech-entrepreneurship Service Center." The director of the service center, Mr. Wang, graduated from Zhejiang University, where I had earned my master's degree. Due to our alma mater connection, he was welcoming when I contacted him to ask if I could conduct fieldwork research at his center. I explained my research to him, including my intention to understand how the agency attracts and trains tech-entrepreneurs. He recommended that I participate in the "Entrepreneur Star" contest and the session activities.

I collected relevant policy texts and practical implementations to promote urban tech-entrepreneurship in Shenzhen from an urban planner who worked in the Urban Planning Design Institute of Shenzhen. From these policies and implementations, I understood the strong relationship between local urban planning and the promotions of tech-entrepreneurship. It would be an interesting approach to see how the state interferes in the areas in which other social actors play a role.

In addition, the social networking applications such as OICQ and WeChat (Chinese Instagram) closely linked me to some of my informants, even though I am currently in

the Netherlands. Tech-entrepreneurs organized several online discussion groups in these applications, adding me to them. Through these tools, I could see what they were interested in, what they were discussing and what they planned to do with their entrepreneurial careers. Furthermore, I spoke with the tech-entrepreneurs in these social networks via video chat, and saw the products they were designing and making, and shared in celebrating their business successes.

Based on my pre-research knowledge and the questions presented above, I conducted research fieldwork in some state-sponsored training institutes in Shenzhen and followed the entrepreneurial activities of Chinese young tech-entrepreneurs (34) and non-Chinese tech-entrepreneurs (21), in training institutes and other social spaces to learn about the kinds of strategies they invented, and the informal networks they used, to deal with regulative local authorities in developing their own work space.

I conducted semi-structured interviews with authorities (27) working in government sectors and hi-tech training institutes about their planning of entrepreneurial development, and collected official policy documents from them to analyze the regulations related to entrepreneurship and "talent policy" that were issued in the past few decades in Shenzhen. In addition, I observed activities such as the entrepreneurial competition, "Entrepreneur Star Contest," and joined training courses held by training institutes to gather together young professionals. To live in the same communities with my informants in Shenzhen, I moved three times. All three moves were in different areas containing residential spaces that young graduates were likely to rent.

For the purposes of learning about the second question concerning the multiple types of social networks they cultivated, I conducted semi-structured interviews with tech-entrepreneurs about their family background, or directly conducted semi-structured interviews with their families (parents, wife/husband, etc.). I interviewed venture investors (7), families and close friends (5), and Chinese and non-Chinese scholars and urban planners (10) active in the circle of young tech-entrepreneurs. I visited the production and consumption site of creative hi-tech products designed by the young professional. I intensively participated in informal and underground sessions conducted by young professionals for self-development and networking, and was involved in tech-youth informal associations such as "young maker communities," which were the starting points for newcomers with aspirations who I interviewed about their life encounters and entrepreneurial experiences in Shenzhen.

1.6 Precis of Thesis

In order to understand how "innovation China" is put into practice by young professionals and local authorities, stories of the expectations of mobility and "seeking innovation" should be told. *Chuangxin* acts as the nexus of the new market relations, the point at which young professionals involve themselves with a structured economic environment to create their own codes of modernity and associations, which are actualized as "tech-new-things" and "cultural intimacy of shared-interest" in the IT-

driven new economy. Each chapter focuses on different levels of governance and on the way that practitioners of innovation respond to the changes they are confronted with. The main thesis is divided into four parts.

In chapter two, I discuss the formation of Shenzhen, as a borderland between mainland China and Hong Kong, from a "policy enclave" to a model city. As an experimental site of market economy in China, Shenzhen is actually shaped by the generosity of the central state loosening its control over the process of marketization and letting Shenzhen "open up to the world." The creation of the informal economy in Shenzhen's market transition and the unending inflow and outflow of population and capital fit into the state's development goals. By discussing two descriptive dimensions of supply-side new economy reform in Shenzhen, I argue that new inflows of people and capital in Shenzhen are regulated by the global supply chain of the customized electronic industry, which is embedded in the search for niche markets and global promotion of innovation campaigns.

In the third chapter, I focus on the turning point of network societies in Shenzhen and highlight how scholarly discourse on the relations between local government, civil society, and the market sectors in Shenzhen was embodied in the construction of new networked social associations, which are conceived as "the third sector" and accelerators of new economy. I argue that the tradition of network society under the Leninist agenda was rebranded into an open and collaborative assemblage of local, trans-local, and international authorities which re-embed the new project: the innovation campaign in China. By elaborating the cases and institutional changes involved in the branding and marketing of the innovation campaign, this second part tries to illustrate how institutional changes driven by the innovation economy were conceived as an institutional innovation (体制创新 *tizhi chuangxin*) of local government. "*Tizhi chuangxin*" are frequently mentioned in each conference of the Chinese Communist Party to internalize the ideology of "reform and opening up" and "the innovation of science and technology" in the innovation of its own administrative body.[27] I argue that this process manifests how local government and techno-authorities collaborate by using discourse and techniques of association. The third part interrogates the role of new associations reaching beyond the territories of China to collaborate internationally under the aegis of "one-belt one-road" (OBOR) program. In 2013, this initiative was unveiled by Chinese President Xi Jinping during visits to Kazakhstan and Indonesia, and was thereafter promoted by Premier Li Keqiang during his visits to Europe. It is widely perceived that "OBOR program is a connectivity of system and mechanism to construct a unified large market and make full use of both international and domestic markets, through cultural exchange and integration, to enhance mutual

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[27] State Council issued "Notice of the 13th Five-Year National Science and Technology Innovation Plan",See:http://www.gov.cn/zhengce/content/2016-08/08/content_5098072.htm.

understanding and trust of member nations, ending up in an innovative pattern with capital inflows, talent pool, technology database."[28]

This third part, including chapters four and five, focuses on subject-making, previously ignored by most scholars of innovation. Chapter four seeks to problematize the production of the innovation ecosystem, a new mode of mobility-space making, to rethink the current governance of China's market society. By linking the two salient practices in the local state's management of mobility and space, I argue that the organization of social training systems is a strategy for the local state to organize infrastructural power, to use Michael Mann's words, in the Chinese political economy of the innovation campaign. Especially through analyzing cases from my fieldwork, I articulate how the local state targets, trains, and regulates "innovative talents" (创新人才 *chuangxin rencai*) to start up their businesses, all in promotion of the "mass entrepreneurship and innovation" policy. Chapter five covers the social production of anxiety and aspiration for self-recognition that drives young professionals to move to Shenzhen. The chapter begins by detailing population data and relevant theoretical debates to problematize how this group of professional entrepreneurs-to-be converges in China's post-industrial context. By analyzing the personal data of Chinese and non-Chinese informants, this chapter outlines the new floating population emerging in the social production of a post-industrial innovation city in Shenzhen. Unlike migrant workers in the 1990s, the new migrant workers/professionals in high-end IT industries have more sophisticated expectations regarding social mobility. This chapter discusses how family, performing as a pre-work, disciplinary, social institution, forge the ambition and identification of these young migrant professionals through burdens and expectations. The concluding remarks in this part will problematize the emerging mobility pattern in Shenzhen and offer an explanation as to why Chinese and non-Chinese people with dreams of self-realization go to Shenzhen to become tech-entrepreneurs.

The fourth part, chapters six and seven, investigates the space-making of working and living conditions of local innovation campaigns. I find that the space-making under urban innovation campaigns influences young floating professionals' imagination of social status and sense of power in the innovation economy. Chapter six entails a space-centered analysis of mobilized urban life in the context of Chinese urban renovation. Chapter seven examines the kind of spatial changes that have conditioned the common sense of Shenzhen's urban milieu and created the spiritual stimulus for young professionals to chase a mobile life in the city. Therefore, it examines how mobile living conditions are negotiated, normalized, and naturalized through the construction of Shenzhen as a Chinese high-tech metropolis. I consider how, in order to realize or sustain their social status, many young professionals are actually suffering from imbalances in life and work in Shenzhen. These "unbalances," in my informant's

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[28] "Official Plan of BRI – Belt & Road News". *Belt & Road News. 2018-12-30.* Archived *from the original on 2019-01-07*. Retrieved 2019-01-06*.

words, are represented by a certain tension: they "work as *entrepreneurs*, but live like peasant migrant workers (农民工 *nongmingong*)." Overall, this part intends to highlight how younger generations create meaning through their adaptive living strategies in the midst of the urban renovation/gentrification agenda. In many cases, they actually transform their housing struggles into a strong motive to innovate, and a way to add value to their mobile lives and working patterns in Shenzhen. In the following chapter, I examine how young professional migrants instill meaning into their work through their pursuit of business success and economic fulfillment in the working space of the new economy. Through tracing the technical, political, and ideological changes in the working space of young entrepreneurs-to-be, chapter six examines the new working patterns of the innovation economy. Specifically, this chapter aims to discuss why many young professionals are content with working conditions full of heavy work-loads and unpredictable changes. It aims to discuss how they conceptualize their working conditions, recreate the meaning of "work," and cultivate new space in the innovation industry. I argue that it is the new creation of shareholding value, supported by new market institutions, that galvanizes the ethic of hard work and flexibility, and eventually manufactures consent in innovative startups. Moreover, these young professionals' active creation of entrepreneurial working space is actually sponsored by the local government's urban renovation agenda, an agenda that has not only promoted the activity of mass entrepreneurship and innovation but also refashioned and revalued the space that entrepreneurs-to-be have physically constructed. However, during the tide of mass entrepreneurship and innovation in Shenzhen, more and more organizations have jumped at the chance to create the working space of the innovation economy, to turn it into a business of space-making.

Chapter Two   The Global City and Its Contents

In the course of China's economic reform, Shenzhen is seen as a laboratory of market economy to exhibit the socialistic market success without quantitative political change. This chapter starts by exploring how mobility, consumption driven modernity and the development of the relationship between state authorities and a migrant-driven informal economy has shaped the transformation trajectory of Shenzhen, from an export-oriented industrial special economic zone to a model post-industrial "global city".

This chapter begins by introducing the formation of the Shenzhen Special Economic Zone (SEZ), specifically how this borderland in the market reforms of the socialist agenda is transformed into a frontier of Chinese tech-innovation and creativity. The second part of this chapter explains how the state-led (de-)industrial upgrading and the global innovation cultural flows have co-produced innovation fever in contemporary China. The third part explores how this transformation has created a new form of economic organization, namely the tiny scale startups working for "creative capitalism" (Kinsley and Clarke 2009). It seems that the new form of working pattern and urban (de-)industrial transition liberates the entrepreneurial spirit of young Chinese professionals and non-Chinese professionals. I argue that the state-led liberalization that welcomes an open and individualistic innovation-economy foreshadows a new (social-)mobility pattern in Shenzhen.

2.1 Borderland Formation: Space and Power Intertwined

2.1.1 Making Shenzhen: The Rise of the Socialist Frontier and Its Population

Three major forces have shaped the Shenzhen SEZ: first, is the SEZ-policy under the socialist agenda; the second is the borderland-type political geography; and third is global capitalism. In the national narration about the SEZ, Shenzhen is a border city created from a small Pearl River Delta fishing town that faces the South China Sea. For most young Chinese people, Shenzhen's history begins in 1979 when Deng Xiaoping, the leader of Chinese Communist Party, identified the SEZ and initiated a developmental agenda of market economy in South China by introducing the Reform and Opening-up Policy. This political innovation and contemporary legend about Shenzhen SEZ trimmed the history of Chinese nationalism, high-socialism in mainland China and segregated capitalism in British Hong Kong (1841-1997).

Before the Opium War (1839-1942), contemporary Shenzhen SEZ belonged to the Xin'an County, one of the biggest market towns in South China. From 1842 to 1898, part of Xin'an County was ceded to the United Kingdom and became Hong Kong.

During the period of the Republic of China (1912-1949), Xin'an County was renamed Bao'an County. This became the collectivized area People's Communes (人民公社 *renmin gongshe*）under high-socialism (1949-1978), and what had been a prosperous market town during the late empire became a frontier of socialism in the Cold War (O'Donnell 2001, 2013; O'Donnell, Wong, and Bach 2017). Traditional peasant markets were discontinued, and local people were categorized into "social classes." The state imposed hierarchical social order and gradually transformed what had been a primarily lineage-based socioeconomic order. In addition, in the collectivization of land, peasants were divided into "teams" and "brigades" to maximize their production power (Potter and Potter 1990; Chan, Madsen and Unger 1992). In 1958, *Hukou* (户口 household registration policy) was launched to monitor and limit the movement of people. These structural changes put new pressures on the population that together with the economic disparity between China and British Hong Kong, and the failure of the Great Leap Forward in inland China, contributed to what is often termed "the Big Escape" (Chen 2016). Driven by the comparative prosperity of British Hong Kong, many people living in rural communes broke the *Hukou* regulation, swimming or running across the border from China to British Hong Kong.

In 1979, some territories in Bao'an County were segregated into Shenzhen SEZ to experiment with a market economy in the socialism frontier. In 1984, the central government created an order to draw a second borderline (二线关 *erxianguan*) around Shenzhen SEZ and institutionally segregate it from both British Hong Kong and socialist mainland China. Although part of China's market liberalization, the state's segregation of Shenzhen SEZ in 1984 indicates that the harsh controls over the mobility of the population and capital remained a part of this agenda. Furthermore, local control of mobility echoed nationally in the 1980s. In 1980, Regulation on Custody and Repatriation of Wanderers and Beggars in Cities (城市闲散人员收容遣送制度 *chengshi xiansan renyuan shourong qiansong zhidu*) was executed by the central state to punish people who mobilized without official permit from their *danwei* (单位 work units) or village committees (村委会 *cunweihui*).

Shenzhen's Location in China Map

©https://www.chinahighlights.com/shenzhen/map.htm

©Google Map Layout: November, 2019

I begin with this official history of Shenzhen, not in order to reproduce the public memory of past days, but rather to trace the rapid transformation which occurred here, a transformation that has shaped modernity and the mobility of people-capital in this borderland between two worlds: the less developed mainland China on one side, and the more developed "Western world" on the other. This imagined, and now outdated, binary of two worlds was cultivated not only by the oligarchy-driven Cold War, but also by unbalanced regional economic development: compared to the capitalist world, the socialist world is poor.

This two-world binary was strengthened by the policy-driven economic reforms that followed. If Shenzhan's status as a borderland emerged out of Cold War geopolitics during the period of high socialism then, in a sense, the state's creation of SEZ continues those Cold War geopolitics while also cultivating a sense of development in the market-socialist agenda. In 1979, the Chinese central state imitated the "Four Asian Tigers", a

term used in the 1970s referring to Hong Kong, Singapore, South Korea and Taiwan, to revive China's stagnant domestic economy and reinstated its developmental agenda in the global economy. The state selected four coastal cities (Shenzhen, Zhuhai, Shantou, Xiamen), promoted them to prefecture-level and authorized them, as special economic zones, to take foreign export-oriented labor-intensive manufacturers and foreign direct investment from British Hong Kong, America, Taiwan, Japan, South Korea, etc. With the state-sponsored construction of export-oriented manufacturers, capital and labor flowed into Shenzhen. The first Chinese stock exchange center was built in Shenzhen in 1990. After using liberal financial regulation in Hong Kong and Shenzhen, Chinese state led foreign capital moved to mainland China (Smart and Smart 1991).

Key to Shenzhen modelling itself as a global edge was the "self-conscious making of spectacle" (Tsing 2004: 57). For a long time, "Shenzhen Speed" was widely reported as a miracle of economic reform that the Chinese state could display to the outside world. The official narrative of Shenzhen SEZ always begins by defining it as "the test field of reform and opening up" (Deng 1994) in the period of economic liberalization. The narration of economic success in Shenzhen echoes the state's goal: through marketization, socialist economic reform can produce huge economic success and a harmonious society. It is thus a starting point to understand Shenzhen not only as a SEZ, but also an idealized stage for the Chinese state to exhibit economic success both internally and externally to the world.

The (re-)creation of Shenzhen SEZ continues to be a process of space-making, migrant community formation and nation-building, all intertwined together. Life in Shenzhen became geopolitical because what happened in Shenzhen was thought to be geopolitically significant, which consequently had an influence on local life. The geopolitical transformation in Shenzhen SEZ was connected to the changing concepts of "the local" and "the newcomer." Identity politics were driven by the Reform and Opening-up Policy after Shenzhen opened its door to domestic immigrants (外地人 *waidiren*) and eventually to visiting foreigners.

Before the Reform, the people of Shenzhen were identified as three groups living in villages: the Weitou People (围头人 indigenous villagers), the Hakka people (客家人 guest families), and the Teochew people (潮汕人 people living in the border area between Guangdong and Fujian Province). Those who traced their ancestry and kinship to the Song dynasty (960-1279) from North China were identified as the Weitou People who now live in the border area of Shenzhen and the New Territory of Hong Kong. Hakka people were previously identified by Weitou people as vulgar ethnic groups living in the mountainous part of North Guangdong in the period of late empire. This naming of the Hakka people depicts them as once being an early group of "newcomers" in the Cantonese area. Teochew people came from the eastern coastal area of Canton. Their local lineage and kinship systems were diminished under socialist rule, yet as the forerunner developers of this area, they leveraged their renowned kinship networks in

the Southeast Asian-Pacific region into economic success in mainland China at the beginning of the Reform and the Opening-up period (Nonini and Ong 1997; Landa 1999).

Above I have traced the social construction of Shenzhen SEZ as a product of long-established ethnicity, kinship, and state authorities. It is also a history of how waves of domestic immigrants became "the local residents" in this core area of the South China. In the middle period of reform, the borderland witnessed the gradual decline of Cold War politics and the rise of legalized and normalized trans-border economic activities. Large amounts of state-owned and foreign capital was pulled into Shenzhen SEZ, manufacturing industries were moved up from Hong Kong, and the domestic immigrants (外地人 *waidiren*) being newcomers working for the world factories, entered this new city.

2.1.2 Shenzhen SEZ, Market Reform, and Industrialization: The *Waidiren* and the Rise of the "World Factory" in China

Based on ethnographical research conducted in South China, especially during the 1980s in the Pearl River Delta, sociologists and anthropologists trained in the West often treat the economic reform of market towns and villages as a window through which to understand local complexities in the transition of China's political economy (Potter and Potter 1990; Siu 1989). The vivid ethnography of Shenzhen, famously embodied as "Chen Village", investigated how collective socialist communes became market towns in the 1980s (Chan, Madsen and Unger 1992).

Comparing my own experience in Shenzhen to these accounts from the 1980s, I was amazed by how much and how quickly the contemporary urban landscape seemed to have changed. The first time I came to Shenzhen was in the summer of 2000. I remember needing a small, special license to pass through the second borderline to enter the inner city of Shenzhen. The metropolitan area was segregated by a wall, much like Berlin during the Cold War. The inner city shared a border with Hong Kong, but the peripheral city was clustered with factory zones for foreign invested manufacturing enterprises. Foxconn, the largest contract electronic manufacturer in the world, had built its manufacturing chain in Longhua town in Shenzhen in 1988. Longhua town was urbanized in 2004.

These factory zones were built on the collective land of villagers. Prior to the enactment of the Reform and Opening-up policies in Shenzhen, these areas were rural land owned by socialist communes with their administrative forms, the town (镇 *zhen*）in the urban peripherals. After Shenzhen began to welcome foreign-invested manufacturers, family-bound enterprises in these villages were institutionalized into township and village enterprises (TVEs) managed by officials from the local government (Unger and Chan 1999; Zhe and Chen 2000).

Shenzhen was promoted to the status of administrative city in 1992.[29] The market towns were urbanized into district (区 *qu*). The villagers gradually gained urban citizenship after this transition. However, most villages did not follow the *tudi guoyouhua* (土地国有化 nationalization of rural land). Villagers tried to negotiate for land rights with the local state. After several strands of negotiations, the Shenzhen government agreed to give each village 50 years of land-use rights. This local negotiation of collective village land contributed to the rise of local entrepreneurialism. Villagers established their shareholding companies (股份公司 *gufen gongsi*) to manage their collective land. This change in land management accelerated export-oriented industrialization: villagers rented out their land to newcomers, such as Hong Kong and Taiwanese manufacturing chain owners and immigrant workers. The villagers became shareholders and earned their incomes from rental properties. By giving management rights to former local leaders (normally from local lineages dominant before the socialist transformation), the local state gained ownership, outsourced authority over land-use to the residents who were allowed to marketize and monetize the use of the land. In this way, both former collective communes and newly settled, state-sponsored urban village enterprises played the role of landlord, renting out their collective land or the state's land to the foreign invested private manufacturers in 1980s and 1990s (Zhe and Chen 2000; Bach 2010; Chung and Unger 2013).

In the summer of 2000, I was living in an urban village located outside of the second borderline of Shenzhen. The multi-narrative histories of "the second borderline" made it difficult to figure out the exact reason for setting this "second borderline" within the city. Official history defined it as a way of forbidding illegal immigration from mainland China to Hong Kong. Yet, regardless of whether this is true or not, the setting of "the second borderline" physically segregated the inner city from the peripheral city and, from the start the 1980s, thus shaped the binary identities of "modern *shenzhener*" and "migrant outsiders". Towards the end of the 1990s, Shenzhen witnessed the decline of the second borderline. In 2003, after the national Regulation on Custody and Repatriation of Wanderers and Beggars in Cities (城市闲散人员收容遣送制度 *chengshi xiansan renyuan shourong qiansong zhidu*), local government regulations limiting domestic migration without official permits were diminished.

As a ten-year-old child I had limited knowledge about the institutionalized urban segregation in Shenzhen. Hence, my impression of the peripheral city of Shenzhen was that of a lot of workers in gray and blue suits, factory blocks, dormitory communities, cheap restaurants, and hostels clustered around the countryside. I remember hearing an older cousin telling my grandfather that we were living in the country, not an urban area. We were living in the rented apartment of a relative who came to Shenzhen in the early 1990s. My grandpa, a retired official who had worked in a local state-owned iron

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[29] For further information on the early urbanization of Shenzhen SEZ, see: *Guanyu Shenzhen jingji tequ nongcun chengshihua de zanxing guiding* (Interim Regulation of Urbanization of Villages in Shenzhen Special Economic Zone), available at: http://szzx.sznews.com/content/2013-04-23/content_7974229.htm

and steel company in Hunan Province, told me that most of our rural relatives in Jiangxi and Hunan Provinces preferred to *dagong* (打工 work in private sectors) in Pearl River Delta, which they travelled to via the National Road 107, a road completed in 1988 to connect Beijing and the Shenzhen SEZ. In the eyes of my Hunan and Jiangxi relatives, Shenzhen was seen as the end-of-the-road icon and their best choice to *dagong*.

We lived with my grandpa's nephew, Uncle Huang. At that time, he was working for a Japanese invested electronic manufacturer who had production contracts with Sony, the consumer electronics tycoon in Japan. After the township village enterprise he worked went bankrupt, he lost his iron-rice-bowl job in Ji'an county, Jiangxi Province. When a friend from the same county described the Hong Kong style modern life in Shenzhen and invited him to go, Uncle Huang walked all the way to *dagong* in Shenzhen. Most of our neighbors were also migrant workers from other provinces. During a fieldwork trip in 2015, I visited Uncle Huang in Dongguan, a nearby manufacturing city where thousands of Three Import and Compensation Trade Enterprises[30] had clustered in the 1990s. By working as an industrious *dagongzai* (打工仔 migrant workers in Cantonese), Uncle Huang was promoted to a mid-level manager position in this Japanese-invested, Taiwanese owned enterprise.

In a sense, uncle Huang's story demonstrates how the imagination of Shenzhen as an economic miracle is strengthened by mass expectation of consumption driven modernity. Situated next to Hong Kong, a paragon of affluent society in Asia, Shenzhen was expected to become the next Hong Kong from the 1980s onwards. The high-speed-modern-city milieu attracted those with ambitions of self-realization within the developing market economy to live a modern life. The migrants with entrepreneurial spirits raised three waves of "entrepreneurial fever" in Shenzhen which were widely reported on in the 1980s, at the beginning of the 1990s, and at the turn of the 21st century. It was in the late 1990s that, combined with the first wave of overseas returnees after marketization, Chinese internet tycoons appeared. As explained by an informant who *xiahai-ed* in 1994: "At that time, working and living in Shenzhen helped me to gain access to Western goods, commercial news and knowledge. People in my hometown were envious that I became knowledgeable and always came back with fancy goods such as portable cellphone (大哥大 *dageda*) that I bought from Hong Kong."[31]

The contemporary imagination of Shenzhen as an economic miracle—which circulates in mass media, official brochures, and mass development plans— actually arose from mobility under state-sponsored economic liberalization, the impact of

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[30] As it is officially defined by China Daily Dictionary, this commercial type is "A shorthand for enterprises that process imported raw materials, manufacture products according to imported samples, assemble imported parts and those that repay loans for imported equipment and product technologies. Emerging in the coastal area in the late 1980s, all these enterprises exported their products abroad. By taking the processing fee, they became the major force in the processing trade, which formed a big proportion in the country's total trade volume. They played a key role in fostering the development of China's trade." Please see: http://language.chinadaily.com.cn/60th/2009-08/25/content_8615027.htm (Accessed August 8, 2016).

[31] Interview, 2015, with Uncle Huang's relative.

modernity on the nature of consumption, and the sustainable urban informal economy. As the central state retreated[32] in the process of economic liberalization after the 1980s, Shenzhen became an enclave to test and implement national economic policies which imitated those from developed countries. At the same time, even as the Tax-sharing Reform consolidated the central state's economic authority in 1994, Shenzhen retained agency in dealing with liberal economic reforms. [33] Furthermore, it was these institutional reasons that drove mobility in the area: the state-sponsored economic liberalization attracted human and global capital to Shenzhen (Liang 1999; Wang, Wang and Wu 2010).

Both longtime residents and newcomers shared a common sense that Shenzhen was a city without history when I visited Uncle Huang in 2012. "Shenzhen has no history! It is young, things here have changed so quickly," Uncle Huang told me. After Shenzhen was urbanized in 2004, the collectively-owned land turned into state-owned land and the price of land-use increased. More expensive rent resulted in some foreign invested electronic manufactures moving to smaller nearby cities such as Dongguan and Huizhou. Uncle Huang's workplace was moved to Dongguan in 2006. "However, the new industrial upgrading (产业升级 *chanye shengji*) is coming! Technology innovation and Internet will change the world! If we cannot catch up the wave, we might lose our jobs in the very near future," Uncle Huang sighed. In the discourse around policy, "the industrial upgrading" means the "the transformation of traditional industries to an intensive mode of development with high added value, low energy consumption and low pollution as soon as possible so as to achieve industrial restructuring and upgrading."[34] Distinct from the grand narrative of "the industrial upgrading" created by the state and tagging himself as a worker from "traditional industry," Uncle Huang attributed his own meaning to "industrial upgrading", being that high skilled technicians will gradually take over the jobs of low skilled workers. It seemed that Uncle Huang felt uneasy about the coming change and how it might reshape the opportunities and career trajectories of everyone bound up in the shifting global supply chain.

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[32] This is not to say that the central state retreated from market transition. On the contrary, by marketizing central state-owned sectors (such as the China Merchants Group) and state enterprises in Shenzhen, the Chinese state strengthened its power in the market economy (Yang 2001; Pieke 2009).

[33] Shenzhen was nominated as *jihua danlie shi* (计划单列市), a city with independent budgetary status, in 1988. This means that the revenues and expenditures of Shenzhen could be directly linked to the central government. It is independent from Guangdong Province.

[34] Further information on *Shibada baogao jiedu: huijiu weilai fazhan hongwei lantu* (The Interpretation of the Report of the 18th National Congress of the Communist Party of China) is available at: http://theory.people.com.cn/n/2012/1114/c49155-19576851.html.

2.1.3 Shenzhen, De-industrialization, and State-led Urban Renovation: The Rise of the Chinese Market in the World Economy

The local state-led urbanization reshaped Shenzhen into the "first Chinese city without villages and villagers"[35] and integrated Shenzhen into the new urbanization agenda of "building an international commercial-centered city (建设国际化经贸中心城市 *jianshe guojihua jingmao chengshi*)" in 2003.[36] New hi-tech parks were established by the local state to drive information technology enterprises such as Tencent and Huawei, and internationalize them on to the global market. Obsolete factory zones were gentrified into tech-innovation clusters designed as local re-imaginings of Greenwich Village in New York, or co-working spaces in Silicon Valley. An official urban planner who has worked in Shenzhen for 15years explained: "If we say the Communist revolution triumphed in 'rural areas encircle cities'[37] (农村包围城市 *nongcun baowei chengshi*), then the contemporary post-industrial economic development can be seen as a model of 'cities encircle rural areas' (城市包围农村 *chengshi baowei nongcun*)."[38]

The second borderline was completely deconstructed in 2015 by local government to loosen its control on human mobility. In January 2018, the State Council announced formal policies to deconstruct the second borderline of special economic zones and write it into the "history".[39] "Here is no need to set the segregated line anymore because there is no sharp imbalance in economic development between inner metropolitan city of Shenzhen and peripheral city of Shenzhen,"[40] a retired local official told me. Further, as part of mainland China, Shenzhen looks like Hong Kong today. The big, cheap production chain of manufacturers is leaving the peripheral city of Shenzhen and moving to Southeast Asia and other northern provinces in mainland China. Equipped with modern and globalized urban maintenance, the central urban districts are being gentrified into innovative spaces such as expensive residential communities, hi-tech zones, maker spaces, financial centers, and big shopping malls. As was ironically stated by a tech-startup worker: "the economic miracle in Shenzhen today is the tech-innovation fever and the unbelievable house prices."[41]

The existing regional/urban-rural economic inequalities during state-sponsored

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[35] The China Metropolis Daily article *Shenzhen chengshihua tisu, jiang chengwei quanguo shouge wu nongcun chengshi* (The Acceleration of Shenzhen's Urbanization: Shenzhen Will Be the First Country-less City in China), is available at: http://www.china.com.cn/chinese/2003/Oct/432834.htm (Accessed August 8, 2016).

[36] The People Net article *Shenzhen shouci tichu shijianbiao, jiancheng guojiahua dushi zhishao xu shinian* (The First Time that Shenzhen Launched the Schedule: 10 Years Needed to Build up an International City) is available at: http://www.people.com.cn/GB/jingji/1038/2098785.html (Accessed August 8, 2016).

[37] A revolutionary discourse in the Maoist era.

[38] Interview with Fu, an architect working at the Institute for Rural and Urban Planning Shenzhen, October 06, 2015.

[39] The State Council on the Consent to Withdraw Shenzhen Special Economic Zone Management Line (*Guowuyuan guanyu tongyi chexiao Shenzhen jingji tequ guanlixian de pifu*) Please see: http://www.gov.cn/zhengce/content/2018-01/15/content_5256812.htm (Accessed March 12, 2019).

[40] Interview with Wang, December, 2015.

[41] Interview with Liang, November, 2015.

development in the 1980s resulted in many rural laborers migrating to fill shortages in the booming, labor-intensive, export-oriented manufacturing industry. However, mobility refers not only to human-capital inflow, but also to their outflow. The recent state-led de-industrialization of the labor-intensive manufacturing industry and the technologically upgraded industry witnessed an outflow of low-end workers and inflow of high-end workers, mainly young professionals. Considering that contemporary China's industrialization is one of the largest markets in the world innovation economy, many young professionals come to Shenzhen. Holding at least undergraduate professional degrees, most of these newcomers compensate for an emerging labor shortage in professional service industries such as information technology, finance, and various creative industries.

Furthermore, not only Chinese, but also young foreign graduates are starting to come to Shenzhen. Farhad, an informant from Iran with an electronic engineering degree, reported that from his perspective Shenzhen is not only a site to promote design and production processes, but also the biggest market in South China to sell his product. Every large electronic accessory brand gives Shenzhen marketers the lowest price to sell their products, consequently Shenzhen is considered as the biggest market for consumer-end electronics. Increasingly, Chinese customers are favoring fancy electronic commodities that perform as "modern human beings." On the global scale, modes of entertainment, consumption, and lifestyle are tightly bound by the newly invented techno-products such as robotic accessories for smart homes. Parallel to this growing global market for electronic commodities, is the rising tech-innovation fever in China.

2.2 Innovation in China: Late Capitalist Activity and Its Chinese Metamorphosis

The current Chinese innovation fever is grounded in the global rise of the maker movement. The "Makers" that informant mentioned in our conversation are seen as a globally growing group who define themselves as DIY-ers, using cheap open-source electronic kits, software programs, and crowd-funding to make customized industrial products. Thus, they claim to challenge the mass-production of consumer goods. Originating in America and promoted as a social and economic alternative to late-capitalism, the Maker movement emerged in the aftermath of the burst dotcom bubble (early 2000s) and the sub-prime mortgage crisis (2008).It has steadily gained popularity among young people suspicious about the consumerism of the 21st century digital economy.[42] American scholars critical of the passive post-industrial consumption-oriented economy, propose that Makers can be "rugged consumers" able to mediate between self-sufficiency and mass-consumption-dependency (Malewitz 2014). Tech

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[42] An American informant who was living in the California Bay area told me that after the economic crisis in 2008, there were more bottom-up group meetings in discussing the function of the Maker movement.

industry commentators wanting to promote an American anti-Fordist culture see the Maker movement as a new chance to accelerate the process of "idea-to-products and jobs" in America.[43]

Fascinated by the spirit of the Maker movement, Chinese techno-hobbyists "de-territorialize" Maker culture and the social codes of the Maker movement, and then "re-territorialize" them in the context of China. Anthropologists and human geographers use "de-territorialization" to explain the disconnection of culture, capital, labor, and place when nation states conduct deregulated control in the domestic market (Harvey 1989; Appadurai 1991, 1996). In 2008, *chuangke* (创客 Maker), a popular concept from California, was imported to China to indicate a group of Chinese techno-hobbyists who used innovative design, free open-source components, and cheap means of production to DIY technology-based products for entertainment (Lindtner and Li 2012; Lindtner 2015; Wang 2019).

In the marketing of the Maker movement, hacker technology and free open-access concepts are appropriated by American Maker culture promoters who are active in the Chinese Maker market. These tools are invented based on licensed open-source electronic accessories that challenge the monopoly of big manufacturers. Like many anti-consumerist activities, the Maker movement calls for classic and romanticized characteristics of post-industrial culture and cherishes personalized Do-It-Yourself products. In practice, the social acceptance of hacker technology, open-source accessories, and online and offline open platforms does not liberate techno-DIYers from the monopoly of manufacturers. Instead, it creates a niche market for niche consumption in the so-called digital age. Later chapters will offer more details on how niche production and consumerism is rising in mainland China. A widely accepted mindset emphasizing "customized production" drives more and more Makers to produce and market customized electronic kits on the rising niche market. In this sense, the American Makers moral imperative to challenge current capitalist production and consumption has been translated by Chinese Makers as an entrepreneurial practice to "explore the niche market of customized electronic products."[44]

2.2.1 "Maker-Innovation is a new business in China!": Nationalizing the Grassroot Innovation Movement in China's Urban Economy.

As "cultural brokers," overseas Chinese professionals played pioneering roles in translating the Maker movement to China (Saxenian 2002; 2003). The son of a Teochew merchant and a Taiwanese American, David Li worked for an American IT company

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[43] The Atlantic article Mr. China Comes to America. Please see:
http://www.theatlantic.com/magazine/archive/2012/12/mr-china-comes-to-america/309160 (Accessed August 5, 2015).
[44] Conversation with Ouyang, November 20, 2015, Shenzhen.

from 1992 to 2003 before migrating to Shanghai. He established the first Maker-space in Shanghai in 2008. He was motivated by discontent that there was an absence of professional spaces for DIY techno-hobbyists to do cost-less and innovative projects in the name of "democratic innovation." In order to affiliate the Chinese Maker movement with global Maker and Maker culture, Li and his friends (respectively working for Google China's branch and an America IT company) set out to establish a Maker-space in Shanghai, called *Xinchejian* (新车间 the new studio). After co-establishing several Maker-spaces and Maker education programs, Li was considered a guru in Chinese Maker circles.[45] Li and his partners proposed that the spirit of the Chinese Maker movement is to create new things by appropriating and upgrading copycat knits. New intellectual contributions support and legitimate their argument that Western-centered intellectual property (IP) systems harm grass-root innovation in China (Prud'homme 2012).

The Chinese government extensively sponsored the translation of the Maker movement in order to develop an innovation-economy and tiny-scale private enterprises in China. The national policy of promoting mass-entrepreneurship is widely practiced by anxious local developers through their new invention of "business platforms"—the online and offline entrepreneurial infrastructures—intended to revitalize local enterprises. Bottom-up innovation campaigns are an alternative for urban developers, a way to reform the current tech-development model. The central government launched a technology development agenda called the Torch Project as early as 1988 to market the technological accomplishments of state-owned science-labs and to internationalize Chinese tech-innovation. This project contributed to the rapid establishment of urban tech-industrial parks in the 1990s. It is during this decade that Chinese IT tycoons including Baidu, Alibaba, and Tencent became rising stars on the world economy.

During the same period, the governments of large Chinese cities accelerated plans to build infrastructures for urban-centered tech-innovation. Starting in the 2000s and with the assistance of returning professional migrants, Bejing Zhongguancun Innovation Way, Shanghai Zhangjiang Hi-tech Park, and Shenzhen Nanshan Hi-tech Park were successively established by local developers to amplify the innovation economy in these local regions nationally. On an organizational level, the success of the B2C (Business to Consumer)[46] Maker business gained the attention of the aforementioned Chinese IT giants. Baidu, Alibaba, and Tencent created their own online crowd-funding platforms to attract Chinese Maker projects and to market these innovations domestically.

Chinese participants are enthusiastic about the expansion of the global maker-movement in China. "It seems that you can do tiny innovative programs with a group

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[45] See online-report David Li, founder of China's first makerspace "New Danwei" (*zhongguo shouge chuangke kongjian xinchejian chuangshiren li dawei)*: http://www.szida.org/content-6-2074.html (Accessed August 5, 2015).

[46] Business-to-consumer refers to the process of selling products and services directly between consumers who are the end-users of its products or services.

of innovative minds!" stated Xiao Luo, an informant who regularly participated in open-night activities at a maker space in Shenzhen. However, if we look beyond the pragmatic dimension of this newly emerging urban industry, we can see that the expansion of the global maker-movement is an activity of business creation on the frontier of the Chinese world factory zone. "Maker-innovation is a new business in China!" reported an informant working as a managerial official in Luoyang High-tech Zone. His team and I were interning in a managerial sector of Shenzhen Nanshan Hi-tech Park in 2015. Further, he told me that what is important is that the policy-driven innovation campaign produces business opportunities in this niche market and introduces new standards in the existing hierarchical urban industries.

2.2.2 Maker Activity in Shenzhen: The Recognition of Individuality

As early as 2008, the UNESCO Creative City Network foundation nominated Shenzhen as one of three large Chinese cities (including Beijing and Shanghai), as "the innovation metropolis". As a means of exploring the online economic momentum, the Shenzhen local economic developers and B2C Maker businesses created and/or reformed the necessary infrastructure required to enable maker-innovation in the local area. The Shenzhen Municipal Science and Technology Innovation Council reported that 67 technology-based business incubation spaces were constructed[47] in order to offer free offline space to grass-roots Makers in a two-year period (2013-2014). Further, since 2014 local governments have encouraged grass-roots Maker enterprises by organizing creative and industrial fairs to exhibit the digitally-driven Maker enterprises in Shenzhen.[48] The hope, for these governments, is to broaden the regional movement's influence on global innovation.

Undoubtedly, innovation fever in Shenzhen and the Pearl River Delta signifies a recognition of individualization on this site of mass production and trade. When asked why they came to Shenzhen Nanshan rather than Beijing, Zhongguancun or Shanghai Zhangjiang, my informants offered mind-maps about the differences between these three innovation clusters. There is a mindset today, circulated on social media and in young professional groups, that compared to Beijing and Shanghai, Shenzhen is a *waidiren* (外地人 outsiders) friendly city. Created by the local government in 2012, the city slogans, such as "the people who come to Shenzhen are Shenzhen people (来了就是深圳人 *laile jiushi shenzhenren*)," "Shenzhen, an open city *Shenzhen,* (深圳，一座开放的城市 *yizuo kaifang de chengshi*)," and "open innovation (开放创新

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[47] A list of incubators in Shenzhen: http://www.szsti.gov.cn/services/resources/incubators (Accessed March 7, 2016).

[48] I interviewed a cadre working in district Technology and Innovation Bureau of Shenzhen City, November 11, 2015, Shenzhen.

kaifang chuangxin)"[49] were frequently mentioned in my discussions with informants. As a capital city, they believed Beijing to be too political to conduct market-oriented innovation led by professional newcomers.[50] In the world economy Shanghai played an important role, incarnating industrial modernity in the late-Qing China (1843-1919). However, this *entrepôt* economic region was strongly nationalized in the 1950s and turned into an economic center co-constructed by place-bound economic networks in the Yangtze River Delta in the 1980s. Whether true or false, this exercise of mind-mapping can, in some sense, explain why increasing numbers of young professionals want to realize their personal dreams in Shenzhen. In 2014, Li and his partners expanded the Shanghai Maker community in Shenzhen and together with Shenzhen Open Innovation Lab (SZOIL) established the Intel foundation and the Shenzhen Industrial Design Association (SIDA) to create a networking and technology platform for young newcomers and to link the bottom-up innovation campaign with the local industrial system. Joining in this tidal turn of the national economy, young Chinese and non-Chinese people including students, overseas professionals, and global adventurers, have been drawn into Chinese innovation clusters to earn their first buckets of gold.

More and more practitioners have joined the Maker movement in Shenzhen to initiate changes in their business and production models. Eric Pan, a Shenzhen-born former Intel engineer, ran a workshop studio and a small factory that produces open-source electronic components for the growing customized niche market in Shenzhen. Unlike most hardware electronic knits producers who work with business-to-business (B2B) sales models in the export supply chain, Eric Pan established an online business-to-customer (B2C) business model to reform his former B2B marketing system. As a former engineer at a large company, he discovered that the old-fashioned B2B business model cannot fulfill the needs of the emerging numbers of techno-hobbyists. Instead, he began selling online electronic components directly to individual customers. This direct-sale B2C model was often copied by other followers of the Maker movement. Like B2C pioneers such as Eric Pan, Chinese Makers began releasing their ideas on international online platforms such as IndieGoGo and Kickstarter to attract individual buyers and to ask for crowd-funding to turn their ideas into products.

The recognition of "individuality" in Shenzhen is also an emerging governing strategy, an adaptation. This followed new trends in local and global economic movement. The local grass-roots innovation of businesses was immediately noticed by the local authorities. Eric Pan and David Li are examples of this. In spring 2014, when Eric Pan's startup, Seeed Studio, received series A funding from IDG Capital Partners, an American capital funded investment company, it bought and undertook the authority

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[49] Shenzhen's government launched a propaganda video "The people who come to Shenzhen are Shenzhen people" (《来了，就是深圳人》) to express the liberal social atmosphere and the promotion of individuality in Shenzhen, available at: https://v.qq.com/x/page/w0332y3bzyp.html. Other articles published in official media declaring and branding Shenzhen a young, open, and active city in South China, are available at: http://fashion.qq.com/a/20171130/037887.htm and Xinhua News: http://www.xinhuanet.com/local/2016-05/10/c_128972504.htm (Accessed September 20, 2016).
[50] Interview Yang, Futian, November 10, 2015.

to organize a Chinese version of a Maker Fair. His Maker space, Chaihuo, was visited by Premier Li Keqiang after the ceremony of the first Maker Fair. Later, he was nominated to join the 2015 Chinese People's Political Consultative Conference in Shenzhen. Subsequent chapters will further articulate how local authorities join the construction of new economic activities in Shenzhen.

2.3 Innovation in Transition: New Market, New Code, and New Division of Labor

The export-oriented economic development agenda made Shenzhen a world-famous site, as it "is the biggest cheap 'copycat' portable phone wholesale center."[51] It has attracted many entrepreneurs from African countries and the Middle East to buy in and sell out to their home countries, earning profit from the price differences. Buyers come during the busy season and live in temporary residential areas in the cities. The story of buyers who settle in cheap guesthouses in Hong Kong, buying and smuggling low-end "copycat" electronics like smart phones and MP4s from Shenzhen, are recounted in Gordon Mathew's work, *Ghetto at the Center of the World*. Mathew's main argument is that day-by-day globalization regulated by commodity chains and less-regulated by (neo-)liberal states has produced low-end globalized stop-over sites such as Chungking Mansion in Hong Kong. In his book, he concludes that should this low-end globalization stop in Hong Kong, it would restart in Shenzhen if the flocks of international low-end product buyers resettled in mainland China. This has turned out to be partly true: hundreds of foreigners from all over the world, and from different social backgrounds, now come to South China's coastal cities, such as Guangzhou (Gordon, Lin and Yang 2017) and Xiamen (Lehmann 2014), seeking opportunities.

However, diverging from the process of low-end globalization, as outlined by Mathew, are Shenzhen and the current Guangzhou. The new scheme of "innovation China" is gradually replacing the low-end globalization which was embodied by the cheap or counterfeit goods trading nexus in South China. Big trading ports have experienced acute urban gentrification because of urban planning. The state-sponsored urban innovation drives market transition. In order to adapt themselves to this new market, the urban newcomers have started to invent new codes of production/invention and business. Stimulated by this industrial upgrading, the labor market has fallen into new patterns of labor division. The following section will introduce and explain these new transitions in relation to Shenzhen's urban techno-innovation.

2.3.1 Market Shift

Shenzhen's Huaqiangbei electronics market is a prime example of the market shift that

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[51] Interview Farhad, November and December, 2015.

this section will outline. Often tagged as the biggest market of copycat electronics in the world, the Huaqiangbei electronics market attracted merchants from African and Middle Eastern countries to buy cheap cellphones and other electronics to meet the demand of their markets. The central government attempted to dispel the negative image of Chinese products by launching a series of policies to punish producers of counterfeit goods and passing laws and regulations on intellectual property issues in China. Following the central government's "double-purge" regarding counterfeit goods and infringing intellectual property, local government launched a purge of Huaqiangbei electronics market.[52] Cui Di, a 28-year-old e-commerce startup owner who is running his Teochew family enterprise, remembers the days when "a lot of merchants had to quickly destroy the fake goods otherwise they would be harshly punished by the *dajiadui* (打假队　the troops to crack down the counterfeit goods)."[53] After the *dajia* period, the Huaqiangbei electronics market zone was no longer a hub for cheap "copycat phones." In 2016 when I did my fieldwork in the Huaqiangbei Electronic Zone, Cui Di had transformed his traditional business into an e-commerce online platform with an offline shop in an 'incubation center" of the electronic market.
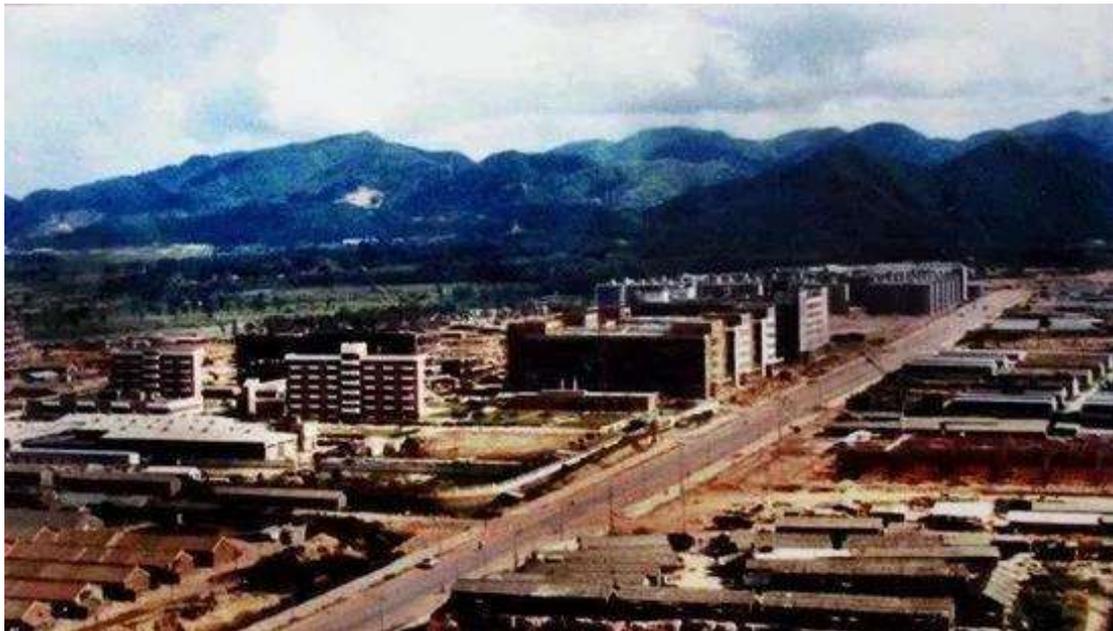
Figure 2.1 - Huaqiangbei market zone, the late 1980s. ©Sina Finance

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Figure 2.2 and 2.3- Huaqiangbei market zone, 2016. ©Yujing Tan

The psychological and institutional strategies to build up China's innovation market seem successful so far. Wanting to learn what day-to-day business is like for a practitioner of electronic innovation in this new environment, I accompanied an informant to Huaqiangbei Electronic World. Farhad is an Iranian expat working for Faragostar Electronic Co., Ltd, a large Iranian electronic hardware enterprise that designs and assembles CCD cameras[54] for overseas markets. China is one of their target markets. Farhad's job was to collect reliable electronic accessories for CCD cameras in Shenzhen. When we met in the summer of 2016, he was searching for opportunities to sell his own products on the Chinese market. This buying tour with Farhad, and the never-ending chat with a local female salesperson, highlighted for me two main market shifts concerning the global supply chain.

Firstly, China is seen and imagined as potentially the biggest consumer-end products market in the world. The foreign customers I met in Shenzhen Huaqiangbei Electronic World were not only "big buyers" of electronic components, but also individual professionals and opportunity seekers who legally or illegally affiliate themselves with the local workplace to start their own businesses in Shenzhen. In other words, more and more individual foreigners (not only company expats) are becoming producers, joining in the production of Chinese brands/goods which meet the needs of the broadening domestic markets. At the Huaqiangbei market I met Darko, a Latvian industrial designer, who buys samples of hardware electronic knits to produce small scale customized products for the Chinese market. He established a startup with his Chinese business partners.

Secondly, China's market shift has produced a new stratification of "global chance seekers" in Shenzhen. This situation was explained by Xiao Ling, the boss of a small store operating both retail and wholesale hardware electronic knits businesses in Huaqiangbe: "There are more and more Euro-American individual customers coming

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[54] CCD camera is a video camera that includes a charged-coupled device (CCD), which is a transistorized light sensor on an integrated circuit.

to Huaqiangbei. They are not 'big buyers.' They are working here. Several years ago, most of the foreigners walking on this street were Middle Eastern people and African people." Far from being racists who classify people's capacity by biological difference, female salespeople like Ling are sensitive to the nationality of their foreign customers. They also have specific marketing mind-sets towards their customers with different nationalities: "People from Middle Eastern countries are rich for sure, but not all of them. We test their consumption capability by investigating how many samples they buy the first time. New African buyers keep a low profile. They are rich but they do not require large-scale order. I call them 'new' because the old African buyers were really poor. They were 'smugglers with big black suitcases' buying cheap 'copycat' cellphones. Those who come from developed countries, like Americans and Europeans, are working around Huaqiangbei. They come and buy several sets for working with their Chinese business partners in nearby incubation centers."

The stratification of global chance seekers in the Chinese market appears to be accelerated by the Chinese market shift. The shift from an export-oriented economy to a consumer-driven innovation economy asks for professional workers with diversified professional backgrounds to answer the sophisticated demands of both Chinese domestic markets and overseas markets.

2.3.2 From "Copycat Production" to the "China-innovation"

"加快建设创新型国家。创新是引领发展的第一动力，是建设现代化经济体系的战略支撑。"
"Accelerate the building of an innovative country. Innovation is the first motivation to lead development and a strategic support for building a modern economic system."

— Xi Jinping, the General Secretary of the Communist Party of China, the President of the People's Republic of China, and the Chairman of the Central Military Commission. (Delivered at the 19th National Congress of the Communist Party of China, October 18, 2017)

Due to the decline of China's RMB dollar and price of made-in-China low-end products becoming uncompetitive because of the rising cost of the labor force over the past decade, most export-oriented merchants have had to re-orient their business strategy and not depend too much on the overseas market. Informal merchants in Huaqiangbei have had to reorient their marketing strategy in the domestic market or upgrade their image in the global supply chain from "cheap manufacturers" to "innovative designers." As the digital economy plays an important role in the Chinese domestic

"industrial upgrading"[55] the newly established startups in Shenzhen are not only dealing in the hardware business, but also the software business; that is, they produce and sell both tangible and intangible goods on the market. Digitalization has already challenged the world economy which is bound to both (re-)production and consumption. Here, I do not wish to indulge too quickly in a theoretical discussion of digitalization and how it changes people's perceptions of everyday life. Yet, tech-entrepreneurs and startup employees do participate in a certain double-selling of tangible-intangible goods, in line with the requirements of the consumer market, regardless of how they may be driven by policy: "Young people, including me, cannot live without internet and our portable electronic device. It is our duty to produce such smart products to meet the demand of our consumers, including me," Zou Yang, a startup employee working as "product manager" of a startup, told me.

Export-oriented merchants of copycat goods are joining the techno-innovation campaign for two reasons: the state-sponsored "de-industrialization" of the industry, and the fear of punishment. Commodities sold in Huaqiangbei electronics market are "upgraded with more added-value by application of new tech-innovations."[56] These new inventions include varied electronic commodities from smart phones to customized electronic devices in their own brands, such as power banks, consumer-end robotic devices and health data calculators that can be affiliated with Apple or Samsung smart phones using digital platforms offered by companies like Tencent, Baidu, and Alibaba.

However, Cui attributed this market change not to the purge of counterfeit goods, but to rising domestic consumption: "More and more Chinese people would like to buy these innovative pieces of stuff, not only foreigners. So, we are expanding commercial franchises in inner mainland China." This outlook fits well with the central state's policy that manufacturing goods are to be upgraded with the assistance of information technology to further the supply-side economic reforms.

The re-valuation of Chinese grassroot tech-innovation is intertwined with the invention of a moral code to turn the global imagination of "made-in China" and "copycat China" into "innovation China." Copycat, *shanzhai* (山寨) in Chinese, means a botched imitation of foreign products.[57] During the early period of export-oriented industrialization in the 1990s and 2000s, *shanzhai* products were always seen as a representation of China's low-end production and innovation starved system. However, in the current situation, Maker production with copycat systems in Shenzhen and the Pearl River Delta has become a positive activity created by the emerging self-identified techno-hobbyists (Lee and Hung 2014).

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[55] Each of startups I encountered in Shenzhen are bonding their business and development strategies with the internet industry, echoing the state-supported "Industrial Upgrade with the Internet" (互联网+产业升级 hulianwang jia chanye shengji).
[56] Interview Cui, Huaqiangbei, November 22, 2015.
[57] The term Shanzhai reflects the playful attitude of Chinese mass media readers towards Chinese producers copying Western producers. It also reflects the self-deprecation of both makers and consumers, often associated with the statement that 'there is no innovation in China, only copying.'

Many of the techno-hobbyists I encountered told me that they wanted to design and produce copycats modifying the appearance of "authentic" products, positing this practice as innovation. In order to perform as innovative subjects rather than copycat producers, these maker-entrepreneurs rebrand "copycat China" into "innovation China" by giving copycat production a positive meaning with terminology and mindsets borrowed from the American Maker movement. "Products always consisted of hacker technology and disruptive innovation to renovate Western-designed manufacturing products. The ambition of making copycat is what I call the spirit of Makers." This was stated by an industrial designer, Xiao Bo, who wants to sell his copycat smart bracelets. The forerunning overseas Chinese Makers, like Li and other foreign self-defined Makers I encountered in Shenzhen, have joined the reproduction and promotion of this idea, "copycat is the innovation in China."[58] They believe that in the outsourcing system of the global economy, intellectual property (IP) is a tool to maintain the high-value position of "western designers" and the low-value position of "eastern manual labors." "This is unfair that Westerners have owned the discourse power for a long time," said Xiao Bo: "Why not Chinese *zhanzhai* is an innovation?"

The nationalistic moral revision of copycat production in China is actually grounded in the fact that the intellectual property (IP) laws in China support young people rebranding their production into high-end innovation. The gap between "copycat China" and "innovation China" was very much bridged and supported by the modification of IP laws in the country. Xiao Bo's bracelet looks the same as what Nike has already made. "But how about the intellectual property? Will you be sued by big companies like Nike?" I asked suspiciously. "No, I try my best to modify the appearance of my smart bracelet, use different operating software system and open-source knits to support it. They cannot sue me," he proudly answered. "The Chinese copycat designers always try not to break the intellectual property law, we want to use our *shanzhai* goods to tell the world that *shanzhai* is the innovation with Chinese characteristics!"

2.3.3 The Division of Labor in the Innovation Economy

Grass-roots tech-innovation pioneers come from declining export-oriented enterprises. Against the economic background of export-oriented businesses falling from dominance in the Chinese market, Huaqiangbei electronic market zone experienced a reshuffling of divisions of labor and modes of business over the past decade. This was explained to me by Cui Di, who has support from his strong Teochew merchant family. Teochew merchants dominated the business network in Shenzhen after the Reform in 1978. In his uncle's generation, their business was buy-in-and-sell-out. However, the

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[58] David Li: Shenzhen has inherited the culture of Silicon Valley, "copycat" is innovation. Please see: http://www.yicai.com/news/5364934.html (Accessed December 10, 2017).

so-called supply-side economic reforms pushed the younger generation to conduct more diversified business based on 'tech-innovation'. Cui Di stated that "There are not many large-scale standardized overseas orders in our family enterprise." He added that to sustain their business in Shenzhen, they had to reorient their business strategy to fit the diversified global and, especially the domestic orders: "I believe China would be the biggest market for our own products just as state mentioned in the economic policies." Following state-led policy changes, Cui Di registered his own startup in an incubation center in Huaqiangbei.

The decentralized, flexible working structures are replacing rigid, centralized ones. The tiny-scale startup model is highly appreciated and appropriated by young Chinese tech-professionals. "We do not need to clock in with our name-card every day. It is also unnecessary for us to report our schedule to an admin manager, because we do not have an admin manger. Actually, the managers are ourselves," Xue, a 26-year-old startup runner, told me. Expectations of such workplace autonomy are directly represented by another phenomenon, being the increasing number of professional employees in large local tech-enterprises running their own startups with their peers, performing as their business partners. They choose incubation centers to embed their off-work-business in. The decline of the export-oriented electronic market has resulted in many "trading centers" (a type of shop with extensive networking resources regarding manufacturing chain and salesperson groups in Huaqiangbei) declaring bankruptcy in the past decade. Huaqiangbei Group, a state-owned enterprise that has controlled the land use of Huaqiangbei Electronic World since it was built in 1982, gentrified the empty offices of these former "trade centers" and transformed them into "incubation centers" that could re-group new people and capital.

Generally, there are three main changes in business and working models in Shenzhen. Running parallel with the changes in the domestic innovation economy, the new division of labor is based on the reorganization of market and industrial societies.

First, enterprises following the tiny-scale startup model are booming in Shenzhen, yet are also grounded in a larger scale supply chain within the information technology industry. This is not only because the state gradually lost its role regulating company-scale and individual investment due to changes in China's Company Law in 2013,[59] but also because local high-tech tycoons outsourced their development projects to those booming startups. For example, a young graduate working at Tencent, the biggest Chinese internet company, told me that the company outsourced more than 40 percent of its projects, distributing the projects to different tiny startups due to a fear of leaking commercial secrets. During my fieldwork, I discovered that while some of my informants were formally working in large local enterprises, they were also the founders of two or three startups. When asked whether their bosses at Tencent permitted part-

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[59] The Amended Company Law in 2013 no longer requires a minimum amount of registered capital to run a company. That is, it has become much easier to register and start running a private small-scale startup in China. Here is a document from China Company Law website depicting the comparison of the old and revised version of company law in China, please see: http://www.cngsf.com/duibi.htm (Accessed December 10, 2017).

time entrepreneurship, they replied that their off-work-business is acquiesced to by their bosses. Further, after starting their own company, they received outsourced projects from their formal workplace. Xue reported that 40 percent of their current business was outsourced from Tencent.

Second, digital economy plays an important role in the Chinese domestic "industrial upgrading."[60] Digitalization has already challenged the world economy, which is bound to production-reproduction and to consumption. As depicted in chapter four, the startup runners integrate economic value with morality in marketing. Imagining and advertising their startup enterprises as direct outcomes of the "industrial upgrading with Internet," they differentiated their businesses from the "old-fashion business model which is producing goods in mass-scale assembly lines and sell them at cheapest price."[61]

The new moral discourse appropriated in these startup enterprises also echoes the larger economic situation where, over the past decade, labor costs have risen five-fold and professional technology designers have become the new working class[62] in Shenzhen. To legitimate their design service, previously neglected by mass-manufactures for a long time, these tech-entrepreneurs have fashioned themselves as tech-designers, implying aesthetic value and differentiating themselves from standard mass-manufactures. To do this, the prices of their design-based products increased being justified by their "design capability" which, for them, is not perceived as a labor cost. This leads to the third changes in the urban tech startup working pattern. As explained by Luo Li, a Hakka tech-entrepreneur, "We do not produce low-quality cheap products to meet standardized mediocre consumers. We design and produce customized products for diversified tastes of our customers. Most importantly, we sell goods to those 'wise' consumers, with a special aesthetic sense, who are not irrationally chasing luxury products. It is our turn to maintain the price and customer network not only for profitability, but also for producing goods with aesthetics and utility."[63]

Third, the new corporate outsourcing management model produces increasing demand for startup enterprises and the new division of labor they entail. The important profitability of the new market shift is dominated by intangible aspects of production: namely, marketing, brand development, and design. As Jennifer Bair (2005) argued, "as intangible aspects of production become important for the profitability and power of lead firms, 'tangibles' (production and manufacturing) have become increasingly commodified, leading to new division of labor and new hurdles for developing-country producers to overcome if they wish to enter these chains (Bair 2005: 165)." In Shenzhen, more and more young professionals are establishing their tiny-scale startups

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[60] Each of the startups I encountered in Shenzhen are bonding their business and development strategy with the internet industry, echoing the state-supported "Industrial Upgrade with Internet" (互联网+产业升级 hulianwang jia chanye shengji).

[61] Interview Zou, 19-11-2015.

[62] Here I do not intend to dive into the pool of debate around "class issues." I intend to bring "class issues" back in the second chapter of my thesis.

[63] Interview Luo, 18-07-2016.

and assembling functional teams based on—even though they may not recognize it—a new division of labor roles: those who have specific management skills perform as "Chief Executive Officer," those who have information engineering and design skills perform as "Chief Technology Officer," and those who have broader social networks with potential investors gain the position of "Chief Financial Officer." By appropriating these fixed symbolic names, startup runners gain agency, working as managers of their own skilled labor force in this consumer-technology industry.

2.4 Conclusion

Current changes in industry and consumer markets have me rethinking Gordon Mathew's argument as one of the starting points for my research: how might the reset of low-end globalization be changed by the reconfiguration of industrial upgrading, consumer markets, and state-supported domestic tech-entrepreneurialism in China? How could we reinterpret "market transition miracles" to better understand the role of SEZ under so-called "global recession?" How are people, capital, power, technology, and ideas co-producing the "miracle" via their mobility and "innovation," even while regulated by a series of institutions, expectations, and desires?

I argue that rather than focusing too much on the commodity chain, as is often done in current understandings of globalization, focusing on how the supply chain proceeds will help us understand more about who makes what, in which way, and causing what kinds of social consequences within and without the contemporary nation state. This is especially true, I argue, in connection with issues of social inequality, class stratification, etc. In this context, tech-entrepreneurs-to-be are those who have diversified social-economic backgrounds, namely "social capital" and "economic capital." Their specific ideas on techno-innovation may be disparate, but they have common goals in Shenzhen: establishing tech-entrepreneurship, taking risks, building "a home," and making changes via doing "new things."

Chapter Three Towards an Innovation-Society in Shenzhen

Networking "Chinese Innovation" Through Associations

The previous chapter explored how the state agenda of innovation incorporated policies of population and capital which are embodied into local spatial planning and labor division to create an imagination of a desirable future. The agenda included the tools essential to instrumentalize the strategic adaptations of young people and their mobile lives and flexible work in Shenzhen. This chapter explores how a new mode and institution of association is invented to connect the central state's innovation-campaign to local market society.

To manage local government-business relations in the early 2000s, the Chinese central government launched a series of social management agendas to formalize the development of private enterprises (私营企业 *siying qiye*), the emblems of the Chinese market economy, and to regulate private non-enterprise unit (民营非企业 *minying feiqiye*) and social units (社会团体 *shehui tuanti*), the defining forms of Chinese civil society. To what extent, the new social forces could form a 'civil society 'and change the Chinese political regime" remains a puzzle in the development of the Chinese new economy.

This institutional change challenges scholarship that frames its questions by discussing the rise of civil societies in China (White 1993; Saich 2000; Ma 2005). By discussing whether or not there exists space to cultivate "civil society" as a third space or "third sector" (Hildebrandt, 2015) between state and society, some scholars use the outsourcing of public services to understand the changes of political agenda in the party state (Shieh and Deng, 2011; Hildebrandt, 2013; Thornton, 2015), the new model of state-society relations (Heurlin, 2015), and the logic of governing NGOs and social enterprises in China (Jagusztyn and Teets, 2015).

The rise of social associations provokes social changes. As argued by Hildebrandt, rather than harnessing the Chinese state, many NGOs have helped strengthen it by adapting their activities to match government interests (Hildebrandt, 2015: 121). In addition, Thornton finds that the Chinese state innovates governance by loosening the system of social organization registration. By encouraging the formation and growth of some professional associations under the aegis of Party control, the Chinese state can carry out Party-directed activities which pertain to its core tasks (Thornton, 2015: 144). Meanwhile Teets emphasizes the partnership between the state and the emergent civil society organizations (CSOs), which actively engage in local social innovations to cooperate with state-led projects (Teets, 2015: 87). However, from the perspective of state-market corporatism, their studies perceive social associations as tools or puppets of the party-state and lack discussions on how central-local state relations influence the direction of local state social organization relations. Carolyn Hsu (2015) offers an

organizational approach to understand the dynamic relation between state (central, provincial, and local) and NGOs and focuses on the institutional power of NGOs. Hsu emphasizes the institutional power of NGOs, how they can exploit state authority and draw public attention to social and economic issues via mass media.

I worked as a research assistant for a local NGO, volunteered for a tech-entrepreneurship service association, visited two social associations (协会 *xiehui*) with different "faith" in the local promotion of innovation campaigns, participated in the trans-regional alumni association (校友会 *xiaoyouhui*) of Zhejiang University in Shenzhen, and joined a local research think tank as a trainee. However, following an institutional change that I experienced as an intern in a local governmental sector, I realized that the network society (关系社会 *guanxi shehui*) in the local area had been reframed and rebranded in the aegis of "civil society" as expected by local officials in the third sector between the state and the new economic market sectors. I discovered that the state-led civil societies are the nexus to see the possibilities of grass-root innovation and how local-state changes its governing face in the new economy. The local social training system is maintained by newly registered social associations and NGOs in Shenzhen. They called themselves "techno-incubators" and were talent absorbing machines. Social associations, such as professional associations and alumni associations, influence the urban renovation and branding agenda and re-define mobility in Shenzhen. State-owned-service-sectors-turned-NPOs, non-profit foundations, and state-owned service sectors were re-organized into new associations, or "communities of innovation" in their words. This complicates my argument and research concern: to what extent, do I need to re-position "civil society" to understand the construction of government-business relations (政商关系 *zhengshang guanxi*) in the innovation economy? This question had been neglected by civil society experts.

Based on the contemporary history of social associations in Shenzhen, this chapter starts to articulate the turning point of network societies in Shenzhen. Further, it highlights how scholarly discourse on the relation between market society, civil society, and the development of the new economy in Shenzhen was embodied in the construction of newly networked inno-associations, which consist of NGOs and social enterprises for encouraging innovation and entrepreneurship locally and internationally. By elaborating the cases and new institutional changes involved in the branding and marketing of the innovation campaign, the second section aims to illustrate how institutional changes driven by the innovation economy were conceived as a institutional innovation (体制创新 *tizhi chuangxin*) of local government. "*Tizhi*" and "*tizhi chuangxin*" are frequently mentioned in every Chinese Communist Party conference to internalize the ideology of "reform and opening up" and "the innovation of science and technology" in the innovation of its own administrative body.[64] I argue that this process manifests how local government and techno-authorities collaborate by

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[64] State Council issued "Notice of the 13th Five-Year National Science and Technology Innovation Plan" Please see:http://www.gov.cn/zhengce/content/2016-08/08/content_5098072.htm (Accessed May 21, 2018).

using discourse of individuality and entrepreneurial spirit and management techniques of associations. The third section interrogates the role of new associations operating collaboratively beyond Chinese territory under the aegis of "one-belt one-road."

3.1 Old Network, New Association in Shenzhen.

3.1.1 The Decline of *Diyuan* (地缘) and the Rise of Inno-association in Shenzhen.

The 1990s witnessed the rise of Teochew, Hakkanese, and Cantonese lineage-bound chamber of commerce (商会 *shanghui*) in Shenzhen, registered as a type of NGO or NPO in China's political context. These local authorities, based on kinship, family, ethnicity and place, more or less act as protective umbrellas in terms of taxation and registration for small-scale businesses (Tao, 2008). The urban mode of local authority-business *guanxi* constitutes the initial organization of small-scale informal economy in contemporary China's market transition (Lo and Otis, 2003).

Tao Qing, a Chinese political anthropologist, conducted his fieldwork in Huaqiangbei Electronic World in Shenzhen at the beginning of the 2000s to explore how the changing relations between the local government and the Teochew *shanghui* reshaped Chinese *shanghui* into a specific quasi-civil society in the market economy. Tao's book The Merchant Tribe in Fujie (《福街的现代商人部落》*Fujie de Xiandai Shangren Buluo*) (2007) successfully argued for their legitimate authority in Shenzhen. Furthermore, it acted as a negotiating agent between the local government and Teochew entrepreneurs. Qing argues that the Teoch *shanghui* gained and strengthened its authority via offering voluntary work, representing the local entrepreneurial groups, and interacting with local government in Shenzhen.

However, since the central government suspended the registration of native association (同乡会 *tongxianghui*) and *shanghui* for fear of "local forces" in recent decades,[65] former *tongxianghui* and *shanghui* needed to re-organize and register as larger *xiehui*, claiming themselves as NGOs or NPOs in Shenzhen. This led them to function more as middle-men trading-off economic and human resources than as negotiation agents between the state and place-bound entrepreneurial groups. The later part in this chapter will specifically explore how local inno-association links tech-entrepreneurs-to-be with the developmental agenda made by the local government. Local-network bound merchants in Shenzhen noticed this transition but gained little sensitivity about it. As noted in chapter three, my informant Cui, a second-generation member of a family of Teochew merchants running a trading business in Huaqiangbei

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[65] This is from an interview with Wu Jiangjiang, the vice-manager of the Taiwan Yushan Association in mainland China, 23 July, 2017. Wu was born in a village of Xiangfan county, Hubei Province. He has worked in native associations for seven years. He found that it is harder and harder to process investment and business tour programs through *tongxianghui* in mainland China.

Electronic World, felt anxious when asked if they had joined professional social associations to promote their business. He claimed that he had nothing to do with the *tongxianghui* or *shanghui* established in Shenzhen in the 1990s, because he thought these organizations were no longer functioning and that their export-oriented trading business was declining and other fund-raising and connection tools were being invented by local banks and IT companies.

Place-bound NGOs organized by local authorities, especially those *shanghui* backed by their kinship financial foundation, were not strongly encouraged to register under the central government-led new NGO Law enacted in 2015. NGOs working for specific industries registered as *xiehui* (profession-bound social association) rather than *shanghui* (a place-bound financial and business association) in the Civil Affair Bureau of local government. In this trend of social management in market societies, state-sponsored professionalism develops especially in the making of local civil societies. Using a certain discourse to differentiate himself from his relatives and the older generation of Teochew merchants, an informant said he did not want to get close to the older generation's place-bound business that was organized in kinship fund-raising schemes.[66] He also pushed his family to re-orient the family business towards the domestic market and use Alibaba, WeChat, and Jingdong.com e-commerce platforms to run their business.

3.1.2 The Expectations for Inno-Associations: Authorizing "Princes" by Making "Peddlers"

The existing academic considerations focus on the construction and function of "civil societies" from modern to contemporary China, but do not attend to how these societies consciously renovated themselves and were shaped by local authorities. After the new economic enterprises turned out to be the new drivers of Chinese development models and the state donated more resources and invested more regulating power in civil societies in the past decade, the newly registered *hangye xiehui* (行业协会 social association bound by "profession" and specific "industry") and foundation (基金会 *jijinhui*) became social associations invented to fit into the logic of the innovation campaign and governing capital-population mobilities in Shenzhen. Rather than manufacturers and trading companies, the tech-startups that underpinned the supply chain of the innovation economy were targeted as new organizations that could benefit from the innovation economy and the enlargement of the domestic market.

However, the current national and international broadcasts promoting how the Chinese government invests heavily into the new economic ecosystem are only partly

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[66] Scholarship defines this type of financial activity in South China as a model of "*minjian jiedai*" (民间借贷 private lending), an informal fund-raising method for some relative-bound merchants to borrow and lend cash. The Wenzhou and Teochew areas are targeted as two main clusters of private lending in contemporary China.

true. Compared to Tencent and Huawei, the two biggest national IT champions grown in Shenzhen, the newly released startups actually receive less in their founding years from the government). In 1998, five young graduates quit their jobs in the state-owned enterprise China-Telecom, received financial aid from the company and later investment from the biggest telecommunication company in Hong Kong in 2000. Shenzhen Nanshan High-tech Zones offered them land and tax-refunds during their founding years.

In the current situation, from the perspective of the local government, big companies are treated as big tax contributors and urban economic entities able to take on greater civil and social responsibility in the local market society, including responsibilities like establishing foundations and platforms for self-employed young professionals running their startups. Re-branding Tencent as a social enterprise in Shenzhen, one of the company's founders established platforms for assisting "social innovation and mass-entrepreneurship" through protecting intellectual property. In addition, he initiated charitable foundations for education on technological and cultural innovation and entrepreneurship in China. Following this trend, Tencent, Huawei and many other state-owned corporations in Shenzhen, such as Huaqiang Industry Co.Ltd, Huarun Co.Ltd, and China Merchants Group, began investing in and donating to the innovation economy in the guise of civil societies.

Figure 3.1 ©Author took the photo in front of the Tencent Building, August 10, 2017

Note: The new Tencent building was constructed within three years. When I came to Shenzhen in the September of 2015, there was only a building frame and 12 floors. However, in the summer of 2017, the whole building is lit up until midnight. The words inscribed on the landmark stone laid after the building was completed say "co-startup with the communist party (跟党一起创业) ."

This transition in South China's political-economic innovations reminds me of Geertz's delineation of two forms of commercial institution in the transitional Indonesia of the 1960s: the peddling style business under bazaar institution and the princely style business under modern firm institution. The bazaar institution in the market economy is treated as fragmentary business conducted through person-to-person transactions and is based on petty speculation, while the firm-centered economy is conducted through impersonal social institutions, protected by formal regulations, and their aim is to develop new market (Geertz 1963: pp.46-pp.47). For Geertz, economic development and social-economic mobility is realized when older, traditional bazaar style business gives way to modern firms.[67] Helen Siu (1989) corrected Geertz's argument based on her findings in the liberalization and de-collectivization of South China villages close to Shenzhen. In that context, Siu argued that the surge of rural entrepreneurs from the old lineage of "peddlers" and the collective enterprises run by cadres as "princes" did create a tension due to the unequal distribution of resources from the state: "although the peddlers and princes as described by Geertz represent two separate patterns of behavior in Indonesia, their socialist counterparts in China are interlocked, creating the ineluctable dilemmas in the 1980s" (Siu 1989: pp.206).

There is an assumption here that the two institutions are competitive in furthering their own interests and that there is always a "winner and loser" in this process. In addition, when the state interferes with this game it could become unfair. This assumption is also the theoretical root of political economists 'considerations of the present transition in China's new economy. Chinese IT tycoons are conceived as "paper tigers" in economics and political science scholarship. By drawing on data on these IT champions techno-economic performance, researchers find that the rise of Chinese IT tycoons fails to spin off the revolutionary technologies and get closer with the government. They argue that these close ties with the government could harm the independence of the firms, and their technological innovation will soon reach a bottleneck in the harsh competition of the global new economy (Fuller 2016: pp.66-pp.67).

However, the current game of prince and peddlers in South China's new economy does not trap players in a "winner and loser" competition or "contracted network."[68] In this more nuanced situation, there is an institutional innovation being made by the local government to mobilize "princes" to combine their economic interests with governmental legitimacy, that is, by making "peddlers." By lessening the visibility of the state in the new economic market, new associations are created by spinning off from

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[67] His ideal-types of economic-political institutions inspired later empirical studies on Asian economic development. Shieh (1989) complicates his argument in considering the institutional transition of economic entities in Taiwan, noting that such transition creates struggles and uncertainties because "becoming princes" is too difficult for small entrepreneurs to mobilize towards in Taiwan's export-oriented industry.

[68] Indeed, like what was depicted by Shieh (1989) in Taiwan in the 1980s, the rising startup "peddlers" in mainland China initially survived by taking outsourced contracts and "charters" from the state-supported "princes."

the local government and big companies to work as intermediary platforms between the "princes" and the "peddlers." In this sense, "prince" and "peddler" are two main complementary institutional roles in China's new economy. Focusing on the transition between the "roles" of princes and peddlers is important for us to understand the institutional innovation. As depicted above, in the new economy the local government gives big companies civil responsibilities and encourages them to become involved in mobilizing startups for the innovation campaign. These central government-supported mass-entrepreneurial activities create the space to make peddlers among local authorities. Big companies are regulated to "take care of" and invest in startups through the new associations. In this sense, the civil converges with the market in the new institutional invention of inno-associations in Shenzhen. Such connection could be maintained because the overwhelming anxieties among princes and peddlers require an institutional change to revalue and re-position themselves in the domestic and global supply chain. In a later section, I will expand on this and give an analysis of this institutional change based on what I witnessed and experienced in Shenzhen.

In this context, new economic participants using *shequn* (社群 community/associations)[69] to differentiate themselves from traditional *guanxi* economy create a new form of networking to shape imagined solidarity among market and civil societies in the innovation campaign. The creation of a civil-market network of association-*shequn* rather than *guanxi* (关系 network) is the current method of network building in China's innovation economy. Furthermore, this innovation echoes the trend that, as direct practitioners of internet economy, startup runners cultivate another activity and sub-culture of social networking which is imagined to be different from what occurred in China's market economy after 1978.

3.2 Making Associations: Convergence of the Civil and the Market.

As I elaborated in chapter two, the policy of "mass entrepreneurship and innovation" has been underpinned by a moral discourse that helps to accelerate local mass entrepreneurship and innovation as a social service. This takes the form of the government buy service (政府购买服务 *zhengfu goumai fuwu*) framework, a Chinese version of public-private-partnership (PPP). It means that the local government can outsource their duty of promoting entrepreneurship and the innovation campaign to non-governmental organizations. In some sense, the local government distributes accountability, as well as policy risk, to the organizations. Considering the burgeoning

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[69] *Shequn*, in new economic terminology, was originally used to define communities organized on social media based on specific interests and hobbies because most of current startup runners grew up after 1987 when WWW. was nationalized in China. They experienced online virtual networking as trans-local networking since more and more young people directed their daily lives into the internet. *Shequn* then was specifically invented by management scholars and was appropriated by government to promote the economic power of networking in developing civil-market networks through "internet platforms," "social association," and "foundations."

number of registered "civil societies" and "firms" in Shenzhen,[70] it seems that the local government manipulates the movement of innovation within the state-society framework through producing a civil society that can be governed.

The policy discourse to promote "Chinese Innovation" is embedded in the visible institutional transitions that have occurred under the practice of institutional innovation to aid the Chinese government in governing the new economic societies and to show its innovation capacity. As depicted in chapter one, in 2015, the maker movement, an imaginative post-industrial sub-culture in the United States, was highly re-interpreted by the Chinese state as a new spirit to reform the Chinese manufacturing-based industrial system. Following this global trend, ambitious national and local developers tried to reinvent the developmental plans to make a developmental but innovative China. The global maker movement was then translated into the national policy "mass entrepreneurship and innovation". The major goal of this national project is to commercialize grass-roots Chinese digital-driven innovations to revive the domestic market economy in China.

This rationale has been bolstered by the local embeddedness of the anti-Fordist, Americanized maker movement and the extension of state-sponsored, community-based "platforms"—online and offline financial, trading, and service infrastructures—to internalize IT development in traditional industries such as mechanical engineering, manual production, agriculture, marketing, etc. It is worth noting here that "innovation" is an ideology as well as an organizing power in the consumption-driven economy. It is re-invented in the local political agenda to create new organizations and economic forces. The local practice of innovating towards the future drives mass-expectation from associations to search for newness and tech-power. Here, I use association to define newly emerging state and market relations based on the management framework of "public private partnership (PPP)," which was invented in the Anglo-Saxon management school of neo-institutionalism and then appropriated and justified by the local government in China.

To some extent, the rising fever of mass entrepreneurship and the innovation campaign mask anxieties within the state and the market societies in Shenzhen. On the one hand, the local patron-client *guanxi* network became suspicious of the central government. New regulations regarding commercial and social associations were launched to manage the local government and the market societies from the central government. On the other hand, the "princes" have to re-brand themselves in the global value chain from state-supported vested groups into new entities promoting social and technological innovation in China. These anxieties for the institutional body of "civil

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[70] A salon called the "Industrial Association and Chamber of Commerce Internal Management Experience Exchange" was co-organized by the Bureau of Social Organization and the Law School of Shenzhen University in the December 2017 to issue new announcements about the management and regulation of social associations in new economic sectors. The vice-director of the Bureau of Social Organizations said that Shenzhen social organizations were growing at a rate of 20% per year. There are 446 foreign trade associations in Shenzhen with 277 foreign trade associations, a total of 719, and the number is still increasing, Please see: https://www.jianshu.com/p/bd0d76af4f47.

society" deal with institutional dilemmas and sustain their interest in the new economy. I argue that the national developmental agenda's practice of mobilizing people and resources is not one of top-down, uniform social engineering. The local, national, and global political-economic situations also lead to dilemmas and chances for the Chinese state to reform itself (see Figure 3.2).
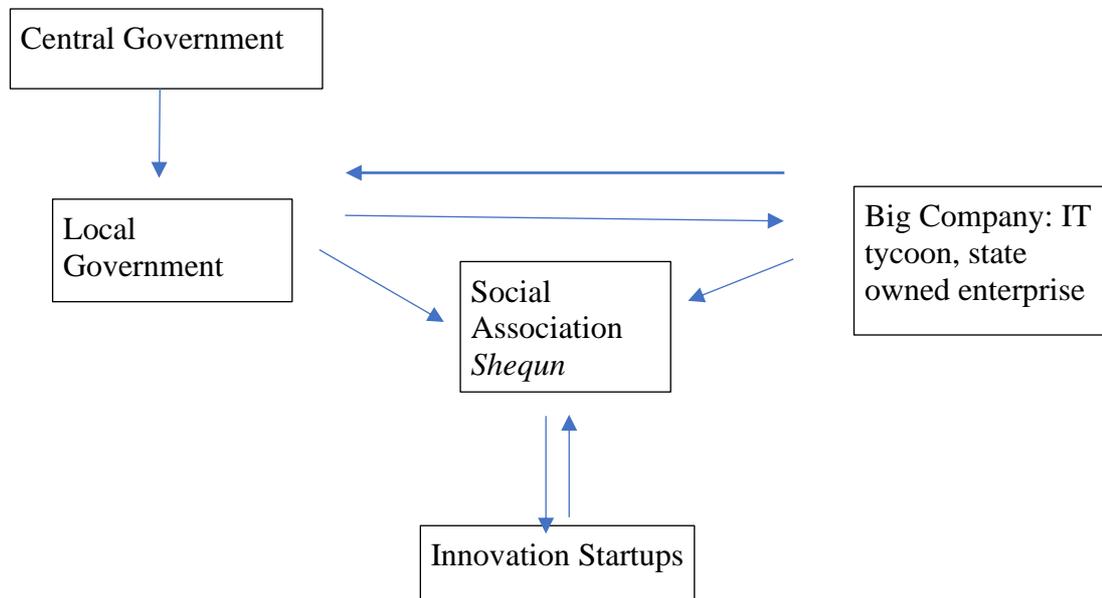
Figure 3.2

These institutional anxieties contribute to the establishment of associations, a type of private non-enterprise unit (民营非企业 *minying feiqiye*) in Shenzhen. New inno-associations are created through three dynamics of local political economy. First, the local government promotes social associations and uses them to reorient governmental resources and governance into startups and entrepreneurs-to-be. As depicted in chapter four, associations launched a series of training and investment agendas in groups of entrepreneurs-to-be. Second, bearing the burden of the local government's promotion of the innovation campaign, big companies donate and invest their resources to the new associations as part of a talent capital absorbing machine. Third, startups and entrepreneurs-to-be are inclined to apply for inno-resources and infrastructural support from social associations. In turn, the expansion of association communities means they can ask for more support from the government and the big companies. In their mind, social associations are less bureaucratic and act as the only cost-effective way to benefit from the innovation policies.

During my stay in Shenzhen, the number of profession-bound social associations was mushrooming. Even government bureaus were being turned into social associations. This should be understood in a larger context; the Chinese state made institutional reforms to downsize the governmental organization and outsource its public services to social association to "buy" services from the social associations. In this process, the social service market was enlarged. The outsourcing of public services

was highly intensified in the 12th Five-Year Plan for National Economic and Social Development (2011-2015).

From my observation, the relationship between the local government and emerging social associations is re-configured in the new economy, a point worth noting. Following the debates above, the case I encountered in my fieldwork indicates that the local state strategically creates intermediaries between state and market to develop local economy. Moreover, the local officials aim to activate the local economy by supporting and marketizing governmental sectors to take over public service programs. Local social associations can also give local government leeway to invest money in public services with their assistance. Moreover, the naturalization of the idea that the state's investment in social and mass-entrepreneurship is a form of investment in public service is key for local officials to maneuver policy tools and institutional change within the local state. For a long time, studies on China's government-business relations have focused too much on how local bureaucrats motivate businesses to form a guanxi-network bound coalition (Wu, 1997; Tsang, 1998; Chen, 2018). There has been little focus on to what extent and in what ways this coalition could be made, absorbed, and re-branded in the new institutional bodies, especially when the central government has placed more restrictions on the formation of local vested interest groups in the current context. That startup runners use technology and entrepreneurship tickets to buy services from social organizations and that startup runners apply for tech-entrepreneurial funds from the local state through social organizations suggests that the institutional function of local non-enterprise civil society organizations is to assimilate the "princes" and "peddlers" together in Shenzhen.

In Shenzhen, there is a common understanding and a working slogan in the group of local officials: formal institutional constraints bring about local reforms and innovations. The way that the local government responds to the centrally imposed constraints is to propagate "reform" and "institutional innovation." Social associations have become intermediaries between government, companies, and emerging startups. Here, the meaning of the term intermediary is complicated. The social associations have not become fully market-oriented, but the new institutional arrangements have made space for them to establish foundations to generate business by bringing together the civil and the market. The only prerequisite is that these foundations need to be established in accordance with the new orders and policies of the innovation agenda.

It seems that the new social associations in Shenzhen function as institutions to assist neo-liberal governance as it is practiced in some Anglo-Saxon countries, where many public services are outsourced from the state (Powell and Powell, 2007). I intend to argue is that social associations do not function as a mediating tool of neo-liberal governance, but rather function as a solution within the Leninist party-state to continue the social management of the innovation. Most social associations and their financial foundations in the innovation economy were using similar organizational discourse and methods when I visited them in different districts of Shenzhen. In Shenzhen, there are three district governments that are competing for the image and ranking of most

innovative district in Shenzhen. However, they are more collaborative than competitive in answering the call of city-level government[71] to support projects promoting trans-regional and trans-national promotion of innovation. They are managed based on membership frameworks. Their business strategy consists of making contractual arrangements with local government and larger companies seeking to augment or complement the "peddler" members. Some social associations promoting innovation and entrepreneurship were starting to organize a communist party committee when I visited them in 2015 and 2016.

The table below reveals the organization and background of these social associations.

Name	Location	Working Project	Working Partners
Bee-swarm Foundation for the Internet of Things (BFIOT)+ Shenzhen Association of Internet of Things (AIOT)	Nanshan District	Membership services; Featured industry consulting; Financial service for entrepreneurship and innovation.	Nanshan District Government, China Unicom, China Mobile, China Telecom, Han'S Laser Technology Industry Group

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[71] In China's national administrative arrangement, Shenzhen city-level government gained the same administrative and distributive power as the provincial government, which can decide the details of the distribution of state resources and local revenue.

Shenzhen Association for Promotion of Technology Entrepreneurship (SAPTE)	Nanshan District	Competition event services; Tournament, consultation; Event training; Investment and financing services; Entrepreneurship tutor consultation; Interpretation of technology enterprise policy; Technology project declaration and guidance; Intellectual property services; Membership services	Nanshan Science and Technology Bureau, Tencent, Shenzhen Innovation Investment Group, Shenzhen Venture Capital Group
Shenzhen Open Innovation Lab (SOIL)	Futian District	Fab Lab establishment and solution; Planning workshop and training camp for innovation and entrepreneur; International exchange services; Industrial chain collaboration services	Massachusetts Institute of Technology, Shenzhen Industrial Design Professional Association

Unimaker	Longgang District	United maker and manufacturing, 3D printing device support	Longgang District Government, Longgang Bantian Creative Park, China South City Holdings Limited

*Resources are collected from their introduction booklets, websites, and my observations.

3.2.1 "We work together but in separate bodies": Government-run Inno-associations in Shenzhen

As depicted in the table above, SAPTE is a typical example among hundreds of newly established social associations in Shenzhen. The local district-level government needs social associations such as SAPTE to manage and mobilize the rising "peddlers" by offering services to improve the registration of tech-entrepreneurship. Local officials who are trapped in the dilemma of promotion treat new social associations as new platforms to take on their personal roles in the innovation campaign.

In the middle of October 2015, I went to the office building of the Nanshan District Tech-entrepreneurship Service Center (TSC) and registered as an intern researcher working in the Department of Innovation and Tech-entrepreneurship. This state-led social service center, located in a spare working space of a state-owned construction company, is co-organized by the District Government and Technology Innovation Bureau. It is an agency of the local government, playing a role in offering public services such as entrepreneurship services and social training courses to young tech-entrepreneurs-to-be.

After I arrived at the office lounge, the current director of TSC, Mr. Wang, introduced me to my colleagues working in the Department of Business Service, Investment Service, and Theory Study. I was set up in an office shared with *guazhi ganbu* (挂职干部 officials coming from other local governments to gain more administrative experience) in the Department of Business Service, which is affiliated with Nanshan District TSC.

The vice-director of the center, Mrs. Huang, introduced me at the Tech-entrepreneurship Service Center. Mrs. Huang proudly talked to me about her accomplishments in "the Tech-entrepreneurship Star Competition," an activity organized to attract entrepreneurs-to-be to compete for "best innovation star" medals and a platform organized to link investors and entrepreneurs-to-be to earn political credits and economic subsidies. The TS competition became a famous local platform for investors and startups to meet together. An investor I met in the final competition,

and whom I interviewed later, greatly appreciated what Mrs Huang had done for TS competition, "She really performed like a real social servant for our market economy!"

In November, Mrs Huang failed to be selected as new director of the Tech-entrepreneurship Service Center (TSC) in the district-level cadre selection. Strategically, she jumped out of her *danwei* (单位 state owned sector) under the management of Science and Technology Bureau and transformed her department into a social association to take over the social service that she had been previously responsible for in TSC. After negotiations, her proposal gained support from the new director, Mr Yang, and leaders from district government. She established a network to continually run TS competitions. The district government needs her accomplishments to continue the investment and her TS competitions to promote entrepreneurship in this district. She devised and allocated the name of this new private non-enterprise unit, Shenzhen Association for Promotion of Technology Entrepreneurship (SAPTE), in December 2015.

Actually, the new regulations of China's civil society organizations give more opportunities for social associations to offer public services for entrepreneurship. Mrs Huang's assistant, Xiaowei, helped process the registration of SAPTE in the Civil Affair Bureau. He said the timing of registering a social association is important: "We registered the association after Mrs Huang failed to be chosen as leaders in the Center. The local government authorize only ONE association in ONE field, SAPTE is the only social association in Nanshan District which is allowed to register to offer public service of 'Tech-entrepreneurship Star Competition' and to organize activities to group together prospective entrepreneurs in Nanshan District."

The ongoing work of SAPTE is to continue organizing the Tech-entrepreneurship Star Competition and entrepreneurship training program, which is further described in chapter four. The service program is sponsored and outsourced by district government and TSC to encourage more professional-managerial people and financial investors to join in the mass movement of tech-innovation. As a privately-owned non-enterprise unit, SAPTE gained more economic opportunity than before, when it functioned as a department within the state. Firstly, SAPTE now receives donations from big companies to develop the platforms as a networking business. The investors who are actively involved in Tech-entrepreneurship Star Competition are encouraged by Mrs Huang to organize and register an association the Investment Association of Nanshan with the Bureau of Civil Affairs, which involves "princes," such as big investment companies and IT tycoons, to join the game of selecting potential startups to develop Chinese innovation. Secondly, SAPTE took outsourced contracts from local governments, involved "princes" in organizing the Tech-entrepreneurship Star Competition, and offered entrepreneurship services to startups. In 2015 and 2016, SAPTE received service contracts from Shenzhen government, Jiangsu provincial government, and a district government from Henan province. Under the central government's new framing and regulation of NGOs in China, as the third sector between the government and business, between the "princes" and the "peddlers,"

SAPTE gained the institutional legitimacy to weave new relations among these elements.

3.2.2 "We unified into a swarm of bees": Grouping "Peddlers" through Organizing Offline to Online *shequn* Associations

The term "community" is widely used in the marketing strategies of new tech companies. Zane Kripe's ethnography on Singapore's online startup platform culture reveals that it is the operative term for these tech-entrepreneurs (Kripe 2018). She argues that "community" is a term that is seen as productive and applied strategically by entrepreneurs. Entrepreneurial communities are supposedly established to attract significant investment.

As part of the innovation campaign, a new mode of organization is invented and interpreted as *shequn* (社群 community) economy by the associations in Shenzhen. Salons, events, casual meet-ups, and parties are organized by civil society organizations to promote and channel the values of individualism, which are embodied as personal hobbies, social responsibility, self-help, and agency. These vaguely defined values shape young people's expectations of social associations. Shenzhen is a big city. Young people are busy working and there is not so much time to make friends outside of your workplace. I do not want to be trapped in the formal workplace to always meet colleagues. Participating in the salon makes me gain more social life. More importantly, if I register for themed events, it is even easier for me to find people who share similar taste and hobbies," said an informant explaining why he liked to attend casual meetings organized by social associations rather than *shanghui* organized by his Teochew relatives.

Figure 3.3 ©Author took the photo in an entrepreneurial competition event, November 27, 2015, Shenzhen Futian District.

This section offers an analysis of the rise of civil-society networked *shequn* (社群 community) in the context of current political and economic changes in the innovation

economy. Offline-to-online civil society organizations have helped the local state to re-weave state-business relations in the new economy since maker-entrepreneur *shequn* (社群 community) rather than traditional social connections, or *guanxi* (关系 social connections that are bound by informal networks such as local kinship), became the new target of the central state's resilient governance on network building in the IT-intensive innovation economy. This section aims to show how new entrepreneurs conceptualize their networking patterns and re-formulate their economic ambitions into the civil society *shequn* through offline-to-online platforms, which are seen as an alternative approach to building business and expanding commerce nationally and internationally. Such perceptions are widely shared by young professionals.

My informants believe that newly organized civil society groups are liberal and flexibly managed. Startup runners only need to pay membership fees to join associations which have established offline salons and online platforms without being taxed by the local government. Young professionals told me that it is easier to meet potential business partners in the sub-culture groups for hobbies in associations. The online platforms offer a de-centralized environment for young people to discuss technical matters and share individual dreams and plans. Growing up in the so-called digital age, in their mindset, the young professionals do benefit significantly from information technology, economically and mentally. However, the liberal feeling of making friends and exploring business potentials through offline and online community building is elusive and socially constructed, if we consider the relationship between informal economy and the rise of "platforms" in the current market situation.

Figure 3.4 ©Author took the photo with makers in SOIL.[72]

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[72] I accompanied Prof. Huang to participate in a night training salon for local geeks. The offline hobby group is organized in an incubation center. It is part of the platforming project of Shenzhen Open Innovation Lab (SOIL). Supported by SOIL and local electronic manufacturers, the organizers of the hobby group can invite experienced engineers working in big companies and scholars from local universities to offer guidance regarding their startup businesses. In addition, SOIL can select and invest in potential startups.

At the same time, state regulation is penetrating the existing associations in urban China through the construction of a digital infrastructure. In 2016, the term community-based economy (社群经济 *shequn jingji*) was coined and circulated in the Chinese mass media. Yet, the organization of *shequn* economy is not conducted through top-down industrial arrangements, but through the articulation of new civil societies.

Firstly, even though the professional social associations are highly marketized, they do not lose their legitimacy as "the quasi-third sector" between the state and the market. The interlocutory bond between startup peddlers and princes is created by the associations to gain more social capital. As claimed by an informant, it is not necessary to depend too much on natives (老乡 *laoxiang*) or relatives to build small-scale startups because membership in local social associations is considerably more important in Shenzhen. He had registered in three main professional social associations: Shenzhen Industrial Design Association (SIDA), Shenzhen Robotic Association (SRA), and Shenzhen Technology Enterprise Incubator Association (STEIA). Even though he was aware that these three main associations were actually established by former professional groups from the Chinese Academy of Sciences and local government, he cared about how the power relations behind those organization could help his business and give him access to professional networks in Shenzhen: "Business is business! They are professional. They share and sell resources to us. The only thing that I can do is to use my right of membership," he explained. His de-politicized attitude about the meso-transformation of quasi-civil societies foreshadows how the individual passage to become a tech-entrepreneur engages with the state-led production of professionalism, which intends to excise *guanxi* networks from the informal economy.

Figure 3.5 ©Author's photo of an entrepreneurial competition event. March, 2016, Shenzhen Nanshan District.

Secondly, the current network building among my informants reiterates the local state's construction of an entrepreneurial ecosystem which is also the physical grid of state infrastructural power. The promotion of urban entrepreneurialism is incarnated and

widely seen as a public service that empowers young professional-managerial workers and increases employment rates. According to the local state, the body-politics of clustering professional-managerial people in Shenzhen is a strategy to fulfill two goals: offering public service and reforming the urban economy. The local government has also transformed how professionals are governed now— as compared to how this was done in the high-socialist Maoist period. Through the social associations building of the platforms of the entrepreneurial ecosystem, the state instated a distant form of control of tech-entrepreneurs-to-be via socialized organizations. The regrouping of startup runners is the political goal of a variety of associations sponsored by the local state and hence it is incorrect that current entrepreneurship is constructed through political liberalization. For example, only through associations can entrepreneurs apply for subsidies. It is partly true that tech-entrepreneurs do not like being too close to state power. "It is not cool if you deal too much with government guys. And in our circle, we all consider that when government tries to interfere a specific industry, it would be in danger," explained a young man who is running a 3D printer studio in Nanshan Science Park. Yet although he felt annoyed dealing with applications on the websites of local government organizations, he still applied for funding through a local professional association.

The rise of local state-supported social associations is widely conceptualized as a social service from the state. Xu, a man working in a startup team dealing with outsourced projects from Tencent, told me: "As an economic graduate, I think the strong interference of state in market economy would harm the rule of competition. But since government is starting to fund young people through the social associations, it means that the money is used for good thing." Graduating from a Hong Kong University with an economics degree, he found job in Hong Kong. However, he lost his job as an analyst in a tiny financial company because of the financial crisis in 2008. Considering the economic model popular in western welfare states, he thought it was good for the Chinese state to donate social resources to young people. "It may increase the employment rate!" he exclaimed, even though he is uncertain whether the regionalized and hierarchical rewards system can really become a benefit for him. "All those are macro-economic issues and need time to be proven… We should just make use of it to do business at this moment," he said to me.

Figure 3.6

<u>Pictured</u>: the author, a lecturer from the Department of Design at Tongji University, Yang Yang, Luan Jiwu, and Yang Yang's Korean partner. Yang Yang and his partner wanted to organize the collaborate associations with Tongji University in Shenzhen. The lecturer invited us to participate in the meeting and to contribute our knowledge about "the institutional environment of Shenzhen's innovation."

Like "community economy," "maker economy" or "social enterprise," which are being discussed in a (neo-)liberal context (Miller 2013), *shequn* economy in Chinese startup enterprises is seen by Chinese management and communication researchers as a new mode of production to challenge existing exploitation and to empower young people with dreams. However, emerging as anti-capitalist and anti-globalization machines, "community economy" and "social economy" were imagined as solutions and a "the third road" out of the capitalist dilemma in the West (Pearce 1993; Miller 2010). In contrast, creating *shequn* economy and the maker movement in China were imagined as solutions and "the third roads" for activating the stagnant late-socialist market economy. The real questions that should be asked are: what if the anti-capitalist machine was appropriated and rebuilt in de-industrial China? What if the anti-capitalist machine sponsored the rise of niche consumerism in China so that China could transcend its humiliating role of "production site of copycat goods" to become "the site full of bourgeoisie buyers"? How does the counter-movement to the bottleneck of capitalism helpfully innovate the socialist market economy? By whom? For what purpose?

3.3 "Innovation Can Make Us Hug the World, Technology Can Incubate Our Dream": Anxiety of Mobility and the Local Internationalization of Innovation.

The current urban innovation fever foreshadows the local state's anxiety and the acceleration of outsourcing as the dominant mode of production in post-industrial creative industries. Such political-economic movements are actually woven through practices and policies that strengthen the Chinese governance of an "innovation-society" and "depoliticized" economic internationalization in China. In this

complicated process, the local and transnational social associations act as social and cultural intermediaries to market and brand Chinese startup "peddlers" on the world market stage.

The local innovation economy is a future oriented invention which, in the words of my colleague Xiaowei from TSC of Nanshan Science and Technology Bureau, will help to sustain the fate (续命 *xuming*) of national and local economic development. There is a relational sense of "*xuming*" in his discourse. The 40year period of Reform and Opening Up has made sense of uncertainty and the idea of a market-oriented commodity economy both at an individual and organizational level. This contributes to institutional change under the aegis of "innovation" and "reform" (Nee, 1992; Wank, 1996; Heilmann, 2009). In conversations with my informants, including government officials, private company employees and entrepreneurs-to-be, I discovered their anxiety about "the fate of lagging behind," a perception that is also deeply rooted in catch-up industrialization. Social associations are treated as new tools to dissolve their anxieties about immobility, as exemplified by Mrs Huang and SAPTE. In this sense, the new social associations are retooled to break the constraints of the present network and digest risks into extended networks. The rise of social associations gives more people new chances to sustain their interests. As a result, associations such as SAPTE and other entitled civil society organizations are invented.

Mr. Wang,[73] uses a political slogan from the Chinese Communist Party to explain his decision to organize Bee-swarm Foundation for the Internet of Things (BFIOT): "We use the simile depicting the groups of young startup runners as a swarm of bees. The foundation builds a *mingyun gongtongti* (命运共同体 a community bound by fate) connecting the young startup runners, investors and local governments to help the young entrepreneurs secure investors." *Mingyun gongtongti* (命运共同体 a community bound by fate) is a moral slogan initially used by Hu Jintao, the 6th (2003-2013) President of the People's Republic of China, to define an inclusive unification of different nation-states and different organizations to face up to their common enemies. It is a term that is often used by Chinese officials when dealing with issues such as global environmental protection and the global economic crisis. According to Mr. Wang, the activity of networking should be understood as a way of unifying. These networks should be extended beyond the government and the big princes, to the entire group of peddlers working in the IT-intensive creative industry.

It reminds me of the mass-line organizational method invented by the Chinese Communist Party in 1950s and reflects the current CCP policy on "mass entrepreneurship and innovation." The essential element of the mass-line method is absorbing the masses, interpreting their suggestions and expectations within the framework of Marxism-Leninism, and then launching the resulting policies to create

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[73] Mr. Wang is a retired Director of the Nanshan Science and Technology Bureau. In 1995, he graduated from a university in France at the age of 40. He is the first person to appropriate the "innovation and entrepreneurship coupon" in the framework of *zhengfu goumai fuwu* (政府购买服务 government buy service).

more unification and organizational strength. Mr. Wang said he organized Bee-swarm Foundation for the Internet of Things (BFIOT) to "link and mobilize (联动 *liandong*) the mass startup runners together." However, unlike the collectivism involved in the original mass-line organizations, techniques for unifying young professionals are framed in a more civil, individualistic and liberal discourse which is influenced by "public administration science" from liberal democracies and the platforming tools invented through information technologies.

3.3.1 Internationalization as a Strategy: "*We must go out!*"

I will specifically argue in chapters four and five that the tech-entrepreneurship "fever" foreshadowed a socialized anxiety about unemployment and the state's ambition for future economic development. In their initial practice of policy, the local authorities limited their governance of "Chinese" tech-entrepreneurship and provided infrastructural support for "Chinese talent absorbing" to promote local tech-entrepreneurship building. The emerging new civil society organizations in the innovation industry became the new faces of China's international collaboration.

With the expansion of the innovation campaign in China, local governments tried to have a hand in the policy of "foreign talent recruitment for mass entrepreneurship and innovation," especially after local promotion of tech-entrepreneurship became an index to judge local government performance in the *guojihua* (国际化 internationalization) of the new economy. This practice reflects the idea that "mentalities of government contain a strangely Utopian element. To govern is to do something rather more than simply exercise authority" (Dean, 2010: pp44).

Guojihua (国际化 internationalization) is another important strategy for the Chinese local state to involve itself in the globalized innovation competition driven by the IT industry. I still remember the first day I interviewed Dr Zhang, an official researcher in the Nanshan Technology Bureau, about how the local state mobilizes and attracts foreign makers to the local maker movement and about how to respond to the globalization of the maker movement. After he heard the word "*quanqiuhua*" (全球化 globalization), he smiled and said: "only scholars discuss about globalization, we actually care about '*guojihua* '(国际化 internationalization). We must go out."

His discourse drove me to reflect on the long-term discussion about the mega-theme of "globalization" in academic circles. In the current imagination of a world system, the globalization, per se, is common sense in business. The globalization theory emphasizes that the global circulation of goods, capital, and laborers, enabled by the development of transportation and IT technology through free market, could homogenize difference and eliminate inequalities in the so-called "world system." Based on accepting Wallerstein's world system theory, those who support economic and cultural globalization hold that globalization has laid the foundation for equalizing

developed regions and less-developed regions, weakening the nation-state's role, especially as it was established during the Cold War. However, with Polanyian perspectives on global marketization, sociological and anthropological studies often depict the other side of the imagined "flat world" (Friedman 2005), emphasizing how globalization has brought with it the rise of global cities that operate around the new economy, as well as huge income inequalities within these cities (Sassen 1999: p26). In this sense, scholars turned their eyes from macro deconstructions of the world system to micro explanations of labor exploitation, class-making, and power reconstruction in the on-going and everlasting process of globalization. Here, I should mention that the pre-existing debate on globalization or anti-globalization focuses more on the function of global capitalism in the world system than on how the reformation of socialism changes (neo-)liberal global marketization. More or less, (anti-)globalization theories ignore the rising role of socialist state power in the world economy and neglect the rising attitudes about globalization in the socialist state.

As explained by Dr. Zhang, in the official discourse about how to deal with Silicon Valley style globalization and develop local startup entrepreneurship, *guojihua* (国际化 internationalization), rather than *quanqiuhua* (全球化 globalization), is a highly cited word. If globalization highlights the role of capitalism, then internationalization highlights the role of state power in the globalization of China's innovation. In Shenzhen, it is the local state that internationalizes its rationale, practice, and branding of startup entrepreneurship to the world. The national and transnational associations play important roles as brokers or middlemen in accelerating this internationalization.

The direct practice of internationalization in Nanshan District Government of Shenzhen is the Tech-entrepreneurship Star Competition organized by the Tech-entrepreneurship Service Center (TSC), a sub-branch of Nanshan Technology Bureau, and the social association SAPTE. The table below shows the increasing number of foreign startups which have taken part in the TS competition in Shenzhen.

	2008	2009	2010	2011	2012	2013	2014	2015
Total Startups	243	512	570	620	631	1138	1288	2130
Foreign Startups	5	12	19	34	101	193	249	329

Source: Open catalogue of working book in the Technology and Innovation Bureau (2016).

3.3.2 "Worlding" Shenzhen, and China

Through overseas Chinese social associations, the local state extends its power relations with overseas Chinese authorities, who live in other countries but still have strong business networks with China, to conduct a strategy of "talent attraction" to further Shenzhen's local economic agenda. In the spring of 2015, I received a notice from Mr. Wang, the former director of the TSC, inviting me to a promotional meeting about the "TS competition" at the Delft University of Technology (DUT). The "Netherlands breakout" is sponsored by the Nanshan District government and co-organized by Vereniging van Chinese Wetenschappers en Ingenieurs (VCWI) to market the TS competition not only to overseas Chinese professionals, but also to Dutch students with ambitions to start tech-entrepreneurship projects in Shenzhen. The vice-director of VCWI, a Chinese-Dutch person who came to the Netherlands to pursue a PhD in 2000, gave a short introduction about the influence and reward process of the TS competition. After the initial meeting, I noticed several Chinese and Dutch students submitting their curriculum vitaes to the secretary of VCWI. Some of these students I met and later interviewed when I joined in at the TS competition in November in Shenzhen.

This international collaboration should be understood in relation to the changing role of civil societies in China. Accelerated by the logic of *minjian jiaoliu* (民间交流 collaborations between CSOs) in present international relations in China, Chinese local governments focus on producing more civil societies towards the rise of the trend. By framing China as a formerly lagging industrial nation in East Asia, Shenzhen's government launched many collaborative projects with their counterparts in the global innovation economy. Taking Silicon Valley as their example, these collaborative projects launched by Shenzhen civil societies are conducted according to the depoliticized scheme *minjian jiaoliu* (民间交流 collaborations between CSOs) in Silicon Valley. The direct "learning from the Silicon Valley" makes the local state re-create the globalized spectacles in the local economy. Liang, a Cantonese startup runner I met in a makerspace, told me that the local government also incentivizes Chinese Maker/tech-entrepreneurial groups to *xiang guigu xuexi* (向硅谷学习 learn from Silicon Valley) via donations from the local non-enterprise social organization Shenzhen Foundation for International Exchange and Cooperation (SFIEC). The president of the SFIEC board was Wang Shi, the founder of Vanke, the largest private-owned real estate Chinese company. At the beginning of February, Liang, David Li, and Huang, an assistant professor working in the Department of Cultural Industry Studies at Shenzhen University, organized a ten-person group Maker Journey to the West (创客西游 *chuangke xiyou*). They brought a box of well-designed booklets titled *Shenzhen: The Rise of Chinese Silicon Valley* and *Melody of Shenzhen* and distributed them on visits to Silicon Valley startups, incubation centers, and some American IT tycoons at companies like Google and Intel. "Just like what was depicted in the Chinese classic novel *Journey to the West*, we are about to learn from startups in Silicon

Valley!" Liang exclaimed to me. In order to tell SFIEC people the news after going to San Francisco, he updated his social media with his encounters and experiences visiting sites famous for maker travelers. A friend, who works in a Dutch NGO that promotes startup entrepreneurship in developing countries, told me that Chinese "students" were seen as "development travelers" in Silicon Valley. With the increasing Chinese investment in high-tech clusters, the Chinese newcomers in Silicon Valley have come to be treated as "big buyers" or "investors" in recent years.

Foreigners coming from the "first world" are often seen as "foreign faces" contributing to the development of China's innovation. My friends and informants, respectively Hans from the Netherlands and Tom from the United States, are working with Shenzhen civil society organizations to promote Shenzhen innovation to potential partners around the globe. Both Hans and Tom interpreted this co-working as a collaboration. They did not hold any ambiguous attitudes towards media that portrays China as a potential threat to global economic liberalization. Hans understood the importance of the "foreign face" of Chinese innovation. In his words, it is a marketing strategy. Once when he was invited and trained as a deputy in a Shenzhen incubation center, his main task was to meet with representatives from Denmark and Chinese officials from central government bureaus. He said he did not mind being treated and identified as a "foreign face" to the local innovation society of Shenzhen. He knew he added value in the collaborative capacity of the city in the world economy. He joined it because he wanted to be a representative to argue for the interests of his startup and the *shequn* that he built with his Shenzhen friends. Hans is now working in Berlin with his Chinese business partners, running their startup program in an incubation center co-sponsored by a Shenzhen association and a German communications company.

Figure 3.7 ©Author's photo taken at event "Innovation China", November 2015, Shenzhen Shekou Hilton.

Figure 3.8 ©Author's photo taken at event "Integrated Sustainable Development Goals (iSDG) Shenzhen Assembly", July 2017, Tsinghua University (Shenzhen College).

The internationalization of the Chinese entrepreneurial ecosystem is never a one-way movement of human-capital from one place to another. Domestic economic decline pushes some (neo-)liberal states to actively collaborate with Chinese local states to develop their domestic economic agendas through civil societies. A Chinese staff member working at the Great Britain-China Centre (GBCC), an English association affiliated with the UK government, told me that she had experienced big changes in the routine work of the GBCC due to the increasing numbers of individual Chinese venture investors coming to the UK, and the Chinese owned startups resettling in the UK. We met in a building in the Financial Center of Futian District, where many international associations are registered and established. Working for the UK government, she said she acted as a mediator between the UK and Shenzhen to accelerate long-term connections related to trading, the commercialization of tech-products, and financing. Long-term these are win-win connections, she claimed, because startup enterprises are not highly regulated by formal international trading institutions and the establishment of an "entrepreneurial ecosystem" is seen as activating local economic development. Thus, the UK government and Chinese local state-sponsored incubation centers started their collaboration in "entrepreneurial ecosystem" building. Moreover, the Shenzhen-UK collaboration on "innovation entrepreneurial-ecosystem" building is de-politicized. The GBCC in China is also connected with a Chinese incubation center which has a good relationship with the government of Edinburgh.

This echoes the research by Margaret Sleeboom-Faulkner (2013) on the active engagement of Chinese scientists in global scientific collaboration. She argues that "collaboration operates through a balancing and complementing of the strengths and weaknesses of the collaborative partners and the expected benefits generated by joining efforts.…unequal collaboration constructively engages the flexibilization of international standards in local contexts" (Sleeboom-Faulkner, 2013: 15). Here, I

further argue that through the transnational collaboration among the civil societies, the rising power of the Chinese nation-state penetrates into the social construction of international entrepreneurship infrastructures at a global scale. However, the implications of this for the role of civil societies in the internationalization of Chinese innovation are far reaching. The condition of their collaboration makes us look for the diverging institutional factors on the world map that enable transnational collaborations to promote innovative Chinese peddlers. One factor is the retreat and decline of global (neo-)liberal nation-states in the market, which welcomes more and more (quasi-)civil societies and their collaborative capacities to support local urban entrepreneurialism on a global scale. Through conducting and organizing specific professional activities, Chinese local non-enterprise associations (CSOs), assist the local state in marketing and distributing mass-entrepreneurship services as public services in Shenzhen, in line with the scheme of "collaborations between CSOs". International collaboration through social associations is a key strategy for the local state to sustain the cooperation of non-enterprise social organizations, which can maintain the domestic and international social networks and resources to promote "mass-innovation and entrepreneurship" as a national project on the global stage. In turn, through cooperation with the local state on this national project, the civil society organizations can strengthen themselves by receiving outsourcing funding and resources from the state and companies, and credits from local peddlers. This international collaboration indicates that Shenzhen's local civil societies better their conditions by increasing their chances of participating in international events to promote Shenzhen's new economic condition while, at the same time, improving their function in the local new economy with the help of strategic collaboration.

On September 17th 2018, I was invited by my informant who works at the Shenzhen Foundation for International Exchange and Cooperation (SFIEC), a civil society now responsible for talent and technology exchange projects, to join a city branding meeting titled "Shenzhen City Plus with Den Haag" in the World Trade Center in the Hague. He knew that I was working on my PhD thesis in the Netherlands. He wanted me to write about the activity in my thesis as a way of reporting it, even though I tried to explain to him that academic research is different to the documentary reporting of an event. He said he had prepared an article for official Chinese media to frame the meeting as part of the "Belt and Road" themed project, but what he really wanted was the pragmatic cooperation of social organizations and innovation startups in these two cities on commercial issues. The collaborative meeting was part of a practical framework involving two local government agencies to donate resources to promote "Shenzhen City Plus". This is a public project focusing on enabling cities and organizations to connect, communicate, and cooperate on an e-platform to strengthen the city-to-city collaboration and sharing of information, and thereby strongly internationalize Shenzhen's innovative image to the world economy.

3.4. Conclusion

This chapter has shown how the organization of civil society associations is a method to legitimate and articulate Chinese innovation trends on a national and transnational level. I argue that through economic investment and the outsourcing of public services, the state's regulation of its targeted groups is practiced by a series of "broker agencies," namely the civil society associations. These groups have similar economic goals to attract more professional workers with an entrepreneurial spirit and to link civil values with economic accomplishment in the outsource-oriented supply chain of new economy. In addition, in discussing the state and its "contents," I argue that by marketizing its pragmatic departments and outsourcing its public services to private social sectors, the local state spreads its political-economic risks, renewing and strengthening itself in the nationalized economic reform. In terms of discussing the local state's role, the classic topic of China studies, I try to show how local governments become anxious investors and risk distributors in the post-industrial economic reforms.

Moreover, diverging from some hardcore political-economic analyses of nation-state building that presumes the state is an organization full of actors making "rational choices" to make use of institutions in order to sustain itself, I argue that the state strengthens and innovates itself not only through formal and informal "institutional" arrangements, but also through imaginative and futuristic tunnels such as new infrastructure and new social networks driven by the techniques of information technology.

Chapter Four

Governing Innovation in Shenzhen - Talent Absorption and

Social Training in the Building of Innovation Infrastructure

This chapter focuses on a process through which local government and its operational sectors are involved in the innovation economy: the marketization of infrastructural power to create a new subjectivity that encourages them to fit into the new innovation-oriented territory— the social training system.

I argue that the rise of urban entrepreneurialism in Shenzhen is not only a symptom of the social transition from a so-called industrial society to a post-industrial society, but also the local government's answer to the call of the national "mass entrepreneurship and innovation" project, which aims to extend techno-economic governance and fuel development. In addition, local governmental organizations, such as the Science and Technological Bureau[74], have changed their roles in encouraging tech-innovation in Shenzhen. They now have more incentives to fund potential money-makers in the new economy by launching attractive policies to, for instance, compensate talent or directly invest in social training infrastructure for local tech-entrepreneurial practices.

In this chapter, I focus on "the state," as most scholars studying innovation have not dealt with this and instead have contextualized their research in stateless neo-liberalism. The first section seeks to problematize the production of an innovation ecosystem, a new mode of mobility/space making, to rethink the current governance of China's market society. By linking the two salient practices in the local state-led agenda—managing mobility and reterritorializing power in the space of innovation— I attempt to argue that the organization of social training systems is a strategy for the local state to organize "infrastructural power," to use Michael Mann's term (2008). The second section will explore the development of the relation between the state and the governed target group in the innovation economy—talent—through normative policy arrangement in the state's Leninist political agenda. Specifically, through analyzing cases from fieldwork data, I describe the mechanisms through which local state targets, trains, and regulates innovative talents (创新人才 *chuangxin rencai*), leading these talents to start up their business in promotion of the "mass entrepreneurship and innovation" policy. The third section will characterize how social training platforms established by local government and social associations channel new orders and

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[74] In 2018, the Science and Technological Bureau changed its name to the Technological Innovation Bureau. This signifies that the bureau is gradually expanding its working scope and functions in the local government.

mentalities to mobilize young people's entrepreneurial fever, and how young entrepreneurs-to-be respond to this social management. This section will also depict how the Chinese state infrastructuralizes its power by collaborating with other organizations, such as non-governmental social associations and those in private sectors.

4.1 The Marketization of Infrastructural Power in the Innovation Economy

In scholarship on industrial transition in Shenzhen, the "entrepreneurship and innovation fever" driven by the innovation economy is conceived as a "new normal" that should be sponsored by the government.[75] In the mindset of many of these scholars, China has more or less "missed" taking the initiative to participate in the first and second industrial revolutions, and has been reduced to a low-end production site for a "world system," or to the production site of "copycat products." From this perspective, the current internet-based entrepreneurial fever seems like Chinese developers catching up with the climax of a global IT-driven industrial revolution. As shown in chapter one, in entrepreneurial circles and the official discourse, this tide of entrepreneurial fever is also interpreted as a "maker movement" by the central government. In its discourse, the grass-root economic forces should be introduced in the production of national economic development and industrial restructuring.[76] These two main interpretations, coming from academic economists and local government officials, highlight the role of the government in the new economy.

Before I interned at the Nanshan Technology and Innovation Bureau, I assumed the innovation movements driven by young entrepreneurs-to-be would encounter some difficulties from local authorities and IT giants. Instead, I witnessed how the local government actively reorganized local power patterns into new institutions, like innovation platforms (创新平台 *chuangxin pingtai*) and entrepreneurship ecosystem (创业生态圈 *chuangye shengtaiquan*), providing a networked infrastructure that offers financial service and spatial support to young entrepreneurs-to-be. It seems that the local government can channel the mobilizing effect of the movement launched by the central government into the local production of an innovation economy. This balance, conceived as a local institutional innovation, is actually grounded in the long-term

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[75] On November 13th of 2015, I was invited by a professor of contemporary Chinese politics from Shenzhen University to participate in a national conference, the Dameisha China Innovation Forum at the Sheraton Dameisha Hotel of Shenzhen. Fan Gang, the current chief member of the monetary policy committee of the People's Bank of China, opened the forum with a speech about legitimating the function of government in this five-year modest developmental agenda. The panels organized in this forum were to open the debate on the idea of maintaining the common sense of Deng's opening-up policy, but reinterpreting it into Xi's innovation campaign, reforming the industrial-economic structure.

[76] After an open lecture in a Shenzhen art space in December 2015, the keynote scholar, a 61 year-old professor majoring in cultural studies, discussed the research topic of my thesis with me and criticized current urban entrepreneurialism in a harsh words. He said the social fever of "mass entrepreneurship and innovation" reminded him of the state-led social campaigns in the 1960s.

conflict between the central government and local governments in contemporary China. Since the tax reform in 1994, the central government has dominated in terms of the distribution of national revenue. In order to gain more distributed revenue, which always underpins developmental projects from the central government, local governments have to compete for both political credit *and* economic credit through answering the demands of central government projects (Zhou 2010; Qu 2012). Beyond this, the territorialization and infrastructuralization of these "projects" made land-sales a sustainable source of income for local governments after the central government launched new land policies and property laws in the 1990s. In this sense, local governments are easily mobilized and actively competing for "projects." Unlike Maoist mass movements, which were seen as extreme campaigns that contributed to the disorganization of bureaucratic systems in the 1960s, the current local production of mass entrepreneurship and innovation combines the mobilization and reorganization of individuals and societies together in establishing "space" (in a physical and institutional sense) for them. On one hand, in order to earn political credit, local governments mobilize young people by offering policies, training courses, and places to transform them into entrepreneurs. Yet, on the other hand, driven by the economic incentives of the territorialization of "mass entrepreneurship and innovation," local governments, collaborating with local real estate companies and high-tech enterprises, have upgraded and refashioned previous industrial land into innovation workspaces for the new work force.

4.1.1 The Territorialization and Infrastructuralization of Mass Entrepreneurship and Innovation

On October 19th 2015, the first "mass entrepreneurship and innovation week" was organized at Nanshan Science Park in the Qianhai Bay Area. Being a model festival and fair, national officials, including Premier Li Keqiang, came to Shenzhen to announce the importance of "mass entrepreneurship and innovation" for further national economic development. At 10am, I arrived at the fair zone, an open space surrounded by buildings belonging to the local information technology tycoons, such as Tencent, and close to the 3W cafe, a famous entrepreneurial cafe and incubator center in China. When I entered the fair zone, participants were arranging the fair booths. I roughly calculated that there were about 200 startups and 20 local governments participating in this week-long fair. Like Expo, the fair was divided into several zones according to theme. Each participant had to design their booths under specific themes pertaining to the national policy and slogan: "building mass entrepreneurship and innovation in our city."

Figure 4.1.
2015 Shenzhen Mass Innovation and Entrepreneurship Week in Nanshan. (©Author.)

A "fair" is a space where producers and buyers of specific products physically meet together. This fair, like Expo, is not established only for economic goals. It is highly symbolic because it is not building an exclusive market space for "producers" and "buyers," but a space for "producers" and "audiences" from all over the world, bringing their exotic gazes to bear on "new inventions" in the high-tech industry. In addition, the exhibitions act as a rite of economy. The introduction booklets, scattered on the front table of every booth, iterate the story of the talented founders, list the reasons why their products are successfully conquering the "niche markets," and explain their innovative ideas with vivid discourse, with these ideas exemplified by eye-catching products set in the booths. A startup runner at HardEgg cordially introduced his product, an electronic device to help calculate personal data about when people sleep. He said, "It is designed by my business partner, an excellent industrial designer who was working in Huawei company. The product earned $10,000USD of crowd funding on Kickstarter.com, and we started to manufacture it in Dongguan. It sells well in the US, especially on Kickstarter.com." [77] The exhibiting startups are classified into three categories: digitalized hardware "smart device" producers, software "internet platform" producers, and online-offline "networking tool" producers. Generally, these new consumer electronic products are called "fashion technology" and are conquering the retail and wholesale domestic electronics market. More or less, these startups are dependent on the information technology industry in Shenzhen.

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[77] The emerging domestic and international crowd-funding websites like Kickstarter.com and Jingdong-crowdfunding.com play important roles in regulating flexible capital into "venture" capital through donations to small-scale tech-innovations such as the product made by HardEgg.

Regardless of whether these are hardware producers or software producers, their products are highly digitalized. It is not surprising that the posters for every startup display their biggest sponsors and collaborators as Tencent Open Platform (also an internalized startup in Tencent), Ali-Cloud (a company belonging to Alibaba Group), or other enterprises belonging to these two largest internet tycoons. About 70 percent of the booths at the fair were conquered by hi-tech startups. The well-established IT companies such as Tencent, the producer of widely used Chinese social media platforms WeChat and OICQ, and Huawei seem invisible in the lines of booths. The aim of the fair is to market decentralized startups, a newly emerging type of economic organization conceived as an advanced organization in the current developmental model to sustain the "economic miracle" in Shenzhen. However, these IT tycoons are sponsors of the fair. Entrepreneurial activity in the science and technology sector is also highly promoted by the local authorities. The remainder of the booths were used by local governments geographically close to Shenzhen—especially those very near, such as Shantou, Dongguan, and Huizhou. They set up their booths in the fair zone to show how they were also practicing "mass innovation and entrepreneurship" to upgrade their export-oriented industries, and to show that they were learning how to undertake this "industrial upgrading" from Shenzhen, the big brother city in South China.

This state-sponsored "mass entrepreneurship and innovation fair" manifests players from an "entrepreneurial ecosystem" that was recently established by local authorities in China: namely the local government, big IT companies, financial investors, and, importantly, the startups themselves. For the local government, the direct goal of launching the innovation campaign is to constitute an "entrepreneurial ecosystem." The "entrepreneurial ecosystem" model, embedded in Schumpterian economics, was created by contemporary financial analysts from Anglo-Saxon business schools (Isenberg 2010; Mason and Brown 2014) to try to revive a stagnant domestic economy with entrepreneur "creative destruction." In their words, building an entrepreneurial ecosystem refers to establishing a physical (e.g. incubation spaces and university sectors for tech-innovation) and financial (e.g. strategies of tiny-scale investment) infrastructure as a platform for stimulating economic development driven by startup entrepreneurs and state institutional support. As powerfully described by James Scott (1998), this infrastructure is a vector for the state to organize non-state organizations and a site for the state to converge with the global economy.

The following section of this chapter explores how the local state targets and recruits young professionals to flow into the grid of the entrepreneurial ecosystem and how young professionals respond to it via their own network building. The third section will articulate how and why the local state mobilizes and collaborates with national and international social associations—quasi-civil society in China—to construct the entrepreneurial ecosystem.

For the local state, setting up an infrastructural grid to target young professionals is a way to establish comprehensive social order in the transformation of urban entrepreneurial space. The local state also oriented the mobility of population-capitals

via creating a developmental agenda to fit into the grid (Rabinow 2003). For the local state building an "entrepreneurial ecosystem," a physical and financial infrastructure of urban entrepreneurialism, is seen as a way to cultivate common sense and create shared patterns among involved institutions, to "unify and mobilize social resources to develop the new economy which is represented by internet technology driven industries."[78] No wonder entrepreneurs-to-be feel excited about the establishment of "entrepreneurial ecosystem" "producing more chance to earn as you deserve" in Shenzhen,[79] or that those developers working for promoting young tech-entrepreneurship from social associations and NGOs are about to "find economic opportunities in the New Economy."[80] In the current Chinese urban de-industrializing developmental agenda, as Julie Y. Chu argues, infrastructure-building in China "cultivate[s] a certain tacit 'common sense' of the world and that world's built-in or proper distribution of life chances and life energies" (Chu 2014: p353).

4.2 "We Let the Right Person Go to the Right Space": Manipulating Mobility Through Individualized Life Passage

4.2.1 Talent Attraction as Social Engineering

On my first day at the Technology and Entrepreneurship Service Center (TESC), I was given a desk in the Office of Chinese Overseas Returnee Students and assisted with the preparation for the Nanshan Entrepreneurship Star Competition, a locally based international competition to reward those with good entrepreneurial ideas with opportunities to start up and officially register their businesses in the Nanshan District of Shenzhen. "Our center and the competition offered a great platform to career-builders in China and from other countries, we try our best to offer services to let the right man go to the right space! ...And most importantly, our job turns out to be a success! The number of international startups is increasing in the competition 2015!" Vice-director Huang hosted a mobilization meeting to emphasize the significance of the Nanshan Entrepreneurship Star Competition in recruiting young professionals and startups in Shenzhen and allowing them to compete in the New Economy.

At the end of this meeting, Huang asked if anyone had questions. I raised my hand and asked a question that seemed to surprise Vice-director Huang: "Why did they *actively* register in our competition?" Huang answered in a peaceful mood: "Because they need us. Think about it. First, I emphasized a lot that we offered a great deal of

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[78] As is shown in the Implementation Plan of National Independent Innovation Demonstration Zone in Pearl River Delta (2016-2020), Shenzhen's government bears the national plan to "jizhong shehui ziyuan, fazhan yi hulianwang, shengwukeji, xinnengyuan, yiji xincailiao wei daibiao de xinjingji". See: http://www.sz.gov.cn/kjcxw/zcfggfxwj/jsgz/201606/t20160616_3706732.htm

[79] Interview Yang, 23-01-2016.

[80] Interview Wu, 25-07-2016.

social resources to help them market their ideas in Shenzhen where a lot of investors clustered. Second, if they cannot compete and gain the reward in the *state's* platform, how could they become successful in the *market's* platform?" Acting as the local state's hand in revitalizing the New Economy in Shenzhen, TESC is a key agency for local governments and Chinese Communist Party organizations aiming to realize national policies regarding elite-talent recruitment and entrepreneurial ecosystem building.

In the history of Chinese state-building, elite-talent recruitment is key for the state to sustain political stability. The state-building process involves a complex relationship between the state and the individuals that it intends to recruit. Historically, the instruments of elite recruitment, like China's 14th century civil exam system, opened a tunnel for the privileged or unprivileged masses to compete for political positions (Elman 2000). Elite recruitment was also an important bio-political agenda for the Leninist party-state in post-socialist and neo-socialist conditions, when marketization and globalization began to influence the domestic political economy of these regimes. It is widely argued by scholars in socialist-regime studies that these states enlarged the tunnel of elite recruitment after marketization, especially for the entrepreneurial class, which was seen as a "reactionary class" (Rona-Tas 1994; Szelenyi and Szelenyi 1995; Wank 2002; Easter 2007). This research focuses more on conceptualizing elite recruitment (精英吸纳 *jingying xina*) as a "path way to power" (Zang 2001), and less on the diversified and de-centralized process of talent attraction (人才吸引 *rencai xiyin*). Positioning their studies in diverse research paradigms—such as globalization, urbanization, and identity-body politics under late-socialist conditions—many scholars concentrate more on the new quasi-vested interest groups that are cultivated by incentives in educational organizations (Hoffman 2010; Kipnis 2011). Different from the after-reform entrepreneurial groups in merchant regions such as Wenzhou or Teochew, the newly emerging tech-entrepreneurs-to-be are targeted as "talents" and are integrated into the political agenda of "talent attraction" by the local state.

"Elite recruitment" and "talent attraction" in the Leninist party-state are different but not unrelated to social engineering. The 40 year marketization period (after 1978) witnessed a transformation in the rationale behind the elite-talent recruitment system, especially after the state-led job assignment system was abolished and *kuozhao* (扩招 mass-enrollment in higher education institute) was implemented in mainland China. The rationale of the transformation from retail "recruitment" to wholesale "attraction" foreshadowed the state's anxiety and expectations regarding its stable supervision of domestic population mobility.

Before the economic reform in 1978, when command economy dominated in the rural-urban binary resource redistribution system, the state's anxiety about excessive rural-to-urban migration resulted in it laying out a strict *hukou* (户口 Chinese household registration) system to control population mobility. Rural people were not allowed to migrate into cities without the support of their state-owned work units. Under the strict *hukou* system, young professionals and young graduates with rural or urban "*hukou*"

backgrounds were also involved in an exclusive system: state-led *biye fenpei* (毕业分配 job assignment to state-owned sectors) based on crediting elite talents and their loyalty to the state. These two policies on population mobility restricted not only rural-to-urban migration, but also the individual migration[81] of young elite talents until the late 1990s.

In the late 1990s, the rationale of controlling domestic population mobility changed. Accepting that the under-controlled emergent floating population (流动人口 *liudong renkou*) — the rural migrant workers in private manufacturing enterprises, small entrepreneurs, and laid-off public sector workers— were conquering the rising urban informal economies, the Chinese state loosened its control over rural-to-urban migration after the year 2003.[82] ased on the rise of professionalism—professional rather than political capital being the key factor accelerating the development of the market economy—and the reduced positions in state-owned sectors after the late 1990s economic reforms under Jiang's regime (1993-2003), the Chinese state abolished the *biye fenpei* policy for young graduates and professionals. In the 1990s, out of a fear of brain drain, the central state issued more talent incentive policies to target and compensate (补助 *buzhu*) domestic professional talents and reward/attract overseas Chinese professionals (OCPs) to come back (Zweig, 2006; Zweig and Wang, 2013). Since 2000, the way the central state targets and mobilizes talents has become more sophisticated and instrumental: the local state and receiving work units/enterprises can determine the detailed requirements of talent registration[83] based on local socio-economic realities; the Organization Department of the Chinese Communist Party at each level has the authority to design and arrange the mobility of professional talents within and beyond the state's system;[84] newly released talent policies intend to target professionals with not only scientific-technological professions/high degrees, but also tech-entrepreneurial ambition; and the local state tries to attract foreign professionals (外国专家 *waiguo zhuanjia*) to internationalize the innovative programs. No matter how the rationale of Chinese talent policy changes, the target-oriented policy making focuses on defining, valuing, and targeting national and international professionals to fit into national technology and development projects.

In the current situation, domestic population mobility is highly diversified and

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[81] Taking the "*shangshan xiaxiang*" (上山下乡 Down to the Countryside Movement) as an example: a large numbers of the urban youth and young professionals were dispatched to socialist villages farms without considering their individual will.

[82] On June 20, 2003, Premier Wen Jiabao officially signed Decree No. 381 of the State Council, repealing the "Measures for the Reception and Removal of Urban Floating People". This means that the majority of rural hukou holders could be free and safe to walk on any street in any city without permission. Please see: http://www.gov.cn/zwgk/2005-05/23/content_156.htm (Accessed July 3, 2018).

[83] A local official and informant told me at a talent policy promotion held in the Netherlands that the specific practice of talent policy is decided by the local state.

[84] A *guazhi ganbu* (attached cadre), my intern colleague, who is a director of a local CCP Organization Department, told me with anxiety about how he works to designate and attract talents to go to his small city. He said his small city cherishes the "Zizhu Xuanzhe" (self-decision) of young talents, but he needs to improve the welfare system to attract talent to cluster in his city.

individualized. Based on increased social polarization, precarity, and mass-unemployment resulting from de-manufacturing developmental plans, anxiety around social mobility rather than geographical mobility drives the Chinese government to implement differentiated policies on domestic population mobility: separately establishing "entrepreneurial ecosystem" in rural and urban areas to attract former migrant workers back to their hometowns to start up their businesses and accelerate "*chengzhenhua*" (城镇化 literally "townization"), while at the same time attracting young graduates/professionals to urban entrepreneurial activities by assisting the IT industry.[85] We cannot overestimate the intensity and effect of the state's management of human mobility in contemporary China, especially given the variance of the talent attraction policy[86] between national implementation and local practice. Yet, we also cannot ignore the fact that in the uncertain development of the new-tech innovation economy under the transformation of global supply chain, the state has to "let the right person go to the right place."[87]

The current academic inquiry into the mechanisms and consequences of talent policy making is dominated by migration studies, which focus on dealing with talent management (Cheese 2007; Lewin, Massini and Peeters 2009), global inequality (Leng 2002; Biao 2007), and the identity anxieties new modes of global capitalism engender (Koh 2003). Existing academic studies focus too much on how the flows of transnational capital and human resources are influenced by de-regulated global capitalism and unequal talent policies in developed countries. They focus too little on how routinized and regulative talent policy, as symbolic and institutional power, shapes the relationship between professional-managerial people (laborers) and the state, too little on the power patterns in de-industrialized tech-based economies.

In the case of Shenzhen, the local government persists investing in attracting a large number of professionals, a kind of reserved intelligent labor power, into a specific space to incubate until they can successfully commercialize their tech-innovations. By using policy tools and economic-driven urban spatial planning, the local government establishes a drainage system that absorbs young professional-managerial people to compete for spatial positions in metropolitan cities like Shenzhen. For the local state, the clustering of professionals is not purely based on political concerns. "We believe in the market force! If one professional groups with others to become a strong company, we will also benefit from their success," claimed an official discussing his opinion about the state's persistent and huge donation to reward young professionals with entrepreneurial ambition.

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[85] The PhD student Linliang Qian from Australian National University is writing his thesis on "e-commerce villages" in the rural area of Zhejiang Province.

[86] Making talent policy and increasing the stock of "valuable" human resources is not a strategic social engineering policy practiced only in China. Many developed countries receiving global migration, like the UK and Australia (Holland, Sheehan and De Cieri 2007), conduct instrumental talent policies to attract highly skilled foreign laborers to compensate for the declining domestic labor markets.

[87] During a meeting in my interned sector, Mr. Huang reinforced this target with staff members.

4.2.2 Inventing the Talented Subject in the New Economy: The Use of Male Youth

There are four implications embedded in this economy of targeting and recruiting young professionals. Firstly, the local state's talent-targeting and recruitment system always underpins the local government performance assessment and industrial policies. The local state is also more sophisticated, regulating the mobility of professional-managerial people via a newly invented talent rewarding system. At the same time, the talent defining/targeting system that always underpins national development policies is regulated to reproduce new subjects of local economic concern. The rewarding system is designed by analyzing current socio-economic realities, such as the situation in industry and the local labor structure, and is not purely based on political concern. "We cannot make promises to all professional young graduates. Initially, we do have to meet the quota to pick up talents (人才 *rencai*) with high degrees as is pushed by our state. But at the local level, we do want to attract real talents (真的人才 *zhende rencai*), not merely PhD nerds, who can really benefit our local economic development. We make the right man for the right space!" a cadre responsible for talent recruitment and working in the local Human Resources and Social Security Bureau told me in Shenzhen. "The local talent policy making is changing based on the national policy inclining to empower professionals with entrepreneurial ambition. During the past, talent policies always targeted the people with high professional degrees, especially overseas degrees. But right now, at least in these ten years, the local talent policy makers loosen the standard of talent-targeting." The cadre also relayed his anxiety about the increasing unemployment in real economy (实体经济 *shiti jingji*).[88] Because of the decline of real economy in China, there is not enough promising jobs for the increasing number of young professionals working in real economy, normally dominated by state enterprises. The national development policies tended to empower professional-managerial people with IT entrepreneurial ambition aiming to pressure them into creating jobs as career builders (创业者 *chuangyezhe*) for themselves.

Secondly, the local government designed the talent rewarding system by learning from similar existing policies in other countries. Wang, a retired director of the local Technology and Innovation Bureau, initiated reform of the reward system by empowering young tech-entrepreneurs. As a state-funded overseas Chinese professional, he studied engineering and management in France in the 1980s. After he returned to Shenzhen at the beginning of 2000, he started introducing French governmental ideas into China's local governance of tech-innovation. "In France, the burgeoning talent reward policy is to empower young people to develop their entrepreneurial ambition in the general economic recession. I think we should learn this idea from them." He smiled, "at the same time, I introduced 'innovation and

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[88] Real economy (实体经济 *shiti jingji*) is highly cited by Chinese economic analysts to compare with "virtual economy," in which virtual goods are exchangeable, especially in the context of internet games, the stock market, etc.

entrepreneurship coupon' in order to distribute them to those startups and individuals, letting them buy services from service organizations which are certified by the local government." This "learning from France" is appropriated by the local state to reshape its tech-innovation governance: empowering young professionals with entrepreneurial ambition by distributing authority and money to service organizations to promote urban entrepreneurship.

Thirdly, the making of talent policy and the production of space are key tools regulating the mobility of young professionals with entrepreneurial ambition. Producing space for supporting tech-entrepreneurship is about producing space and about donating and guiding social-economic resources into established space to add value to it. Resource-intensive space production makes the clustering of "talents" possible. At a national scale, the production of Shenzhen SEZ is a spatial production arising from experiments with marketization and modernization in 1980s. The state empowered it with privileging policies, resources, tax-cuts and so on. On a more minor scale, the recently proposed urban renewal projects in Shenzhen push more and more factories to move out of the urban area in order to revalue the obsolete space into a tech-professional-intensive working space. Take Nanshan Science and Technology Park as an example. In order to group together growing numbers of technology companies, the local government even promoted the construction of skyscrapers on the reclaimed land. Although the quick construction was thought to be very dangerous by some local urban planners,[89] people felt satisfied that the city had temporarily become modern, clean, and clear. The gentrified urban areas are full of commercial zones and working spaces for technology companies. "Working in this creative zone represents that my startup is young and has good taste (有品味 *you pinwei*) for our creative clients. Even though the renting expense is skyrocketing, we do not want to move," Hou, in an expensive café located in Overseas China Town [90] (OCT) Creative Industrial Park, told me. He established his industrial design start-up in OCT in 2013. Although holding a master's degree from a British university, he was uncertain whether he would be able to work at a British 4A advertising company in Shanghai, so came to Shenzhen instead and started his career as individual designer. His choice was in line with the local state's production and donation of innovative and creative space, such as Maker-spaces and innovation centers, to attract young professionals, albeit the boom in real estate prices. "Shenzhen is China's Silicon Valley! The opportunity to run a successful startup in Shenzhen is higher for its fancy but relatively cheap working space, than many other cities. Shenzhen is a heaven of tech-entrepreneurship for its mature production networking chain with Dongguan. There are lots of social and financial resources clustering in

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[89] Interviews with urban planners from a local urban planning association that planned landfill engineering informed me about the fast speed of futuristic skyscrapers construction. A female urban planner expressed her anxiety noting that from her measurements two of the buildings were sinking.

[90] Overseas China Town in Shenzhen was established in 1982 as a hub for recruiting overseas Chinese from East South Asia to rebuild their commercial farms in Shenzhen and thus to increase local economy. It was a state-owned enterprise. The OCT enterprise was transformed from a state-owned enterprise to Shenzhen Overseas Town Holding Company when Shenzhen began its urbanization planning in 2004.

Shenzhen. And Shenzhen is a clean big city for living," a startup runner named Chen told me, explaining why he chose Shenzhen to build his career after he quit his job working as a senior engineer in a declining state-owned enterprise in Beijing.

The fourth implication is that the economy of collecting professional-managerial workers drives the enthusiasm of other local governments to learn from Shenzhen and increase their ambition to compete in talent attraction. They lowered the requirements and raised the standard of investments in the talent-rewarding system. Cai, a director of Organization Department of CCP in Jinhe, a small but important city for textile manufacturing in Fujian Province, expressed his apprehensions to me: "We always emphasize 'communist party should manage talent' (党管人才 *dang guanrencai*), but we cannot really circle them (圈住他们 *quanzhu tamen*) if we cannot not offer more. Why did my lingdao (领导 cadre leader) arrange for me to attach myself in Nanshan District of Shenzhen? Of course, he wanted me to learn from Shenzhen how to collect intelligent human resources!" After five months of *guazhi gongzuo* (挂职工作 the work of attachment for cadres to intern in higher level cities), he is still unable to figure out a good plan. He told me that he would become anxious if he could not make an efficient plan to attract professional-managerial talents to build their high-tech careers in his city. He started to ask *xiehui*, the new aegis of former native association and local chamber of commerce in Shenzhen to assist him by promoting his talent attraction policy announcement in Jinhe native circles. He collects information about unsuccessful applicants for entrepreneurial talent rewards in Shenzhen: "then I can attract them to our city!" he explained to me.

Last but not least, the local state's talent attraction practices produce a certain kind of entrepreneurial subject and generate the heat and noise of urban tech-entrepreneurship. The local talent attraction system is a highly classified and hierarchical reward system that selects and invests state resources (money, low rent or free government talent-dormitories, tax-refunds, etc.) in those seen to have the potential to rejuvenate the local economy. By judging the levels of professionalism, education, and family backgrounds of applicants, the local government can decide who gets what and why. If applicants meet more of the requirements in the policies, they can apply for more resources from the government. "The funding and resources offered by the local government help us to save on a lot of expenses at the beginning stage," stated a female employee at a start-up who dealt with "policy application" (政策申请 *zhengce shenqing*) and covered tasks such as applying for refunds and free dormitories for her colleagues. Moreover, the talent policy rewards at each level (national, provincial, and civic) are compatible but complex: again, the more requirements you meet, the more you can apply for. However, speaking as someone who has tried, I can attest that it is difficult to figure out who can apply for what rewards policy for his or her startup. There is a huge quantity of entrepreneurial talent-rewarding items affiliated with developmental policies. The complex application procedure impedes some individual applicants. That is why most young people ask professional social associations or

private service companies to solve their application dilemmas. The rising number of social associations and private service companies dealing with entrepreneurial services pertains to the way the Chinese state has gradually outsourced its public services to civil society and the private sector. By taking the outsourced talent-attraction projects from local governments, some Chinese public societies categorized as *xiehui*, state-sponsored social sectors, and industrial NGOs play important roles in training and orienting young professionals to follow the state's talent development agenda in the innovation economy.

4.3 The Social-Training of the Entrepreneurial Subject: Producing the New Mentality and Order in the Innovation Economy

As was fully researched by classic anthropological studies on social status, rites of passage always happen when people go beyond their original organization, such as family, to another organization, such as industry (Turner 1987; Davis-Floyd 1987). This idea as subject-making through passage-in-between informed significant sociological and anthropological studies on the shop floor during high-industrial Fordism (Burawoy 1979; Boyle 1986; Davis-Floyd 1987). However, there is little research dealing with how creative workers (Florida 2006) go through their "rite of passage" in post-Ford organizations with "flat management" or "liberal management." In fact, in my fieldwork, I discovered that functionalist management instruments can also be appropriated by organizers to discipline laborers in the startup economy, especially in the state-led de-industrial conditions in which the Communist Party of China conducts new governmentalities through social management (Pieke 2012).

Questions emerge when I reshuffle the "neutral" and narrative fieldwork notes about how startup organizations, as an emerging kind of business institution in the internet-based technology industry, cultivate a new working style and regulate professional workers in the work space. Specifically, what kind of human resources strategies, as tools to regulate labor/workers in (de-)industrial society, are invented in startups to manage young people's entrepreneurial ambition? What kind of institutionalized "startup culture" and "feeling" are cultivated by startup runners to form cohesiveness in de-centered startup management? These intriguing puzzles about the status of work, working conditions, and forms of management may shed light on what Manuel Castells and Alejandro Portes have already argued: such elements of the work process may evade state regulation and produce new norms to regulate workers/labor in the information economy. I intend to develop an academic understanding of "flexible workers" in contemporary de-industrialized China.

Researching issues such as "the kind of qualities needed in entrepreneurship building" and "if highly-educated people are more suitable for current entrepreneurship building" are less useful for us to answer the real questions behind the tech-

entrepreneurial subject-making in contemporary China. I will explicate ethnographic data to show the creation of entrepreneurial subjects through a series of "social training" programs offered to empower youth with entrepreneurship in the incubation centers in China by state supported quasi-third sectors such as the CCYL (Chinese Communist Youth League), United Front (the Communist Party department responsible for liaison with non-Communist forces), venture capital investors, domestic social associations, local universities, and transnational NGOs such as Shenzhen Foundation For International Exchange and Cooperation (SFIEC) and Shenzhen Startup Salad (SSS). It seems that there is no central state organization responsible for drawing a specific top-down training plan for youth entrepreneurship. However, "mass entrepreneurship and innovation" has been reframed in public service projects for youth employment. These projects were conducted in the system (目标责任制 *mubiao zerenzhi*) within the Chinese state vertical sectors. This system sets the institutional constraints that drive the local sectors who want to "go up" to become actively and innovatively involved in the competitive project of "mass entrepreneurship and innovation" in the new economy.[91] For this reason, these state, quasi-state, and non-state organizations actively conduct similar social training projects of tech-entrepreneurship building.

The local state-supported organizations involved in conducting "social training" for entrepreneurs-to-be actually share a similar agenda, which is a training agenda largely derived from Silicon Valley models. On the first day of my unpaid internship in the Technology and Entrepreneurship Service Center (TESC), the social sector (事业单位 *shiye danwei*) of Science and Technology Bureau in district-level government, introduced me to the social training of entrepreneurial subjects conducted in three ideal-type educational schemes for young professionals to "pass the rite" in innovation entrepreneurship building: organizing teams, exploring market, and linking venture investment).

The social training system operated in the mode of social volunteerism. In the name of "empowering young people with tech-innovation and entrepreneurial spirit," social associations recruit people to serve the social training agenda. Moreover, considering how the local government prioritized the enterprises for social public goods (社会公益事业 *shehui gongyi shiye*) as their future developmental target, the Shenzhen government supported this social training, which is defined as social enterprise for youth empowerment, with direct investment in pertinent training institutes like "incubation centers," service sectors of United Front, and company-sponsored social associations.

The training courses are conducted with a well-organized disciplinary schedule. On the last Saturday of October 2015, I wore an orange volunteer T-shirt and went to the office building of Tencent Company in the Science Park of Nanshan District to volunteer in a social training project. People wearing red, green, or orange T-shirts

headed toward the Tencent building with joyfulness at 7:30am. The industrial NGO Startup Salad, donated by Tencent Open Platform (an operational department of Tencent company), organized this social training project in the meeting hall of the Tencent building. The intensive courses lasted two months. Participants who registered for the training and were selected to participate were required to take full-time courses on weekends. The participants were allowed just one day off for personal reasons. The participants were required to organize into small groups based on their roles: the people in red T-shirts were defined as "product managers," and those in green were defined as "IT professionals." Each group had at least four people and one member had to be an "IT professional." A supervisor, also one of the teachers in the training courses, guided the organization of the startup team. The training course supervisors were called mentors (导师 *daoshi*).

Considering participants were all full-time professional workers in the tech-industry or full-time undergraduate students in nearby universities, this social training was extremely intensive for them. "It makes me feel anxious!" a participant concluded with a bitterly happy mood, "but what I get from the courses is more than what I obtained from the university." As a volunteer and fieldwork researcher, I also joined in this intensive and tough experience.

The intensive courses were distributed over eight weeks and themed in eight aspects of "qualified entrepreneurial-subject" training. Each aspect is seen as important *suzhi* (素质 human quality) of entrepreneurial-subjects in the new economy. "The *suzhi* turn" in understanding the transformation of the Chinese market economy into a neo-liberal one was highly criticized by China expert Andrew Kipnis (Kipnis 2007). Discontent with Reagan or Thatcher era inspired theoretical frameworks identifying modern ideal citizen/subject as "both entrepreneurial in the economic sense and reasonable, law-abiding, tolerant, and autonomous in the political sense," Kipnis argued that rather than explaining the *suzhi* subject-making in terms of understanding neo-liberalism in the Chinese market economy, the rise of *suzhi* discourse and tactics of *suzhi* training should be understood as an evolution of China's governance of mobility in its market economy (Kipnis 2007: pp386). The appropriation of *suzhi* training in current entrepreneurial subject-making fits well with the teleology of self-governance in the Chinese innovation economy because, as is often mentioned in several central/local state official documents, the qualified subject in the new economy should be one with potential for tech-innovation and ambition toward entrepreneurship building.

The direct, local operation of this teleology can be seen in the highly typological and circulated social training schedule:

	Week 1: Knowing Yourself	Week 2: Organizing	Week 3: Forming Common Sense	Week 4: Macro Economics in Our Nation

		Team		
Sat.	8:30-11:30 Philosophy of "Knowing yourself" Mentor: Prof. Cai (Vice-professor of Social Psychology in Shenzhen University)	8:30-11:30 Startup Organization and Management Mentor: Prof. Chen (Vice-professor of Public Management in Shenzhen University)	8:30-11:30 What is Good Product? Mentor: Mr. Xve (Product Manager from a local successful startup)	8:30-11:30 New Economy, New China Mentor: Prof. Chen (Professor of Economics from Sun Yat-sen University)
	14:00-17:30 The Art of Introducing yourself Mentor: Mrs. Li (a Vice-Manager of Human Resource from Tencent.com)	14:00-17:30 Startup Management in America Mentor: Prof. Chen	14:00-17:30 The Good Characteristics of Entrepreneurs Today Mentor: Mrs. Huang (Vice-secretary of district-level Communist Youth League)	14:00-17:30 Tech-innovation and Global Future Mentor: Luke (An Australian startup runner from HK)
	19:00-21:00 Idea Presentation Requirement: Each participant should find an idea	19:00-21:00 Organizing Teams: Each participant must find their "partners" to organize a team.		
Sun.	Visiting ten famous local startups in High-tech Park.	Visiting four new "incubation centers", as the future working space of startups.	Visiting City Museum, and watching documentary about the local practice of Reform and Opening Policy in Shenzhen Special Economic Zone.	Visiting Qianhai Free Trade Zone, and Learning Registration Policies in Free Trade Zone.

	Week 5: Finding Your Market	Week 6: Innovation and Creative Economy	Week 7: Writing the Good Story	Week 8: Performance Guidance
Sat.	8:30-11:30 Mass Marketing and Niche Marketing Mentor: Prof. Liu (Vice-professor of Marketing from Guangzhou University) 14:00-17:30 Commercializing the Scarcity of Market Mentor: Prof. Liu	8:30-11:30 Innovation and Development of Information Technology Mentor: Mr. Qu (Boss of an IT company.) 14:00-17:30 Creative Industry and Cultural Economy Mentor: Prof. Huang (Vice-professor of Cultural Industry from Shenzhen University)	8:30-11:30 The Art of Telling Good Story Mentor: James (A Taiwanese American Investor from Silicon Valley) 14:00-17:30 Selling Your Product From Your Writing Mentor: James	8:30-11:30 How to Train Your Body Mentor: Mr. Zhou (Gym instructor) 14:00-17:30 Find Your Style and Clothing Mentor: Mrs. Xie (Fashion designer)
Sun.	Team Activity: Doing market research: Methodology and Practice Mentor: Prof. Xu (Vice-Professor of Marketing and Industrial Studies from Shenzhen University)	Team Activity: Doing market research and writing the draft of project proposal. Mentor: James.	Team Activity: Revising the draft of commercial proposal, and preparing an English version.	Team Activity: Buying the suit, and doing haircut.

Moving forward, I argue that social training structured in this way is a form of governance, aligned with the Chinese state's broader aims of strengthening its role and taming the rising domestic niche market.

First, the training of small groups to cultivate a corporatist mentality fits into the state's target of "organizing" the new social networks in the increasingly flexible startup economy. The party-state supported training program organizers not only group participants into startup teams, but also giving training courses to transform participants' psychological and physical sensibilities to gain more *shichang suzhi* (市

场素质 market qualities), to become potentially successful "market victors." The training programs naturalize the idea that entrepreneurship building is a personal choice and the realization of a personal dream. A series of body language and performance trainings are conducted in order to improve the integral characteristics (气质 *qizhi*) and taste (品味 *pinwei*) of participants and to help them attract the attention of investors with vivid presentations.

Second, the agenda of "exploring the market" is not merely appropriating or copying marketing strategies from business and management schools. The target and outcome of "exploring market" is to create "a niche market," which is highlighted by the state's proposal of supply-side reforms in order to increase domestic consumption within the next several years. From what I observed by participating in the training programs, young trainees try their best to invent the niche market through profound marketing stimulating urban consumers' sophisticated notions on consumption in the name of "buying for the better life". Ever increasing numbers of young Chinese professionals search for imagined less expensive middle-class lifestyle in a city that grows continually more expensive. In this sense, it is no wonder that the rise of Chinese domestic consumption aligns with the rising numbers of startups whose goal is marketizing and commercializing a new lifestyle through IT technology.

It appears that the agenda of "linking venture investment" is a competition and presentation, called "road show," for trainees to obtain "the first bucket of gold" before they actually register and start their businesses. Through this theme, participants learn how to present their ideas in front of venture investors. However, as analyzed in chapter two, "linking venture investment" is also a strategy for the local state to attract domestic and international capitalist networks into the construction of the Chinese entrepreneurial ecosystem and, by extension, the new infrastructuralization of Chinese state power.

Generally speaking, the social training agendas are both step-by-step performative and substantive projects outsourced by the local state to social organizers keen on the new policy of "mass entrepreneurship and innovation." However, describing social training as social discipline does not necessarily mean that participants are sincere and passive agencies. As an approach to creating new social relations in the new economy, joining social training programs is seen as a direct way to start up a business and, in this sense, social training is regarded as a necessary rite of passage.

The remainder of this section will depict cases and stories on how the social training process operates through social associations, the rituals and the physical spaces of the "incubation system" in Shenzhen. I will explore how and why young participants join, resist, and eventually apply the lessons of this training. Their strategies, practices, and the vicissitudes of the social training form the core of a rite of passage by which young professionals become "real" startup runners.

4.3.1 *Jianshe tuandui* (建设团队 organizing teams): Manufacturing Consent through Anxiety-based "Solidarity"

The participants were required to organize their teams as soon as possible after they took Professor Chen's course on basic theory and operation of startup management. Based on the course tips, before participants organized their team they needed to decide upon percentages of responsibility: that is, the proportion of equity they will receive in the future. In this sense, whoever gets to act as the CEO will depend on the level of responsibility he or she wants to take on. "The invention of 'partnership institution' is the greatest invention in management studies! You learn how to be responsible for your team. In this competitive market, your team members are your brothers and your life-saving straws! Go and find the guy that you trust!" Professor Chen concluded. The male-dominated participant groups were highly motivated by Professor Chen's reiteration of solidarity.

The rise of startups, a form of community-based enterprise driven by the supply-chain of the new economy, witnessed the popularization of new management tactics from new-economy management schools. Fifteen years ago, Professor Chen started his research on startup management. However, his research plan was implicitly mocked by his colleagues in the local university. The Chinese management school assumed that the trend of *guojin mintui* (国进民退 the state enterprises advance while the private retreat) at the turn of the millennium would sustain the classic management tactics employed in the rising industry. "However, I am right. The rise of the information technology industry in China welcomes a highly flexible production process which is totally different from what was analyzed in old school 'western' management studies. From the perspective of management reformation, Chinese enterprises in new economy are catching up to the western ones." Professor Chen proudly explained his foresight and attributed his early unfavorable career to the general narrow-mindedness of management schools in China.

The newly invented tactics in management studies could also be appropriated as tactics of social governance in state-guided industrial reforms conducted by local government. In 2010, Chen's pragmatic research in Chinese startup organizations was sponsored by local government in order to propose the local practice of IT-based industrial planning. He was also invited to be a consultant in the local state's think tank, offering special courses for party cadres from other cities and social training for startup entrepreneurships. He declared that the current trend of flexibility in company organizations requires new management tactics. The important part of practicing local "mass entrepreneurship and innovation" is to organize flexible professionals together. The organization of startups is seen as a stabilizer in the growing competitive professional labor market of the new economy. For the local government, turning the surplus of professional laborers into self-employed entrepreneurial-subjects is strategically harmonious with reforming mass-manufacturing oriented production.

Chen's suggestion to make "organization and management" a required course in policy practice was accepted by the local government. Seen as the guru of startup management in Shenzhen, his course was given in a charismatic way. He attracted the attention of trainees by telling vivid stories. To explain the importance of solidarity in the community-based startup economy, he utilized the Chinese anecdote of "three monks"[92] emphasizing that personal failures are always contributed to by "grouping-without-solidarity."

However, the construction of small teams with a collective sense of social training should also be understood in relation to the widespread anxieties young participant have concerning economic uncertainty in the current industrial transformation.

Figure 4.2

Startup Salad activity in Tencent, Oct 2015, Shenzhen, Nanshan District. (©Author.)

Organization in solidarity is regarded as a strategy to deal with the anxieties of uncertainty and risks among the entrepreneurs who group together. They come for training because they want to increase their chances of becoming successful, and to decrease their risk of losing everything. The prolonged anxieties of economic uncertainty contribute to the content of the first class, "knowing yourself." The four entrepreneurs-to-be pictured above have grouped together due to their own personal and structural dilemmas. For Xiao, earning a comparatively decent salary (7000RMB/1000Euros) at a local TV station in the state-owned-enterprise system, is inadequate to relieve the financial pressure of the costs of a small apartment and getting married in Shenzhen. Xiao wants to start a business and receive funding from investment companies: "The decline of traditional media makes me change my plan of work. At least in these two years, I feel tech startups can easily receive seed fund. So, I want to try and this gives me chance. And the training is an informative guide on how to make it!" Li, who is a trained skilled worker in a local communication company, finds that the institutionalized salary system does not value his job because he is not an

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[92] The word is based on the ancient Chinese proverb: One monk will shoulder two buckets of water, two monks will share the load, but add a third and no one will want to fetch water.

engineer with master's degree. He wants to find an opportunity where his labor will be valued in a new area. Zhou, even though as an IT engineer he has a higher salary,[93] wants to find a more interesting job: "IT engineers are afraid of growing old. That is why I should challenge myself and find more interesting things to do." Fan, a young graduate hunting for a job in Shenzhen, said "For graduated students from non-elite universities, it is getting harder to find a decent job. I saw some friends find jobs in tech startups, conducting novel programs. I also want to try. Maybe I can become one of the founders of an interesting startup." The diverse personal answers from these professional-managerial individuals indicate their similar anxieties and organizational incentives to join in the social training, to transform their mentalities and improve their performance. Social-economic considerations result in their attempts to become startup runners who are seen as, or expected to become, business subjects earning money and having novel lives at the same time. In this sense, the rise of startup organizations is actually created by the anxiety young people, mostly male, have about their careers and futures. Hence, it is clear why these courses highlight timing and instill a sense of urgency to do entrepreneurship.

Furthermore, the course I attended emphasized expressions of anxiety and bitterness to incite ambition in the trainees. By utilizing exaggerated gestures and words, Mentor Chen questioned preoccupied trainees: "Ask yourself who you are? What makes you lose your dream? How is your future shadowed by your stable low-salary work? Ask yourself, are you capable now of taking care of your parents when they are old, and your kids when they are still young?" It seemed that trainees were excited by these "insightful" questions. Mentor Chen also asked the trainees, who had declared their vulnerabilities and anxieties to one another, to shape a mutual trust. Several startup teams were organized through this *suku* (诉苦 bitterness expressing) sharing meeting. As argued by social anthropologists and Chinese sociologists, Revolutionary China witnessed the rise of "bitterness expressing" at public meetings as part of the communist party-state's ideological effort to evoke a common sense of suffering in relation to the "Three Big Mountains"—imperialism, feudalism, and bureaucratic-capitalism—in order to legitimize the communist revolution in everyday life (Erwin 2000; Guo and Sun 2004; Li 2007). In this sense, the expression of anxiety and bitterness is a tactic conducted as part of a public pedagogical approach to organize and motivate people in the flexibility-oriented new economy. It is by mutually sharing personal anxieties, expectations and tough stories, that participants can easily make business partnerships or friendships in a trusting atmosphere.

In social training courses, bitterness expressing is both the local state's tactic to group people and the collective production of new mentalities about work, self and the future in an era of individualistic entrepreneurship. The free sharing of anxiety and bitterness legitimatizes the state-led "mass entrepreneurship and innovation". As

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[93] As I was told by an HR person working at Tencent, the after-tax salary of formal IT engineers in the internet industry ranges from 9000RMB (1220Euros) to 20000RMB (2700 Euros) per month (data in 2015-2016)

depicted earlier in this chapter, the uncertain market and market regulations are naturalized into a mentality, originating in a disruptive entrepreneurial spirit and marketized by the state's development agenda, shared by young interviewees: the unchangeable thing in our generation is changeability. The social production of personal desire for success is combined with the state-supported "disruptive" entrepreneurial activity in organizing business groups.

Besides mental and psychological disciplinary training, social training introduces courses which can discipline participants' bodies. The course organizers invited a star gym instructor to train the mostly male participants. Various training in gestures, facial expressions, dress codes of masculinity and elite-professionalism, taste in wine, and public presentations are given to form the outward image of startup groups.

4.3.2 Exploring the Market: Creating Consciously Desirous Consumers-Producers to Invent the Niche Market

"Exploring the market" is an important agenda item in the social training program, considering that most participants have little knowledge about marketing strategies. As the organizers of this social training course, local social associations and NGOs continue to grow the number of professional and recognized scholars from Shenzhen and Hong Kong to teach the course and empower young people with commercial skills. Being both the target clients of contemporary niche consumerism and the future producers of goods in this increasingly sophisticated consumer market, the participants are deeply interested in the master class on "exploring the market."

The social training on "exploring the market" echoes the central state's "supply-side reform." Xi Jinping, the President of the People's Republic of China, proclaimed a series of economic reforms to increase domestic consumption, especially in the consumer market, for the purpose of reviving China's stagnant economy and by appropriating the macroeconomic theory that economic growth can be effectively created by capital investment and by lowering barriers to the production of consumer goods and services. The course mentor taught the trainees how to target (imagined) middle-class customers as the marketing strategy to design the products, how to utilize advanced marketing tools to "create the sophisticate desire for 'specialty' and 'novelty.'"

China studies developed the consumption-oriented analytical lens in the 2000s to offer new perspectives on how the Reform and Opening-up (1978) changed Chinese society. Such studies constructed their research on a scenario where the liberation of the market economy and the participation of the World Trade Organization sees China becoming a worldwide economic entity. Presuming positive correlations between economic liberalization and political change, and through analyzing the rising luxury-consumption, food-consumption, and housing-consumption in late-socialism, many of

these scholars introduced arguments along the following lines: even though there is no significant political change in economic liberalization, the rise of middle-class urban consumers challenges the former consumption patterns created by the state monopolies, reforms cultural/moral codes, transforms austere domestic consumption patterns, and increases the trans-regional mobility of commodities in late-socialist China. They argued that the rise of consumer power "enlarged the social space for urban residents to invest in non-official initiatives" (Davis 2004: pp3) and gave rise to consumer revolution in urban China (Davis 2004; Watson 2006).

However, these insightful studies did not develop the counter question concerning possible market reforms correlating with the governmentalities of the Chinese state in the consumption-oriented market economy. Shouldn't this correlation be notable in the current period when the Chinese generation that grew up in a three-decade consumption-oriented milieu has started to become not only the largest population of urban buying power, but also the producers, designers, and inventors of the goods that they "desire" to buy? That is, consumption and marketing are outside economic activities practiced in a global capitalist economy and, in addition, interior social-political activities and strategies practiced *through* the state's invention of social governance to tame the rise of niche markets. Through increasing domestic consumption, the Chinese state releases the desire of young generations to attain an urban and modern life. In this sense, analyzing how the rise of consumption power challenges the Leninist party-state rule in the market economy is less important in understanding the growth of Chinese "market socialism" than either explaining the mechanisms that "sustain the parallel rise in Chinese urban consumerism and the new social governance agenda, or exploring the formation of market subjects, namely the consumers, producers and intermediaries." (Hsu 2007).

I zoom in the lens by analyzing social marketing training. This training is not merely cultivating knowledge of marketing in entrepreneurs-to-be, but forming the common sense that the exchange value of goods should be separated from the added values of "tech-innovation, novelty and specialty,"[94] within which the marketing, fashioning and branding of these "added values" are important strategies. This common sense in marketing education fits into the local state's plans to empower "tech-innovation," reform the export-oriented manufacturing industry, and re-brand Shenzhen from "city of *shanzhai* (山寨 copycat)" to "city of innovation." In the present production of the consumer market in China, "tech-innovation, novelty, and specialty" are vague but functional terms for local marketers and the state to add value to goods.

Moreover, by appropriating methodology of marketing in the case of Anglo-Saxon niche consumerism, the participants draft their commercial proposal and construe their ideas based on strategies to arouse common desire for consuming the scarce niche. The niche consumerism emphasizes the creation of cultural code, social significance for

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"scarce" products is an efficient way to arouse the desire of consumption in an affluent society. "Make sure that your product, your idea is 'new', is niche! Make those who buy your things feel that they are part of the innovative things! Look at Apple and its boss Jobs!" Professor Liu utilized Apple's marketing strategy to teach participants how to do market research and how to draft a commercial idea. This "methodological fetishism" of marketing, according to Arjun Appadurai (1994), re-creates commodities through the social marketing of the outlook: desire for "niche."

The strategy of niche consumerism is taught and constructed to promote consuming social values such as "feminism" and "health-friendly" lifestyles. In fact, the innovators' empowerment of ignoring demand based on social merit is a strategy to add value to their innovative products and guide consumption trends in the domestic market. Through targeting and empowering consumer groups, seen not as standardized groups but as potential buying power, the marketers can attract a younger generation of consumers who favor values distinct from those produced through Fordist mass-production. The current startups are focusing on making and marketing innovative commodities, such as consumer-based hardware products combined with IT technology, intelligent bracelets, and 3D printers.

Figure 4.3

A Korean maker introduced his Chinese team member and the product, intelligent hardware—a mug with a computer-controlled sensor that can detect body data when a person drinks too much beer. (©Author.)

Figure 4.4

A startup runner introduced an e-commerce platform to help female consumers select and buy suitable clothes and cosmetics to empower themselves in the male-dominant working place. (©Author.)

Furthermore, online platforms offered by Chinese IT tycoons play important roles in startup marketing strategies. By linking online and offline business platforms, startup

runners are not only producing goods, but also producing their customers. "You can find enough consumers though the social media. When you group a lot of friends on WeChat, then you are halfway to success. The number of WeChaters is the primary productive force!" Xiao told me. In the minds of startup runners, online social media platforms are good instruments to increase their consumers, transferring "*wangluo shequn*" (e-community 网络社群) into "*wanggouzhe shequ*" (e-consumer community 网购者社群). Most of the proposed business plans I observed were based on this business model.

In addition, the marketing, inventing, and characterizing of material goods are strongly related to the production of entrepreneurial subjects. The process of niche-marketing turned the differentiation of niche goods and mass goods into identification politics. Training in neo-marketing tactics empowers "creators of things" as *chuangke* (创客 Maker) with a moral mission to challenge the mediocre mass market and mass production. Startup runners then fashion themselves as niche creators working for social enterprises to fill the niche demand ignored by mass manufacturing production. Those who design and consume more expensive novelty and innovation products are seen as new maker-citizens with good taste. The course mentor, Professor Liu, reshuffled the history of marketing and highlighted the importance of "niche taste" in branding and marketing products to the rising middle-class customer base in China.

These innovative companies constantly hold themselves to the values of a social enterprise: the products they market are created, more or less, to solve social problems. The mentality behind the tactics of niche marketing—empowering the niche goods with social merit—is reminiscent of the outsourcing of the government's social services department: the marketization of the state's former social services left a void that startup businesses could fill. Emerging "internet-based technology industry" is situated in new national industrial policy, such as "Internet Plus" (互联网+ hulianwang jia) and "Industry 4.0 (工业 4.0 gongye 4.0)," to revive traditional industry with the assistance of the Internet and other information technologies. That is, in following the logic of outsourcing production in the global economy, most of the startups I observed in the internet technology industry identify themselves as the "social service takers" of the new industry for better life.

4.3.3 Linking Venture Investment): "Pitch" as a Rite of Passage

Few would deny that the social training of entrepreneurship is a thoroughly social construction of entrepreneurial-subjects in the new economy. The substantive question is: how is the subject-making sustained? If we accept that economic process through the veil of values and beliefs as communicated and constituted through ritual practice, then I argue that the seemingly singular subject-making is sustained in "the pitch," a ritual economy in which "worldview, economy, power, and human agency interlink in

society and social change" (McAnany and Wells 2008: pp2). Specifically, tech-entrepreneurial subjecthood is achieved by participant performative competition for capital and embodied in national and global networking with diverse capital. Moreover, the local government's "financial platforms," such as state-owned investment companies and the state Investment and Commercial Promotion Bureau (ICPB), play important roles.

This competition is called a "pitch" in the circle of tech-entrepreneurs. Startup Weekend, a U.S. non-commercial social association organized in 2009, "exported" the model of the "pitch" to China in 2011. Many social associations imitated their model and tried to organize "pitches" as a service in the "social training" market. I registered to volunteer at one such entrepreneurial competition. The Chinese version of Startup Weekend—a registered NGO called Startup Salad—organizes the pitch in Shenzhen. The Startup Salad Pitch operation board consists of six young employees and over 20 volunteers. They actively attract greater numbers of young professional-managerial people to join in the pitch activity and to run tech startups. "Dear volunteers, could you please market our activity in your 'friend circle'（朋友圈 *pengyouquan*）of WeChat?" I received this request as a pre-pitch announcement in our WeChat group. The organizers wanted volunteers to broaden the influence of Startup Salad by using their online networks. "It is fast and cheap to make influence in our own network. And, of course, it is the way to directly market the activity to our target participants," a lead organizer explained to me. All the volunteers they selected were seen as people with a network of professional-managerial friends with strong interests in tech-innovation and market incentives.

The organization board also conducts encouraging activities for startup teams through group play. During the pitch activity, the organizers ask volunteers to play games with startup team members to cheer them up when they are feeling down. On the pitch-stage, a female organizer invited up a well-known startup runner who is the founder of a famous local startup, as a key speaker to encourage participants by talking about the experience of winning the golden prize in a past Startup Salad Pitch and the adventurous process of starting his tech-entrepreneurial career making entertainment applications for Appstore.

The archetype of the pitch system was created by Silicon Valley investment incubation companies, like Y-combinator and 500 startups, as a way for ambitious startup runners to verbally present business plans, in several minutes, in front of venture investors. The pitch to earn "the first bucket of gold" is a competition with rules. First, the participants choose a role or character from "designer," "product manager," or "IT supporter." Next, people present their ideas in front of investors and the best 20 ideas are voted on by all participants. Third, each "character" organizes a team and actualizes one of the top-voted ideas into a product or mature business plan within 48 hours. Last, the top three entrepreneurial projects are collectively chosen by participants and venture investors. The award is a bonus and the chance to sign a contract for "seed funding" from venture investors. Each participant pays 200 RMB

(28 Euros) to compensate for the operational fees of Startup Salad.

After the presentation, the venture investors at the pitch decide on at least one team to give seed funding to. For the startup runners who received the seed funding, this was a "rite of passage" proving their market capability. "I was encouraged after I won the seed. I feel I am a real entrepreneur!" claimed a 26-year-old tech-entrepreneur, who is running an e-commerce platform. For venture investors, a "pitch" is a platform to effectively figure out and choose the program which has the potential to earn money. "I do not need to find and pick up the project in huge tech-entrepreneurial circles. I join the pitch and wait for them," a venture investor said, explaining how convenient it was for him to invest in programs through a pitch. At the same time, these investors can act as "mentors" of entrepreneurs by advising which things are best to invest in.

Venture investors play important roles in regulating how entrepreneurs-to-be gain greater ambition and financial incentives. By interviewing investors and joining the entrepreneurial pitch, I gained considerable "tacit knowledge of finance" in the rising financial market of Shenzhen. The investors I met in Shenzhen are focusing much more time on meeting and hunting tech-entrepreneurs-to-be than investing money. They act as, in their own words, "the servants of tech career-builders." The logic of financial investment creates an expectation for the future, which is the dynamism that sustains the steady supply of "disruptive entrepreneurial spirits" in the game of entrepreneurship. On the second day, as we designed our business plan in a mall meeting room, mentor Shan, a former senior engineer at Huawei, came in and talked to us. He talked about why he quit his job and started running his startup: "As young people, you should find what you really want to do, what is your desire and innovation. When I was in your age, I did not have the same chance as you have. Running a private company was difficult. And there were not so many Angel investors like me." He cordially asked what difficulties we had. The team leader, Yang, presented his idea of running a housing rental system for young people. "But I don't know if we can fill this gap in the market!" Yang sighed. "Do not worry my kid! You are finding a niche market! That is wonderful! We investors would not invest in people who follow the existing rule of doing business. You should only make a difference in the niche field!" Shan replied. All team members, including me, were encouraged by his remarks about the startup project.

After Yang's team won second prize for this "pitch," Yang said to me in surprise: "I think it is our turn to create the new rule of this market." "But what if people lose the pitch?" I asked him. He smiled and answered: "This is not my first time joining a pitch. It is not a big deal! We are makers! We should try!" As shown, ironically, "the creative disruption," in Schumpeterian terms, of niche markets by private tech-startups is not driven by the Schumpeterian hypothesis of man's "creativity for newness," but by a periodic calculative ambition for financial gains.

Behind the pitch stage, local state financial sectors act as investors in "the mass entrepreneurship" in Shenzhen. Considering the tension between the central

government and the local government, local government bureaus, such as the Technology and Entrepreneurial Service Center and Investment and Commercial Promotion Bureau, and state-owned enterprises work hard to channel human and capital resources through "nationalization" and "internationalization" (as discussed in chapter two). They also sponsor social associations to organize pitches. In order to cluster investors and guide the direction of investments, these local state financial platforms established Government Guidance Fund to initially invest in the programs that they want social investors to try. In addition, the Chinese internet tycoons, like Baidu, Alibaba, and Tencent (BAT), are supporting their employees in launching their technology start-ups within a BAT-guided fundraising system. This helps, in part, to explain why there are increasing numbers of Chinese small companies registering their branches overseas. Financial investment in startups is not only a direct and controllable approach for the local state to re-weave their interest in the new economy, but also an approach to join financial globalization: backed up with state investment, startups are always the initial agents to "go out."

4.4 Conclusion

Based on a contemporary political rationale of social management (Pieke 2012) in the market economy, the Chinese central and local state lays the foundation and infrastructure targeting young professionals and stimulating mass enthusiasm about tech-entrepreneurship building. The abstract state anxieties around "mobility" and "economic development" are being resolved in concrete and practical policy implementations. In the local promotion of "entrepreneur fever" in the emerging e-technology economy, diverse local state sectors such as the Bureau of Science and Technology, Bureau of Civil Affairs, Bureau of Commerce and Industry, and Bureau of Urban Planning propose and enact pragmatic policies to support the growing numbers of startup enterprises by establishing institutional and physical infrastructures for entrepreneurship building,[95] constructing modern Silicon Valley style industrial parks, and setting up social training systems *through* non-governmental sectors to attract young professionals. Even the National People's Congress of the People's Republic of China amended the Company Law to relax the capital registration conditions and simplify the required documents and registration process in 2014. The character of contemporary entrepreneurship and tech-entrepreneur building is created by state policies. By witnessing the social fact that the creation of the market did not weaken the role of the socialist party-state, we should note that it is the local state's active involvement in entrepreneurship and its resilient definitions in national developmental policies that obscures the boundary between market socialism and market capitalism.

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[95] In 2015, the state council of China published "The General Office of the State Council and issues the Guiding Opinions on Developing Crowd Space and Promoting Mass Innovation and Entrepreneurship" in order to promote space upgrading for entrepreneurship, see: http://www.most.gov.cn/kjbgz/201503/t20150310_118485.htm

Furthermore, it is worth noting here that young professionals do not counter, but struggle with and adapt to, the new codes that are circulated through the state-led social training agenda. Chapter six will depict how they explore their agency in an innovation-, technology-, and market-driven modernity.

Chapter Five Why Do These Young Professionals Go to Shenzhen? ——The Rise of Middling Migration

This chapter is about how the social production of anxiety and aspiration for self-recognition drives young professionals to mobilize to Shenzhen. The chapter begins by articulating the population data and relevant theoretical debates in order to problematize how this group of professional entrepreneurs-to-be converges and is tied to China's post-industrial context. By analyzing the personal data of Chinese and non-Chinese informants, the following section will outline the new mobile population emerging in the social production of a post-industrial innovation city in Shenzhen. Different to migrant workers in the 1990s, the new migrant workers/professionals in high-end IT industries have more sophisticated expectations regarding social mobility. The second section explores the reasons they migrate to Shenzhen to start their careers. The third section discusses how family, performing as a pre-work, disciplinary, social institution, forges the ambition and desire of these young migrant professionals through burdens or expectations. The concluding remarks in this chapter will problematize the emerging mobility pattern in Shenzhen and offer an explanation to why Chinese and non-Chinese middle-class people pour into Shenzhen to become tech-entrepreneurs.

5.1. The Fear of Suspension: Middle Classes in Post-industrial Urban China

Within academic circles, the phrases 'middle class 'and 'global mobility 'allude to the emerging topic of middle-class migration. "Middling migration" (Blunt 2007; Ho 2011; Rutten and Verstappen 2014) and "lifestyle migration" (Foutain and Hall 2002; Benson and O'reilly 2009; Benson 2016) are terms invented by scholars from migration studies to penetrate the problematically volatile dynamics of middle-class trans-regional migration at a global scale.

In the Anglo-Saxon academy, sociologists and anthropologists have contributed significantly to theoretical and empirical research around issues of class from industrialization to post-industrialization. Positioning their theoretical works in the frame of reflexive late-modernity, Anthony Giddens, Ulrich Beck, and Zygmunt Bauman's class analysis is based on analyzing the social, capital, and cultural mobility in advanced capitalistic society after the Second World War. Focusing on the rising middle class and the reproduction of social class, Giddens develops a theory of class distinction to explain the class differentiation in society. He argues that to maintain their status in the hierarchical social structure, the plural middle classes try to cultivate kaleidoscopic lifestyle orientations in a globalized society full of uncertain chances at life. When he discusses the unification of the rising middle class, he persistently

emphasizes the tricky ways in which the middle class invents and popularizes waves of lifestyles to valorize their social identifications and, as per Bourdieu's conceptualization, to conquer their own social space. The tight relationship between the working class and the desire for fashionable middle-class lifestyle can represent the attitude of social classes meeting with complicated social conditions in what Beck might call a "risk society."

It seems the focus on the class issue in Anglo-Saxon academic circles shifted from Marxist-Weberian working-class studies to late-modern studies on middle class formations. The fear of falling from the existing social status (Ehrenreich 1989) indicates the already existent "structure of entitlement" articulated through the establishment of the futuristic discourse and the concern about elite identity in the digital age and post-industrial planning. As Amy Hanser argues, the "structure of entitlement" refers to "the often-unconscious cultural and social sensibilities that make certain groups of people feel entitled to greater social goods" (Hanser 2008, 3). Here, "social goods" should be replaced by "social status." Following the post-industrial New Class hypothesis, which emphasizes the rise of professionals in post-industrial society, Peter Berger introduces the "knowledge class," whose labor is projected into producing cultures or symbolic knowledge in the age of "knowledge economy (Berger, 1966). Milovan Djilas terms the technocrats in socialist regimes as a "New Class" whose social status mainly depends on political capital, even in post-socialist conditions. Like Djilas, concerned with technocrats and post-war middle-class emergence, American sociologists use the term "professional-managerial-class" to understand the professional workers like teachers, middle-rank managers, engineers, artists, and academics, who receive entrepreneurship training and professional education and work for bureaucratic enterprises, state sectors, etc. (Graeber 2014). Holding the hypothesis that the post-industrial economy offers more flexibility, sociologist Richard Florida applies the term "creative class" to those who have the professional skill and knowledge to drive development and regeneration in post-industrial cities in America. Such post-industrial sociology under a democratic regime conceptualizes the new classes as professional workers different to the traditional petite bourgeois in early industrialization and the labor workers in the manufacturing age. More importantly, in a democratic regime, these new classes consciously involve themselves in changing political agendas (Ehrenreich and Ehrenreich 1979).

However, as a socialist country, China is on a trajectory which is difficult to classify under a simple category. The state-led institutional divisions of urban-rural and central-local make the temporal-spatial inequalities and coexistence of industrialization and post-industrialization possible in China. The existing definition and analysis of middle classes in Anglo-Saxon indicate how versatile middle classes sustain middle class status by reproducing socio-culturally segregated hierarchy. However, they infrequently point out the problem of social mobility foreshadowed by social-political transition, especially in the context of globalization, that is (the fear of) social immobility.

Paul Willis problematized social rigidity in his wry work on working class formation in the transition period of industrial society to post-industrial society. "The difficult thing to explain about how middle-class kids get middle class jobs is why others let them. The difficult thing to explain about how working-class kids get working class jobs is why they let themselves" (Willis 1977: 1). Willis's insightful cultural study on youth explored why and how working-class youth reproduce working class subjectivity. He also alludes to how compared with working-class youth, who actively produce cultural and identity politics to fight the social institutions which were not friendly to the working class, middle-class subject formation remained relatively bound to existing social structures. This much seemed true in Birmingham during 1960s, when the UK transitioned from an industrial society to post-industrial society. Willis's questions about social rigidity and class formation inspired me to ask the following questions: Why and how did Chinese middle-class youth and foreign young professionals let themselves become an entrepreneurial class like "the lads," the working-class youth in Birmingham in the 1960s? Why do they seem to share a similar logic of subject-making?

The phenomenon of both foreign young professionals and middle-class Chinese young people from small cities and towns pouring into China's large post-industrial cities indicates the ambiguous feelings towards social mobility amidst the rapid reconfiguration of the global supply chain. The following anecdotes will elucidate this further.

On a humid afternoon in June 2016, my informant Wu asked me to accompany him on a visit to an incubator where he wanted to register his innovation start-up. After finishing his master's degree in England, he worked in a high-tech company in Shenzhen. He started his own business project with an undergraduate classmate in 2014. He shared a regretful situation haunting most of my informants: "After I came back to China in 2012. I was amazed when I witnessed that my undergraduate classmate had earned a lot. It seems that studying abroad suspended (耽误 danwu) me from earning the same as my classmates. I should have started my own business with him earlier before going to the UK because, you know, in this area if you start early you could get more and earn more, especially considering the fast upgrading of technology in our industry. Age is also a big issue for us. Look at this space. Can you find people older than 30? I am 32, I feel I am old. If I cannot catch up to the running pace of my peers, I fear I could be taotai (淘汰 knockout). That is why we should invent new ways to reach success." The fear of "suspension" and "knockout" led Wu to seek "success" different to what he had explored in traditional business.

"How to define 'success'?" I asked a question that a researcher should not immediately ask, especially when he or she has assumptions about how the power of money and the modern imagination of urban lifestyle can defeat the dreams young people have of an idyllic life that may then turn them into sophisticated social climbers. However, Wu answered: "Success… perhaps means realize my dream. Of course, success means money and status. To tell you the truth, I would feel anxious if I cannot

live and earn as my peers do. But it does not only mean money, it also means a… a recognition that someone cherishes your innovation in this shallow market." On one hand, Wu emphasized the importance of making money as young as possible, as quick as possible; on the other hand, rather than positioning himself as a money grabber, Wu intends to acquire "recognition." This is a target of the contemporary urban moral-economy, a challenge to the "laissez-faire market," and an important aspect of success in contemporary China. Drawing on more data from my respondents, the following section will analyze why young professionals are replacing migrant workers in the new wave of immigration in Shenzhen, and how their diversified family backgrounds play important roles in producing this migration case by case.

5.2 The Coming of New Migrant Professionals/Workers in the Innovation Economy

In May 2016, when I started the second round of my fieldwork in Shenzhen, I was stranded at Pudong Airport in Shanghai because of Shenzhen's heavy rain, which was intensified by the typhoon in the South China Sea. I shared a room arranged by China Southern Airlines with Zheng Jing, a girl working in Shenzhen at a recently registered startup that had received a new round of investment from a local state-owned real estate company. The startup designs and markets electronic beauty instruments based on the rising demand for beauty goods, such as cosmetics and body-care products. With the support of Tencent's Open Platform, a free open-source online application to link hardware and software in smart phones, this startup gained additional network resources (Bourdieu's social capital in this sense), starting its e-commerce business by collaborating with a Japanese cosmetic industry giant. In order to accelerate trans-regional collaboration, Zheng Jing had come to the branch office of the Japanese cosmetic industry giant in Shanghai and then, like me, was trapped in the airport.

After graduating from Central China Normal University, Zheng Jing obtained a one-year master's degree in the UK, before working at a public primary school in Wuhan for two years. Wuhan is the provincial capital in central China. When she found out that I was doing fieldwork research about startup runners in Shenzhen, she happily and immediately relayed her trajectory of "how to be a startup runner":

"I felt desperate working all day with low pay in a big state-owned company. I decided to quit the job and follow my heart. One day, I complained about my weary situation in an intimate WeChat group. A master's course classmate in England told me about a job offer in his startup in Shenzhen. He asked if I wanted to go. He promised to give 3% equity to me, which means that I partly own his startup. Of course I wanted the job, he is an angel in my life! My father was a worker in a state-owned iron and steel company in Wuhan He is now retired. My mother is a primary school teacher. Both of them want me,

an only-child, to marry a good guy and live a stable life… They felt a little shocked by my quick decision to go to Shenzhen. In their generation, 'going to Shenzhen'means 'Xiahai'. In good words, it means you become a *laoban* (老板 boss); in bad words, it means you live an unstable and risky life… Anyway, I came to Shenzhen. Although the startup is doing high-tech stuffs, it is actually highly linked to the beauty industry which I'd like to work with! Shenzhen is a fast and energetic metropolitan city, much more developed than Wuhan (provincial capital city). And because it is an immigrant city, I do not have a feeling of exclusion in Shenzhen, as most of the people in Shenzhen are *waidiren* (外地人 immigrants). The salary is also higher here than what I received in Wuhan. The people I work with are smart and young, I can learn a lot from them. Nowadays, you will be easily eliminated by the fast development if you do not study."

Having recently re-read sociological and anthropological works based on fieldwork in Shenzhen as I prepared for the second round of fieldwork, I was amazed by Zheng Jing's discourse. Her narrative, surprisingly, was similar to the narratives of the female migrant workers in Ching Kwan Lee's book *Gender and the South China Miracle: Two Worlds of Factory Women*. In her vivid ethnography, Lee describes the social-psychological complexity of city life for female Chinese worker groups in the early 1990s. She argues that "young women decided to come to Shenzhen when they were enticed by romanticized descriptions of life in Shenzhen circulated by complacent locals returning from Shenzhen" (Lee 1998: 81).

Shenzhen plays an important role in ethnographic story-telling about mainland China's modernity and mobility in the marketization period. Economic reforms contributed to regional disparities in China (Fujita and Hu 2001), and a regional hierarchy exists in which southeastern coastal regions represent and are associated with modernity and development (Anagnost 1997). This is especially true of Shenzhen, as the first SEZ, open to the world economy since 1979. Following this opening, wholly foreign capital invested original equipment manufacturers (OEM) were booming. However, to gain more authority in the market-driven economy, in 1993 the Chinese state proposed corporate reorganization based on newly released company law. The OEM enterprises were gradually replaced by sino-foreign equity joint ventures and wholly foreign owned enterprises (WFOE) in China. Since "development has been portrayed as a great machine for manufacturing prosperity in poor countries" (Tsing 2011: 21), the organization and reorganization of industrial enterprises are seen as driving China's economic miracles in the South.

Some economists also strengthen the discourse that South China's economic miracles are created by China's demographic dividend. They claim that it was the migration of surplus rural labor that made Shenzhen SEZ an economic miracle (Fang 2007; Chan 2010). This situation, of late-socialist market economy, also contextualizes sociological and anthropological ethnography on migrant workers. Most ethnographic descriptions

of Shenzhen are bound to discuss rural migrant workers searching for opportunities in export-oriented industrialization. Indeed, the ethnography of export-oriented industrialization sheds lights on how capital-driven marketization and a restricted household registration system accelerated disparities between urban and rural, and how labor politics strengthened the agency of migrant workers.

However, most of my informants were born into fairly well-off families from small cities in other provinces, rather than villages. They received higher education relative to their parents 'generation. The majority of new migrants in Shenzhen are professional-managerial workers in a high-tech driven economy. In contrast to earlier migrant groups who were "seeking factory employment as a personal decision in the rural household economy" (Lee 1998: 74), these newly emerging, and dominant, groups do not need to consider their household economies so much. The reason is not simply that, as they claim, the new migrant professional-managerial workers pouring into Shenzhen are not burdened by economic difficulties back home and are not being forced to send money back home, but rather because the classes (imagined as highly paid) do not actually have much to save at the end of each month. The later chapters will elaborate on how even with relatively highly paid jobs, these classes become urban poor influenced by larger institutionalized mechanisms in China's late-socialist political economy.

Over 90 percent of the startup runners, Chinese and non-Chinese, I interviewed were young men born between 1985 and 1995. As shown in the local statistics bureau report, the average age of residents[96] in Shenzhen is about 28-years-old, therefore young people are the dominant residents in this city. Furthermore, the report shows that Shenzhen is facing a new imbalance in terms of sex. The ratio between men and women was 97.74 in 2000 but had increased to 118.34 in 2010, which is much higher than the national average. Counter to the findings of some social anthropological narratives (see Ching Kwan Lee 1998, Aihwa Ong 1999 and Pun Ngai 2005) that the export-oriented economy brings rural, mostly female workers into labor-intensive low-end manufacturing enterprises,[97] the high-tech driven economy actually draws more men than women. This "new" change in Shenzhen's metropolitan population foreshadows the decline in female labor-intensive manufacturing, and highlights the reality of "low-end" rural-to-urban mobility being no longer prevalent in the "high-end" post-industrial upgrading process. In short, the majority of new immigrants in Shenzhen are no longer blue-collar workers.

Another newly booming population is *laowai* (老外 foreigners). In September 2015, I rented a room close to Nanshan District Technology and Science Park. The landlord Lao Cao, a Shantou man in his forties, told me that "there are so many high-

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[96] " The residents" in the statistics data are those people with Shenzhen Hukou (reticent permit), people without Shenzhen Hukou but who have been working in Shenzhen for over six months, and people with Shenzhen Hukou but studying or working in other cities or other countries. Please see:
http://www.sztj.gov.cn/xxgk/tjsj/pcgb/201105/t20110512_2061597.htm

[97] By using fieldwork data, Lee and Ngai show how the labor-intensive electronic manufacturers like to hire rural women, because bosses hold a gender-biased idea that the payment of female workers are cheaper and female hands are more dexterous than male hands when dealing with fine electronic knits.

end *haigui*[98] (海归 Chinese overseas returnees) and *laowai* in Shenzhen! *Haigui* like you are willing to come to Shenzhen now!" Alongside the de-manufacturing shift in Shenzhen, the city is now viewed as a favorite hub for foreigners to establish startups. Patrick, a 28-year-old Nepalese man who studied Chinese and Management at Jilin University, told me that Shenzhen is considerably more international than Jilin, and there are more chances in Shenzhen than in Nepal. "International," "high-speed," and "high-tech" were key words used by my informants to describe their global lives in Shenzhen. American anthropologist Dr Mary Ann O'Donnell has been living in Shenzhen for 20 years. In fluent Chinese, she explained that in the mid-1990s when she conducted her fieldwork, most migrants, especially the rural migrant workers, lived in non-metropolitan urban areas and urban villages (城中村 *chengzhongcun*) in metropolitan areas. "At that time, 'Shenzhen Dream 'meant migrating to Shenzhen and finding a job in a sino-foreign joint venture enterprise. The new 'Shenzhen Dream is becoming an entrepreneur and doing international business affairs. Look at how many young professionals and foreign people are coming here." She reminded me to look at our surroundings. Two foreign journalists were sitting two meters away from us and having a discussion while writing. A man in a brown cap was chatting with his female Chinese friend.

Jim Leung, a Dutch-Chinese man in his late 30s who was born in Hong Kong, told me his impression of the transformation in Shenzhen. "My home is in Rotterdam, but I come to Hong Kong and Shenzhen every year for business. I think Shenzhen became a Hong Kong in 1990s and Hong Kong became a normal Chinese mega city especially after the reunification in 1997." He told me that even without statistical data, he could immediately conclude that foreigners liked Shenzhen more than Hong Kong, "…because it is obviously an open global city. You can buy everything, enjoy world cuisine, and of course it is better to do a high-tech startup here than in Hong Kong." This one reason is why he transferred his business from Hong Kong to Shenzhen.

Focusing on how foreigners contend with institutions when moving to Shenzhen, and, more generally, on the area's flow of labor migration, raises a series of questions. How to understand "mobility" in post-industrial conditions? How does mobility play an important role in making Shenzhen a global city? Why and how are middle-class youth and young foreign professionals pouring into Shenzhen like "rural surplus laborers" did in the 1980s and 1990s?

Spatial mobility is always bound to social mobility and hence these questions should be contextualized by both the mechanisms of Chinese class stratification and the global environment. In these contexts, I do not emphasize the cognitive difference between "domestic migration" and "immigration," but rather by broadening ethnographic imagination of "domestic migration" and "immigration," conclude that both are actually enactments of mobility. Mobility here pertains to the migration and immigration of

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[98]Even though I explained that I was a student working on my fieldwork research, a rite of passage to become an anthropologist, in his mind, I was a haigui, doing high-end "shehui diaocha" (社会调查 social researches) in Shenzhen.

people, the inflow and outflow of capital. The small sample of personal data that I collected should be analyzed in relation to domestic migration, immigration, and (un-)employment issues on a domestic and global scale.

On the surface, young middle-class trans-urban migration is driven by chances at high-paying jobs. As explained by my informant Zou, a former engineer working at a state-owned enterprise in Hunan, because of the doubled salary he could earn, he quit his job in SOE and came to Shenzhen. However, the dilemma of social mobility arises when the middle classes in inner mainland China (内地 *neidi*), a less-developed area compared to Shenzhen, choose to leave home. With the decline of the socialist work unit system, which protected residents with a strong state-sponsored welfare system in urban China, middle-class young people of *neidi* cannot easily find iron-rice-bowl jobs anymore. This caused panic for middle-class youth. An informant shared his anxiety with me: "I am afraid of what will happen if I marry a girl and cannot afford to raise my family. What if I can't afford an apartment, like my parents did?" Most of their parents, working in state-owned-sectors in the cities of inner mainland China, had housing and other welfare benefits before the decline of *danwei* (单位 state owned work unit) system. However, without the protection of strong state-sponsored welfare, the new generation cannot even sustain their middle-class status, which is represented by owning an apartment and having the same full-protection of state insurance as their parents 'generation. In this sense, as claimed by my informant Yang Yang, they have to leave home and find more or better chances at the lives they aspire to.

Moreover, the imbalance between the long-term, high-pay investment of education in middle-class families and the low-pay salary in the inner mainland area accelerates the trans-urban middle-class migration. Over 50 percent of Chinese(-born) startup runners have had educational experiences in other countries, especially in the US and the UK. After graduating from Zhejiang University, Cao Feng studied computer science in the UK. He found it hard to find a job in London, so left the UK and came back to China. The low-paying IT jobs in inner mainland China made him choose to stay in Shenzhen and not in his hometown Changsha.

This small sample aligns with what large sets of data showed in the UN Chronicle: the beginning of the 21st century witnessed increasing numbers of overseas Chinese, especially young professionals, migrating back to China. According to statistics from the Ministry of Education, in 2012 over 272,900 overseas students returned, this being an increase of 46.57 percent compared with 2011. [99] Running parallel to the normalization of obtaining an overseas degree which is highly commodified when coming from developed countries such as the UK and the US, is that Chinese return migration has become popularized among Chinese overseas students. An informant, working in a social association for promoting local tiny-scale entrepreneurship, offered an explanation and joked about this phenomenon: "Getting an overseas degree in

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[99] In 2013, migration-studies scholar Wang Huiyao published a report "China's Return Migration and its Impact on Home Development" to share this data, see: https://unchronicle.un.org/article/chinas-return-migration-and-its-impact-home-development

developed countries is like the well-known commercial strategy to '*chukou zhuan neixiao*'(出口转内销 domestic sales of commodities originally produced for exports). It is reasonable for a middle-class family in inner mainland China to spend from 200,000RMB (28,000Euros) to 500,000RMB (70,000Euros) for their one-child to get an overseas degree within one or two years because this 200,000RMB degree is imagined as good credential that may help them to find 100,000RMB/year job in big cities."

Behind the socialized notion that good degrees can help people find good jobs, there is an unspoken social fear of technical-professional unemployment in urban China. There are no reliable figures on the real unemployment rate in urban China, especially during and after the state-led industrial upgrading.[100] An informant working as a service manager in a state-sponsored entrepreneurial incubation center stated: "Why did we receive the money from local government? It is because we are increasing the employment rate of this society! See how many entrepreneurs are working in this center!"

The underdeveloped high-end industries in inner third-line and fourth-line areas cannot keep up with the increasing number of professional workers graduating with higher degrees in specific professions. Take Yang Yang's case as an example. Yang Yang is a 32-year-old 3D printer startup founder and manager in an "incubation center" founded by Star River Corporation, a local real estate developer in Shenzhen. He studied Industrial Engineering at De Montfort University from 2001 to 2005, and obtained his master's degree in Mechanical Engineering from the University of Warwick in 2006. He was born in Shijiazhuang, the capital city of Hebei Province. His parents are now retired government officials who remain in Shijiazhuang and ask him to come back. "There is no job to fit my interest and career. I focus on affordable 3D printing technology in the technology service industry. However, the state-owned heavy industries, which have no position in technology service, are dominant in Shijiazhuang. I cannot realize my career dream in Shijiazhuang. Shenzhen is a good place!" he responded to my question about why he chose Shenzhen over of his hometown as his entrepreneurship hub.

At the same time, the global recession and shifting market bring more and more young foreign professionals to China. Some are young graduates with desires to explore the world rather than, as explained by Luke, "be trapped in industries with high rates of unemployment." Luke reported that during his time studying for his electronic engineering degree at the University of Adelaide, he learnt that it was difficult to find a job after graduation. He took a two-year gap from university and came to China. Although he had never been to China, to him the country was familiar, "…because I have a lot of Chinese neighbors in Sydney and Chinese-born classmates in Adelaide."

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[100]An economist from Shanghai University of Finance and Economics shared her perspective on national data collection regarding the unemployment rate in China. She said that the methodology of collecting unemployment data in China is underdeveloped and figures per se are also unreliable, especially the figures from local governments.

Some foreign entrepreneurs-to-be have been living in China for several years or more. Even though there is huge diversity in employment, profession, family, nationality, and ethnicity amongst the foreign professionals I met in Shenzhen, it also seems that they all agree that Shenzhen is their best choice if they are to stay in China. In general, these foreign professionals were at least middle-class or the offspring of middle-class parents in their own countries. On the surface, most of the foreign tech-entrepreneurs I met in Shenzhen gave me similar explanations as to why he or she came to China: China is a massive consumer market. Amirsan is a 29-year-old Russian tech-startup runner who has a bachelor degree in Communication and Psychology. He said he had watched the fast growth in China and decided not to leave. A convenient mode of urban life has been cultivated by the latest round of urban "globalization" in Shenzhen. Like other global cities, world cuisine created by "culinary soft power" (Farrer 2010) from the global North to the global South is everywhere in Shenzhen. Local authorities have tried to form an authentic global community in the Shekou area with the introduction of separate supermarkets only selling expensive imported food, even though the regular customers of expensive supermarkets in these local communities are newly rich Chinese.

Similar to the Chinese middle-class migrant professionals in Shenzhen, middle-class foreign professionals are bound to re-create an entrepreneurial subject to overcome their specific and diverse anxieties stemming from the re-configuration of global supply chains. Henk, a Dutch professional, was working as a merchandise manager for a Dutch company. After the Dutch company shut down its branch in China, he lost his job and started his own business in transnational commerce between China and Europe around the year 2000. He became rich. He and his wife rented a big villa in a decent Shekou community. He had even purchased a small factory when he had enough money to invest in his own business. In his narration of his entrepreneurial career, the year 2008 was marked by the global recession in traditional transnational commerce, especially the traditional direct commerce between China as supplier and Europe as buyer. This situation, according to Henk, lead to his failure as a middling buyer of cheap goods. After discovering that the Chinese maker movement had opened a niche market in China, he collaborated with Hans and other foreign friends to invest in establishing a tech-entrepreneurship in Shenzhen. When asked why he decided not to return to the Netherlands, he said due to his age (40s) there was little chance of finding a similar high-paying job as a manager in the Netherlands. The growing Chinese market gave him reason to believe that he would become happy and rich again in Shenzhen. In *Transnational Lives in China: Expatriates in a Globalizing City* (2014) Angela Lehmann shows how foreign middle-class migration to China is "privileged migration." Lehmann argues that the individualism valued by "Western" (neo-)liberal global capitalism sets the stage for its citizens to travel and migrate. She problematizes this structured phenomenon as "privileged migration."

The updated Exit-Entry Administration Law of the People's Republic of China (2012), the never-upgraded Administration of Foreigners Working in China Provisions

(1996), and local practice of these laws plays an important institutional role in (re)shaping the experiences and practical mobility of middle-class professionals in Shenzhen. Half of my informants, like the Chinese middle-class youth, had already experienced domestic migration within the boundaries of mainland China. The relatively new updated Exit-Entry Administration Law and the reclaimed, outdated Provisions increase the tension between enterprises that hire informal foreign workers and the local government. For some foreigners it is more difficult to find a temporary job in some cities, especially cities in the northern part of China where the formal state-owned economy is dominant. However, in Shenzhen, where private enterprises were booming during the marketization period, the local practice of employing foreigners did not follow item 34 of the outdated Provisions which states that individual economic organizations and individual Chinese citizens are not allowed to employ foreigners. Even with extensive experience in dealing with its informal economy, this was such an overwhelming issue for the local state in Shenzhen that they simply turned a blind eye to it. As a result, and as was discussed earlier, this attracted increasing numbers of foreigners from other parts of China.

Local practice of the Exit-Entry Administration Law is less regulated in Shenzhen compared to other places. During my fieldwork in Shenzhen, I experienced two official purges of *sanfei laowai* (＂三非＂老外 illegal immigrants, foreign residents and employees). The first was in December 2015, half a month before Christmas, when there were still many foreigners. The second was in June 2016. As explained by a policeman who is also my father's colleague, big cities always conduct routine biannual purges. Shenzhen is no exception. Some local police stations make formal terrifying announcements about the punishment for non-registration, yet it seems that foreigners, especially those who have lived in Shenzhen for a while, have gotten used to the announcements and ignore them. In fact, foreigners living in Shenzhen for over a year even comfort newcomers on their online discussion platforms:

(notes from an online chat)

Me: Did you hear and read the announcement online?

Informant: They do that all the time… Does not affect me. But thanks for the warning.

Me: Okay! "All the time"? What do you mean?

Informant: In Shekou they go to all the bars to check passports once every six months... Just do not hang out in Shekou or Coco Park shopping zones. The police have quotas to fill every six months.

Me: Is it convenient to legally register in Shenzhen?

Informant: Yes, just go to the police station and fill in a form… If you live in a hotel, the hotel will do it for you.

Me: But why do some of them not want to register? Because they are travel visa holders?

Informant: Because some of them are on a ten-year tourist visa (from USA), and leave China every three months, teach English, and do some small business like

us on their tourist visa. But, even if you have a tourist visa and you work, it is
fine. Just don't tell them your work. In my opinion China is very open and
welcoming to foreigners. And no, I am not "5mao."[101]

Me: Okay! I understand your point! So, Do you think that they aren't registering
at the police station because they are hesitant to do this (for fear of the Chinese
police) – or are they just ignoring the requirement?

Informant: Because they do not know what will happen if they do. The reality
is nothing will happen. But they do not know this, so they are scared. And they
do not know that actually China is less careful in handling this issue today. Even
if they wanted to, who cares about foreigners teaching English and doing small
entrepreneurship on a tourist visa? They have bigger fish to fry.

The 2008 crisis caused some foreign companies to shut branches in China. However,
the global crisis also seemed to bring a large number of foreigners to China. The
majority of these foreigners were neither expats nor associated with companies from
their own countries. Moreover, due to the less-regulated milieu and bureaucratic system
of foreign affairs in Shenzhen, even documented foreigners who live in Shenzhen are
increasing,[102] not to mention those who are undocumented. During the early stages of
their engagement in China's political-economy, foreigners needed Chinese business
partners to transfer from being dispersed subjects with low-pay flexible jobs to being
entrepreneurial subjects managing the flexibility of their businesses in China. Strong
demand and expectation for foreigner skills, qualification and foreign networks drove
the Chinese government to launch new regulations on migration and foreigner
employment. Local government is at the forefront of the management of middling
migration for their own development targets. With its focus on the development of
technological innovation, Shenzhen government intends to attract high-end
professionals from developed Western countries.[103]

5.3 Producing Migrant Professionals through Family

The anxieties and expectations of entrepreneurial subject-making are also reconfigured
in relation to family. Personal information about family was always a key topic during
interviews with my informants in Shenzhen. Most of my informants felt a little
embarrassed about the questions on "family." This was not because my questions were
odd—I used some "standardized" questions from a larger CFPS (China Family Panel

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[101] A term invented by some netizens to define those online commentators who receive RMB from governments and
speak for them.

[102] Please See this report in month-piece mass media in China: http://www.china.org.cn/english/23230.htm. Also,
see the online platform established by foreign startup runners in China:
http://www.startinchina.com/shenzhen/life/expats_in_shenzhen.html (Accessed July 3, 2018).

[103] How Immigration is Shaping Chinese Society (Pieke, Wang, Xiang, Barabanteseva, Speelman, Ahl and
Pelican 2019). Mercator Institute for China Studies: China Monitor. 27 November 2019. Please see:
https://www.merics.org/en/china-monitor/china-immigration (Accessed January 26, 2020).

Studies) questionnaire—but rather because, in my informants 'words, they do not often speak at length about their family and parents. More or less, there is an escapism from "family" in the circle of Chinese and non-Chinese entrepreneurs. Although only a limited number felt comfortable discussing the role of family in their life tracks towards tech-entrepreneurship, family does play an important role in young professionals becoming tech-entrepreneurs. However, diverging slightly from the main arguments made by sociological researchers who care more about the role of family in inter-generational social mobility—i.e. that family offers educational capital and social capital for network building (Bourdieu 2011)—I explore the idea that rather than acting as a source of social and educational capital helping children to pass through challenges in the process of social mobility, the original family *per se* is one of the challenging social institutions that these young people must pass through.

In order to bypass the classic sociological hypothesis that family functionally enables a child's network building, several Foucauldian sociological and anthropological scholars have drawn attention to the disciplinary role that family plays in a child's formation into an adult (Hannah 1997; Therborn 2004; Holt 2008). I do not employ this trend of research in my thesis to deny the results of other family-bound network studies in Asian entrepreneurship building in modern economy (Weidenbaum 1996; Douw, Huang and Ip 2001; Colli 2003; Yeung 2004). Instead, I aim to offer an alternative approach, to re-consider the role of family in personal subject-making and the alternative ways of network building prevalent in current startup entrepreneurship in the innovation economy. This seems essential given that most contemporary startup runners are not from "traditional" merchant families, but from families backed by *danwei* (单位 state-owned sector). However, unlike culture-centered arguments about how the disciplinary power in East Asian families stems from so-called "Confucianism" (Hwang 1999), I argue that the tension created by family disciplinary power should be understood in the specific and transitional context of the state-led institutional construction of family. Otherwise, we may become confused by the informant's ambiguous attitudes towards their conjugal families where, on one hand, they try hard to escape from these families, yet on the other hand, they are bound to them. There are also emerging studies dealing with the intergenerational divisions in Western societies especially after the 2008 financial crisis. Intergenerational relationships are increasingly important in young adulthood because without them individuals face a disadvantage. Individuals today confront greater difficulties in finding good jobs and often cannot attain a stable financial position on their own (Swartz 2009). These lengthened ties with parents are vital and are changing the relation between the individual and their family. Tensions also rise when families cannot sufficiently support adult children to achieve higher education, which would influence the social mobility of the next generation (North and Fiske 2015). Family studies sociologist, Kurt Lüscher's theory on "intergenerational ambivalence" (2002) offers some insights to understand the family as an important force for Western young adults. As argued by Lüscher, ambivalence accounts for the coexistence and opposition of harmony and

conflict in intergenerational relations. This is not necessarily negative but rather implies an individual task of re-structuring relationships. That is, there are always strong drives for young generations of family members to leave and to come back home, with both love and dislike.

The overwhelming impulse to escape from the conjugal family should be considered as part of a generational gap created, in part, by institutional changes and large-scale social restructuring in post-reform China and the post-crisis West. Both young generations are searching for the recognition of family while redefining their own pattern of mobility through working innovatively and building entrepreneurship in Shenzhen. In their narration, "family" and "anxiety of influence" for entrepreneurial subject-making, drives them to "go out" in youthfulness and "come back" in adulthood. The stories below will depict how newcomers to Shenzhen deal with the activities of "going-out" and "coming-back" and will analyze which kinds of institutional factors influence their conflicted mentalities around "going-out" and "coming-back."

5.3.1 "Going out" from One's Comfort Zone: Forging Individualistic "Entrepreneurial Spirit" through Family

I noticed that young professionals, like Wu and his colleagues working in high-end techno-enterprises, tend to come from middle-class Chinese families. Some of their parents work or retired as *ganbushenfen* (干部身份 a status of employees in state-owned enterprise or in the governmental organizations). I asked, "do your family members support you starting up your business in Shenzhen?" I assumed their parents who worked in state-owned enterprise and governmental organizations would not allow them to work for their own interest and make profits through entrepreneurship without the protection of the formal welfare system offered by the state because, in my perspective and experience, these parents expect their children to have stable jobs. A "stable job" means the salary of the job is stable, and the position of the job is tenure-oriented. Subsequently, only some state-owned enterprises, huge private businesses, and governmental sectors can offer relatively "stable jobs." Startup entrepreneurship building is not automatically supported by parents who expect their children to have stable jobs. Wu explained that his parents don't know or understand what he is doing in Shenzhen. "They only know that their son is an engineer working in a big company and working for the rising new industry."

The strong will to differentiate themselves from their peers living an expected "stable life" also drives many young startup-builders to work and stay in Shenzhen. Unfortunately, after Wu started his business with his classmates and colleagues, his financial budget became very tight. "Even though I earn relatively more than my high school classmates working in my hometown city, investment in networking and preparation for designing my product costs me a lot of money and time... I think I am

poorer than them, but different to them. They have bought relatively cheap apartments in our hometown, earn several thousand *yuan* a month. They are living the stable life that our parents expect. However, I want to do something different." The strong will to "do something different" is actually grounded in the anxiety of "self-realization." In Wu's discourse, the conjugal family-bound "stable life" is anything but "self-realization" manifested and conceptualized by "doing something different." He added that he doesn't want to go home frequently because he cannot deal with the judgement of families and neighbors. "Even though I do not care what they are talking about, I sometimes feel uneasy… I would rather choose to stay in Shenzhen."

Wang, an informant running his startup with former colleagues, told me: "To tell you the truth, if I stay and live with my parents in Shenyang (a provincial capital city in the rust-belt northeastern of China), of course I can live well, even better than how I live in Shenzhen. It is my comfort zone. But I still choose to stay in Shenzhen and focus on my business. The youth should learn how to bear life risks while they are young. It is not only because the salary is low in my hometown, but because my parents still nag me with traditional cliches, such as 'you should hurry up and find a good girl to marry, ' 'you should find a stable job. 'Actually, the working pattern in our generation is totally different from our parents. They cannot offer any useful suggestion on our career building, and they cannot even judge what I am doing in Shenzhen."

Other Chinese entrepreneurs agreed with the sentiments expressed by Wang. They discussed leaving their comfort zones for opportunities in the city as a chance to test how much risk they could bear in their search for their first buckets of gold, and also how it was necessary to move away from the outdated life structure that was shaped by nagging parents and family scrutiny.

The parents of my Chinese informants were born between 1955 and 1965. Their children, the Chinese generation born between 1985 and 1995, is highly problematized in sociological research and the mass media as post 80-generation (八零后 *baling hou*), a generation born under the strict practice of "the One Child Policy," a social engineering policy on family/population planning adopted in 1979. They are seen as a generation diverged from their parents 'generation, post 50-generation (五零后 *wuling hou*), who experienced political-economic unrest such as the Cultural Revolution and the Urban Youth Down-to-the-Countryside Movement in the Mao era (1949-1976), Reform and Opening in the Deng era (1978-1994), and Mass Lay-offs in Jiang's period. In this sense, the post-80 generation is seen as a generation with insufficient experience to take on responsibilities. Additionally, with the development of marketization after de-collectivization in China's post-socialist reforms, when the state retreated from private life, those born in and after the period of Reform and Opening have become more individualistic, even if their approaches to individualism deviates from Western Europe (Yan 2010).

As argued by Mette Halskov Hansen and Cuiming Pang (2010), individualism among young rural migrants "remains entangled with their perceptions of the family as a collective of indisputable economic, social and emotional importance (Hansen and

Pang 2010, 61)." While in creating the motivation of "escape from the family," family acts as a regulatory social institution in relation to the risk of entrepreneurial life in Shenzhen. However, from my conversations with them, the Chinese and non-Chinese tech-entrepreneurs-to-be did not all perform entrepreneurial individualism through "leaving family." The escape from family is driven by individualistic ambitions to search for career success, though Chinese individualization in youth-to-adulthood is distinct from the Western process. Compared to Western Europe, where individualization started in an affluent society, individualization in China started during marketization based in an economy of shortage without political liberalization and a well-structured welfare regime. This situation in China, as is argued by the anthropologist Yan Yunxiang, engendered state-managed individualization (Yan 2010). Returning to the current situation, the generational gap created through social transitions contributes to the rise of individualistic consciousness, a drive to challenge the existing "less-developed" expectations of family and realize economic goals in risky and "developed" ways. In this sense, family presents regulatory social orders, seen as outdated cliches and "traditions," which should be escaped when individuals want to "develop" themselves in the market economy.

For "Western" tech-entrepreneurs, departing the developed "West" equates to leaving a continually decreasing post-economic crisis comfort zone in search of better lives overseas, specifically in China. Chinese and non-Chinese entrepreneurs have different notions about the regulatory role of family. Such differences depend on the existing inter-generational relations and the different tracks of individualization, within each social context. For Chinese interviewees, family acts as burdensome order and collectivized power that compels them to leave. The Chinese performances of individualism shed light on the burden that family adds. For those foreign interviewees, especially those from western countries, family plays an important role in reshaping their communal performance of individualism in China. Hans, a self-employed Dutch engineer who started up his tech business in early-learning education in Shenzhen, discussed the influence of his family on his choice to "go out":

"My mom and dad were hippies in the 1960s. They always supported what I wanted to do when I was a child. After graduating from HBO (higher vocational education) in Utrecht, I started to work for Phillips... I came to China in 2006. I met my wife (Emily, a Hunanese woman) in Shanghai. We moved to Shenzhen in 2010, then I started up my business. My parents always supported what I want to do… economically and mentally. However, I found out that Chinese parents are not so supportive in a child's individualistic choice. In the early-learning education programs, I met a lot of Chinese parents. They are anxious parents. They expect their children to study well and later become an elite. Of course, my parents wish me to have a better life, but they seldom judge the job I work in and the woman who I am married to."

Hans 'discourse shows the binary social notions of "Western liberal parents" and "Asian anxious parents" that some of the other foreign interviewees also mentioned when they discussed the roles of their families. However, the reason I cite his discourse is that his explanation about "the difference" sheds light on "liberal Westerners" privileges and their indifference about the competitive social context that globally makes "anxious parents" (Stearns 2004; Nelson 2010). It also highlights the re-conceptualization of their "liberal home in the West" to support them going out. Chapter six further articulates how this difference was used in cultivating "entrepreneurial Maker Culture," as common sense to form economic communities in the current globalized innovation economy. My fieldwork data suggests what is argued by Angela Lehmann (2014): that the middling foreign expats in China strengthen their image as "Westerners" through the articulation of "traditional" "Western" family activities and nostalgic performances of nationality and home (Lehmann, 2014). The practice of (anti-)social orders of home is a strategic way for many foreign professional entrepreneurs to perform as "Western." The construction of imagined "Western adventurers" strengthens their performance of individualism in China. "The value of individualism plays a central role in this decision to leave home and essentially 'become global'. The tension between value discourses of this heightened individualism and the contrasting expectations of the community results in the form of vulnerability—expressed here as the feeling structure of anxiety" (Lehmann, 2014).

5.3.2 "Be successful, otherwise I will not come back": Making "the successful subject" through Familial Recognition

The second challenge that family seems to create for my interviewees is that the activity of "coming home" implies a family's recognition of their offspring's success. In this sense, the recognition of family is an important factor in feelings of personal achievement. Interviewees always claim to struggle between "coming back" and "not coming back." Wang explained this struggle to me:

"Most of my entrepreneur peers in Shenzhen understand that they will go back to their hometown. As the only-child, if we do not go back to see parents at least once a year, we would be criticized as cruel people who are bare of credits. In my mind, I want to go back when I feel I am successful, economically successfully because, in their minds, making a startup business is not economically safe work. At least, I should prove to them that I live much better than in the past. However, the ambiguity of coming home is that if I went back and lived with my parents for a longer time, other people would speculate about whether or not I had failed in Shenzhen, yet if I live longer with my parents, I would be nagged as *kenlao zu* (啃老族 young adults who live with old parents).

Chinese people are afraid of losing face (丢面子 *diu mianzi*) upon others and whether I am successful or not in the future, I do not want to be judged by those provincial people. So I always struggle between 'come back 'and 'not come back. 'It seems that I *diaozhe* (吊着 an informal phrase of "suspension" in Chinese) between considering 'come back 'and 'not come back'!"

Metaphorically speaking, Wang's discourse sheds light on two "credentials" bound to family that define entrepreneurial success in contemporary China. First, the activity of "coming home" is a re-confirmation of personal achievements after "going out." The activity of "coming-home" always combines with missions such as exhibiting an entrepreneur's economic "success" to parents and relatives. Second, the activity of "coming-home" is a double-edged sword. If they come back and stay longer than the expectations of the people around them, they will be judged "not successful." However, although some informants mentioned the filial merits of the activity of "coming back," these two dissimilar family-bound entrepreneurial credentials are actually produced in specific social-economic contexts rather than "traditional filial culture." Taking care of parents is indeed a moral merit for an only-child to fulfill, but moral merit is also earned in entrepreneurship. For fear of being seen as "people who are bare of credits," they need to show their filial merit. In addition, it is the decline of the state-led pension system that increases the financial burden of conjugal families in China. It turns the migrant professional teleology of "coming back"—recognition of family—into "short time stay." Entrepreneurs who are able to "follow their heart" and "do what they want to do" are generally taking on most of the burden of justifying their good lives to their retired parents who, as retired former state-owned workers, are unable to afford peaceful retirement because the state has cut their pensions. Their children, then, have to move between the "city of opportunities" and "comfort zones." This anxious condition of back-and-forth is defined as *diaozhe*, an informal phrase of "suspension" in Chinese. It echoes the fear of social rigidity that I articulated at the beginning of this chapter.

As for foreign young professional risk-seekers in China, they also face up to the recognition of family on their return. It seems that Chinese and non-Chinese young men have slightly different feelings around the recognition of family. Nano, an Italian startup owner in Shenzhen, explained: "My family always support me in doing whatever I want to do. They supported me trying a different life in China eight years ago. When I told them that I had decided to stay and live in China (my wife is Chinese), they apparently said okay but I understand they are worried about me. Sometimes I feel anxious if the business is not going well... All I want to do with my parents is to prove that I am happy and live well in China." Joseph, an American currently hired as vice-headmaster at an elite local public school, told me that coming from a middle-class family, his parents are worried more about how he is getting used to the Chinese society than about how much he can earn. This dissimilarity shows that the "middle-class

family anxiety" is in relation to the social welfare system in specific nation states rather than in relation to the Europe-centered issue of "individualization."

I assert the above for several reasons. Firstly, compared to middle-class families in a welfare state, Chinese middle-class families place more pressure on their children's life choices. The families of Chinese and non-Chinese interviewees tend to see themselves as "middle-class" in the post-reform late-socialist state and Europe's post-war welfare states, respectively. However, the anxiety of "career building" is greater in Chinese middle-class families than in "Western" families. This cannot simply be explained by suggesting that the latter cherish children's independence more than the former, but because a child's failure produces a bigger burden in Chinese urban middle-class families, especially at a time when the state-led pension system is deteriorating. This supports another hidden teleology of becoming a successful entrepreneur, identified by Wang: being able to make his parents feel economically safe in the future.

This specific goal contributed to a phenomenon apparent in the young male Chinese professionals I met in Shenzhen. Increasingly, this group of entrepreneurs are buying apartments in their hometowns to prove to their families and neighbors that "they earned a lot or they are economically capable of living a good life in Shenzhen,"[104] even though they are not living in the apartments. Besides, investing in the real estate market in small Chinese cities was seen as a wise investment strategy because the price of real estate in small cities was mushrooming, at the time I was conducting my fieldwork. Thus, housing was becoming valuable materially, and was also an indicator of one's ability to live a successful life in China after the marketization of the real estate industry in the late 1990s (Zhang 2012). Recent ethnography in the field of China studies depicts how housing has also become a force that mobilizes growing numbers of young Chinese people to try entrepreneurial work in other places. An example is the key incentive that drove Chinese contracted migrant workers to Africa was the burden of housing mortgages in their hometowns (Driessen 2015). Along the same lines, trying to show their good-life-in-another-place, many Fujian overseas Chinese built European style villas in their home villages and countries (Chu 2010).

Secondly, middle-class families in each context, Chinese and Western, display different attitudes towards "entrepreneurship building" because they understand risk differently. Entrepreneurship building was only fully revived about 40 years after the marketization economic reform in China, hence "becoming self-employed startup owners in the market" is not a widely accepted idea for middle-class Chinese parents working in state sectors. Chinese interviewees always emphasized their struggles to persuade their parents to let them pursue their dreams in Shenzhen. However, their parents 'hesitant attitude towards entrepreneurship building likely originated from uncertainty about the market economy, which is seen as a riskier system than their *danwei* institution.

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[104] Interview Wu, July 02, 2016.

In sum, family does play an important role in the struggling formation of the entrepreneur-subject in the current market situation. On one hand, family provides order that is counter to entrepreneurship building. On the other hand, family can create the stimulus to arouse entrepreneurial spirit in children. This tension contributes to the dynamic construction of the contemporary entrepreneur-subject through young risk seeker activities of "going-out" and "coming-back." Moreover, young Chinese and non-Chinese "Western" professionals exhibit different mentalities and activities of "going-out" and "coming-back." This dissimilarity originates from the level of risk that their families can bear, and the potential loss or failure that they imagine their welfare systems can compensate for. No matter how many differences were created and stereotyped in their discursive activities, these people all strengthen their identity as "entrepreneurs" through struggling for, and hopefully gaining, the recognition of family.

5.4 Conclusion

This chapter analyzes the pattern of mobility in the transition to an innovation economy: the massive middling migration in China. Like the rural-to-urban migrant workers in the 1990s, today's trans-regional migrant professionals are also driven by new economic chances in Shenzhen and the Pearl River Delta. However, holding different amounts of so-called social and cultural capital and pushed to the frontier of global competition in the IT-driven innovation economy, young migrant professionals have attained greater expectations and imagination of "making a difference" which are strongly supported by the state's discourse on "mass entrepreneurship and innovation."

Moreover, these young Chinese migrant professionals digress from a major industrial sociological assumption regarding catch-up social mobility driven by ambition for higher rungs on the ladder. The current expectations for mobility form with the rise of individuality, which is manifested by the massive trend of tech-entrepreneurship building as "self-realization." In this sense, rather than the mere fear of falling, the fear of suspension mobilizes and strengthens their strong will to differentiate themselves from other immigrants, such as peasant migrant workers and elites.

The fear of suspension is created by the conflict between expectation of self-realization and anxiety of recognition in relation to family. However, the burden of family and neighborhood recognition indicates that the standard to define the good-life is highly materialized in the institution of the Chinese family, and migrants or "runaways" have not really developed a new idea of a good life to challenge the older generation. This social factor contributes to their long-term dilemma of suspension between hometown and metropolitan city. How did my interviewees revise their

suspended life chances and survive the suspended living conditions in Shenzhen? Chapter six will offer some answers and analysis.

Chapter Six   Living a Better Life in the Chinese Silicon Valley?

Spatial Mobility and Housing Strategies in the Urban

Renovation

Appropriating the term *liudong renkou* (流动人口 floating population), which defined the floating population without urban residence permits in Shenzhen in the 1990s, my friend and informant Luan Jiwu told me that "since my colleagues and I came to Shenzhen, we have always moved from one place to another. I am a *liudong renkou*. Only recently, I settled down and signed a one-year rental contract with a landlord."

It seems that the newcomers to Shenzhen have similar living patterns to the floating population of the 1990s. However, newcomers like Jiwu also have different hopes for a better life in the current social context. The current ease of trans-regional mobility is accelerated by a series of spatial reformations in the name of "urban renovation," a policy that aims to turn Shenzhen into a highly modern and creative city with innovative industrial parks and decent residential areas. Following Shenzhen being de-industrialized and upgraded to become a "high-tech" global city, increasing numbers of young graduates, rather than peasant workers, are coming to Shenzhen. As discussed in chapter three, the fear of social immobility created a mindset in young migrant professionals that they needed to chase their "better and successful lives" in the global, high-tech city. In situ, "the better and successful life" is tied to and materializes into (1) a form of property, especially housing, manifesting one's ability to work as a professional knowledge worker/entrepreneur in the innovation economy, and (2) life in a decent gated community, surrounded by qualified professionals and good urban infrastructures. Shenzhen is treated as a magnetic space, the South China Silicon Valley, to valorize their living a "better and successful life." In the search for social mobility by entrepreneurial newcomers in the innovation economy, housing is a key term, mentioned frequently when my informants talked about their dream of Shenzhen.

Chapter five depicted how young migrant professionals are often motivated to go to Shenzhen by anxieties of "becoming successful among peers" and "recognition from family." Following from this, this chapter aims to discuss how the space making of the Chinese Silicon Valley creates the expectations new immigrant professionals have about living a mobile and flexible life in Shenzhen, and how these professionals negotiate and justify their mobile lifestyle in terms of the urban renovation agenda. This chapter attempts to argue that the state-led creation of an innovation city contributes significantly to their justifications of housing strategies, embodies their highly-mobile

life patterns, shapes their productive expectations for a better life, and leads them to linger in Shenzhen.

In this sense, chapter six entails a space-centered analysis of mobilized urban life in the context of Chinese urban renovation. This chapter examines the kinds of spatial changes that conditioned the common sense of Shenzhen's urban milieu and created the spiritual stimulus for young professionals to chase a mobile life in the city. It examines how mobile living conditions are negotiated, normalized, and naturalized through the construction of Shenzhen as a Chinese high-tech metropolis. Furthermore, I consider how, in order to realize or sustain their social status, many young professionals are actually suffering from imbalances of life and work in Shenzhen. These "imbalances," in my informant's words, are represented by a certain paradox: they "work as white-collar professionals, but live like peasant migrant workers (农民工 *nongmingong*)."

This chapter begins with a brief overview of mobile life in Shenzhen through the periods of industrialization and de-industrialization. This is followed by an analysis of how young migrant professionals produce new mentalities and practices to negotiate and balance the dilemmas and paradoxes of mobile life in the period of urban renovation, during which industrial facilities have been gradually turned into infrastructures of innovation economy. The third section examines the dilemmas presented by the living conditions in Shenzhen for new migrant professionals. Specifically, how the new housing problem, contributed to by state-led urban gentrification, is treated as a source of shame that drives these young people to make changes to their lives in Shenzhen. Conversely, this social problem also creates stimulus and market forces to invest in the new economy which, ironically, is a channel of gentrifying the urban space in Shenzhen and in China.

In the last chapter, I analyze how young professional migrants give meaning to their work through their pursuit of business success and economic fulfillment in the new working space of the new economy. Overall, this chapter intends to highlight how younger generations create meaning through their adaptive living strategies in the midst of the urban renovation/gentrification agenda. In many cases, they actually transform their housing struggles into a strong motive to renovate and a means of adding value to their mobile lives and working patterns in Shenzhen. I argue that their pursuit and imagination of new space in Shenzhen reflects, and is mobilized by, the local government's policy of urban renovation.

6.1 In the Shadow of the Urban Renovation: Land, Mobile Life, and Urban Informality Under (De-)industrialization

The historical change of Shenzhen as an urban residential area explains why new migrants must deal with the paradox of "working as white-collars, living like 'peasant migrant workers,'" and how space-making could influence the migrant mindset and

their strategies regarding mobility, especially to the extent that space-making becomes a tool to govern mobility. One significant urban change after the market reform is the commodification of space in Shenzhen. The use of land, as the material ground of space, can now be purchased thanks to the urban land regulations. The cost of living has also risen after the state opened the space to real estate companies who are able to design and sell the space to the public relatively freely, even though they have close relationships with public enterprises. This contemporary commodification of space also entails the development of urbanization in Shenzhen, as shown in empirical studies, urbanization is often accelerated by the industrialization after market reforms. "Today, the making of a new spatial order and the restructuring of urban communities are increasingly carried out by the emerging coalition between corporate developers and government agencies" (Zhang 2012: pp162).

During the first round of my fieldwork, I lived in an apartment that was in a residential block located in Osmanthus New Village, a lineage village that had hosted both official staff working for state-owned sectors and peasant migrant workers in the 1990s. My residential block was also rented as a dormitory for the Civil Affair Bureau of Nanshan District Government. They have shared the right of land-use with Osmanthus New Villagers since the beginning of the 1980s. In the local narrative, the Osmanthus New Village was established by Ye/Yip kinship in the period of early modern China. The surname of the land owners and tenants living in the village was Ye/Yip (see Figure 6.1).

Figure 6.1
©http://blog.sina.com.cn/s/blog_687248140100rd9s.html （2011）The façade of Ye ancestral hall.

The Osmanthus New Village was established by Ye/Yip kinship beginning in the Ming dynasty. A group of Teochew merchants from the east side of Guangdong Province

came to the special economic zone, rented the space from this village, and constructed their living infrastructures in Osmanthus New Village. Due to disadvantageous local circumstances and business opportunities in the South China Sea, Teochew people have expanded their diaspora and business network in Southeast Asia since the 19th century. In Chinese historiography, Teochew merchants are tagged as a renowned business group (Hu and Chen 2015).

The lineage villages in Shenzhen were not only hubs for migrant life, but also enclaves for migrant economy—the initial informal economy—after the market reform (1978) in urban China. The Osmanthus New Village was registered as a share-holding real estate company in 1988. To earn money at the beginning of the 1990s, they remodeled surplus space into factory dormitories and rented these dormitories to peasant migrant workers as short-term, flexible accommodation in Shenzhen.

In this way, villages like the Osmanthus New Village played an important role in hosting migrants, like the peasant migrant workers and migrant merchant groups, enabling the informal economy that supported them during a period when direct governmental control over mobility was harsh. The expansion of urban village space was determined by the original residents (landlords) and the rising number of migrants (tenants), cultivating a patron-client relationship. The original residents in these villages protected migrants without urban citizenship from the direct supervision of local government in Shenzhen.

After the marketization of state-owned sectors and the state-led commodification of urban residential areas in 1998, the patron-client nexus between local authorities, such as *cunzhang* (村长 village chief), and the residents in urban villages dispersed and new social relations were established in Shenzhen's urban villages. When the Osmanthus New Village became administrated by urban-street government, the *cunzhang* of the Osmanthus New Village was nominated as a sub-governor. Local real estate developers remodeled or reconstructed villages into *xiaoqu* (小区 urban gated-communities). After becoming rich from their original stock, most of the original residents bought new housing in gated-communities or, as part of a well-known merchant community in South China with a strong overseas Chinese network, chose to migrate to countries where their relatives lived.

In recent years, French anthropologist Anne-Christine Trémon has studied that the lineage networks of the urban village are constantly being renovated by the urban village's inhabitants in the urbanization of Shenzhen (Trémon 2015). Other authors have explored how the rural-urban culture divide in the Pearl River Delta has been reinforced by contestation among villages, immigrants, and urbanites (Siu 2007; Bach 2010). Still others examine the negotiating power that urban villages and the informal economies within them has created for community governance in urban China (O'Donnell 2008, 2013; Tang 2015). A step further and taking the perspective of a new immigrant in the midst of current urbanization, I focus on how immigrant flows were mobilized and reoriented via the negotiation between local property owners and local

authorities, and how these new immigrants develop life strategies and forge new subjectivities in response to the fierce urban renovation in Shenzhen.

Urban space-making has continually influenced the flow of mobility after the urbanization of villages in Shenzhen. The migrant workers cannot afford the rising rental prices in the gentrified urban villages. Likewise, the price of housing properties for purchase has increased. In short, when the manufacturing industries moved out of the urban areas of Shenzhen, peasant migrant workers migrated with them.

Under the government slogan of "constructing a garden city and high-tech city without villages," urban villages were granted urban administrative status. In this sense, villages gradually became part of urban communities, which could be directly governed and re-planned by urban street governments. The obsolete manufacturing areas surrounded by urban villages were made into high-tech industrial parks. Newcomers—young, post-1998 graduates without the support of state-led *biye fenpei zhidu* (毕业分配制度 graduate job assignment and talent allocation institution)—have gradually replaced the peasant migrant workers as the new immigrant workers, working in tech-based high-end service industries. The Osmanthus New Village became a populated residential area just 1.5kilometers away from working spaces for these knowledge workers, such as Nanshan High-tech Industrial Park and Qianhai Free Trade Zone.

State-led gentrification in the name of "renovation" in 2004 and 2014 eventually turned Shenzhen into an expensive city. As early as the "Twelfth Five-Year Plan" period (2011-2015), Shenzhen's government announced that they would no longer provide urban/commercial/residential land, leaving new land for developing public welfare and the Social Housing Policy (保障性住房政策 *baozhangxing zhufang zhengce*). This also means that the urban "renovation" approach regulates most land in the Shenzhen real estate market. Rental prices, especially for short-term housing, in gentrified urban villages and gated communities, has increased. In addition, the Administrative Measures for Commodity House Leasing, released in 2011, formalized both the flexible patron-client relations between landlord and tenants, and the urban housing lease system.

Although Shenzhen's government released Social Housing Policy, the housing is only distributed to Shenzhen *hukou* (户口 resident permit) holders, or people with non-Shenzhen *hukou* who are tenured workers in large companies and state-owned enterprises. However, the majority of my informants, the new migrant professionals, are actually temporary workers (e.g. one-year contract holders or self-employed "entrepreneurs") working in the organizations such as small companies, big IT companies, government sectors, and NGOs. By the end of 2016, Shenzhen's non-household population was 8,063,200, accounted for 67.7% of the permanent population. Among them, a large number of migrant workers had been living in the city for a long time, but their inclusion in housing security policies was limited. They needed to find housing in the rental market and sign short-term contracts with landlords and real estate agents. This contracted tenancy has been gradually monopolized by the real

estate agents who are supported by local real estate companies. These institutional changes have created a real problem for young graduate immigrants in recent years. The tension between the formalization of the tenancy market and the increasing demand for affordable flexible housing has contributed to new forms of flexible accommodations in the space of urban gated communities. The third section will analyze how this spatial change relates to young people's choice of spatial mobility pattern in Shenzhen.

6.2 Formalization of the Informal

In the decades after the Reform (1978), urban villages cultivated a secure environment for the migrant-driven urban informal economy in Shenzhen. The rising informal economic forces, created by peasant migrant workers and trans-urban migrant entrepreneurs under marketization in mainland China, drove scholars to start connecting the long domestically discussed "urban-village issue" to the broader academic vision of China's informal economy since the mid-1990s (Hu and Zhao 2006; Huang 2009).

As the forerunner of urbanization in mainland China, Shenzhen attracted many researchers. Human geographers rushed to analyze how Shenzhen's high-speed urbanization was supported by the infrastructures of urban villages, as informal urban sectors, in the social context of the state's weak welfare offerings for mobile subjects (Yin, Xue and Yan 2006; Wang, Wang and Wu 2009, 2010; Zhang 2011). This scholarship assumed the autonomy of informal urban sectors in the early urbanization after reform and marketization. However, the story through more recent urban change and political institutionalization shows that after the new state-led urban space-making agenda, informal economic forces created in high-speed, rural-to-urban and trans-urban mobilities have been gradually formalized. As depicted in chapter three, grass-roots maker communities are being registered and re-organized into social enterprises or social associations.

Formalization here does not mean that robust urban informal economic forces are weakened and suppressed in current urban space-making. Indeed, the current state-led urbanization does involve the decline of the informal economic kinship-bound patron-client nexus cultivated in the 1980s. It, however, involves the rise of a new informal economic workforce and the IT-intensive community depicted in chapters three and four. The formalization of the informal economy means that the state actively joins in the production of robust new informal economic forces through building urban infrastructure. It is the government who defines the boundary of the formal and the informal by its socio-political governance of the current market economy. Under the governing logic of market economy, economic forces created in local networks are conceptualized as informal institutions (Tsai 2006; Perry and Heilmann 2011; Fan 2015). Legitimized as informal institutions within the formal governing body of the

market economy in current institutional reforms, the currently registered companies and associations, and "the entrepreneurial spirit" bound to them, are highly supported by the local government. In the mind of local government, entrepreneurship and innovation is an important force to drive employment. Thus, subsidies for entrepreneurship are framed as an important public service in policy schemes. As analyzed in chapter three, registered startups and social associations can apply for innovation and entrepreneurship subsidies from local government.[105]

Until recently, in order to develop such collaborative governance, the State Council of the People's Republic of China issued an official document to recognize the role of private entrepreneurs and entrepreneurs-to-be in the development of China's market economy in 2017. However, I argue that far from being autonomous, the informal urban entrepreneurship created by migrant populations are actually strategic agencies surviving in the tight corner created by the social and political definition of the formal and the informal. By creating new circulations and governance of mobile populations and capital through urban space-making, the Chinese state has gradually formalized these informal economic forces and turned them into "informal institutions" of socioeconomic governance. Consider the social consequences of the urban renovation project: the upgrade of urban villages in Shenzhen was actually the creation of a new urban milieu that influences how migrant professionals conceive their urban life and respond to the city of Shenzhen. However, compared to the migrant workers and migrant entrepreneurs of the 1990s, these newcomers seem to hold different hopes and expectations when relocating their lives into the state-led urban renovation project. Moreover, they actively join in inventing a "modern" code of urban life to justify their uncertain mobility in the changing city.

6.2.1 Renovating the City Milieu in Shenzhen

The idea that Shenzhen was a dangerous city and full of fake goods was circulated, at the turn of the millennium, by foreign tourist websites, social news in Chinese official media, and some street tabloids. In a chat with a close friend in Amsterdam, I was told that he lived in Shenzhen for two weeks in 2002. The first time I discussed my fieldwork with him, he was amazed that I was alone in that "dangerous and desirous city." He depicted it as full of thieves, rich old Hong Kong men, prostitutes, informal red-light zones and casinos, especially in the borderland zones like Luohu Port and Futian Port. The social construction of desire and fluent society at the beginning of 2000s has already attracted scholars conducting research on sex workers (Ding and Ho 2008;

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[105] There are four main subsidies that startup runners can apply from Shenzhen Human Resources and Social Security Bureau: Subsidies for Entrepreneurship Drives Employment; Subsidies for Renting Innovation Space; Subsidies for Social Insurance; Subsidies for Starting-up. Please see: http://hrss.sz.gov.cn/ztfw/cjjy/cyfw/cybt/. (Retrieved: 20 April 2020)

Kaufman 2011), Hong Kong mistresses, and the "second wife" community (Lang and Smart 2002; Xiao 2014, 2016) in Pearl River Delta.

However, during my stay in Shenzhen, the "dangerous, desirous and full of fake goods" discourse about the city was replaced by a more ambiguous "not so easy but free, anxious but full-of-opportunities" discourse shared by many young Chinese migrant professionals. It seems that the political-economic distress in Hong Kong and the local state's anti-pornography and anti-gambling stance in recent years contributed to dampening the informal sex and gambling industries in Shenzhen. As I was told by an informant in his late 30s, "Shenzhen is not interesting now." He said flatly that the entertainment industries had been purified by the police.

The linguistic turn and transition in the social sciences also contributed to "the emotion turn" of social analysis (Williams 1977; Pred 1983; Trift 1996). The discourse of how people define their feelings and emotions about living and working in a city can express more than literal meaning. Feeling, an abstract personal impression aroused by simple and general face-to-face interviews, should be understood in the concrete social contexts that each individual is immersed in. When informants tell me their feelings about working and living in this city, they always answer immediately with simple, generalizing adjectives. It should be noted here that these feelings about urban life from individual experiences are not simply individual reactions to the world around them. It is also the institutions of social management and the mentality underpinning this social management that incarnated these collective feelings in everyday urban life.

6.2.2 "Not so easy, but free": Deconstruction and Reconstruction

If the discourse of "dangerous, desirous and full of fake goods" depicts a past experience of rapid capital accumulation under high-speed, export-oriented industrial modernity in Shenzhen, then the discourse of "not so easy but free, anxious but full-of-opportunities," propagated by Shenzhen's expatriates, foreshadows how the city is more than just a tourist site or an easily objectified site to experience "other modernities" (Rofel 1999). Rather, it is a site for the newcomers to embed themselves, living and fortune-hunting.

The feeling of "not so easy" refers to the dark side of urban life in Shenzhen. It has become an expensive and inconvenient city since the urban renovation campaign was launched by the local government. The area of Shenzhen city was enlarged due to the large migrant population rush after 1978. Many migrant-constructed social enclaves, or urban villages appeared. Teochew people, Overseas Chinese, Hakka, and south-ward officials (南下干部 *nanxia ganbu*) were the main newcomers to build their physical communities at the beginning of the Reform and Opening-up, when the state presented Shenzhen as a relatively stateless sector. These urban villages were originally founded based on "religion," "old lineage," or *danwei*, and formed to set their own spatial rules and establish property rights "from below." Once well established, they also offered

later newcomers, young newly graduated professionals, a place to reside in the city, especially after 2000 following the surge in housing prices.

As depicted and widely discussed by Chinese sociological intellectuals, urban villages are well-established urban communities that have revived the urban entrepreneurialism of the 1980s and 1990s. They sustained place-bound migrant enterprises in Beijing (Zhang 2001) and offered comparatively cheap housing, in the form of informal economic sectors that the Beijing government could not offer to the migrants. The social connections of migrant leaders, kinship ties and patron-client networks shape the "informal" economic spaces, such as household clothing production sites in the urban villages of Beijing. And even though urban villages were stigmatized as dirty, messy, and less-qualified (脏乱差 *zang, luan, cha*) spaces, in Beijing they actually generated lobbying power between the central state and the local state through the "big men" in urban village enterprises (Xiang 2005).

In Shenzhen, the urban villages tell similar stories in the context of the Reform and Opening-up. Most of the "old Shenzhen people" (老深圳人 *lao shenzhenren*), who are defined as people living in Shenzhen for over 20 years, hold memories of "life in urban villages." The well-established urban villages always support newcomers with cheap and convenient spaces to live in.

The "urban village issue" is widely debated in local intellectual circles and several Chinese and international research institutes have initiated research projects to do fieldwork in these urban villages. Many intellectuals hold the opinion that if cheap places are renewed through local state-led "urban renovation" or "urban purity" programs, the urban social balance will be broken because the low-income workers, who support the everyday functions of urban service sectors, will leave. They tend to hold the opinion that capitalist urban development allows these workers to leave, and further, from the arguments of local anti- "urban-renewal" activists, preservation of urban village communities is necessary for urban justice and development. In late November 2015, I visited a maker space in Baishizhou, an urban village[106] in which many manufacturing factories were established in the 1980s. After the urban administrative reforms in 2004, the de-industrialization and renovation of Baishizhou factory zones was placed on the developmental agenda by urban planners and local authorities in the Nanshan District Government of Shenzhen. The de-industrialization following 2004 did not work out well in the Baishizhou factory zone. The production of a "Silicon Valley" in abandoned manufacturing areas tells a more complex story about how post-industrial modernity is performed in China. Due to complex property rights involved in land expropriation, many abandoned industrial spaces remained in Baishizhou. It was only recently that the local government launched a new reconstruction project to "upgrade" these abandoned industrial spaces into cultural

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[106] Urban villages in Shenzhen are totally different from the urban villages intensely researched in North American or South American metropolises. Urban villages in Shenzhen are similar to other naturally formed villages in rural China. However, after the reform of Shenzhen's Urban Administrative Divisions in 2004, no village administrative system remained. (See, Wang, Wu and Wang 2009)

clusters in Baishizhou; clusters to welcome and house new creative young professionals and graduates.

Local NGOs launched an anti-deconstruction (反拆迁 *fanchaiqian*) campaign in Baishizhou. These detractors saw the newly released Urban Old Town Renovation Policy as an accelerator to turn the factory zone into "Silicon Valley."[107] Local scholars saw the demolition and reconstruction as a dangerous imitation of neo-liberal ideology. However, this appeal of anti-capitalism in urban space was in vain, because the mobility of populations and space is not only regulated by capital, but also by the innovation of urban governance. Newly released state-sponsored urban plans play an important role in accelerating the financialization of land (use) and the cultivation of indifference to the so-called social imbalance among the original landowners of urban villages in Shenzhen. In order to counter these top-down land reforms, the original urban village residents empowered themselves with "invented traditions" (Hobsbawm and Ranger 2012), such as rebuilding an ancestral hall to legitimate their living space. They turned all urban villages into shareholding companies in the early 2000s. After earning a large amount of money, the original residents moved out of urban villages, buying better and more luxurious homes elsewhere, while low-income migrant workers remained. They rented their properties in urban villages to other newcomers for a decent price. When the "urban renovation" project was launched by the local government, the chairmen of the board of the urban village Co. Ltd., and the mostly male stockholders, who lived outside of the urban villages, were happy to wait for both economic compensation from the local government, and for new tenants. I interviewed an urban village landlord in the Hague. In addition to having a Dutch resident permit, he continued to hold a Chinese passport so that he could benefit from renting his house to tenants in Shenzhen. Ironically, the marketization of land-use created and strengthened the contemporary formation of the tenant-landlord nexus rather than the formation of local residential communities in solidarity.

Nowadays, Shenzhen is experiencing a further step in urban village reconstruction. In order to re-engineer the valuation of urban land(use), the local government has launched urban-renovation projects and beautified old residential areas into high-end innovation hubs. Visual differences also contribute to the mental hierarchy of space in the everyday experience. Mary Douglas describes how the structuring of purity is always combined with the danger of social indifference (Douglas 2003). The practice and mentality of constructing a "civilized city, smart city, and creative city" (建设文明城市，智慧城市和创新城市 *jianshe wenming chengshi, zhihui chengshi, chuangxin chengshi*) is not only constructing an expensive liberal metropolis, but also an uneasy one: the low-end urban life supported by low-end spaces is being mentally and practically demolished. Another example of the entanglement of top-down and bottom-up dynamics, which I have emphasized throughout this project, is that this demolition is not only because of the state's dogmatic developmentalism,

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[107] This renovation attracted a lot of attention from media. As reported in http://www.infzm.com/content/103213

but also because young newcomers do not want to consume low-end urban life anymore. Urban villages are seen as less developed representations of the "old Shenzhen." The newcomers who consider themselves as middle-class professionals prefer high-end gated communities as their residential spaces, although the rent in these communities is double that in the old urban villages. However, the reason these young newcomers choose xiaoqu is not because the living environment of xiaoqu is safer, but because xiaoqu is more decent, respectable. The undemolished urban villages are stigmatized as low-end spaces with low-qualified (低素质 di suzhi） populations. My informant Yan stated, "I understand the rent in high-end communities is more expensive than in urban villages, but I think the living environment in xiaoqu is better than urban villages. I cannot even find a girlfriend if she knows I am not living in a xiaoqu, but an urban village."

The feeling of "freedom" pertains to the deregulated governance of the state's demographic strategy to deal with mobility in this special economic zone (SEZ). The Chinese state regulations regarding domestic migration were highly stratified in the period when the hukou system—an instrument the socialist command economy used to regulate and identify the population—was invented to limit domestic migration. The implementation of the Reform and Opening-Up policy by local urban governments in the 1980s, made it difficult for a Chinese citizen to migrate from one place to another. Widely discussed in academic research, the *hukou* system has played an important role in regulating the stratification and opportunities of Chinese people, especially after the economic reform (Whyte and Parish 1985; Wu and Treiman 2007). However, local practices of the *hukou* system are geographically diverse. The deregulated policy in SEZ has relaxed governmental control over the labor-recruitment of local enterprises. It has become easier for privatized enterprises in Shenzhen to offer surplus "informal" workers (from rural areas, bankrupt state-owned sectors, and pools of tourist-visa foreigners) with temporary resident permit (暂住证 *zanzhuzheng*) residence and work in Shenzhen. This caused multiple geo-economic imaginations of SEZs. Mass media and Chinese TV dramas also circulate these imaginations and cultivate collective expectations on "rites of passage": go to the liberal land—Shenzhen.

The regional deregulated regulation of mobility continues in the innovation economy. Compared to other big cities in China, Shenzhen is still imagined as the most marketized and liberal, especially as it borders Hong Kong, the exotic capitalist world that mainland Chinese and non-Chinese people can physically and freely enter. For Henk, a self-employed Dutch professional working in a startup partnered with an American teacher and several young Chinese professionals, Shenzhen is his best and first choice as "the city where I want to live in China. It is an open city and young city. Here you can meet a lot of young Chinese people, like you, from different places and with higher educational backgrounds. It is easier to communicate with people in this city. Most well-educated young Chinese can speak English."

Henk elaborated upon the meaning of "freedom" during an after-meal chat in Huaqiangbei Electronic World, the largest mall for electronic communication products,

one day in December 2015. "China has been widely reported as a country without free speech. But it is free to live here! Nobody really cares about what you really do. You just need to show them 'hey, I have done this and that. 'It is the most important experience I gained from my ten years of business experience." In his discourse, the emotional feeling of "free" means he can escape something and relax in China. Just as depicted by Angela Lehmann, many foreign expats seem to enjoy free life in Xiamen, a metropolitan Chinese city, instead of being trapped in "previous cultural signifiers of identity, social rank and structure" (Lehmann 2014: 46).

Nevertheless, it is the less regulated urban management milieu created by local government that makes this feeling of freedom possible. There are thousands of private border agencies that deal with resident permits and insurance issues for Chinese and non-Chinese workers in this borderland. "You do not really need to apply for them by yourself. You can just pay an agent, then you can stay. It is even very convenient for foreigners who hold short term visas to live in Shenzhen, because they can extend their visas in Hong Kong through cheap agencies." My informant Farhad told me.

The insurance agencies in Hong Kong also play an important role in creating social feelings of freedom in the circle of self-employed startup runners in Shenzhen. Hong Kong has had a financialized social insurance scheme for a long time. There are increasing numbers of mainland Chinese buying Hong Kong deposit insurance as a kind of investment. "Buying insurance" is not only recognized as "buying safety for the future," but also "buying future economic freedom." This highly marketized insurance system offers self-employed Chinese and non-Chinese people chances to buy their freedom in the future.

6.2.3 "Anxious but full of opportunity": Location and Relocation

Young people have already cultivated the binary imagination of high-end and low-end living and working spaces. However, the cost of urban purification and gentrification is actually paid by newcomers. Newcomers, who intend to perform more like members of the middle-class/high-end population, have to earn more and consume the products of high-end urban life. In the words of my informant Yan, a certain anxiety is caused by the feeling of "be unfit for a higher post but unwilling to take a lower one" (高不成，低不就 *gaobucheng, dibujiu*). Their changeable working patterns are also in line with the global trend of "flexibility" in the working patterns of the new economy (Harvey 1991; Tsing 2000; Benner Fairris and Ruser 2008). In social-anthropological analysis, the current dynamics of globalization are driven by flexible economic accumulation and working patterns rather than the Fordist system of the unified shop-floor. The fragmented global supply chain requires more and more employees to become part-time workers or temporary workers to take on fragments of outsourced projects from around the world. Taking Qu's case as an example, his startup is sustained by taking on "stable" projects outsourced from the IT tycoon Tencent.

Qu stated that he always has anxious feeling (纠结 *jiujie*). He said he feels anxious when he stretches further to grasp opportunities and success. Together with the positive feeling "full of opportunity," a collective "anxiety" is formed. In his ethnographic work *Anxious Wealth: Money and Morality Among China s New Rich* (2013), John Osburg opens up discussions on how middle-upper classes produce values and moralities through network building in post-reform China. In his analysis, the male-dominated creation of social networks of capital and power through shared experiences of leisure (banqueting, drinking, and gambling) sheds light on the formation of the struggling middle-upper class, who must drastically extend and maintain the social relationships within and outside of their groups. In their minds, the tighter these relations are, the more sustainable their social status is.

Rather than tagging my informants—the tech-entrepreneurs-to-be—as a middle class forming in anxiety, I intend to argue that it is "the becoming of middle-upper class," as a teleology of safety-life in a "changeable" risk society (Beck 2002), that makes their anxiety possible. It remains a debatable issue whether professional workers struggling for "opportunity" are driven by "safety first" (Scott 1976) or by "risk first." At the very least, the tension created in their quest for opportunities in an environment of changeable working patterns can be seen as a symptom of the current risk society in China.

On one hand, there seems to be a tension that the young Chinese and non-Chinese professionals have anxieties caused by their deep fear of being "left-over" or "knocked-out" (a type of social immobility); on the other hand, they ease their lives into the "free" and "full of opportunities" urban milieu of Shenzhen. However, individual anxieties and collective expectations about opportunities and successful futures are not contradictory feelings. In the following stories about how my informants have turned themselves into tech-entrepreneurs, it is their anxieties and expectations that drive them to undergo their rites of passage in Shenzhen. In their stories, anxieties and expectations are mutually constitutive.

Qu, an informant running his startup with a high-school classmate, offered another vivid explanation of what "full of opportunity" means. His explanation is closely related to the local industrial transformation through innovation: "In Shenzhen, the industrial upgrading drastically and quickly happened within a night! The fast-changing industry requires more and more professional workers who can quickly obtain innovative skills and adapt to the changeable situation. In Shenzhen, the unchangeable thing is 'the change 'per se. Like me, I was working as a project manager in an export-oriented trading company. Now, I am a technical consultant in R-Tech Co. Traditional trading enterprises are declining. If you do not want to be left over, you should learn new innovations and follow up the new trend of industrial upgrading in Shenzhen. This is the only way to grasp the opportunity in the new economy." In his discourse, the ongoing industrial upgrading resets the conceptualization of "opportunity" and the pattern of work in the new economy. His analysis can also partly explain why high-frequency job-hopping is more acceptable in Shenzhen than in other places, where

families often want their children to get a "stable" job after graduation. The everlasting drive to follow and learn "new things" is one explanation of why social training centers are booming.

During my fieldwork, the young immigrants that I met in Shenzhen always cited the same main reason for choosing to come: it is a city full of opportunity. The dominance of this mentality in Shenzhen corresponds with the massive tide of domestic migration after the economic reform. Thanks to the existing research on post-reform Chinese society, I realized that this discourse, "full of opportunity," has lasted for more than 40 years in Shenzhen. Shenzhen makes far more sense as the city of opportunity than as a policy-made city, and it is seen as a migration destination in post-reform China. This fits all too well with the official marketing of Shenzhen.[108] In ethnographic narratives of the post-reform period, searching for the opportunity is a *zeitgeist* for urban immigrant workers hoping to break the existing social hierarchy (rural/urban, development/less-development, mobility/no-mobility) promoted by socialist social engineering (Solinger 1999; Friedman and Lee 2010). Contemporary young migrant professionals in the context of de-industrialization have discourses and mentalities about their life tracks very similar to the rural-to-urban migrant workers in the context of industrialization: only the SEZ can offer them a chance to avoid being "surplus" labor in their home towns.

The personal choice to migrate was not decided by "individualization" processes of capitalistic modernity (Beck 2002) but supported by the institutional changes in the specific policies of (de-)industrialization. Seen through the lens of contemporary Chinese social history, the large-scale domestic immigration was actually driven by market-oriented policies, rather than "the market" in post-reform China. Domestic mobility and the autonomy to pursue individualistic dreams are shaped through policies such as loosening the Hukou regulations and the Graduate Job Assignment System.

If we say that the *zeitgeist*-like post-reform zeal for "life opportunity" was realized by the state's loosening grip on the market economy, then the current *zeitgeist* is being shaped by the state's planning of regionalized industrial clustering on the global edge. In this planning, industrial clustering should follow each new global (de-)industrial tide to the extent that the ever-changing supporting policies of de-industrialization and innovation offer professionals, seen as surplus labor in "less-developed" areas, chances to fit into their desired enterprises. Yang, who has a master's degree in Electronics and Engineering from Zhejiang University, told me that he cannot find a "suitable" job in his hometown of Jining, a small county of Shandong Province. He said there were a lot of IT training centers, rather than IT enterprises, there in 2008 when he was graduated from Zhejiang University. He did not want to "waste life in training new generations of IT coders or working in state-owned heavy industry which is the best sector for local

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people to enter." After graduating he went to Shenzhen and is now working in a privatized research institute for electronics.

6.3 Mobilizing Life in Shenzhen

6.3.1 "Work as white-collar professionals, live like 'peasant migrant workers'": Locating Life in Shenzhen

It was a wet summer afternoon after a rainstorm. Zhang, a 27-year-old junior IT engineer working at a local advertisement company, and his roommate Liang, a senior undergraduate interning as an industrial designer in a robotic-tech company, took me to see the apartment they were renting from a Shenzhen-born Hong Kong landlord. Zhang and Liang shared this studio apartment because of the high rent (4800 RMB/month = 608 Euro/month). They used a curtain to separate their single-beds. "Rolling up the curtain, it is okay!" Zhang said to me. There were two single IKEA bunk beds against the wall. IT training books and design drafts were piled on the table. Unclean clothes were packed but dropped on the floor. There was no privacy unless the curtain was rolled down. "It is like we are still continuing our dormitory life at university," Zhang said. "In my family's eyes, I am a good kid with a high-paying job who could buy an apartment for myself. Yes, I bought an 80m² apartment in my hometown Wuhan, but I have a 1 million RMB (127,500Euro) loan from the bank. This is the reason that I have to live and share this studio with Liang in Shenzhen because I have around 6000 RMB in monthly loan payments in Wuhan." "Will you go back to Wuhan one day?" I asked. He answered: "I do not know. At least, not now."

Both Zhang and Liang are from Huazhong University of Science and Technology, a highly ranked national university in Wuhan, capital city of Hubei Province. Zhang came to Shenzhen after he graduated from the university because the biggest IT industry clusters are located here. Following his alumni, Liang also chose a big IT company as an internship site in Shenzhen. As depicted in chapter two, the current wave of middling migration driven by these young professionals in South China is similar to the wave of peasant worker migration in the 1990s, when many newly established export-oriented manufacturers sought to hire peasant "surplus labor" from rural China. Like their migrant counterparts in the 1990s, these young graduates relocated their lives and work to this area.

The state-supported expansion of university enrollment from 1999 orients rising numbers of professional workers for new industries and Chinese students to the universities but comes with the unintended consequence of an increased rate of graduate-unemployment (Bai 2006). Job-hunting has become continually more complicated due to marketization and the scaled cluster effect of new industries. As a consequence of the big cities becoming high-tech financial clusters, young graduates

with professional degrees migrate to these cities to find jobs that suit their educational backgrounds. After he graduated from Huazhong University of Science and Technology, Zhang packaged all his luggage and went to Shenzhen. "I was lucky to find an IT job in this advertisement company. The day I left my school, 30 percent of my classmates did not find their job. Shenzhen is a city full of job-hunting opportunity."

Zhang rented his apartment from the landlord Chen, whose Hong Kongese relative bought it in 2002. The apartment is in Hong Kong Garden, a gated community that was developed by a local construction company in 1998. The development company belongs to Guangcai Corporation, a private company owned by Hu Deping, the son of Hu Yaobang, who was a high-ranking official of the Chinese central government and a strong supporter of market reforms in the 1980s. The gated community, Hong Kong Garden, was established to meet the rising demand of trans-border Hong Kongese immigrants at the end of the 1990s. The financial crisis in 1997 pushed these immigrants to "escape" and relocate their lives in Shenzhen. Chen explained that "buying an apartment in Shenzhen was a good deal for a Hong Kongese in the late 1990s." The average price for Hong Kong Garden was 4600 RMB/m² (582 Euro/m²) in 1998, and 22000 RMB/m² (2787Euro/m²) in 2014, 54000 RMB/m² (6841Euro/m²) in 2017. In the current situation, gated communities like Hong Kong Garden have become a new hub for young immigrants flocking to Shenzhen.

After describing the process of relocating his life after graduation, Zhang told me that he is "working as an entrepreneur, but living like a peasant migrant worker." Some informants shared similar views about the alienation of working and living in Shenzhen. In their minds, white-collar jobs may give them decent middle-class salaries and lives, yet they continue to live in small shared rooms with other white-collar workers similar to the former peasant migrant workers in Shenzhen. *Nongmingong*, the peasant migrant worker, is a widely used term to define the Chinese peasants who rushed to South China's export-oriented urban industrial zones seeking low-skilled jobs at the beginning of the 1990s. Officially denied residency and holding temporary residence certificates in the cities, they became a "floating population" of internal migrants without urban citizenship (Solinger 1999; Chan and Zhang 1999). Influenced by the world market, export-oriented manufacturers produced many seasonal and short-term jobs for peasant migrant workers to flexibly work in different manufacturing factories. Due to their mobile and flexible working mode, *nongmingong* were perceived as "rats" living in the city: like rats, they flocked to places with jobs, no matter how hard and nasty the jobs were. Their way of living was also stigmatized. They had to rent short-term and cheap housing because of their flexible jobs in different export-oriented manufacturing assembly lines. They found it difficult to cultivate a consciousness of home from such mobile lives working in the big cities. Considering the long-held binary imaginations of "developed and clean urban China" and "less-developed and sloppy rural China," "living like peasant migrant workers" is a stigmatizing discourse for the new migrant-professionals to define their disgraceful and highly-mobile living conditions.

However, the current emerging floating population in Shenzhen has a different mindset than the peasant migrant workers of the 1990s. Defined as highly-skilled workers in the valorized innovation economy, my informants hold strong opinions about how they could settle down and realize a middle-class dream. Ironically, it is not *hukou* policy, but the expensive living conditions and spatial regulations in the city that make them a floating, flexible group in Shenzhen. Trying to escape from this bind, young professional migrants cultivate various strategies to survive in the expensive city.

6.3.2 Escape from Suspension: Renovating the Meaning and the Strategy of Mobile Life

The practice of space-making in current urbanization results in young migrant professionals realizing that their living conditions are not as decent as they anticipated prior to coming to Shenzhen. In the past two decades, Shenzhen has gradually "updated" and "renewed" itself to become a "clean and civilized city." Under the newly released urban planning agenda, urban areas have been ordered but sprawled, and urban life has been mobilized and relocated. Old "disordered" urban areas, such as urban villages, have been gradually gentrified into respectable gated communities. That new migrants find they can hardly afford a "real" middle class life in gated communities, yet continue to search for better lives and mobility in these communities, is somewhat puzzling.

The stories below will show how, far from living like the respectable middle class and "searching for the paradise" (Zhang 2012), the new migrant young professionals encounter different living conditions and create different strategies and discourses for locating their lives which are highly influenced by the current urban renovation project.

Living in a *xiaoqu* (小区 gated community) rather than in urban villages is treated as a requirement for young migrant professionals to relocate their lives, "because living in *xiaoqu* makes me live with a group of good qualified people. Both me and my neighbors are highly-skilled professionals working in the tech-industrial industry. Even though I cannot afford a 40000RMB/m²apartment in Shenzhen, I still choose living in the apartment," Yan explained. Seven years ago, Yan came to Shenzhen and moved into an urban village. "The rent was cheap and the landlord was nice. However, I found out that most of my neighbors were *nonmingong* who came to Shenzhen to do construction work for the new *xiaoqu*. My girlfriend at that time persuaded me to choose another place. She said if I get used to living with lower strata people, I would lose any ambition to live a better life in Shenzhen." Within these seven years, Yan changed his residential area several times. He had a high-paying job. He even bought an apartment in this hometown while not being able to afford the skyrocketing housing prices in Shenzhen.

The emerging IT industry in current urban spaces reinforces anxieties arising from pressure to "work as white-collar professionals, live like 'peasant migrant workers'" and stimulates expectations of "living decently." IT startups collaborate with real estate companies, appropriating young people's anxiety and inventing new marketing strategies for housing.

Figure 6.2

©Author took the photo of the poster of online rental platform "ziru.com" in the metro station of Baishizhou, 2016.

> Notes: The caption on the poster for this IT startup says: "the first year after I graduated from university, I decided to work in Shenzhen. In the second year, I decided not to live in Baishizhou urban village. What you want should be created by yourself.")

To live a more decent but expensive life in *xiaoqu*, young migrant workers must cultivate new strategies to support their mobile lives. The current version of mobile life in Shenzhen has become a process of strategic searching for relocation in the so-called liberal city.

Taking myself as an example, it was very difficult to rent an apartment for the four months of my second round of fieldwork in Shenzhen. This was not only because there were few landlords who wanted to rent out their apartments to temporary residents, but also because the existing temporary apartments with formally contracted tenancy are considerably more expensive than those that a student doing fieldwork could afford: 3500-5000 RMB/one-room depending on the market.

Liao Yamei, an informant working in an entrepreneurship training institute, recommended temporary dormitories (短租公寓 *duanzu gongyu*) to me, popular among young graduates and white-collar workers in the early stages of their careers. She had come to Shenzhen two years beforehand and rented a bed in a small room in an apartment in a middle-class gated community. I followed her suggestion and found

a flexible bed on an online housing rental platform. Like Zhang and Liang, who rented and shared a studio in the gated community Hong Kong Garden, I eventually rented a 1300 RMB/month bed in a studio with two other girls working in startups in the nearby Nanshan High-tech Industrial Park.

The studio was one of the living-rooms in an apartment owned by Xu, a landlord born in Shenzhen but living in Hong Kong with a Hong Kong residence permit. Xu divided his apartment into three studios and rented them out as temporary dormitories for young graduates. Our neighbors were three junior staffers at a local IT supply company and a couple from northeast China who ran their own advertising startup, taking outsourced advertisement contracts from local IT companies. When their working contract ended, they planned to move to another living space closer to their future workplaces. We shared a toilet, balcony and washing machine in a very limited space. The kitchen was abandoned as the roommates had no time to cook. Social life felt highly compressed. We could only meet one another after 10:00 pm, as these young people always worked overtime in this city. No wonder that my neighbor Jian told me that he has no time to have fixed relationship (谈恋爱 *tanlianai*). My roommates only slept for seven hours a day. We were all awoken by the phone clock at 7:00 am and went to work.

The couple told me that they believed that living in urban villages is more reasonable for social beginners but that "the landlords in existing urban villages are increasing the monthly payment after more and more urban villages are demolished by the local government. And living in *xiaoqu* makes us believe that one day we could eventually buy a home in *xiaoqu* and live a decent life!" Jian told me. Importantly, the key factor that drove my young peers to choose mobile lives in Shenzhen is actually the expectation that is brought by mobile life per se. In their mindset, mobile life does not bring uncertainty but chances of social mobility. "We are still young enough to work hard and make money in Shenzhen. Sometimes I feel too tired to continue, but when I consider that there is still a lot of interesting and profitable work that I could do, I go for it," said my neighbor Fan explaining why he adapted to the highly mobile life mode of this city.

My own experience of finding rental housing and living with my informants provides further stories. Before I started my fieldwork in Shenzhen, an informant introduced me to a strategy to quickly find short-term housing. This strategy required that I post my demand on the online platforms rather than spend copious time negotiating with housing agencies. I posted my information to an online group called Shenzhen Housing on Douban.com, one of the biggest social media platforms for Chinese young people. Ten hours later, I received several responses from netizens who were currently working in Shenzhen and looking for roommates. I chatted with several people, checked the information and photos of the apartment, and paid Wang, my new roommate, a deposit via WeChat Purchase. When I arrived in Shenzhen, Wang was waiting for me at Exit A of Taoyuan Metro Station. I shared a three-room apartment with two young men and a young woman. The apartment cost us 5500RMB (800Euros)

a month, and I lived in the smallest, 8m², room which cost me 1200RMB/month. The two male roommates, Wang and Qing, shared the biggest room, 15m², and the other girl lived in the remaining room.

The paths leading my roommates and I to Shenzhen represent different life experiences of mid-20s Chinese graduates in this city. Although we all identified as "new migrant white-collar workers," we actually had diverse personal reasons to live temporary and mobile lives in this apartment. Expectations of a distinct way of working and living (for example: escaping family burden, earning more money, finding jobs in the high-end tech-industry) drive young graduates to come to Shenzhen. My roommate Huang Nuannuan was born into a Teochew merchant family. After the market reform (1978), her family ran a private factory in Jieyang City, a small city in the southeast of Guangdong Province. As an elder sister in a Teochew family, Huang's father expects her to find a stable job, such as a teacher or a government official, in a state-owned organization and to marry a Teochew man. However, after graduating from Hanshan Normal University, a local university in Jieyang, she left her family and came to Shenzhen. Wang and Qing shared a larger room because of the expensive rent. "I feel we are living in a dormitory at the university," Qing told me. He is a 30-year-old Guangxi man working as an accountant in a real estate agency, helping newly rich Chinese buy property in Australia and New Zealand, which have become hot spots for Chinese migrants in recent years. This is his second job. After graduating from Jinan University in Guangzhou with a bachelor's degree in accounting in 2008, he worked in an elementary school in his hometown of Yulin, a small county neighboring Guangxi Province. He explained that it was hard to find a job after he graduated from the local university in Guangzhou. Except for the offer from the public elementary school in his hometown, he did not receive any job offers. After two dull years working as an elementary school accountant, he decided to come to Shenzhen. "Here you earn much more than working for a local public elementary school." He is preparing to take the Chartered Financial Analyst (CFA) examination to get a professional license to work in financial companies. "I need to pay the mortgage of my apartment in my hometown. So, I need a highly-paid job." Wang is an engineer who was working in a formerly state-owned design institute that was marketized at the beginning of the 2000s. He was fired when the institute went bankrupt. "Because of the decline of the real estate market, there is no profit space for us. I heard a rumor that the 'design institute 'system in Shenzhen fired half of their employees." He was searching for a job in a startup in the Qianhai Area, where many new tech startups are registered. Like Qing, he also bought an apartment in his hometown of Jinzhou, a fourth-line city in Hubei Province, with a 400,000RMB (52,000Euro) mortgage. As a female fieldwork researcher who had just finished her proposal and gained fresh curiosities, I was trying to find "myth" and social consequences in the newly released state-supported "mass entrepreneurship and tech-innovation". When I introduced them to my research in broad terms, Wang asked whether my research would benefit from the policy around "mass entrepreneurship and innovation." I answered frankly that I was an academic green-horn, in training and with

no power to negotiate or change anything, even during my internship in the local government sector. He felt pity for me and tried to persuade me to study finance and economics which would make it "easier to pick up jobs in Shenzhen than for overseas students majoring in Social Science."

These individual personal choices made us flow into Shenzhen to work as white-collar workers in the upgraded urban innovation industries. From the perspective of my generation, only the mobile life *in* Shenzhen can train young people to be smart, savvy Shenzheners. Far from trapping us in deep anxiety or uncertainty, mobile life is accepted as a normal way to overcome life suspension in this fast-paced city full of opportunity. "frequent shifts make a tree dead but a person prosperous" (树挪死，人挪活 *shunuo si, rennuo huo*) my roommate Qing said to me after I ended my contract with the landlord and finished the first round of my fieldwork.

6.4 Conclusion

The young professional migrants I spoke to have a strong sense of identity distinct from *nongmingong* (农民工 migrant workers), their counterparts in the 1990s. Unlike the rural-to-urban migrant workers, contemporary young migrants, who relocate to the big cities to make a living, hold stronger desires to chase their own creative careers. The urban renovation agenda has influenced how they form expectations about mobility and modernity. Responding to social and spatial changes, this young generation of newcomers adjust their housing strategies and create new discourses to legitimate uncertain and mobile life in Shenzhen. Notably, the active invention of meaning in their new lives actually echoes the state-led urban renovation agenda. As the construction of a high-modern "Silicon Valley" in South China, the urban renovation of Shenzhen is understood as a new chance for young people to accelerate their social mobility.

It is worth noting here that young migrant professionals are not negatively adapting to the housing problem in Shenzhen but rather strategically working at it. The social requirement to release the living anxiety corresponds to the increasing market of housing, health, finance and life technology per se, witnessed as alternative strategy to create a better life in China.

Chapter Seven

Learning Not to Labor: Manufacturing Consent in the

Innovation Economy

It may seem puzzling how, given that the Chinese state and dominant enterprises sustain flexible and informal employment through their intensifying practices of outsourcing, startup entrepreneurs still opt into these practices. Through which institutional intermediaries do the state and these enterprises "manufacture consent" (Burawoy 1979) in post-industrial working groups? I will show how startups, as tech-innovation institutions with cultural-spatial power, play important roles in conducting quasi-governance, manufacturing consent and shaping the conceptualization of entrepreneurial subjects.

Through tracing the technical, political, and ideological changes in the working procedures of young entrepreneurs-to-be, this chapter examines the new working patterns of the innovation economy. Specifically, this chapter aims to discuss why many young professionals are content with working conditions full of heavy work-loads and flexible changes. It aims to discuss how they conceptualize their working conditions, recreate the meaning of "work," and cultivate new space in the innovation industry. I argue that it is the new creation of shareholding value supported by new market institutions that galvanizes the ethic of hard work and flexibility, and eventually manufactures consent in innovative startups. Moreover, the active creation by these young professionals of entrepreneurial working spaces is actually sponsored by the local government urban renovation agenda. It is the agenda that has not only promoted the activity of mass-entrepreneurialism but also refashioned, and even revalued, the space that entrepreneurs-to-be have physically constructed. However, during the tide of mass entrepreneurialism in Shenzhen, more and more organizations have jumped at the chance to create the working space of the innovation economy and to turn it into a business of space-making. How informal entrepreneurial space is being formalized by the state-sponsored space developers and how entrepreneurs-to-be respond to this is also intriguing to examine.

The first part of this chapter details the working conditions and the creation of the meaning of work common in the innovation economy. The second part will analyze how entrepreneurs-to-be re-identify themselves by appropriating new organizational institutions and justify their working conditions in the outsourcing regime. The third part will further discuss how they develop, step-by-step, informal space for tech-entrepreneurship as an "informal job." However, during my period of returning

fieldwork, I discovered that these startup spaces, driven by emerging sub-cultural urban activities, were being gradually formalized by seemingly decentralized urban planning. Combined with the flexible working regime, the new spaces of the startup economy actually strengthen the discipline of new subjects in the innovation labor force.

7.1 "Doing Work For Others, At the Same Time, Building a Career (边打工，边创业 *Bian dagong, bian chuangye*)": The Rising Work Load in Shenzhen.

Most of my informants reported having to work more than two jobs: "the formal one" to earn higher salaries to cover basic living expenses and preparation money for entrepreneurship in Shenzhen, and the entrepreneurial "informal one" to "liberate" themselves to realize their dream of "success."

On a humid and sweaty afternoon in late July, I waited for my informant Yang in the Tencent building. Like me, he also rented and lived in a Hong Kong Garden gated community apartment because of the close proximity to his working space in the nearby technology and science park. He was an IT system engineer working in a Tencent project team. Based on his working contract, he was not a formal employee (正式员工 *zhengshi yuangong*) but an informal worker (外聘员工 *waipin yuangong*), even though he worked in the company building. In the current context of globalized IT outsourcing corporatism, IT giants like Tencent and Huawei in Shenzhen are organized to take advantage of both the formal labor force and informal labor force. Informal workers are given subcontracts from formal project teams in the company. Distinct from dispatch workers, who are well attended to by scholars studying working classes in late-capitalism (Inui 2005; Shin 2010), *waipin* workers are not hired by the intermediary labor agency but by the company's human resources department.

The binary categorization of formal and informal workers is contributed to by the economic reforms of the 1990s. The state-owned-enterprise (SOE) reforms in the late 1990s, launched by Chinese ex-premier Zhu Rongji, not only marketized SOE sectors, but also ended the welfare working regime supported by these sectors. After the socialist working regime declined in the 1990s, emerging market sectors—like companies, non-SOE sectors in SOEs, and private factories—acted as new organizations to utilize the rural and urban labor forces this decline left available (Lan and Pickles 2011). Jobs offered by these market sectors were conceived as informal work/employment by scholars (Huang 2009; Cooke 2011). Compared to the well-established welfare working regime offered by SOE sectors, informal working conditions are precarious. Informal workers are not fully protected by the revised Labor Law in China. They can be easily fired, while formal workers have more rights to advocate for their work unit through worker unions and even communist organizations in their companies.

Notably, both informal and formal workers sign a full-time working contract. This means the informal workers have similar obligations to the working project. However, even though informal and formal workers all work full-time (at least 40 hours/week) on the same project in the same company, the formal workers and informal workers have different remuneration packages based on their type of contract. A full-time informal contract is called a service contract (劳务合同 *laowu hetong*) and is signed between the employee and a labor service company. A full-time formal contract is called a labor contract (劳动合同 *laodong hetong*) and is signed between the employee and the HR department of the company. Only labor contracted employees can be protected by the revised Labor Law since 2008. Besides the basic *wuxian yijin* (五险一金 government-required social security and accommodation fund) that companies are required to pay into for all formal and informal workers, formal contracted workers receive higher salaries and welfare (e.g. employee stock options, paid maternity leave, financial subsidies for working overtime, etc.) from the company while informal subcontracted workers receive nothing. Furthermore, working-overtime is a normalized part of company culture. Yang told me that he and his colleagues in Tencent have flexible working times but they normally work overtime and sometimes work overnight. "Working overtime is necessary in the IT industry. Time is money. Especially if you are working on trans-national projects. The company must make sure that our overseas working partners can reach us at any time," Yang explained. At 6:30pm, I witnessed many young workers carrying their takeaway dinners in plastic bags, returning to their offices to continue working.

At 7:30pm, after leaving Yang's working place, we went to a nearby incubation center. Normally, after working for the company, he would meet up with his business partners in the incubation center to run their own business project. In *Global Body Shopping: An Indian Labor System in the Information Technology Industry*, anthropologist Xiang Biao found that in order to reduce risk and ensure the financial security of their families, would-be tech-entrepreneurs move back and forth between self-employment and full-time employment in the IT industry (Xiang 2007: pp55). The case of Yang shows how the would-be tech-entrepreneurs in Shenzhen are also struggling to make more money. They are employed at the same time as they are building their own enterprises. Yang and his business partners all have formal or informal "jobs" in companies, while being unified by running their own "startups" with the intention of registering their own companies with the Industry and Commerce Bureau of the district-level government.

Yang explained that there are two main reasons why he chose such a busy mode of life. One reason is that the booming startups are complementing the informal labor force for IT tycoons. Due to state-regulations on company-level management passed in 2014, the *waipin yuangong* (外聘员工 informal workers) are gradually being replaced by *waibao laowu* (外包劳务 outsourced labor force) from startups. In the current outsourcing-based mode of corporatism, increasingly big companies intend to buy

projects from the labor force market rather than cultivate their own projects within, with this being especially true for projects that do not require specialized IT skills. In line with outsourcing corporatism in IT labor management, as described in chapters two and three, the Chinese government carried out a top-down process of administrative transition, the so-called public service outsourcing (公共服务外包 *gonggong fuwu waibao*). This institutional transition arbitrarily changes public services into projects which can be taken on by commercial organizations (companies, startups, etc.) and social associations (the chamber of commerce and other NGOs). These two institutional movements create a huge market void for the startups. "We gained more opportunities to sell our startup project to those big IT tycoons. My project team manager in Tencent even supports what we are doing. She said until my own business project becomes a mature business, she would recommend our startup project to higher-level managers in Tencent," asserted Yang.

Another reason Yang chose this mode of life is that the salaries of the "jobs" in the big companies don't "let him live decently in big cities." He even spends more than he receives. Yang generously shared his receipt and disbursement statements to me (see Table 7.1):

Monthly Income

Jibengongsi (基本工资 before tax salary)	7400
Jixiao (绩效 evaluation of performance bonus)	2379
Shehui baoxian (社会保险 national social security fund)-**company pay**	-7400*16%=1184
Zhufang gongjijin (住房公积金 accommodation fund)-**company pay**	-7400*6%=444
Shehui baoxian gongjijin geren chengdan (社会保险公积金个人承担 **individual pay** for social security fund and accommodation fund)	-7400*11%-7400*6%=1258
Geren suodeshui (个人所得税 income tax)	-449.2
Zong shouru (总收入 monthly income in total)	**8071.8RMB≈1008.9 Euro**

Expenditure

Zhufang daikuan (住房贷款 accommodation loan) in Guizhou	3500
Fangzu (房租 rent)	1400
Chuangye qianti touru (创业前期投入 investment in his own startup)	≈2000
Other expenses (cloths, books, eating, etc.)	≈2000
Zongji xiaofei (总计消费 Monthly Expenditure)	**8900 RMB≈1112.5 Euro**

Table 7.1.

As is obvious from this chart, Yang's monthly expenses are higher than what he receives from his job. As an immigrant living in an expensive city, Yang can hardly buy accommodation in Shenzhen. Yet, in 2014 he bought a two-room apartment in his hometown of Guiyang, the capital city of Guizhou province in southwest China. As new immigrants in Shenzhen, most of the Chinese male would-be entrepreneurs I interviewed were burdened with loans, even though some of them were financially supported by their parents. However, buying a property in their own hometown does not mean that they will definitely move back. In the current context of China, affordability of accommodation is still an imaginative index by which men are judged as people who are "successful and living-well" or not. This can partly explain why Chinese men often accumulate more anxiety about financial poverty than women. Yang explained, "The subcontracted work is flexible, and I have just small deposits in my bank account. For this reason, I have to pay accommodation loans monthly." According to Yang, doing innovative tech-projects by himself can both release him from his dull work in the corporate apparatus, and help him find an alternative way to earn money.

As compensation, young people spend a lot of money on clothing, fancy tech-tools, cosmetics, or eating gourmet meals in restaurants. This compensating consumption is a widely accepted way to enjoy oneself despite heavy workloads. Yang's colleague Zhu told me that Yang had rewarded himself with a Swiss watch that he purchased with a small credit loan. In this sense, overload production and compensating consumption are mutually constructive. The newly emerging circulatory system of production-consumption triggers the mental and institutional creation of new labor. "If I want to consume more, I have to work and earn more!" Yang sighed.

Not only Chinese, but non-Chinese people, who have come to Shenzhen to find opportunities, are "working two jobs." For example, Patrick, an informant from Nepal who earned a master's degree in IT engineering management from Jilin University (one of the top 20 elite universities in mainland China), has worked as "global marketing staff," an "English teacher," and "chief technology officer" in different organizations

driven by diverse business projects. Trying not to affiliate too much with the loose Nepali network in South China, he is associates strongly with Chinese would-be-entrepreneurs by developing their own business projects together. He told me that most of his Nepali relatives come to China to conduct low-end wholesale business or open restaurants. He wants to overcome the cliché of this ethnic economy by doing business concerning "technology" in China.

7.2 The Creation of a New Economic Labor Force: Making Identity and Organizational Discipline

Most of the maker-entrepreneurs I interviewed attempted to highlight their differences to the "traditional boss." Yang pointed out three main differences to me: "Unlike traditional bosses in the sweatshops, we are the producers of our products. We design and modify them using production tools! We produce them based on customized demand, not on the standardized assembly chains."

The conceptualization of differences between "traditional boss" and "entrepreneurs" manifests maker-entrepreneur strategic empowerment and the performance of their new identity in the new economy. Performance is a strategy (Ferguson 1999). Only by performing the identity, can individuals show their agency in the tension between the stagnant class stratification and liberalized everyday life, between the direct oppression and soft domination in the industrialized society. As a result, individualism, combined with the desire for modernity, is the main target to chase. Showing agency is key representation in the maker-entrepreneur search for individuality on the track to modernity. Moreover, studies focusing on agency always distinguish "modernity" from "modernization." As is argued by Lisa Rofel, different countries may experience similar modes of development within the ideology of modernization promoted by the states. Yet, different social groups in these countries, such as "classes," "ethnicities," and "genders," may practice different "modernities" as part of nation-building. They may reform bureaucratic systems, form industrial organizations, and coalesce into social communities (Rofel 1999). In this sense, searching for modernity can be understood as a struggle to realize one's status in the dimension of society. Industrial modernity is marked by a series of agential struggles for recognition among individuals, who have to follow specific class cultures or other collective meanings, to unify together in a risky, market-oriented society. This leads to the following question: How should we understand the politics of maker-entrepreneur identity in the global coming of post-industrial society where catch-up industrialization is gradually ending and moralities reflecting the guilt of industrialization are forming, especially in China?

7.2.1 "We are creative entrepreneurs, not bosses!": Combining *Qinghuai* (情怀 emotion or affect) with Professionalism in Identity Making

It seems that Yang and his entrepreneur-to-be peers try hard to differentiate themselves from those who own their company in Shenzhen. He reacted strongly to my question regarding how he and his business partners started their own business and became *laoban* (老板 boss). "We are creative entrepreneurs, not bosses!" Yang answered me.

Laoban is widely used in Chinese modern economic history to define someone who owns a private company. Due to its leading role in hierarchical management, during the socialist revolution *laoban* was understood as "exploiting social class" and the people identified as members of this class were punished after 1949. In the late 1970s, *laoban* status re-emerged due to the state-led market reforms that were initially launched in the Pearl River Delta in the export-oriented manufacturing and service industries. Many people working in state-owned sectors chose to leave these sectors and register their own enterprises with the assistance and affirmation of their state-owned enterprise supervisors. I met several people referred to as *laoban* in Shenzhen, who had experienced this identity transition and were happy to discuss how they *xiahai* (下海 jump into the sea) and have a riskier life here. *Xiahai* was a dominant metaphor to define the activity of entrepreneurship building in the 1980s. *Hai*, sea in Chinese, indicates the overwhelming market economy. *Laoban* eventually became an enviable class under the shield of formulations such as "rang yibufenren xianfuqilai"[109] (让一部分人先富起来 let some groups rich first) from marketization reformers at the high tide of market economy in the 1990s. Until recently, the social image of *laoban* in traditional manufacturing industries has been in decline. Tech-entrepreneurs are considered as being the new economic force accelerating the Chinese development agenda in the innovation industry, rather than *laoban* in the manufacturing industry.

Yang's explanation confirmed this substitution. He attributed this transition to the outcome of market-driven "industrial upgrading." Yang explicated, "The new economy gives more chances to small-scale startups like us, rather than big tyrannic industrial tycoons, to answer the sophisticated call of the consumer market. If you just offer mediocre mass products, you will be quickly eliminated by the market. See those manufacturing companies moving out of Shenzhen! People not only need the goods, they also need the goods with '*tebie de sheji* '(特别的设计 special design) and the *qinghuai* (情怀 emotion)[110] of producers. Those mass-manufactures cannot do this."

I asked him to elaborate on *qinghuai,* which is also a term used frequently on social media to define a person's emotional involvement in the new economy. Except for in

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[109] This is a popular official slogan attributed to Deng Xiaoping who said, "some regions and some people may prosper before others do, and then they can help other regions and people to gradually do the same." (Deng 1993: p. 149)

the fields of culture and technology, *qinghuai* is conceived as a characteristic that *laoban* lack in their entrepreneurial experience. *Qinghuai* is articulated into everything but the pure teleology of business; profit maximization and large-scale marketing. Yang even defined *qinghuai* as a merit that could correct the business and production of early industrialization: "We want to make money in a *timian* (体面 decent) way. We focus on the quality not the quantity of our design product." In Yang's eyes, combining *qinghuai* with highly professional production can increase the quality of commodities and services, and this echoes the increasing market for commodities manifesting "taste" and "design" in Shenzhen.

Sociologist Arlie Hochschild (2015) provides the first full definition of emotional labor in the service-based economy. She suggests that by displaying a publicly visible expression of emotion, service workers conduct emotional regulation between themselves and customers. By linking this conceptualization with a critical discussion of service work in institutionalized organizations, post-industrial sociologists and anthropologists have problematized the hierarchical working system in post-industrial organizations. They focus on: how specific subjects are shaped in personalized capitalist environments (Grandey, 2000; Grandey, Diefendorff and Rupp 2013), how emotional management foreshadows gender bias and occupational segregation in the service industry (Macdonald and Sirianni 1996), and, specifically, how emotion itself becomes a commodity in the commercial transactions of face-to-face marketing (Brook 2009).

Slightly different from "emotional labor," which was codified by sociologists and anthropologists to study service workers in European-American post-industrial conditions, the "producers with the *qinghuai*" I quoted here signify not only workers with regulative emotional states, but also the idea that startup workers should hold "sincerity in artisanal manual work." Yang explained, "Because we are focusing on small-scale design and production our 'emotion 'is to cherish our products just like what studio artisans do with their masterpieces. We, designers and engineers, should perform like a *jiang ren* (匠人 artisan), even though the masterpiece is software. If our customers can sense the sincerity that we show in our products, then we win the market."

Yang's discourse mentions the ongoing transformation of China's production processes which is strongly defined by the new industrial upgrading: a knowledgeable working class with professional skill and aesthetic taste is required in the urban high-tech service industry. As Yang mentioned, *qinghuai* becomes one of the most important skills that a professional worker can grasp. They can then be seen as smart professional workers with entrepreneurial spirit and sensitivity to more sophisticated consumer demands. This mindset was elaborated upon by Zou, "We cherish those talents with smart performance and rapid response capability in dealing with the changeable consumer market. Specifically, a good product should involve producers with *qinghuai*, because only an emotional story can move your potential customers and investors."

In Zou's discourse, *qinghuai* has extended the practical meaning that "emotion" or "affect theory" can illustrate. More than simply an emotional state that differentiates tech-entrepreneurs from *laoban* in the standardized manufacturing industry, *Qinghuai* is also a new selling-point which can add value to their services and products. "Production with Emotion" is also an increasing discourse bound up with the market morality of criticizing over-production and over-consumption. Song Maisi, a young American born Chinese man who returned to Shenzhen to run his startup told me, "We do not want to produce and sell too many products." His startup developed a single product, a pillow which can help people fall asleep quickly. On the back side of the pillow there is a sensor that collects an individual's sleeping data and logs it in a smart phone application. The smart phone can then tell people about the state of their health. For Song, careful consideration and sophistication of usage is *qinghuai* embedded in the product. It seems that the value of such commodities is *not* conceived as the homogeneous human labor congealed in them but valorized as the professional quality of their engineering design. This fits very well with Marx's definition of fetishism. The professional quality of their engineering design is simply articulated and fetishized through the institutions that extract and congeal labor.

The decreased scale of production ironically increases the price of such products compared to similar products without sensors in the wholesale supermarket. In their insightful book, which reformulated capitalism as primitive accumulation in terms of the contemporary world economy, Michael Hardt and Antonio Negri argue that "the nature of labor and wealth accumulated is changing. In postmodernity the social wealth accumulated is increasingly more immaterial; it involves social relations, communication systems, information, and affective networks" (Hardt and Negri 2001: p258). The "affective networks" that Yang and Song want to cultivate between the "producers with emotion" and "sophisticated customers" are defined by changes in the domestic consumer market. These changing production and consumption processes are mutually constitutive in the new domestic economy being shaped in the milieu of the "global city" where new subjects of production and consumption are coming and becoming.

The production of subject innovation is not only a process leading to economic calculation but also the performance of social status. One day in July 2016, I joined a round-table discussion organized by Qian, a Chinese 26-year-old who ran a startup for VR (virtual reality) electronic products with two non-Chinese makers in Huaqiangbei Electronic Worlds. They mobilized and invited maker-entrepreneurs active in an on-line WeChat group to join them in discussing how to do business and live decently in Shenzhen. "We are not *dagongzai* (打工仔 literally means 'workers working for others ' in Cantonese), dude! We are working and making money for ourselves. However, the cost of becoming a liberal maker is expensive. So we need to collaborate with each other to cultivate '*shengcun celüe* '(生存策略 life strategies) to live more decently,

more like a '*hehuoren*'(合伙人 business partner)." Qian's cordial declaration attracted almost 40 self-employed startup owners.

Beyond the marketing activities, diverse institutions are involved in the search by startup owners for a "creative entrepreneur" identity in the production of tech-commodities in urban China. First, the performance and the formation of "business partner" identity is based on local market transitions and specific moments of state-making. It echoes the political reformation of state-business relations in China. In the past decade, private entrepreneurs have been targeted as a "strategic group" in the state-business nexus (Schubert and Heberer 2017). The performance of "creative entrepreneurship" is actually led by the institutional reforms sponsoring and accelerating the registration of companies. In order to group and tax growing numbers of startups, which are always a form of "informal economy" in China's market economy, the National People's Congress (NPC) passed new items in Company Law to drastically reduce the cost of registering a company in China. "People can easily become entrepreneurs for their own interests, and can easily own their company license at almost zero *yuan* (Chinese currency)," Qian explained to me, "especially when you register your startup and name it with words like '*keji*'(科技 science and technology) or '*wenhua*'(文化 culture), the Bureau of Commerce and Industry will immediately give you a license! Because they want *keji* and *wenhua* to innovate the outdated industry!"

Additionally, to change stereotypes around "made in China," and to broaden the market for products "innovated in China" and to answer state governance in the new economy, tech-entrepreneurs and market intermediaries, such as consulting and investment companies, play important roles in forging the identity of "creative entrepreneurs" in Shenzhen. In general, maker-entrepreneurs have gained a strong sense that they are creators and craftsmen of their own products, not white-collar *dagongzai* (打工仔 workers work for other). This popular mindset reflects the overwhelming advertisement of the "*chuangke*" (创客 maker) on social media. Many famous social media personalities, both new communication agents and flagship agents of propaganda on Chinese online platforms, popularize this de-industrial subject and unify an imagined community. *Chuangke* is currently branded as a Chinese version of the maker in the global marketing of the startup economy. In China, the current domestic marketing of the "creative entrepreneur" subject in the production of tech-oriented goods has attracted young people, especially young men, with ambition and anxiety to join the social production of a maker-startup economy. Following their California Bay Area counterparts, these maker-entrepreneurs manifest de-centered management styles, strategically perform as "creators" rather than "bosses," and answer the calls of investors and industrial policymakers.

It is worth noting that the subject making of creative entrepreneurs is highly male-centered. Usually when I accompanied respondents to an entrepreneurial activity or training seminars in Shenzhen, over 90 percent of attendees were male. Whether or not

there is severe gender inequality along the path to becoming a tech-entrepreneur in Shenzhen is far from what this research can analyze, and it would require another thesis to fully consider gender in the technology innovation economy. However, from what I have seen and experienced in this male-dominant field, women are imagined and targeted as a large group of potential "consumers" rather than "producers," considered primarily concerned with beauty, domestic instruments, and the health industry.

In sum, *qinghuai* and the patriotic discourse underpinning it are the strategies of subject making and marketing in tech-entrepreneurship in Shenzhen. Entrepreneurs use these strategies to empower their positions and fix their agency in the flux of the new economic supply chain.

7.2.2 Enterprising or Laboring? — The Increasingly Flexibility and Reorganization of Work From *waipin* (外聘 informal employment) to *waibao* (外包 outsourcing)

Before going into the field, I assumed that the flexibilization of work in the new economy created by the informal employment system could lead to an extreme sense of inequality and preoccupations with not being exploited in one's work. I assumed that compared to workers on assembly lines, these young migrant professionals must have more social capital to bargain with their bosses, and more sensitivity to feeling "exploited" by the injustice of the formal-informal double-track employment system. I was wrong. I noticed that young people working in the new industries were adapting to the flexibility of work and reorganization of working patterns. It leads me to rethink my ideas about the working conditions in the context of the innovation economy.

In manufacturing industries, workers are driven and motivated by scale-oriented production, and the productivity of workers working in "high-profile" service industries is defined by the efficiency and quality of their service. "It is actually very hard to evaluate the cost of human resources in project-driven production," Yang explained. "Due to this production pattern in the IT service industry, from the perspective of management staff, it is risky for a company to hire and train large numbers of formal workers with formal labor contracts." This logic is shared by more and more companies who intend to invent a double track of positions; formal positions and informal positions.

Unlike I envisaged, Yang appeared to accept the reality of unequal employment predominant in the IT industry. For Yang, the solution to quickly get rid of *waipin* (外聘 informal employment), was to run a startup and register the company to accept outsourced projects from other organizations. Specifically for Yang and his colleagues, the most important institutional innovation for liberating people from dull office work is *waibao* (外包 outsourcing). He explained that through outsourcing, at least those

who work in a self-employed way gain more authority and flexibility to deal with work and life in Shenzhen. "It is better than working as informal workers in a company all day. Working for our startup is kind of like working part-time. I treat startup working as a *tiaoji* (调剂 alternative) to my full-time work."

I stayed with Yang and his startup colleagues for two weeks. The startup was registered in 2013. "We needed to present like a *gongsi* (公司 company or firm), because only legal people could sign outsourcing contracts. But actually, except for Jiwu, we are all 'part-time 'business partners," Yang told me. Usually, they take software projects from other companies who require IT services or marketing. Within those two weeks, their startup signed three outsourced service contracts with two companies. [111] Yang, Jiwu, and their business partners divided the projects, and completed them before they were due. After receiving the last round of transactions from their clients, Yang divided the revenue between all business partners according to their equity shares rather than according to their contributions. "We are not employees, we are business partners. When we decided to register our company, we set up the equity of shares and distributed the revenue based on our business contract, not employment contract." However, this outsourced work is a self-chosen way to extract their surplus labor and redefine their labor involvement as "doing entrepreneurship." Yang and his business partners are happy about this. Their identity as "business partners" rather than "employees," means that they do not need to pay state-required insurance and pension fees to the local government. "Most of us already had a job (as formal or informal workers in the company) which paid us the small amount of state-required insurance and pension." [112]

For these maker-entrepreneurs, the self-appointed privilege of "business partners" rather than "employees" is sponsored by the recent widespread appropriation of limited liability partnership (LLP) in the Chinese private sector. The institution of LLP is popular in high-end service enterprises including law firms, accountancy firms, and many financial companies. Starting in 2006, the Chinese government permitted LLP in order to promote professionals collaborating with investors to rejuvenate the private economy. [113] This form of business partnership sets flexible regulations among people who organize a startup together but with different requirements in their economic and non-economic investment. In theory, LLP offers protection and a chance for young professionals to cooperate with each other in an entrepreneurial way to receive outsourced business and service contracts from other organizations. The definition of responsibility in LLP gives a "sense of ownership" to those makers who want to organize their startup enterprises in China. Yang's CEO vividly explained to me, "We are all managers of our enterprise. But I have more money, Jiwu has more knowledge and skill, Yang has more marketing networks. We then name ourselves as CEO, CFO,

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[111] The contract format will be given in the appendix of the thesis.
[112] Interview Yang, 07-06-2016.
[113] See the Description of the "Company's Partnership Enterprise Law (Revised Draft)":
http://www.npc.gov.cn/wxzl/gongbao/2006-09/26/content_5354974.htm

and CTO when we introduce our startup program to our clients. We are responsible for the parts of our programs under the roof of our title, and we are responsible for ourselves." However, this form of organization is restricted to high-tech service enterprises and knowledge-based professions. The entrepreneurs-to-be are thus inclined to entitle their startups with words such as *keji* or *wenhua*.

Moreover, this organizational reformation gave rise to the establishment of record numbers of Chinese startups with foreign partners. For a foreigner who wants to register his or her enterprise in a way that avoids high taxes, partnering with a person who has Chinese citizenship is very much incentivized. This phenomenon echoes Aihwa Ong's notion of "flexible citizenship." She describes this notion as "the strategies and effects of mobile managers, technocrats, and professionals seeking to both circumvent and benefit from different nation-state regimes by selecting different sites for investments, work and family relocation" (Ong 1999: pp112). The description of transnational mobility helps us rethink the flexible market regime that the Chinese state creates for resilient governance via reforms regarding commercial organizations. In this case, through appropriating the LLP model, the Chinese government opened up the possibility of domestic and transnational human-capital mobility for further market development in the new economy.

The outlined massive transition in market organization shapes institutional culture and manufactures consent among young professionals who strive to find alternatives during their career. In this sense, an entrepreneurship adds more value to their search for the meaning of work. This organizational change is grounded in, and should be understood as part of, a larger historical transition of working space in which varied organizations join in creating market forces to develop the "tech-entrepreneur wave" in Shenzhen.

7.3. Manufacturing Consent in Space-Making

On the November 24th 2015, I visited a maker-space in Baishizhou, an urban village where many manufacturing factories were established in the 1980s. Urban villages in Shenzhen are totally different from the widely researched North American or South American slums or shantytowns in their metropolises. Urban villages in Shenzhen are similar to other naturally formed villages in South China. A memorial archway stands as the gate of the villages, and every man-made structure is incorporated into the residential communities and factories. As shown in chapter four, after the reform of Shenzhen Urban Administrative Divisions in 2004, village administrative systems no longer existed (Wang, Wu and Wang 2009). However, people still use the term village to describe these urban sectors.

In principle, the making of maker-spaces or "incubation centers" based on the Silicon Valley model is globally accepted as a way to empower young entrepreneurs, tiny tech startups, and local industries underpinning the innovation economy. Such

entrepreneurial spaces normally offer a critical infrastructure to help would-be-entrepreneurs turn their ideas into real products. In this conception, youth participation is a core component of civil society (Camino and Zeldin 2002). However, the practice of making entrepreneurial spaces such as "hacker-spaces," "maker-spaces," and "incubation centers," does more than economically empower youth entrepreneurship in China.

7.3.1 Building Informal Working Spaces

On a slightly cold afternoon, I waited for Lu outside Exit D of the Bashizhou railway station. He had arranged for us to meet there before walking about 15 minutes to the Shenzhen DIY (SZDIY) maker-space. "Thanks to the last cheap urban space that Baishizhou left for us, our small community can survive!" Lu said to me. As a techno-hobbyist, he felt bored when he worked as an electronic engineer in an IT company. He worked in a company in Guangzhou that survived by offering an outsource service to Hong Kong government sectors. The higher labor costs in the Chinese outsourcing industry (including the outsourcing IT industry), resulted in outsourcing companies receiving decreasing numbers of overseas commercial orders. The decline in salary was another reason for Lu to quit his job at the IT company. He co-founded a startup project, making an electronic bracelet with another geeky engineer, Gao Lei, who is also his business partner and holds a Ph.D. in electronic engineering from Japan.

The community Lu mentioned, is an online-to-offline community, SZDIY (Shenzhen DIY), [114] which was originally organized by the netizens Anders, Atommann, and Danfei (pseudo names) via an online bulletin in March 2009. They built a mailing list and organized monthly online discussions. It is one of the largest grass-roots, informal Chinese maker groups in Shenzhen. "Since we are an underground community, we do not have enough resources to operate our community. We move our community from online platform to offline space which was freely offered by Eric Pan.[115] We decided to run our own underground community in this obsolete factory zone." In the context of China, an underground informal organization means it was not registered in the local Industry and Commerce Bureau as a commercial organization (e.g. a limited liability company or stock limited corporation), or Civil Affairs Bureau as a non-commercial association (e.g. a foundation or private non-enterprise unit).

We walked into a 200m² room on the second floor of a bankrupt factory. The third-floor rooms accommodated a Kendo club, also an underground organization. "Some of them are also working in technology companies, you know *manong* (码农 coder) looking like exploited peasants in tech-companies." *Manong* (literally "digital

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[114] Their online website was: https://szdiy.org/. However, this web address has changed since I conducted my research.

[115] I wrote about Eric Pan in chapter one. He played a significant role in linking grass-roots makers to local authorities

peasants") means coders. They normally are software engineers working as the oppressed "farmers" in the IT department of tech-companies. Lu laughed and welcomed me into the room with a large sofa-bed. Behind the sofa, a laser cutter and a small consumer-use 3D printer were on an old IKEA table that was held together by the plastic wires. According to Lu, the invention of the 3D printer signaled the beginning of a third industrial revolution. I was encouraged to read the work of iconic futurists, like Jeremy Rifkin,[116] to understand the new production power waiting in this "third industrial revolution." With ambitions to "change the world with tech-innovation," Lu established his startup making electronic products with his partner Gao. However, the project ended in 2014.

"After my business-partner and I decided to stop the electronic bracelet project, I focused on running this freestyle underground maker community in this space. We are a non-profit community. We rent the space by using membership fees. Most of the second-hand stuff you see in this room is donated by our members, including the 3D printer and other big machines. Actually, the 3D printer is a sample product from a tech-producer. As far as I know, this tech company does not produce them anymore because the number of 3D printers is booming in the market in 2014. The situation is the same as the process when we designed our intelligent bracelet. Why didn't we continue the project? Because the similar products are suddenly overproduced in the market, and many bigger manufacturers are involved. We cannot compete with them!"

As bigger industrial companies intrude on bottom-up startup programs, increasingly startup runners have to end their modest projects or sell their startup projects to larger companies. However, the reshuffling of industrial and current market reforms has not suppressed the aspirations of these young grass-roots maker-entrepreneurs. "I do not give up! During the day, I have my job. I am joining in some maker projects to find new ideas and hope we can make an interesting product. We organize *real* maker-space!" Lu stated.

This grass-roots maker community ran informally, in that they did not register as an "association" in the Civil Affair Bureau or a "company" in the Industry and Commerce Bureau. Lu sent me a portfolio containing their daily operating expenses, the number of SZDIYers (500+ normal members, 20+ VIP members) and the programs/themes they were working on. The 200m² factory space costs approximately 3750 RMB (470 Euros) a month including water and electricity. The underground SZDIY community has its own rules of membership and registration: (1) anyone who wants to be a member of SZDIY should cherish the values "Freedom, Sharing, and Development"; (2) bookmark the mailing list of SZDIY to receive announcements of online/offline activities; and (3)fundraise for the maker-space, for the rent, the operation expenses, and the costs of infrastructure. VIP members should donate a monthly membership fee of 200 RMB (30Euros) and normal members can donate infrastructure such as sofas, bookshelves, tables, second-hand computers, and other machines. The organizers of SZDIY attempted cultivating a democratic management culture for the purpose of building a strongly networked community. Lu explained why the goals of the SZDIY hacker-space are different from other registered spaces. He thinks that building a democratic maker community may strengthen the network of members. They send the financial briefings to their members, and organize membership meetings to vote on important issues.

The night that I visited the SZDIY space was an Open Night for all members. There were 20 people at the meeting, including a couple working in an elementary school, training pupils to use computers. Other attendees were young graduates, IT engineers and electronic engineers working in local IT companies, and people with mechanical engineering backgrounds working in the local manufacturing industry. A newcomer, a Chilean guy, who was majoring in anthropology, shared his ideas on how the maker movement could become an anti-consumerist social movement in East Asia. Normally, Open Night is a platform to meet hobbyists and to make things for fun, in addition to being a platform to meet future partners and commercialize innovations. "Our organization should stay neutral and non-commercial. If our members want to make a real commercial project, they will establish start-ups in other spaces such as maker-spaces and incubation centers," Lu told me. "Those techno-hobbyists with such professional backgrounds constitute the professional producers in making smart electronics! It is convenient to find partners here!" The on-going projects they are making are hardware-based intelligent products. For example, a 20-year-old member, Keqing, made a face-phone for his grandmother to solve the problem of old people not recognizing the numbers on the telephone screen, by substituting photos for numbers on the keyboard. Two mechanical engineers even created a homemade CNC (Computer Numerical Control), which is considered as a machine that can only be constructed by hand in manufacturing facilities. "We just want to make something fun. If it is possible,

maybe we could make something profitable!" said the only female member of this organization.

The incentive for organizing hacker-spaces is a naturalized incentive for grass-root Chinese and non-Chinese would-be-entrepreneurs to cultivate their own networks, to make differences in the niche market, and to solve technological and financial problems. For these would-be-entrepreneurs, the strong, exclusive network building makes this maker-space a site to meet future business partners and produce prototypes with minimal time, cost, and space. However, as was acknowledged by these makers, if a young professional wants to turn the hobbyist-self into an entrepreneurial-self, he or she needs greater entrepreneurial service and infrastructural support. This requirement becomes a business incentive for many market players to establish incubation centers, infrastructure for tech-innovations.

7.3.2 Formalization: "Re-creating the Space for Creative Entrepreneurs!"

Making creative clusters is a big business, and the local government is one of the big players. In 2016, Shenzhen's government restarted its "urban renewal" agenda to gentrify abandoned manufacturing industrial zones and urban villages into creative clusters, high-end workspaces, and residential areas. Lu received the notification of Baishizhou's demolition from his landlord in June 2016. He was told that collaborating with leaders of the urban-village joint stock company and urban-street government, the new real estate developers would begin tearing down and rebuilding Baishizhou within several months.

Although such formalization and relocation are conducted through top-down policy incentives, the legitimacy of formalization is created in the re-conceptualization and mental support of modernity as achieved through the development of urban space. For young migrant professionals living in Shenzhen like Lu, urban villages are the first step on their road to an imagined, decent middle-class life. They have a shared feeling that the redevelopment of "uncivil, and messy urban spaces" such as urban villages is necessary because "the urban space should be beautified and ordered. The infrastructure constructed in early industrialization cannot fit current modernized living standards in Shenzhen."

Lu's expectations about the redevelopment of urban villages fit with the local government urbanization agenda which was introduced in chapter five. Baishizhou urban village is one of the last enclaves not gentrified in the mid-2000s. Urban planning in the name of "urban renew" mobilizes a binary discourse of the new and the old, the clear and the messy, and the high-end and the low-qualified. The disturbance aroused by the planned demolition of Baishizhou—the back and forth negotiations among long-term tenants, real estate developers, urban village joint-venture authorities, and urban villagers—are not matters of great concern for young migrant-professionals. They have little connection to the patron-client networks cultivated in the 1980s.

To some extent, the rapid making and remaking of informal economic forces and expectations about urban and IT-driven modernity in each developmental period have led to social oblivion for developmental participants defined as "the old," "the uncivil," or "the low-qualified." For young professional migrants who are struggling to actualize their entrepreneurial ambitions, urban villages are something to move beyond. "In our mind, we do not want to be relocated because of the cheap rental fees in Baishizhou. However, we understand that there is no chance to negotiate with our landlord." Said by Lu.

Packing up all their technological instruments, Lu and other community members moved to an apartment in the Science Garden gated community, which was recently built on the land of a former urban village called Dachong. Due to the newly executed policies on NGO regulations, their maker community has to register as a "maker space" in the Civil Affair Bureau, "otherwise there would be a lot of troubles if we try to economically corporate with other formal organizations," Lu told me peacefully.

The first time I was in Shenzhen, in 2014, to conduct pilot interviews with IT engineers working in the high-tech industrial zone, I did not notice the construction of maker-spaces as a form of space-making in Shenzhen. However, when I came in October 2015, I was amazed by the rising number of maker-spaces established to enable startup enterprises. As reported by two English researchers, conducting a British Council research program promoting the UK's science and innovation partnerships in developing countries in March 2016 in Shenzhen, the number of maker-spaces in 2014 in China was more than 100. According to the British survey, this number doubled in 2015.

Registering as Non-enterprise organizations (民营非企业 *minying feiqiye*), maker-spaces run by companies or universities can develop commercial strategies to produce prototypes using the existing infrastructure offered by local government. Supported by government funding, the spaces have to offer some projects required by the local district government to exhibit their capacity for technological innovation and to earn political performance credits (政治绩效 *zhengzhi jixiao*) in the district. Chaihuo maker-space, for instance, became a national example of maker-space development after Premier Li Keqiang visited. A female employee working in the marketing department of Chaihuo maker-space told me that she is tired of receiving local officials and cadres from other provinces "because everyone who wants to build a local maker-space in their own provinces will come to Chaihuo and learn from Shenzhen's experience."

The newly emerging incubation centers, like the maker spaces in Shenzhen, are actually a continuation of the existing urban entrepreneurial incubation system which was established in the 1990s. As I explained in chapter two, it is the local government that directly uses national resources to push local development agendas such as constructing infrastructure for developing hi-tech enterprises. At the beginning of the 2000s, even some limited liability companies organized by urban villages began investing in high-tech companies and became main shareholders in Shenzhen's high-

tech industry by attempting to maintain the role and patron-client network of urban villages in the new economy.

In the current situation, following the Chinese maker movement, which has already mobilized social incentives towards entrepreneurship, other market players try to build working spaces to offer professional entrepreneurial services under names like "maker-space" and "incubation training center." The new maker-spaces and incubation centers are constructed and designed in a stylish way.

Figure 7.3.
The inner space of an incubation center in Shenzhen.　©Author 2016

These newly established maker-spaces and incubation training centers are run by entrepreneurial service companies. Generally, young graduates from elite schools who majored in social sciences such as management and finance are responsible for operating these newly established incubation centers. These centers market themselves more as professional incubation centers than as grass-root communities with a discourse of elitism. A female manager of a maker-space, who recently graduated from an elite university with a management degree and had completed an exchange year at a UK university, told me:

> "Our team is good at offering professional services, such as business registration, management, and marketing training. Team members are at least bachelor degree holders from elite business school. They have experience working or studying in the USA or the UK. You know, this style of maker-space originated in the USA and the UK. We do need international horizons and team organization styles to run our service company."

Most of her colleagues had a similar background: young graduates with at least bachelor degrees from a domestic elite university or an overseas university, normally in the UK or the US. The international milieu they create is highly attractive for those wanting to start up their own "high-profile" business. The decentralized and

Westernized co-working space is also seen as an incentive to stay. "This makes me feel I am still in Silicon Valley!" a young Chinese returnee working in a maker-space told me. Before he returning to China, he worked in a small dotcom company in Silicon Valley. Unlike the standardized and hierarchical style of corporations, the American post-industrial tech-startups in an innovation-driven economy intend to build free and non-hierarchical co-working spaces for their staff (Malewitz 2014). The appropriation of this post-industrial "Silicon Valley style" or "European style" cultivates a transnational imagination of the Chinese innovation system (Lindtner, Anderson and Dourish, 2012).

Large enterprises involved in urban infrastructure building, such as real estate enterprises, are starting to renew their spatial construction plans to establish the "Silicon Valley in South China." Profit margins are thin for real estate companies, as the price of leasing land ready for development is decided by the local government and tends to be extremely high. Thus, local real estate companies repurpose their existing space in the urban peripheral areas of Shenzhen and end up building many maker-spaces and incubation centers. On one hand, they can offer fancy infrastructure and low rent co-working space for small companies who want to save on operation costs; then the maker-space or incubation center can apply for government maker-space funding. On the other hand, the real estate company can add value to the building and sell it at a better price. This new set of strategies enacted by real estate companies, furthers the new informal economy by relocating startups under the local government's urban scheme of "establishing Silicon Valley." As I was told by an informant working in the marketing department of a large real estate company, the reinvention of spatial functions is a common-sense way to create new value within real estate industry. Conversely, by introducing real estate enterprises into the mega-scheme of "constructing Silicon Valley," the local state has strengthened its legitimacy. By involving real estate enterprises in constructing techno-entrepreneurial infrastructure and offering low-rent working spaces to young makers locating and relocating their floating lives in this expensive city, the local government gains social credit in maker-entrepreneurial circles.

7.4 Conclusion

Influenced by Marx and Weber, in the history of sociological studies of industrial society, there is a strong trend: when researchers talk about manipulation and exploitation in a given working regime, they always talk about the conditions of the working-class (Thompson 1967). The implementation of new employment and management systems under Tylorization and Fordism in the manufacturing supply chain, the expansion of the welfare state, and the extension of consumption tamed the domestic working-class, turning them into the middle (income) class in developed

industrial countries (Zussman 1985). In the deindustrialization launched by neo-liberal reformers under the code of Reagan-Thatcherism in the 1980s (similar to the period during which China exercised Reform and Opening-up and initiated export-oriented industrialization), middle-income professionals and other working classes protected by post-war welfare states suddenly felt precarious and asked for social change through political appeals.

In the current context of Chinese industrial upgrading, although Marxists or critics of Fordism cannot fully help us to understand the rise of professional workers in the seemingly high-profile service industry, some anthropologists who have brought Marx into contemporary post-industrial contexts for class analysis can perhaps give us insight into production and social reproduction relations here. As these anthropologists argue, the production regime has expanded far beyond the walls of Fordist factories (Gill and Pratt, 2008; Lazzarato, 1996; McRobbie, 2002b) and transcends old boundaries among the domains of work and life, territories of nation-states, economy, and governance (Read, 2009; Rose, 1990). Furthermore, Marxist anthropologists call on researchers to analyze class through the lens of how people understand their class relations (Carrier and Kalb, 2015: 24). In my thesis, I also make a relational analysis of class, but I place more emphasis on the mutual construction of multiple identities and try to illustrate the state's intentions in constructing individualized identities. Here, I claim a relational as well as intersectional analysis of class-driven identities in the highly mobile socio-economic situation, and it should be noted that my informants, those professionals or semi-professionals, are created and encouraged to become producers as well as consumers in the new economy.

The discussion of cognitive capitalism in general has highlighted the issue of labor in the new economy, and scholars have defined labor in this economy as a kind of immaterial labor (Hardt and Negri, 2017). However, my thesis focuses on the drive of the new economy, mobilized by Leninism and authoritarian code, to produce a kind of enterprising-self, regardless of whether its labor is immaterial. I think this is perhaps the biggest difference between me and Hardt and Negri. Thus, my concern eventually dwells on the overall political form of production to see how a new type of consent has been manufactured (Burawoy, 1982). Young professionals gain the will to search for new identities and meanings of work through the appropriation of the new institution of startup. Consent is manufactured through the acceleration of company-making and through the support of youth-entrepreneurship programs. Hopes of overcoming the "middle income trap" drive them to work hard and extract their skill, social networks, and labor in the riskier commercial context of Shenzhen.

Although these factors and institutions define and strengthen the self-identification and performance of "creative business partners" in the rising innovation economy, the process of becoming entrepreneurs is not smooth. Informants show anxieties. The tension between working for artisanal innovation and working for money always exists in their search for strategies to live as "creative entrepreneurs" in this expensive metropolitan city. Their anxiety is the dynamism of their ambition for social mobility.

The exuberant activity of becoming a "creative entrepreneur", in some sense, obscures the on-going division of labor in the urban IT-intensive creative industry under the reconstruction of entrepreneurial space in Shenzhen and in China.

Young, middle-income professional workers are not being treated as "working class" or "middle class." They are treated and imagined as professionals and talents, candidates for entrance into the middle-upper classes. This ambitious social engineering of human resources has been analyzed in chapter four. Yet, the Chinese state, especially the local state, never retreated from the dis-embeddedness of "outdated" labor-intensive industrialization and the embeddedness of supply-side economy reforms. I hope this research offers some perspective in understanding how the new wave of "innovation fever" reproduces the new forms of mobility, modernity and the reset of economical developmental model in China, and, to what extent, this constructs new imagination and social stratification of contemporary China in de-industrial context.

Chapter Eight Conclusion: "Innovating China" in the Domestic and

Global Political Economy

What is special about innovation in late-socialist agenda? How do we understand China's innovation movement in the context of the worldwide innovation discourse? What does "Innovating China" mean for other emerging economies?

The Chinese innovation movement is not the same as the "disruptive innovation" of recent years mainly driven by digital technology in the European and North American contexts (Guttentag 2015; Blasutig 2019). The state still plays a very salient role in innovation. This is not only because the form of government in China's authoritarian state dictates that the state must be present. It is also because the state invests and needs the social and economic system to provide a constant demand for innovation to unleash the dynamism of development.

In describing the versatile role of the state and the concrete realization of the mobilization, this thesis has used three terms: "society-making", "subject-making" and "space-making." As explained in the introduction, these three makings have been utilized in local government policies that attempt to formalize the informal creative industries, and to re-organize new associations for mass entrepreneurship and innovation. The concept formalization indicates that the state is attempting to create a society that could be governed. This leads to "society-making" which entailed a multitude of new social associations having been manufactured and encouraged to perform as liberal but managing brokers of local state in the new economy. In addition, the recognition of individuality and the promotion of mass entrepreneurship encouraged "subject-making." Young professionals and graduates are driven to effect innovation by policy schemes, family and peer pressures. This realization is self-achievement is considered essential and highlight a creative subjectivity in the new economy. The new subject-making incorporates the younger generation moving away from traditional labor in urban China and instead developing a new flexible ye esteemed self-identity. This leads to the party-state changing its tactics of governance. These tactics can include taming aspiring tech-entrepreneurs by targeting, training and managing them into "innovative" citizens who can be molded into the state political and development agenda. Lastly, society-making and subject-making require "space-making" in which the new generation of dream catchers invent housing strategies and aspirations of mobile life.

The aim of this thesis is to contribute to the understanding of the state's role in socio-economic transformation and its governance model in innovation activities. This thesis discusses the state-market-society relationship not merely from an institutionalist perspective that focuses on the interplay between the state, the market, and society. I discovered that the state creates a range of government institutions to regulate and shape

the society. Further, in recent years the state has been an important producer of the emergence of China's new civil society that drives innovations and entrepreneurship which are massively treated as mechanism of social mobility. These findings run counter to the general thrust of the existing thinking that argues that the strong involvement of the Chinese state in innovation-driven market economy and civil society may harm the innovative and entrepreneurial spirit of Chinese society, or that an overemphasis on the commercial value chain and commercial success may overshadow technological innovation in China. Furthermore, the transformative role of the state would be an idea that China's innovation movement could offer to understand other emerging economies.

This thesis also argues that "Innovating China" is not merely a practice through which the late-socialist economy redefines its position on the global ladder of innovation, but a pragmatic policy process through which the Chinese state endeavors to deal with domestic dilemmas of economic development by mobilizing tools inherited from its Leninist legacy. The combination of new technologies and professionals are seen as an advanced workforce. "Innovating China" created a strong mobilizing power in Chinese society. In this way, this thesis also contributes ideas to development studies. Shenzhen's innovation implies local concretization and appropriation of central macroeconomic policies. This is rooted in the tension apparent between the central and local governments in China since the mid-1990s.

In this concluding chapter, I begin by explaining the findings and answers to the research questions in this thesis, while clarifying my arguments and academic contributions. Firstly, I re-examine the role of local state in mobilizing "innovating China". In the second section, the academic implications for understanding the "society-making", "subject-making" and "space-making" in the governance of China's new economy are discussed. I then explore how social associations are produced and function as societies of statist infrastructural power in the new economy. The "subject-making" agenda involved in the individualistic pursuit and social movement of innovation will be articulated. Following this, an explanation of how "space-making" has been rationalized by local government as a policy to promote innovative city building is given, including the extent "place-making" is understood and appropriated by young professionals as a strategy to complete their social mobility. In section three, I offer some self-reflections and discuss the contributions possible from this research paper.

8.1 What does "innovation" mean for China? —— The "New Walking on Two Legs"

How is *chuangxin*, innovation or creativity in Chinese, shaped by the political economy of late-socialist China? What does *chuangxin* mean in understanding the current political-economic transitions in China? In this doctoral dissertation, I argue that to answer these questions, we first need to look at what has happened to the development

and governance model launched by the Chinese government, especially at the local government level.

The market reform drew academic attention to post-socialist entrepreneurship in China. Scholars of China studies weighed in on academic debates about whether entrepreneurs gained status in the post-socialist political agenda (Nee 1989, 1996), and whether market forces would gradually weaken the power of state socialism (Rona-Tas 1994). Carolyn Hsu (2007) offers a distinct viewpoint and argues that the socialist entrepreneurship-driven market economy is actually co-produced by the Chinese party-state and the post-socialist mass (大众 *dazhong*) collective discourse. In her analysis, entrepreneurship building is a social production of status in the emerging marketization. However, Hsu misses the point that entrepreneurship building is not only the social-political production of entrepreneurs in the socialist regime and the social legitimization of the occupation of entrepreneurship (Hsu 2007: 123), but a way for the Chinese state to re-invent itself. Based on a 1992 field study of how Shanghai citizens influenced and responded to the takeoff and crash of the Shanghai stock market, Ellen Hertz (1998) identifies the changing roles of the state and citizens during the reform period. By mobilizing the public into the emerging stock market, the role of the state changed from that of a "regulator" to a "manager" of the market. In the process of transforming the stock market into a Chinese financial system, the state and the people constructed their beliefs and intentions about each other. In this sense, both Hertz and Hsu argue that the market does not destroy the power of the state. On the basis of their claims and my own ethnographic findings in Shenzhen, I further argue that market is not only metaphorically mirrored by society, but also created by the state's policy tools. It solidifies the state-society.

Under Xi Jinping's regime, when economic development is not robust, the state attempts to explore new models of governance to trigger economic development and maintain social stability. The current modeling of China's economic development on "innovation" is conducted through what I have called "new walking on two legs."

"Walking on two legs" is a metaphor that was used in the 1950s to illustrate the party-state's mass-line policies advocating both the formal incentives (central state-led relocation) and informal desires (sheer subjective wishes of the masses) to achieve economic growth in China. In the 1980s, this strategy was revived in the Reform and Opening-up context, when the tension between state and market institutions became dominant in shaping China's political economy. Since this time, the Chinese government initiated a new development model that combines government policies and planning with market forces (Naughton 2018: 61-62).

However, the state's economic and social governance must alternate from campaign-style governance and conventional governance to balance the tension that exists between the central and local governments. I argue that the new walking on two legs in innovating China today connotates that the tension between central and local governments and between the state and the market could be abated by a series of policy inventions and social transition. In this change, governments, especially local

governments, justify their new governance model in the social transition and promote social mobility through policy schemes. In this thesis, I examined the policy process of "innovation China." The governance in the new policy agenda gradually replaced the previous model of governance on market economy. In parallel to the central government's call to "seek innovation," local government adopts the strategy of "Made in China 2025" - "mass entrepreneurship and innovation" policies to mobilize and internationalize the new workforce, new sense of class, organizations, and capitals - in a collective effort for local interest. In addition, as shown in this thesis, the practices entailed in the economic development and institutional change agenda are embedded in the grass-root movement for innovation. On their own initiative, a new generation of highly-skilled labor from China and overseas has moved to Shenzhen to work and start businesses in the high-tech industry. Government agencies, universities, research institutes, investors, and professional service providers were mobilized by innovation policy incentives.

In recent years, policy researchers have noted the shift in China's innovation policy and innovation governance model. They acknowledge the fact that innovation policymaking in China has embraced a portfolio of institutional innovation in science and technology sectors, launching new industrial policies, liberating financial regulations, and reforming fiscal policies (Liu, Simon, Sun and Cao 2011; Liu, Schwaag Serger, Tagscherer and Chang 2017).

However, this thesis demonstrates that innovation policy is more than an industrial policy implemented by a limited number of government sectors, such as the Science and Technology Bureau. In Shenzhen, innovation policy has overflowed into the framework of industrial policy and increasing numbers of government agencies have become the reproducers and drivers of innovation policy. For example, because the promotion of technological innovation involves the mobility of a highly skilled workforce, the Human Resources and Social Security Bureau is also involved in the implementation of social policy to promote local entrepreneurship and innovation. Furthermore, in the eyes of local governments, innovation does not only mean industrial upgrading and technological innovation, but also institutional innovation. Local government agencies outsource innovation and entrepreneurship services to non-government sectors such as associations and professional service providers. Chapter three describes how inno-associations have grown to be one of major drivers of local innovation in China, and in this transition, encouraging entrepreneurship and innovation is identified as a public service in the policy discourse and for the inno-associations.

It should be noted here that this model in Shenzhen is also being followed by various other local governments in China. As I described in Chapter three, when I was an intern at the Science and Technology Bureau (now renamed the Science and Technology Innovation Bureau), there were many *guazhi ganbu* (挂职干部 officials coming from other local governments to gain more administrative experience) from other provinces and cities working in the same office as me. I know that during that

period of time, they all had the task of learning how to carry out industrial upgrading and technological innovation from Shenzhen's example. The Shenzhen experience taught them to what extent they are able to articulate the bottom line of the national policy and practice it according to local interests. I have seen how they have transferred Shenzhen's policy practices to their own cities, increasing local financial investment in areas such as innovation space planning, talent policies, and incentive training/competition programs. They also know, however, that they cannot simply copy and paste Shenzhen's innovation policies and governance models.

A new tension, acknowledged and framed by the central government, required new policies that considered the tension between the global and the national. This is rooted both in the "catch-up" mindset of the developmental state, and is manifested by the Chinese strategy to find an alternative development model by engaging in the global economy. To deal with the tension between "the global" and "the national," the central government of China launched a series of policies to upgrade industries and innovate the economic development model. This recognition of horizontal tensions has sometimes obscured the fact that vertical tensions between the central and the local have defined China's actual route of reform and development for a long time. My thesis also argues that the internationalization of innovation in China is driven by local governments. Through a series of policies that encourage foreigners, overseas Chinese, and returned overseas Chinese students to start their own businesses, local governments have slowly built up an international entrepreneurial infrastructure.

Overall, this thesis shows how "the local" deals with the central and the global in practicing and formalizing policy agendas into local development logic. As depicted in chapters four and seven, the Shenzhen story shows that local government is the key promoter of, and investor in, urban tech-innovation in China. The ambition coming from local authorities is to internationalize China's innovation and create new approaches to partner with developed economies on a global scale. This thesis argues that to understand how innovation and new industrial upgrading translate into specific regions, the localized social implications of upgrading, citizens' life strategies, and social organizations involved in the new makings of society, space, and subject should be key research points in any discussion of innovation in the political economy. Rethinking the transformation of the role of the state, especially the local state, would be an idea that China's innovation movement could offer to other emerging economies.

8.2 The Making of New Society, New Subject, and New Space in "Seeking Innovation"

In the story of Shenzhen, "seeking innovation" was a strong discourse and organizing power appropriated by local authorities to restructure social networks, produce new

space, and to create a workforce of new subjects to engage with the central-state's promotion of innovation-driven economy.

The first major characteristic of "innovation China" is society-making. As noted in chapters one and two, following China's promotion of mass entrepreneurship and innovation, we have seen growing numbers of social enterprises, public service organizations and private non-enterprises registered with local governments. In Shenzhen, these so-called emerging inno-associations have received outsourced services from local authorities and, together with a number of service companies, created incubators providing entrepreneurial services and organized social training to encourage the entrepreneurial spirit of young professionals. I argue that the rising role and extension of Chinese civil society organizations is rooted in the transitional logic of local governance of the new market, changing regulations to answer the call of the central government, and the invention of new local authority patterns. Correspondingly, the public expect a more "innovative society." These factors drive local government to invest more effort in renovating its image of governance and to create space for the institution of civil societies to extract further economic forces through institutional innovation.

In addition, the way in which "seeking innovation" can play out is the subject-making and space-making for spatially renewing the urban space and the industrial supply-chain. As depicted in chapters three and five, the process of innovation is also a process by which new workforce agents rediscover their place in the supply-chain. The burgeoning market space for IT startups and flexible professional-worker-turned-entrepreneur labor patterns are processed by both global capitalized supply chains and by state-led supply-sided economic reforms in which "innovation" is treated as a key dynamism to be practiced in the political-economic system in Shenzhen. Anthropological thinking on supply chains was developed by the anthropologist Anna Tsing. She argued that the difference and flexibility, which was manipulated by tropes of management, consumption, and entrepreneurship-in-workers within global capitalized supply chains, shaped new power patterns and new labor subject-making in the production process (Tsing 2009: 158-159). While in the context of Shenzhen, the domestic making of an innovation-economy drives "the upgrading" project that excludes "the less upgraded" factories and shapes the role of the flexible startups in the global supply chain of "innovation commodities." This echoes to the findings of other global supply chain researchers that upgrading is always a process of exclusion, particularly in developing countries (Bair 2005: 171). The making of innovation accelerates and legitimates the state-sponsored industrial upgrading and changes the city's orientation towards the global supply chain.

In chapters two, five and seven, by conceptualizing "urban renewal" in the general trend of strategies to navigate policy reforms on urban space I explain how the industrial upgrading driven by innovation policies has given rise to a new round of "urban renewal" and social mobility in Shenzhen. This has seen former industrial areas turned into innovation clusters. Informal living spaces such as urban villages have been

cognitively marginalized, and either demolished or redeveloped into neighborhoods that meet middle-class standards of living by real estate companies and local governments. Among the new generation of young graduates and professionals, the spatial mobility of people becomes a prerequisite for subject-making. The choice of where to work and live becomes an important mechanism to shape one's self. In chapters two, five and seven, I specifically articulate how citizens, local authorities, real estate developers and high-tech companies push the transition to "upgraded innovation economy" and drive their own mobility through aspiration, anxiety, and policy instruments.

It is worth noting that I am not trying to overemphasize the manipulation created by the state and civil society organizations in the rise of start-up innovation in China. Neither do I intend to extend Foucauldian analysis that over-interprets society as a panopticon and ignores the "agency" of social actors. However, I do strive to articulate the social and cultural production of innovation and institutional change in this thesis, to gain a better understanding of the governance of contemporary China's 40-year state-led marketization reform.

8.2.1 The Infrastructural Power of State on Society-making: Seeking Like a State, Performing Like an Investor

In 2015, in order to increase economic development, the Chinese government launched a national innovation campaign on mass entrepreneurship and innovation to re-draw the development model. This campaign used and appraised the rich technological and organizational innovations in the society. The promotion of mass entrepreneurship and innovation has material consequence for production and also influences the restructuring of state-society relations. Massive civil society associations (CSOs) were mobilized to join in the promotion of mass entrepreneurship and innovation. This echoes some of the agenda of institutional innovation at the beginning of the 2000s. To manage the state-society relations in the market economy, the Chinese central government launched a social management agenda to formalize the development of private companies, the emblems of the Chinese market economy, and regulate *minyin fei qiye* (民营非企业 civil non-enterprise units) and *shehui tuanti* (社会团体 social groups), the defining forms of Chinese civil society. In Chapters three and four I describe the process and connotations of outsourcing services from local governments to CSOs. Unlike the public-private partnership (PPP) model in neoliberal contexts, civil societies in contemporary China take on many of the roles and obligations of the government's social management. However, it remains to be seen whether the CSOs of the moment will, as Yan (2012) speculates, simply take on complementary roles when government provides service provisions and maintain their symbiotic relationships with the local authorities. That being said, new research has explained the active role of

NGOs in local governance. CSOs act as a proactive player and try to establish reciprocal participation with local governments (Farid and Li 2021).

In Shenzhen's innovation discourse, "creating entrepreneurial ecosystems" is a policy practice that is constantly talked about. This political-economic rationale was appropriated by anxious Chinese local developers in Shenzhen. Through "society-making," the policy objectives of local governments and the mass expectations for innovation are increasingly merging in Shenzhen. As long as the interests of these institutions are increasingly aligned, the state's push for innovation does not necessarily lead to a loss of incentive for innovation in the market and society.

In order to enact the broad plan which underpins the development of entrepreneurial ecosystem, spatial and economic infrastructure in Shenzhen, local government bureaus, such as the Science and Technology Bureau and the Bureau of Housing and Construction, take on more responsibility. Social associations, such as professional associations and alumni associations, influence the urban renovation and branding agenda and re-define mobility in Shenzhen. State-owned-service-sectors-turned-NPOs, non-profit foundations, and state-owned service sectors were re-organized into new associations, or "communities of innovation" in their words. However, the importance of such infrastructure lies primarily in welcoming new people who fit into the new development agenda. As depicted in chapter three, in addition to exhibiting a facade of innovation in the city, the local government also launched policies to create partnership with civil societies, such as NGOs and social associations, to help absorb the new population and create new mentalities appropriate to the technology-driven market society in Shenzhen.

In chapters three and four, I have tried not to focus too much on the function of state power or "state capacity" (Acemoglu, García-Jimeno and Robinson 2015), which political scientists generally cover, but to explore the infrastructuralization of state capacity via different organizations, agents, and individuals to see how an entrepreneurial ecosystem was built and negotiated to strengthen the state's infrastructural power in the new economy.

Enlightened by discussions of contemporary "*guanxi*-making" (a term to define social networking between the Chinese state and market regimes) in China studies, I argue that "the extended power relations" are key to understanding the infrastructural power building involved in reviving "mass entrepreneurship and innovation" as a developmental project in China. More specifically, the power relations woven by local governments, social groups for accelerating youth tech-entrepreneurship, local and international social associations, financial investors, and startup runners are the arena to explore the infrastructuralization of state power and the transformation of the local state's role in the current situation. Through investing economic capital in establishing the networked "entrepreneurial ecosystem," the local state strengthens itself via outsourcing its public services to quasi-civil society. I call this process the marketization of infrastructural power in chapter three. In a number of new studies of Chinese civil society, a growing number of researchers have focused on the relationship

and tension between local governments and the construction of local civil society (Hsu and Hasmath 2014; Yuen 2018; Gao and Teets 2020).

The establishment and marketization of entrepreneurial ecosystems are strategies for the local government to benefit from the IT-driven new economy, which is the largest informal economy in contemporary China. The privatized IT-driven startup entrepreneurships, including their supply chains, involving links such as the smart electronic industry and the logistic industry, are dominated by informal economy. As discussed in chapter two in the context of early industrialization in Shenzhen, this informal economy is supported by the state's de-regulation of economic development. The governing logic behind the local state's support of informal economy is sustained in the new economy, especially after 2008 when IT-driven private enterprises started to boom in Shenzhen. As far as I am aware, the newly emerging startups pay little taxes and receive little direct supervision from the local state.

This situation creates a puzzle for some political scientists: since the local state extracts relatively little in taxes in the new economy, how can it benefit from the local developmental agenda that is enabling IT-driven industries? Unlike the local government in the 1980s, when local officials became board members of township-village enterprises (TVEs) and fueled the local economy through personal involvement, the current local government earns a lot by acting as an investor and spatial developer in establishing and marketizing entrepreneurial ecosystem in Shenzhen. As depicted in chapters, local government offers subsidiary policies for entrepreneurship, encourages financial sectors to invest in startups, and outsources local universities, social associations and giant IT companies to conduct a series of training projects for promoting innovation and entrepreneurship. Besides, the industrial up-grading for innovation underpins the local government's redevelopment of space that drives mobility and meaning-making for mobility within the city.

8.2.2 "Innovating China" As a Practice of Subject-making: Expectations of Mobilities from Individuals

If we say, as canonical sociologists and anthropologists often do, that the rise of entrepreneurship building in Western economic history always comes with the rise of individualism, religious ethics, mercantile capitalism, nation-states' imperialism, and consumer demand for exotic goods (Sahlins 1988: 415-416), then we might also say that the current rise of techno-entrepreneurial fever in China was created in a milieu that combined personal anxieties, a sense of crisis, and national expectations for a more developed future.

After the Reform and Opening-up in 1978, as analyzed in chapter four, subject-making became a mobilization agenda for the state to make and search for people with

"quality."[117] The subject-making of "qualified" people in the marketization period is abstract, yet detailed with the official discourse about cadre education, job training, and compulsory schooling: "quality" became characterized into "profession" and "market capability" to fit the concrete targets of these trainings and educational organizations. In the current situation, as shown in chapter four, subject-making has been processed into talent policies and talent recruitment agendas by the local government. Imitating the Leninist style of cadre training, the making of new subjects in the tech-drive new economy is actualized into pragmatic and transformative trainings for entrepreneurial spirit, masculine physicality, and ambition for social mobility.

In chapters five and six, I uncover expectations for mobility have been manifested by young, urban, educated generation's subject-making of an innovative self, an entrepreneurial self, and a professional self. These identities can be used to differentiate themselves from older generations and less-innovative workers in labor-intensive industries. My investigation revealed that the making of a successful "self" is not just a story about competing for "success" or "higher status," but also for "self-fulfillment" and "self-esteem." In this sense, the meaning of recognition in organizations (family, market-oriented communities, social associations, etc.) that are outside of industrial organizations is key to understanding the entrepreneurial subject-making in urban China's mobility pattern. Most of these people were based on alumni ties, professional networks, and inno-associations. This indicates that the existing local power pattern, woven through the long-term Reform and Opening-up period, is being restructured by the newcomers. The newcomers are diverse in their nationalities, expertise, and life-goals. However, these Chinese and non-Chinese young professional workers collectively join in the invention of innovation and entrepreneurship codes in Shenzhen.

When the local government-led innovation campaign and urban renewal plan was implemented by the new associations, common sense was re-established: new values and individualistic performances that are considered inconsistent with capitalist systems, accelerate the socio-economic transitions in China today. The majority of people I met in Shenzhen admitted that innovation-driven upgrading has changed their life and work so quickly that they easily felt *jiaolü* (焦虑 anxious), but for them, taking a riskier life when they are still young is a strategy for prolonging their experience and capability "to adapt to a more mobile life in the future."[118] These people were unlike people involved in dot.com bubbles who tried to manage risks by calculating the opportunity costs in a late-capitalist context (Neff 2012). They are also unlike the people who travel back and forth between metropolis and hometown to maintain economic achievements (Ong 1999; Saxenian 2007). I analyzed how the anxieties about "risk" and the expectations for "opportunities" are mutually constructive emotions that

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[117] The subject-making is the measure of China's state-making agenda as it stems from May 4, 1919. In the socialistic period, subject-making was engineered into class politics. This class politics strengthened the hierarchy of subjectivities. In this new discourse of subject-making, the exploited working-class subject comes before the exploiting entrepreneurial class, peasants, and intellectual professionals.

[118] My male roommate Qing, Shenzhen, 2015.

have shaped the ambitions of these young people for social and spatial mobility. I further argue that "Innovating China" is a socio-economic construction of a future and constitutes the methodology of a common life-choice based on a fear of falling behind in the quick transition of the new economy.

8.2.3 The Spatial Politics of Innovation: Space-making as a Strategy

Innovation is considered as the Achilles heel of China's socio-economic development by the central government, as well as a policy theme to renovate local socio-economic space for the local government. This influences the remaking of capital and human mobilities in cities and regions which in turn will define the hierarchy of industry and the ranking of Chinese cities and regions. The new trend of economic modeling encapsulated by "innovating China" is embedded in the state's new space-making agenda. The spatial transition in China's current context has a symbiotic relationship with issues such as the middle class, civil society, and urbanism, which are hot topics in the field of research on modernity in contemporary China (Zhang 2012; Tang 2017). In this thesis, I analyzed how the pre-existing human-capital mobility and consumption-driven modernity in Shenzhen are re-embedded into the great transformation and contribute to a new development and governance model through the urbanized innovation economy.

However, the grand narrative of the political economy of urban planning cannot ignore the fact that spatial renovation has brought about an exponential increase in China's GDP. Local governments have further freed up space for commercialization through urban renewal programs (Lin, Li, Yang and Hu 2015). The urban spatial transition increased mobility in Shenzhen. This phenomenon should also be viewed historically. This spatial transition is academically positioned in the state-socialism to late-socialism storyline. Urban expert John Friedmann (2005) argues, a collective consciousness of citizenship and class was cultivated after late 1990s when China witnessed rapid commercialization of urban space and the sprawl of cities in the eastern and coastal regions. The urbanized region was imagined to be a "modern and developed space," while the non-urbanized regions were considered "less-developed provincial areas." The speed of this urbanization is significantly more rapid than in European or American contexts.

The ethnographic data in the chapters shows that the Chinese state's promotion of innovation-driven development tends to recognize individuality, niches, grassroots entrepreneurship, and diversity in order to encourage innovation and entrepreneurship. In this sense, the transition to "innovating China" brings about collective and local practices of "making difference" and creates differentiated comparative advantages in Shenzhen's *chengshi gengxin* (城市更新 urban renovation).

Space-making is a process of infrastructuralization of state power, with local state sectors extending their reach through urban renovation programs such as "the

production of Silicon Valley in South China." For the local government in Shenzhen, policies and development practices to promote mass entrepreneurship and innovation, especially to attract a new highly skilled workforce, must be achieved through the local government's infrastructural construction. Shenzhen's urban regeneration is similar to the brownfield regeneration in Europe and North America: the government has joined forces with developers to turn abandoned industrial areas into innovation economy clusters. Rebranding the "world factory" of Shenzhen to an "innovation hub" is the direct outcome of this agenda. Shenzhen is being modified into a new powerhouse of innovation. From this perspective, innovation also implies a spatial transformation of social and economic relations.

Further, space-making in Shenzhen today is a process that every migrant wave physically and mentally challenges and negotiates in terms of urban administration on mobility under the setting of urban renovation. Amidst the current wave of trans-local migration, Shenzhen acts as a working site for middle-class jobs and a mobile-living site. The young generation of urban migrants seem ambiguous to this round of space-making. I had numerous interviews with informants who complained that housing prices were expensive and the cost of living high due to urban renovation, yet at the same time they were enjoying the renewed way of living and working in metropolitan cities. Like the rural migrant workers in the late 1990s and contracted migrant expatriates (Driessen 2015) and overseas Chinese in 2000s (Chu 2010), they even return to their hometowns to buy apartments, which are treated more as investments to show to parents and relatives proof of their abilities. Such tensions emerge in the current relations between space, class consciousness, and social mobilization. The existing highly diversified global supply chain makes workers highly "mobile" and always "on-the-road" to gain the things that meet their expectations (Tsing 2009). The coming of highly-mobile trans-local life manifests the spatial transition in China. The meaning of a house, the meaning of relocation, the meaning of work, the meaning of mobility, all change in the discourse of urban renovation.

8.3 "Sample Bias" and the Dilemma of "Structure/Agency Relationship": Some Self-reflections

At a conference in Leiden, a fellow participant commented that my research followed a majority of male informants and that the data focused on the work and lives of professional young men. As such, she asked: "Are they all men? Is there any data showing the aspirations and activities of female entrepreneurship in innovation economy?" I had also been surprised about this gender bias when I started my research in Shenzhen. Unlike the export-processing manufacturing regime that is dominated by female workers, the mainstream workforce in innovation-driven enterprises is comprised of young male professionals.

This bias stems from the expansion of university enrollments, especially in China's polytechnical universities. The majors of science, technology, engineering and mathematics (STEM) absorbed more male than female students after 2000s and those students constructed the mainstream workforce and talent pool of China's innovation-driven industrial upgrading. Later, this bias is reinforced by the social and familial pressure on men in Chinese society, as shown in chapters five and seven. To gain recognition from family and peers, some of my informants pursue a busier work and riskier life in metropolitan cities. Their way of "enterprising self" signifies a production of dominant manhood in the development of China's innovation economy.

I am not saying that the role of female workers is no longer important. My focus in this paper is on the fact that the rise of the male subject is supplemented by the social production of the female subject in innovation and entrepreneurship. As depicted in chapter four, integral in the mindset of tech-entrepreneurs is that some new market and consumption techniques are created to target women as new social force of consumption rather than production, even though the inventors appropriate a "women for independence" feminist discourse for marketing.

Although seems that there is no agency for my informants to challenge the grand narratives of mass innovation and entrepreneurship in China, the question is to what extent are the dynamics between structure and agency relationships invented in the self-mobilization of Leninist agenda. At this point, I would like to respond a little to the ideas of the practice theory of "structure and agency." The complex and contingent relations between structure and agency are nicely outlined in Anthony Giddens', Sherry Ortner's, and Marshall Sahlins' work. Giddens emphasizes the importance of actors in constructing the rules of social structures. In his view, social structures are not external to individual action. Actors in everyday life purposefully use their knowledge to take appropriate action, testing and confirming the rules involved in their actions (Giddens 1979: 55). The contingent relations between structure and action are prioritized in Marshall Sahlins' work in order to establish links between structuralist anthropology and historical analysis. Based on a historical perspective, Sahlins emphasizes that the individual experiences and perceives the relationship between the individual and the collective in the context of historical events (1976). Ortner builds on Giddens' and Sahlins' arguments and further claims that the construction of social relations is the key to understanding the tension between subject and structure, and that social relations hold because the individual as agent is always "enmeshed within relations of power, inequality, and competition" (Ortner 2006: 130).

Rather than getting caught up in a theoretical discussion around the dichotomy of "structure and agency" and using the Chinese case to illustrate the feasibility of the practice theory from socio-anthropological scholarship, here I would like to admit that agency is embodied in the set of relationships that link individuals and further argue that agency is pluralistic. There is no single agency. Thus, the tensions of structure and agency can be multiply presented in social actors and as individuals with agency. These social actors try to invent different strategies to deal with the multiple tensions between

structures and agencies. This study illustrates social actors' attempts to balance different structural tensions to realize a self-empowered life and career. In chapters six and seven, I discuss a massive justification and self-empowerment of work-life imbalance in Shenzhen: individuals with high-mobile lives are re-inventing meanings of unstable work and volatile life by physically joining the manufacturing of entrepreneurship to gain recognition and rebranding Shenzhen as a city full of opportunities and freedom.

The current socio-anthropological concerns may be deeply involved in everyday politics and economy, with this discourse becoming a more influential part of the global dynamic (Herzfeld 2018). When I conducted my fieldwork research, I often reflected that the socio-anthropological anti-neoliberal considerations about empowering "selfness", "recognition", "marginality", and "diversity" offered a critical toolkit regarding the statist rhetoric of the promotion of entrepreneurship and innovation in China. In the context of a Trumpian "Trade War" and Brexit, when contemporary developed nation-states move towards anti-globalization, the Chinese state promotes globalization by using these discourses and pragmatic policy reforms to strengthen its role in the global political economy of innovation. This ethnographic study also points out that the process of innovation does not necessarily entail technological innovation. This does not differ from the history of the social revolution under the aegis of innovation in Anglo-Saxon industrializations. China's innovation has revolutionized society, market, and everyday life, but such revolutionary stimuli go hand in hand with the incentives of the Leninist state.

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Curriculum Vitae

Tan Yujing was born in Xiangtan (Hunan Province) in the People's Republic of China on February 10, 1990. She specializes in modern Chinese economy and development and the sociology and anthropology of contemporary China. Focusing on transformation of governance, her research includes Chinese local state, urban planning, social mobility, industrial upgrading and innovations, and more recently China-driven internationalization. She also has a second line of research studying state-business relationships in modern (South) China. She earned her BA from Hunan Normal University in 2010 and MA from Zhejiang University in 2012. Between December 2012 and 2022, she conducted Ph.D. research at the Leiden Institute for Area Studies (LIAS). Among them, she did fieldwork in Shenzhen for a total of 13 months from 2015 to 2017. Since August 2020, she has been working as lecturer and tutor in International Studies at Leiden University, teaching courses related to Political Economy, Cultural Studies and Area Studies.