



Universiteit
Leiden
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Innovating China: governance and mobility in China's new economy

Tan, Y.

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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.