



Universiteit
Leiden
The Netherlands

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

Tan, Y.

Citation

Tan, Y. (2022, June 29). *Innovating China: governance and mobility in China's new economy*. Retrieved from <https://hdl.handle.net/1887/3421000>

Version: Publisher's Version

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/3421000>

Note: To cite this publication please use the final published version (if applicable).

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-

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

³ The *shiyedanyuan* (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.⁵In 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.

⁵ As reported in a document of Heilongjiang Committee of China National Democratic Construction Association, *xuexi jiejian shenzhen shi 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+ *hulianwang 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

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 tuijin 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 grassroots-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.

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 chuanyye, 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 established¹², 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

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 *jiaoliu*) 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 outside 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

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

¹⁶ As reported in a document of State Council, *Zhonggong zhongyang bangongting guowuyuan bangongting yinfu 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 policies²⁰ 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

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/jrzq/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

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, Boellstorff 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

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

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

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

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.