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

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Chapter Three Towards an Innovation-Society in Shenzhen

Networking "Chinese Innovation" Through Associations

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

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

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

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

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

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

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

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

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

3.1 Old Network, New Association in Shenzhen.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

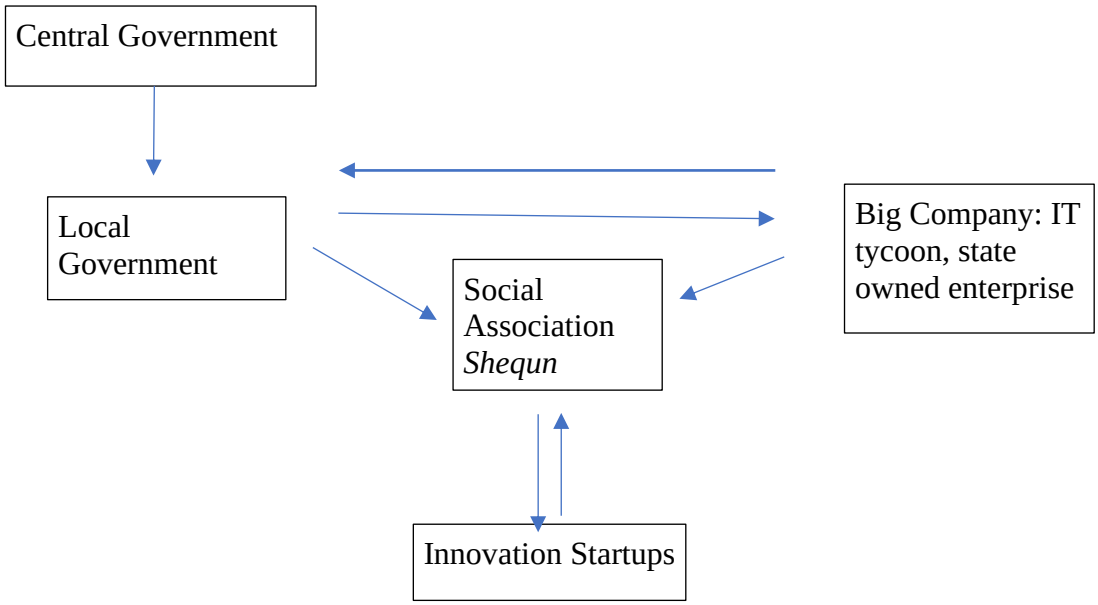

Figure 3.2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Figure 3.6
Pictured: the author, a lecturer from the Department of Design at Tongji University, Yang Yang, Luan Jiwu, and Yang Yang's Korean partner. Yang Yang and his partner wanted to organize the collaborate associations with Tongji University in Shenzhen. The lecturer invited us to participate in the meeting and to contribute our knowledge about "the institutional environment of Shenzhen's innovation."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.3.2 “Worlding” Shenzhen, and China

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

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

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

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

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

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

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

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

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

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

3.4. Conclusion

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

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