State rescaling, policy experimentation and path-dependency in post-Mao China: a dynamic analytical framework

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Abstract: This paper evaluates the applicability of the state rescaling framework for framing politico-economic evolution in China. It then presents an analytical framework that examines institutional change as driven by the dynamic entwinement of state rescaling, place-specific policy experimentation and institutional path dependency. The framework problematizes simple ‘transition’ models that portray a mechanistic ‘upward’ or ‘downward’ reconfiguration of regulatory relations after market-like rule was instituted in 1978. It emphasizes, instead, a more established pattern of development marked simultaneously by geographically distinct (and enduring) institutional forms and experimental (and capricious) attempts to transcend them.

Key words: China; political economy; state rescaling; policy experimentation; path-dependency

JEL codes: H83, N95, P40
It is now broadly accepted that processes of contemporary state restructuring are deeply entangled with transformations in scalar relations. What is at stake here is far more than rescaling for rescaling’s sake, because these forms of scalar restructuring are both a medium and an outcome of changes in the means and ends of state action. Hence the need to move beyond ‘thick descriptions’ of state restructuring, policy reforms and new forms of governance to ask what it is that the state is actually doing – why, where and with what political, social and economic implications. The careful mapping of emergent state forms can, and should, be an important part of this process. – Jamie Peck (2003: 222)

Introduction

The transition from a nationally-configured, Fordist-Keynesian developmental approach in western Europe and North America has been underpinned by a corresponding reconfiguration of regulatory relations between national, subnational and supranational governments. Broadly conceptualized as state rescaling, this reconfiguration simultaneously produced ‘post-national’ states that are oriented towards economic integration and city-regions as ‘new state spaces’ of capital accumulation (Peck, 2002, 2003; Brenner, 2004; Jessop and Sum, 2006). A similar reconfiguration was occurring in previously-insulated China following the re-introduction of market-like rule in 1978: specific cities were selected to embed transnational circulatory capital, while production within the vast rural hinterland was re-scaled from massive communes to the individual household. Unsurprisingly, the state rescaling framework has attracted the attention of researchers seeking to evaluate and explain these changes.

Featuring prominently in this emerging research stream is the constitutive and at times conflictual role of city-regionalism. As Li and Wu (2013, 2017) show, competing interests encumbered the central government’s unilateral implementation of the Yangtze River Delta regional plan (see also Wu and Zhang, 2007; Wang et al, 2016). Locally differentiated definitions of citizenship, inter-city collaboration and growth have similarly generated tensions in the urbanization of the Pearl River Delta (Li, Xu and Yeh, 2014; see also Smart and Lin, 2007; Yang and Li, 2013; Li, Wu, and Hay, 2015; Sun and Chan, 2016). Yet state rescaling was also characterized by centrally-driven ‘upscaling’, as shown in the re-designation of an entire province, Yunnan, to enhance engagements with the Mekong sub-
region in Southeast Asia (Su, 2012a, 2012b; cf. Tubilewicz and Jayasuriya, 2015). Underpinning these studies is a common, if not always explicit, assumption: the threefold engagement with marketization, geo-economic liberalization and economic globalization has necessitated the recalibration of national-level regulation in China. By extension, previously subordinate regulatory scales – namely the collective, municipal, county, prefectural, provincial, cross-provincial, and transnational – have become functionally and strategically more important.

This paper evaluates the conceptualization of Chinese state rescaling based on this assumption. While concurring with the prevailing literature that state rescaling offers a useful platform to examine the relationship between city-regional transformation and state restructuring in China, the paper is cognizant of its conceptual limitations as identified in existing studies. To Li and Wu (2012: 58), the rescaling framework “does not offer an effective tool for examining the causal relationships and dynamic processes of the changing statehood”. Surveying the broader state rescaling literature, Li et al (2014: 131) identify an additional “tendency to apply a hegemonic interpretation of state space theory, at the expense of knowledge of place-specific practice”; correspondingly, there is “a lack of detailed case studies revealing the key political processes and relationships that reflect historical contingencies and path dependencies under transition”. For this reason and considering the Chinese institutional context, Sun and Chan (2016: 5) argue that the “genesis” of each rescaling process “deserves a meticulous examination”.

Building on these critical insights, this paper shows how studies of post-1978 state rescaling in China overlook a fundamental aspect of the original state rescaling framework – the crisis of and subsequent tensions with the preceding regulatory institutions. Indeed, state rescaling was originally portrayed as a strategic response to the limits of Fordism as an accumulation regime; as a shift from a nationally-oriented, geographically egalitarian mode of surplus redistribution known as ‘spatial Keynesianism’ towards more flexible, ‘post-national’ accumulation in city-regions (Brenner, 2004, 2009; Jessop, 2016). Fresh debates subsequently emerged as research demonstrates city-regionalism was not accompanied by
clean breaks with the legacies of Fordist-Keynesianism (ref. Peck, 2003; special journal issues edited by Lobao et al, 2009 and MacLeavy and Harrison, 2010). The dynamic tensions between institutional continuity and change are largely unaddressed in current studies of Chinese state rescaling, however, and this calls for a conceptual reconfiguration.

To this end, the paper moves beyond western accounts of state rescaling by situating Chinese regulatory reconfigurations vis-à-vis two cognate drivers of political-economic evolution – policy experimentation and path dependency. Aligning with Peck’s (2003: 222) caveat not to focus on “rescaling for rescaling’s sake”, this framework engages in a “careful mapping of emergent state forms” by asking why and how regulatory changes (primarily effected through experimental policies in targeted city-regions) interact with inherited pathways (the retention, if not reinforcement, of national-level institutions). Rather than periodize regulatory reconfiguration as static shifts ‘upwards’ or ‘downwards’ from the national scale, the framework contributes to existing debates through foregrounding state rescaling as a politicized process shaping institutional continuity and change at different spatial scales.

The discussion is divided in three parts. Section 2 critically reviews the conceptual origins of state rescaling and delineates four reasons for reconfiguring the existing framework. Section 3 outlines an integrated analytical framework that places state rescaling in dynamic engagement with place-specific policy experimentation and path dependency. The paper closes by highlighting the implications of the new framework for research on politico-economic evolution in China.

**State rescaling and socioeconomic reforms in post-Mao China: a critical overview**

The concept of state rescaling was originally developed to explain changing spatial divisions of regulation in western Europe following the Fordist-Keynesian regulatory crisis in the mid-1970s. Underpinning this crisis was a move away from a political commitment to full employment and (relative) regional equality, or what is widely known as spatial
Keynesianism. In its place were rolling urbanizing strategies that qualitatively modified the nationally-oriented regime of capital accumulation. While these strategies generated new growth opportunities, they similarly contained fresh crisis tendencies and therefore generated recurring rounds of rescaling. As Brenner (2009: 127) observes in *New State Spaces* (2004), a major book-length reference point for the state rescaling approach, “urbanization processes would engender contextually specific forms of sociospatial dislocation and crisis formation, as well as corresponding strategies of political intervention designed to confront the latter.” Brenner (2009: 128) subsequently clarifies the connection between this recurrence and regulators’ inability to contain crises:

since the 1990s, new forms of state rescaling have emerged largely in response to the crisis tendencies engendered through the first wave of urban locational policy. This has led to the construction of new scales of state intervention (neighbourhoods, metropolitan regions and transnational interurban networks), to the crystallization of additional crisis tendencies and dislocations and, subsequently, to a further intensification and acceleration of rescaling processes. Processes of state rescaling therefore appear to be animated through regulatory failure.

Primary aspects of “regulatory failure” in western Europe were encapsulated within the dismantlement of what Jessop (1993) terms the ‘Keynesian welfare state”. These aspects were the crisis of the welfarist state system; the ‘internationalization’ of previously-Fordist corporations; and the ‘hollowing out’ of the state (cf. Rhodes, 1997; Peck, 2001). For Jessop and Sum (2006: 271, 281), the decline of the national scale as the “taken-for-granted object of economic management” across western Europe, the East Asian ‘trading nations’ and important-substituting Latin America marked the emergence of a “relativisation of scale” in socioeconomic regulation, namely “the absence of a dominant nodal point in managing interscalar relations”.

This “absence” consequently led to the emergence of what Peck (2002) terms “interscalar rule regimes”. While states remain key actors under this new arrangement, Peck (2002: 340) observes, “they are now engaged “in more active processes of scale management and coordination at the local and international levels”. This management and coordination process is multi-directional; agendas espoused by subnational and supranational regimes influence national regulation in strategic and dynamic ways (Jones,
The predominant objective and outcome of western European state rescaling was and remains the *negotiation* between actors in these rule regimes to concentrate capital in and across selected city-regions (Ward and Jonas, 2004; Cox, 2009, 2010; Harrison, 2012). This led to questions of whether the structural coherence underpinning Fordist Keynesianism – and, indeed, of nation-states *in general* – has been completely transformed.

Structural coherence extends Harvey’s (1985) concept of “structured coherence”. By Harvey’s formulation, capital seeks to accelerate the time it takes labour to convert commodities into more commodities and profits. This process is premised on geographical transformations in and through nation-states (hence transnational circulatory capital hereafter). Places must be (re)produced to coordinate capital circulation through the concentration of infrastructure, transport connections, housing for labour power, factories and consumer markets. Harvey (1996) subsequently terms such places “permanances”, namely the provisional stabilization of investments and processes in place. Once stabilization is achieved, a particular place would enhance the ability of capital to extract value from labour power and accelerate the exchange of goods from plants to final markets. The intrinsic contradiction of structured coherence is it contains conditions that could undermine the “permanences” that constitute this coherence. Firms and governments elsewhere could try to outperform the dominant locations of accumulation, or firms in the ‘permanent’ territories could seek to leave for places that could potentially generate more surpluses. Any sort of coherence that emerges could therefore be transient.

Jessop (2001) develops this point to evaluate transformative change between regulatory regimes: change would not have undermined structural coherence if the dominant scale of accumulation – which, in the case of North America and western Europe in the post-WWII period, was the “nation-state” – has remained stable *despite* disruptions (cf. Peck, 2001; Jessop, 2002; Brenner, 2004). The crucial variable rests in the ability of changes to disrupt the structural coherence of this dominant scale. Policymakers of structurally coherent territories have to respond reflexively to the new policies in order to retain that coherence.
Where changes could no longer ensure coherence, a period of “relative discontinuity” sets in, often triggering regulatory reconfiguration. In this sense, state rescaling is a change that redefines national-level structural coherence; whether it disrupts or, perhaps counter-intuitively, reinforces this coherence has become a key research focal point on the periodization of political-economic evolution. How relevant, then, are these insights for explaining changing regulatory dynamics in China?

Research has demonstrated how the gradual but ultimately expansionary exposure of the Chinese political economy to transnational capital has triggered the urbanization of means of production (Ma, 2005; Shen, 2007; Li and Wu, 2012). After the Deng Xiaoping government re-established cities as the primary sites of engagement with transnational capital, the platform was established for the emergence of a new inter-scalar rule regime that is increasingly dominated by growth-oriented urbanizing initiatives (Tsing, 2010; Wu, 2015). Over the last decade, a series of “nationally strategic new areas” (guojia zhanlüe xinqu), each charged with policy experimentation to smoothen and enhance global economic engagements, have been instituted in selected city-regions. As subnational policies and practices gain prominence over the highly-politicized, national-level ‘permanent revolution’ of the Mao era, state rescaling has unsurprisingly become an attractive concept to frame Chinese political-economic evolution. However, scholars have reflected critically on the conceptualization of state rescaling as a strategic response to Fordist-Keynesianism, and a succinct overview of these critiques vis-à-vis the Chinese developmental trajectory demonstrates at least four reasons for developing a revised framework.

First, while state rescaling in China appears similarly as a response to crisis tendencies of preceding regimes, socioeconomic regulation after 1949 was not predicated on a Fordist mode of production and its corresponding territorial strategy, “spatial Keynesianism”. At first glance, it is possible to argue that the predominance of national regulation in Fordist economies overlapped that of Maoist ‘new China’. In tandem with the Fordist-Keynesian regulatory approach was a rolling series of economically nationalistic projects based on rural industrialization (Bramall, 2007; Day, 2015; Walder, 2015).
vision was first actualized through the land redistribution to poor peasants between 1950 and 1952, and was further intensified through the reconfiguration of national state space into People’s Communes (renmin gongshe) and industrial work units (gongye danwei). As neoliberalism set in motion the new international division of labour in the late 1970s, new projects of capital accumulation were launched in targeted cities in China (just as they were in western Europe). The urban bias of this developmental process across China took definitive form by the mid-1990s and, like the situation in western Europe and (to a lesser extent) North America, has been regularly reinforced since (Shen, 2007; Wei, 2013; Wu, 2017).

Yet the empirical presupposition of spatial homogeneity in the Fordist heartlands before the launch of urban-oriented state rescaling appears too generic, as was the presupposition of socio-spatial egalitarianism in Mao-era regulatory logics prior to Deng Xiaoping’s introduction of market-like rule in 1978. Spatial Keynesianism was constituted in practice by historically-specific and geographically-uneven conditions such as post-colonial populist politics and centralized state bureaucracy in Ireland (Breathnach, 2010); actually-existing urban bias in a Canadian economy based significantly on natural resource extraction and staples exports (Ley and Hutton, 1987; Hayter and Barnes, 1990, 2001); or, as Cox (2009: 116) demonstrates, it was “at best a very, very stunted creature” in the USA. The economic phenomena demarcating a definite change to post-Fordism is further complicated by research demonstrating the reconfiguration rather than the total disintegration of Keynesian spatial strategies (Davoudi, 2009; Olesen and Richardson, 2012; Tomlinson, 2012). Herein lies an important question for framing Chinese state rescaling: was the predominance of national-level egalitarianism under Mao more of an aspiration rather than an actual fact?

Empirical evidence has shown how the supposed socioeconomic egalitarianism of the Mao era was paradoxically driven by institutionalized uneven development (cf. Donnithorne, 1972; Whyte, 2005; Dunford and Li, 2010). Directly contrasting the equalization objective of spatial Keynesianism, the Mao administration instituted economically
nationalistic projects on the basis of the urban-rural dual structure, decentralized regulation in the rural People’s Communes; and centrally-planned industrial production in urban areas (Day, 2015; Walder, 2015; Lim, 2017). Socioeconomic disparities were consequently entrenched in situ. More importantly, the post-Mao policies to urbanize means of production – including labor power previously delimited to atomized rural communes – do not imply a new preference for urban-scale regulation; the Mao administration always privileged the urban, with 18% of Chinese citizens enjoying enhanced social benefits in Chinese cities (Whyte, 1996; Zhang, 1997; Bray, 2005). As Ma (2005: 483) observes: “Despite Mao’s personal anti-urbanism during the Cultural Revolution (1966–1976), the urban scale has always been the preferred scale on the part of officials.” What happened in post-Mao China, then, was more accurately a qualitative shift in central-local regulatory relations: while municipal governments enjoyed greater decision-making autonomy in resource allocation and engagement with transnational circulatory capital, a one-track, historically sequential devolution of regulatory power from the national to the city-region did not take place.

Second, the retention of a unitary and hierarchical state structure in China suggests urban-oriented rescaling is not an historical inevitability. Here, Brenner’s (2004: 16) claim of a new and universal historical moment is open to debate: “it is no longer capital that is to be molded into the (territorially integrated) geography of state space, but state space that is to be molded into the (territorially differentiated) geography of capital”. Specifically, it remains unclear what policy alternatives were available as policymakers in Fordist heartlands decided to concentrate means of production in city-regions during and after the late 1970s. More empirical clarity is also needed on whether the major city-regions chose to implement the new urban locational policies, or whether there were specific socio-ideological objectives behind what appeared to an inevitable evolution towards city-regionalism.

In the Chinese context, the central government’s preference for territorially-targeted policy experimentation clearly demonstrates its ability to “mold” the practices of transnational capital. Furthermore, while it is possible to discern a clear urban bias in industrialization, particularly since the 1990s, this bias continues to be constituted by differentiated pricing
controls on rural production, the enforced reconfiguration of rural land-use, and the unwillingness of city governments to offer social benefits to migrant rural workers (Kanbur and Zhang, 1999; Bramall, 2007; Webber, 2012). For this reason, the conceptualization of state rescaling in China needs to consider how the urban bias in domestic resource allocation and engagement with transnational circulatory capital is neither a stand-alone nor a permanent process. Rather, the orientation towards one scale of accumulation (the city-region) cannot be independent of rural (primitive) accumulation and social transformation. This further suggests it would be premature to frame the contextually-specific emergence of Chinese city-regions as the new state spaces of/for capital accumulation (more shortly).

The third reason for reconfiguring the state rescaling framework is to highlight the role of politicization. Research has demonstrated how the reconfiguration of state space is a contested process with no predetermined cause or outcome. As Harrison (2012) shows, city-regionalism in England became a political strategy mobilized by actors in response to the-then Labour government’s ambivalence towards devolution. Bayırbağ’s (2013: 1142) work on Turkey similarly reveals rescaling as an effect of the interaction of “rival hegemonic projects”:

State rescaling is not the product of a structural tension between central government policies and inevitable local responses. It is a conflict-ridden process where rival hegemonic projects clash as they strive to (re)define the meaning of ‘nationhood’ and ‘national interest’, which determine the (future) spatiality of exclusion from/inclusion into national public policies.

Bayırbağ’s (2013) emphasis on “structural tension” is particularly pertinent in the Chinese context, both during and after the Mao era. The Mao administration’s quest to base “China’s tomorrow” on the Soviet Union regulatory blueprint was characterized by high profile intra-party conflicts, as exemplified by the sudden sacking of two senior revolutionary cadres, Gao Gang and Rao Shushi, in the mid-1950s; the public humiliation of reform-minded cadres like Liu Shaoqi, Deng Xiaoping, Xi Zhongxun and Bo Yibo during the Cultural Revolution (1966-1976); and the political intrigue surrounding the sudden demise of Mao’s appointed successor, Lin Biao, in the early 1970s.

Yet, in a development unthinkable just a few years before, even Mao Zedong’s
regulatory approach mutated drastically from relatively localized experiments modelled after Soviet communes to more direct engagements in the 1970s with what the Chinese propagandistic machine termed ‘American imperialism and its lackeys’ (mei diguozhuyi jiqizougou). Particularly telling was the involvement of Chinese banks coordinating trade and raising capital in Hong Kong since the mid-1960s, ironically enabled by the circulation of Hong Kong dollars – a product and legacy of imperialism – throughout the Mao era (Schenk, 2002, 2007). It appears the Mao administration had long adopted the ‘yellow cat, black cat’ pragmatism so popularly associated with Deng Xiaoping’s market-oriented reforms in 1978 – any spatial strategy is a good strategy so long as it ensures regime stability.

Post-Mao attempts to institute a ‘socialist market economy’ were likewise unstable. In the late 1970s and early 1980s, Deng Xiaoping had to address opposition from conservative cadres like Hua Guofeng, Chen Yun and Yao Yilin, before negotiating divergences with reform-minded members of his administration like Hu Yaobang, Zhao Ziyang and Hu Qili. Perhaps the most prominent exemplars of marked intra-party differences in recent times were the public purges of Liu Zhijun, the former railway minister who ran the sprawling transport bureaucracy as a fiefdom, in 2011, and Bo Xilai, the Party Secretary of the Chongqing city-region who was associated with a series of law-bending ‘socialistic’ reforms, in 2012. Associated with each round of conflict were myriad socioeconomic institutions and political actors in different localities, each with their own agendas, interests and visions (ref. Wedeman, 2003; Shih, 2008; Ngo et al, 2017). In this respect, state rescaling in China exemplifies a recurrent, tension-filled and inter-scalar process that feeds back into what post-1978 CPC regimes regularly terms the “national strategy” of development (the pre-1978 term was the ‘general line’, a Soviet-inspired term that has not been officially repudiated).

Connected to this on-going attempt to actualize the ‘national strategy’ is the fourth reason why a geographical-historical contextualization of state rescaling processes in post-Mao China is necessary: political restructuring is entwined with place-specific policy experimentation (see, e.g. Rawski, 1995; Zhu, 2007; de Jong, 2013; more in section 3.1.1). Defined as the institution of reforms that could potentially alter the entire national regulatory
structure in selected locations, this gradualist approach has been regularly termed ‘feeling for stones while crossing the river’ (mozhe shitou guohe) by CPC leaders since it was first introduced by Chen Yun, a senior economic advisor to Mao, in April 1950. It simultaneously encompasses urban and rural domains and differs from the marketizing ‘shock therapy’ within the former Soviet ‘socialist’ bloc (for an elaborate overview, see Lim, 2017). Launching market-oriented reforms a decade before the Soviet(-linked) economies, the CPC was cognizant that changes were needed to actualize transformative socioeconomic reforms, but was uncertain on what directions to take without undermining its fundamental Marxist-Leninist principles. The end-goal of reforms, as Deng Xiaoping explained in 1978, was (and seemingly remains) the modification of national-level institutions through place-specific experimentation. No predetermined playbook guided this process:

Before a unified national agenda is developed, new methods can be launched from smaller parts, from one locality, from one occupation, before gradually expanding them. The central government must allow and encourage these experiments. All sorts of contradictions will emerge during experimentation, we must discover and overcome these contradictions in time. (Deng, 1994: 150; author’s translation)

Underpinned by a growing number of institutionally-distinct experimental territories, Deng’s tenure in the 1980s and early 1990s was qualitatively distinct from those instituted during the Mao era. While it was superficially similar to decentralized governance in the communes, this experimental approach was reconfigured on the basis of market logics and encouraged greater spontaneity. Rawski (1995: 1152) puts this shift in clear perspective:

China's reforms typically involve what might be termed “enabling measures” rather than compulsory changes. Instead of eliminating price controls, reform gradually raised the share of sales transacted at market prices. Instead of privatization, there was a growing range of firms issuing shares. Production planning does not vanish, but its span of control gradually shrinks. This open-ended approach invites decentralized reactions that the Centre can neither anticipate nor control.

Vis-à-vis the most recent wave of policy experimentation in “nationally strategic new areas”, this “open-ended” approach continues to define the contemporary spatial logics of socioeconomic regulation in China. Much has changed in post-Mao China, to be sure, but reforms in China remain, in Zhu’s (2007) observation, “without a theory”. “Crucially”, Peck and Zhang (2013: 380) argue, this approach “has meant that endogenous state capacities
and centralized party control have been maintained through China’s developmental transformation.” What these recent studies collectively suggest is that post-Mao experimental reforms and state rescaling do not lead to absolute autonomy for subnational governments. Rather, the lack of a “unified national agenda” vis-à-vis increasingly differentiated subnational demands to engage with transnational circulatory capital has generated new impetuses for national-level regulatory adjustments. The challenge, then, is to develop an analytical framework that can incorporate this dynamism.

Framing state rescaling, policy experimentation and institutional path-dependency in China: a dynamic analytical framework

As the foregoing section indicates, it would be problematic to describe or interpret the shifting institutional foundations of state regulation and socioeconomic development in China through a framework derived from western developmental experiences. This section will integrate the primary insight from western-based research – state rescaling as a strategic response to national-level regulatory failure – with two major aspects of Chinese political evolution: policy experimentation and institutional path-dependency. This integration is expressed diagrammatically in Figure 1. Specifically, the paper portrays national-level governance, which occupies a central position, as constituted by interactive tensions between four broad forces. These are namely (a) transnational circulatory capital searching for new locations off/for accumulation (ref. discussion of ‘permanences’ in section 2); (b) subnational developmental agendas geared towards the political-economic goals of individual political actors; and (c) the quest by these actors to institute place-specific policy experimentation in the name of the ‘national interest’; and (d) the operational and ideological effects of inherited institutions.

Before exploring the dynamics and implications of these interactions, it would be helpful to introduce the following caveat: these four forces do not collectively comprise the sole origin and/or outcome of state rescaling in China. To be sure, there are different factors driving state rescaling and the framework presented is necessarily partial. This said, these
four forces were identified and integrated in the revised framework because they are major aspects of post-Mao politico-economic evolution. Unlike other East Asian ‘developmental states’, the CPC proactively engaged transnational capital to drive economic growth. Simultaneously, however, its retention of many Mao-era regulatory policies vis-a-vis the intensifying crisis tendencies within the global economy explains its tentative approach to private-driven marketization (see Horesh and Lim, 2016). It is within this multi-dimensional context that this framework is developed; it is of this same context that this framework seeks a deeper and fuller understanding.

**Figure 1**

*The experimental engagement with transnational circulatory capital*

Policy experimentation in growth-oriented projects is arguably the fundamental characteristic of national-level regulation in contemporary China. The content of experimental policies is not allocated in a top-down fashion; it is an outcome of negotiations between subnationally-positioned actors (e.g. provincial secretary, municipal mayors) and central policymakers (both within the Politburo and the State Council). In this regard, policy experimentation becomes integral to state rescaling within China’s unitary and hierarchical political structure: some subnational actors compete with others for new regulatory powers in exchange for aligning endogenous plans with nationally-defined objectives (cf. Shirk, 1993; Göbel, 2011; Ahlers and Schubert, 2015). To retain control, the central government has been allowing potentially path-changing experimental policies to be launched on a ‘move first, experiment first’ (*xianxing, xianshi*) basis. While former experimental policies have been extended nationwide if they prove successful, they are increasingly retained *in situ* because of the need for geographically-differentiated engagements with transnational capital (Heilmann and Perry, 2011; Florini *et al*, 2012; Lim, 2014). This *competitive alignment* to the previously-mentioned “national strategy” is perhaps best summarized by the observations of Lu Dadao, a renowned economic geographer who is regularly consulted by state policymakers, and Zhou Xiaochuan, the governor of the People’s Bank of China:
What is the national strategy? It refers to the guiding capacity of the development of one region within the broad national domain, including a huge supportive impact. Currently, at the demands of different regions, the problem is the designation of regions as nationally strategic when they should not be... The current problem is some regions emulate one another to develop plans. Through communication and other manoeuvres, they hope the National Development and Reform Commission will organize and draw up these plans and forward them for approval by the State Council. Some of these have been approved, others are still lobbying the central government to organize and include their plans within the national strategy. (Lu, interview with Liaowang, 17 June 2010; author’s translation)

The enthusiasm for reforms is very high at the local and grassroots levels, many provincial and urban governments and some organizations are earnestly requesting experimental grounds for reforms. Amongst the reasons is a common recognition that only through reforms would the consolidation of local economic development be possible, that it would be possible to push through various endogenous innovations and sustain local social stability. This point differs from some eastern European countries, in these countries a particular term known as ‘reform fatigue syndrome’ (gaige pilao zheng) has emerged, people are no longer motivated by or confident about reforms. In China, however, there is a lot of enthusiasm for reforms in all kinds of domains, proposals come incessantly from the grassroots level, in the hope that higher-level governments would allow them to launch experimental reforms. (Zhou, 2012: n.p.; author’s translation)

Box 1

As Box 1 elaborates, subnational actors have immense incentives to lobby for and implement “nationally strategic” policies. These policymakers are construed as individuals with self-defined agendas rather than as homogeneous agents of/representing the CPC. This said, the primary research question is not simply why these actors choose to promote their own agendas, but also why the central government is pursuing national-level change through some of these agendas. Answers could be found through examining two interrelated dimensions of policy experimentation, namely a) the politics (particularly the discursive justifications and counter-arguments) that led to the central government’s eventual decision to launch (or negate) experimental policies in specific locations (ref. Li and Wu, 2012; Zeng, 2015), and b) the interaction between the experimental policies with national-level institutions inherited from the Mao era (ref. Heilmann and Perry, 2011; Lim, 2017). As discussed in section 2, state rescaling occurs in response to regulatory failures. An emphasis on policy experimentation – now increasingly targeted at city-regions – as a symptom of potential regulatory failure offers new insights into aspects of the inherited institutions that subnational and central policymakers deem to have either failed or are
almost obsolete. Through identifying these targeted aspects of change, research on state rescaling could foreground the constitutive – if not also constraining – effects of inherited institutions on national-level structural coherence (ref. section 1).

For this reason, this paper does not presuppose experimental changes to subnational pathways as antithetical to national-level institutional continuity. Some changes, such as the attempts by local cadres to institute “nationally strategic” reforms in domains such as landownership and hukou in re-designated urban “new areas”, have been accepted insofar as they persuaded the Chinese central government of the potential to fortify national-level control (ref. Box 1). Other changes, such as the locally-driven initiatives in the late 1970s to institute household agricultural production (baochandaohu) and enable private trade, have been considered relevant because they triggered structural disruptions that consequently engendered new, if necessarily rudimentary, regulatory structures and accumulation regimes. The “relevance” of any national-level institutional change, expressed through subnational policy experimentation, is to be assessed in relation to the “coherence” of the prevailing regulatory structure, expressed through the ability of the Chinese central government to dictate and embed the flows and allocations of finance, production and labor power across the national scale. This emphasis on “relevant changes” through policy experimentation does not presuppose the corresponding disruption of established regulatory paths – there is every possibility that change could be a precondition of continuity.

Cross-scalar path-dependency: enabling or encumbering state rescaling?
Against the rolling series of territorially selective experimentation, an important challenge for research on Chinese state rescaling is to ascertain how these policies interact with other institutions not only across space but also through time. To follow Jessop et al (2008: 392), “sociospatial theory is most powerful when it (a) refers to historically specific geographies of social relations; and (b) explores contextual and historical variation in the structural coupling, strategic coordination, and forms of interconnection among the different dimensions of the latter”. Emphases are given to the notions of “historically specific
geographies” and “contextual and historical variation” in the new framework because research increasingly present contemporary reforms in China as situated within inherited developmental pathways. Reviewing the connections between regional development and economic globalization, Wei (2007: 25) notes how “China’s reform is a gradual, experiential, and path-dependent process, and its multiplicity of space-times and geographical heterogeneity are underinvestigated”. At the intra-urban level, Wu (2009: 886) observes how socioeconomic inequalities “show a strong path-dependence feature”. This corresponds with Lin’s (2007: 10, emphases-in-original) broader survey of post-Mao Chinese urbanism:

If state–society relations have a particularly important role to play in Chinese urbanism, which in turn occupies a special position in the state scaling strategy that deals with the Chinese society, then the processes underlying Chinese urbanism would remain culturally specific and path-dependent despite the observation that certain forms of Western urbanism are replicating themselves in contemporary China under globalization.

Path dependency has evolved into an increasingly unclear concept, however, and there is no systematic conceptual attempt in urban and regional studies to assess its relationship with socioeconomic reforms in China. To begin, it would be useful to define its parameters and connection with place-specific policy experimentation (ref. Figure 1). Arguably the most common definition of path dependence is the dependence of current and future actions/decisions on the outcomes of previous actions or decisions. As Page (2006: 89) puts it, path dependence “requires a build-up of behavioral routines, social connections, or cognitive structures around an institution.” Path formation is commonly construed as an accidental outcome; a chance event. Central to this process is the eventual formation of institutional “lock in”, whereby a practice or policy becomes effective or feasible because a large number of people have adopted or become used to this practice or policy. Any drastic alterations to the path, even in the face of inherently superior alternatives, would thus encounter resistance from groups of ‘locked in’ actors whose interests would be compromised by the proposed changes.

How state rescaling and policy experimentation interact with inherited developmental pathways offers a unique prism to ascertain the impact of regulatory reconfiguration on
national-level coherence. At one level, path dependency is an attractive concept to explain how attempts to “move first, experiment first”, driven through the rescaling agendas of political actors based at different subnational scales, interact with established institutions at different levels. In exchange for retaining some Mao-era institutions, domestic economic actors gained more ‘freedom’ to accumulate capital, consequently deepening their dependence on these institutions in spite of their limitations. The contemporary “nationally strategic” reforms are situated within this path-dependent context.

At another level, however, the conceptual application of ‘path dependency’ has to be mindful of some of its biggest problems. One major problem is the lack of emphasis on the “build up”, in Page’s (2006) parlance, to the formation of path-setting institutions. Developing this point, Peters et al (2005) argue that there exists a tendency in research on institutional path-dependence to accord history a logical trajectory, or “retrospective rationality”, such that available alternatives and political conflicts that occurred alongside more ‘visible’ historical processes are neglected. It is important, argue Peter et al (2005: 1282), to be cognizant “that prediction of persistence does not help at all in understanding institutional change.”

The notion of a “logical trajectory” is further complicated by geographical variegations in developmental pathways. As Martin and Sunley (2006) and Martin (2010) have shown, the developmental paths of subnational regions are neither unique nor delimited to those regions. And as Peck (2002: 340) observes, “the present scalar location of a given regulatory process is neither natural nor inevitable, but instead reflects an outcome of past political conflicts and compromises”. In this regard, the existence of a scale of socioeconomic regulation such as ‘the city’, ‘the province’ or ‘the national’ cannot be assessed narrowly from the contemporary vantage point; a robust historicization of cross-scalar relations is necessary (ref. discussion in section 2).

These insights collectively foreground two interrelated blind spots in the historical institutionalist literature on path-dependency: the politics that produced a specific ‘path’ is often unclear, as is the connection between institutional reforms at the subnational or supranational scales and national-level structural coherence. The possibility of institutional
continuity-in-change through state rescaling suggests rescaling is not a linear historical process that is exclusively derived from market-oriented reforms instituted in and after 1978 (ref. section 2). Rather, the post-Mao party-state has been working at various levels – albeit on a tentative basis – to drive development through reconfiguring Mao-era policies. Generated by and expressed through policy experimentation in targeted territories (e.g. marketizing land use through ‘land tickets’ or dipiao in Chongqing and financial innovation in the Pearl River Delta city-region), the reconfiguration process illustrates the relevance of inherited policies (path dependency) but also develops fresh regulatory capacities (path-generation).

3.2 A new research agenda

Building on the foregoing emphasis on institutional continuity-and-change, this paper presents a new research agenda that aims to make two advances. First, it moves beyond the relatively static periodization that underpins state rescaling research by focusing on tensions between continuity (retention of inherited policies) and change (policy experimentation). In so doing, the aim is not to establish the existence of historical periods distinguished by specific regulatory scales (e.g. a Mao-era defined by national-level regulation); it is, rather, to establish the historical significance of contemporary change as pursued through state rescaling (e.g. hukou reforms in Chongqing). Second, it engages explicitly with the connections between scalar configuration and national-level coherence. State rescaling may have led to the privileging of specific subnational scales (particularly the city-region), but this is arguably a means to attain a broader objective – the sustained stability of the national structure. The agenda is underpinned by four interrelated questions:

a) If actors positioned at multiple scales proactively clamor for place-specific policy experimentation after 1978, does it mean only centrally-driven regulation was previously predominant under the Mao Zedong regime (1949-1976)?

b) Could pre-1978 China be periodized as a structurally coherent, nationally-oriented
and centrally-driven developmental approach such as ‘spatial Keynesianism’?

c) What regulatory crises triggered successive waves of state rescaling in China? What aspects of regulatory failure have central policymakers been responding to as they accept proposals to ‘scale up’ or ‘scale down’ socioeconomic regulation?

d) What does the success and/or failure of policy experimentation in the rescaled territories reveal about national-level institutional continuity and change?

This agenda is expected to produce an interconnected, two-part narrative that deepens the contextualization of Chinese state rescaling. Analyses of contemporary cases of state rescaling and policy experimentation comprise the first part, and the second provides geographical-historical re-evaluations of institutional legacies. Its primary challenge is to craft and implement a research design that could dynamically connect the two parts so that the present could offer distinct avenues to analyse past spatial configurations of regulatory relations in China, and the resultant geographical-historical analysis could re-inform theorizations of the experimental present. In so doing, this dynamic framework avoids periodizing the post-Mao ‘transitional’ present as something like the opposite to the Maoist past. By extension, it would not construe institutions inherited from the Mao era as statically constraining marketization in the first instance.

The two-part research process is mutually constitutive. The first part of the research process begins with the observation and documentation of experimental policies introduced in selected city-regions (questions (a) and (b)). Here, specific questions are raised regarding the content and applicability of the new policies. As mentioned in section 3.1.1, this is set within an actor-focused analysis that evaluates the specific agendas and discourses of the primary proponents of these reforms. To facilitate a clearer comparison, research must also be conducted on the preceding policies and their accompanying discourses, which leads to the second part of the research. This segment aims to evaluate and reconstruct existing geographical-historical narratives that illustrate how inherited institutions enabled, guided, channelled and constrained policy experimentation across post-Mao China (questions (c) and (d). Each targeted territory of/for policy experimentation contains its own set of spatio-
temporal relations with actors and institutions, and it is through aggregating these relations that researchers could ascertain whether reforms are truly transformative. The overarching focus of this engagement goes beyond delineating the implications of current reforms; it also aims to trace and re-assess related policies implemented as far back as the Mao era.

Through this multi-layered, mutually-reinforcing attempt to theorize the past from the lens of the present, and to conceptualize the present through ascertaining the impacts of policies inherited from past regimes, the proposed framework problematizes simple ‘transition’ models that portray a unidirectional, epochal change in the post-1978 Chinese political economy, a change characterized by decentralized governance and intensified economic-geographical inequality (cf. Lim, 2017). It emphasizes, instead, a more deeply sedimented pattern of development that is marked simultaneously by significant (and enduring) forms of uneven socioeconomic development and experimental (and capricious) attempts to transcend them.

Conclusion
State spatial reconfiguration is a central feature of socioeconomic reforms in post-Mao China. This process is unfolding against a dynamic context of economic globalization, the corresponding rise of neoliberalism after the 1970s, and the CPC’s insistence on retaining a strong state role in economic development. While a growing scholarship has defined this restructuring as a ‘scaling down’ from national-level central planning to urban entrepreneurialism, what remains unclear is its connection to research showing the CPC to be more robust, resilient and flexible (ref. Nathan, 2003; Zeng, 2016). By extension, how state rescaling reproduces – if not also reinforces – the national scale as a regulatory platform has not been explicitly addressed. This paper is an attempt to foreground and address this conceptual gap.

Working from a critical review of conceptual and empirical work on state rescaling, the paper highlighted four main reasons why a recalibration of the original, western-focused
framework is necessary. First, the geographical-historical conditions that generated state rescaling across China differed fundamentally from those associated with the crisis of Fordist-Keynesianism. Second, socioeconomic reforms do not inevitably privilege the city-region as the primary regulatory scale. This ties in with the third reason: the politicization of state rescaling involving specific interest groups has been relatively overlooked. Last, but not least, the Chinese party-state continues to prize major institutional foundations established during the Mao era, which explains its preference for territorially-contained policy experimentation rather than ‘big bang’, national-level reforms. These reasons collectively underpinned the development of a new framework and research agenda that illustrates the co-constitutive relationship between successive rounds of policy experimentation and institutional renewal since the CPC took political power in 1949.

At one level, the framework offers a platform to examine the connections between institutionally-distinct locations that are jointly pursuing “nationally strategic” reforms (e.g. the Guangdong Free Trade Zone vis-à-vis the Shanghai Free Trade Zone). As Brenner (2009: 42-43) puts it, the “institutional and spatial coherence” of a scale “can be grasped only with reference to their distinctive roles and positions within interscalar hierarchies.” Ascertaining the relations of place would thereby entail tracing the constitutive extra-local processes of an apparently localized phenomenon (e.g. how the launch of cross-border flows of the Chinese currency – the renminbi (RMB) – between Shenzhen and the Special Administrative Regions (SAR) of Hong Kong and Macau as a three-way process involving the central, provincial, and the SAR governments).

At another level, the framework facilitates a robust historical engagement that goes beyond periodizing an entire political economy. Through tracing the historical significance of experimental policies in individual locations, the framework avoids treating political economies as internally homogeneous within a temporal period. Rather, the path-dependency of specific rescaling processes will be called in question. Cognizant of the contributions and constraints of the path-dependency paradigm, the paper construes state rescaling as simultaneously a reaction to inherited institutions and an attempt to transform
these institutions. In so doing, it circumvents the pre- and post-Mao temporal dichotomy and leaves open-ended the interpretations of policy experimentation in selected city-regions. Specifically, contemporary rescaling processes become empirical *platforms* for historical re-evaluation. To re-borrow Jessop’s (2001) terms, if the Mao-era regulatory structure remains characterized by ‘coherence’ (and this ‘structure’ includes the spatial configuration of socioeconomic activities), the post-1978 changes triggered by Deng and his successors would be relevant insofar as they ensured and extended the stability of this “structure”. The implication of this “relevance” is clear: ‘liberalization’ reforms, expressed through increasingly differentiated experimentation in targeted territories, have thus far been a function of a ‘transition’ towards an as-yet-determined end-state. A major challenge for urban and regional research, then, is to ascertain the extent to which these reforms, each increasingly taking on distinct city-regional forms, are truly disruptive of the existing structure, or whether change has become a means to reinforce national objectives already concretized in the heady days of the ‘socialist high tide’.

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Figure 1. An integrated analytical framework on state rescaling in China
"Move first, experiment first": the new imperial sword?

In imperial China, anyone bestowed the ‘imperial sword’ (shangfang baojian) would be a representative of imperial power and, concomitantly, possessed the authority to ‘act first and answer afterwards’ (xianzhan houzou). In contemporary China, the institution to ‘move first, experiment first’ (xianxing, xianshi) with so-called ‘nationally strategic’ policies has arguably become a new version of this ‘imperial sword’ – it is the object of much lobbying from provincial and municipal governments.

There are two reasons why this new institution is strongly coveted. First, the ability to launch innovative policies that move beyond from the standard parameters designated (ironically) by the central government allows immediate economic-geographical repositioning in relation to the global economy. Second, there is sufficient leeway for ‘getting things wrong’ [i.e. infringements that are inimical to national structural coherence]. In other words, a government that can ‘move first, experiment first’ also has the ‘power to be wrong’ (shicuoquan). This power – which technically is an experimental outcome rather than conferred a priori as a legal right – has triggered widespread debates on whether it is antithetical to the rule of law. Unsurprisingly, the ‘power to be wrong’ is taken to be representative of a form of ‘special power’ (tequan). Just like the power conferred on the ‘imperial sword’, the power to ‘move first, experiment first’ is taken as a directive to ‘act first and answer afterwards’.

It is increasingly apparent that intention of the ‘move first, experiment first’ institution is to mediate the tensions associated with inherently unpredictable place-specific reforms and national-scale structural stability. In some ways this institution is integral to what Heilmann and Perry (2011) terms ‘adaptive governance’, namely the guerilla-like tendency for the CPC to break new regulatory ground spontaneously in different places before deciding whether to extend the new regulations nationwide. The gist of ‘adaptive governance’ is an underlying desire on the part of the CPC to transcend its existing governance structure without knowing exactly where this transcendence will lead. On the other, and this overlaps the key argument of this dissertation, the ‘move first, experiment first’ institution is integral to a process known as ‘decentralization as centralization’. Through devolving the power to institute new policies to selected local governments, the central government enhances its leverage over uneven economic-geographical development. It first sets the targeted areas for policy reforms, and has to approve or veto the suggestions before they are implemented. Through this leverage, the Chinese state apparatus could determine the extent to which its inherited institutions could be reformed without undermining the Four Cardinal Principles within the Chinese Constitution. And it is in this sense that the ‘move first, experiment first’ institution most resembles the ‘imperial sword’ – whatever happens on its travels, it remains in the first instance a function of the powers-that-be in Beijing.

Box 1. Policy experimentation and central power preservation in post-Mao China