

Understanding city-regionalism in China: Regional cooperation in the Yangtze River Delta

Abstract

China has witnessed the orchestration of city-regionalism and two different regional-scale mechanisms have influenced this integration and cooperation: the top-down state-mandated process and the bottom-up process initiated by local governments. However, this has not been a smooth process and it is shaped by the internal politics generated by China's state configurations. Using the Yangtze River Delta as a case study, this paper argues that China's territorial administrative divisions are a historical configuration that is essential to understand the efforts to construct city-regions as well as to understand the failure to create a new subnational state space.

Keywords: city-regionalism, political construct, context-specific, territorial administrative divisions, China

摘要：近十余年来，中国在都市区和城市群尺度上出现了若干区域治理的政策尝试。这一政策动向主要表现为两种驱动机制：一种是自上而下、由上级政府推动的区域规划；一种是自下而上、由地方政府自发探索的区域合作。但是，由于受到了政治体制的制约，区域治理的发展并不顺利。以长三角地区为例，本文认为中国的行政区划制度及其背后的政府管理机制，是理解中国兴起区域治理的重要因素，也是当前建立新区域治理的关键。

Introduction

The development of global city-regions and its implications for regional governance have attracted wide attention from scholars in the fields of geography, planning, and political science. In addition to the driving forces of economic agglomeration and accumulation (Scott, 2001), increasing emphasis has been placed on investigating the constitutive role of local-specific policies and politics in shaping the configuration of city-regions (Herrschel & Newman, 2002; Jonas & Ward, 2007; Vogel et al., 2010). Current literature has highlighted diverse approaches and processes in the political construction of city-regionalism in different national contexts (Herrschel, 2014; Harrison & Hoyler, 2015). The empirical work is reflective of the argument that building city-regional governance is rooted in distinct historical-geographical contexts and political-Institutional structures (Brenner, 2004; Jonas, 2013) rather than attributing it solely to economic factors. While recent city-regional research takes a context-sensitive perspective, many of these studies remain concentrated on North American and European examples. In attending to this lacuna, this paper explores the mechanisms and processes of emerging city-regionalism in contemporary China with an in-depth case study of the Yangtze River Delta (YRD). In doing so, this research echoes wider debates on taking the experiences of the global South more seriously in order to contribute to Western-dominated urban and regional theory (Roy, 2009; Parnell & Robinson, 2012; WU, 2016).

In recent years, there has been a significant increase in literature documenting the rise of city-regions in China, with the YRD being an important example (Chen, 2007b; Zhao & Zhang, 2007). Most studies adopt economic-based geographical approaches

and focus on foreign direct investment (FDI) and the global production network (GPN) as factors that have created regional economic engines since the 1978 reform and China's 'opening-up' (Wei, 2007). Against this backdrop, an interest has developed in the governance perspective of city-regions, addressing the challenges confronted by cities and states in adapting their administrative territories so that they are compatible with emerging functional economies (Xu & Yeh, 2011). The on-the-ground process of how this city-regional scale of governance evolves from and combines with extant state territorial administrative divisions is comparatively under-discussed. Quite different from the Western liberal-democratic state, China's political-economic system is highly supervised by authorities from administrative divisions with a hierarchical structure (Chung, 2015). The Chinese Communist Party (CCP) and central government maintain unconditional authority and legitimacy in social and economic management (Xu & Wang, 2012) and the economy is administered under persistent state intervention (Ma, 2009), which is a far cry from the orthodox theory of neoliberalism that suggests a retreat of the state to make room for the market (Wu, 2010). Detailed empirical research into China's emerging city-regionalism may therefore enrich the current literature with a variegated mode of organising trans-jurisdictional activities at the city-regional level.

This paper examines two regional cooperation initiatives in the YRD and reveals the political process associated with each initiative. Compared with an increasing number of monographs and articles documenting regional planning and the governance framework in the Pearl River Delta (PRD) (Yang, 2005; Yeh & Xu, 2008, 2011; Yang & Li, 2013; Li et al., 2014; Ye, 2014), the YRD's experiences are rather under-researched. What makes the YRD worth further investigation is that unlike the PRD,

which is located within Guangdong province, the YRD is a trans-provincial mega city-region with a history of region-building experiments. This study is based on four years of empirical research on the changing regional governance of the YRD conducted by one of the present authors from 2007 through 2011 as part of her PhD study. Follow-up fieldwork was conducted in the following years to maintain pace with the progress of regional programmes. Empirical research was conducted using an interview methodology. Interviewees were selected carefully on the basis of their role and expertise in regional practices. In total, more than fifty in-depth interviews (up to 1.5 hours each) were completed. Interviews were held with key informants on national and local levels. The purpose of these interviews was to understand the ongoing process of regional integration and cooperation and to explore the struggles and tensions surrounding the development of city-regionalism. At the national level, informants were drawn from the senior staff of the Ministry of Housing and Urban-Rural Development (MOHURD) and the National Development and Reform Commission (NDRC) – the major governmental departments in charge of regional policies and planning in China – and from other directly affiliated (or associated) institutes based in Beijing as well as their branches in the YRD. Local-level interviews were conducted with local officials from Shanghai and Jiangsu within the YRD, in addition to local planners and academics. The selection of respondents combined the use of purposive and snow-ball sampling methods to maximize the range of perspectives within the given time and capacity constraints.

The remainder of the paper is organized as follows. The paper begins with an overview of emerging city-regionalism in the UK and US to underscore the need for a context-specific perspective in exploring the construction of city-regions. After a brief

review of the administrative system that has been in operation since the economic reform, the paper then turns to a discussion of the distinctive national context from which Chinese region-building is developed. The case study section that follows presents a detailed study of the current region-building activities in the YRD, focusing on divergent practices of city-regionalism and the barriers to integration. The final section concludes the paper with a discussion of our findings, their implications, and suggests areas for future studies.

City-regionalism in the UK and US

The city-region is considered to be a new state spatiality in the post-Keynesian era, emerging as a result of rescaled, urban-regional governmental interventions (Brenner, 2004). State rescaling is a powerful paradigm to explain the emergence of city-regionalism in the broad trend of state transformation. However, other studies emphasize the importance of the real existing scale-building process rather than directional rescaling in general (Macleavy & Harrison, 2010). Further investigation of the concrete actors and specific circumstances by which state rescaling takes place becomes crucial to unpacking city-regions as political constructs (Jonas & Ward, 2007). Shaped by the divergent political-economic environments and state-scalar organisations, the dynamism and trajectory of how city-regional governance arises and operates are bound to differ in different national contexts (Herrschel, 2014). In order to highlight the indispensable role of the local-specific context and politics in the city-regional construct, experiences in building subnational regional governance, particularly those of the UK and US, will be discussed. These two specific countries were chosen not only for the extensive existing research on city-regionalism but also

because they make a fascinating comparison. The UK represents a more centralized system whereas the US represents a more decentralized system (Jonas & Ward, 2002).

City-regionalism in the UK is associated with national questions regarding economic imbalance and political devolution (Pike & Tomaney, 2009; Jonas & Moisio, forthcoming). In order to boost endogenous economic growth, attention to functional connectivity and cultural identities is necessary in constructing city-regional boundaries and frameworks (Healey, 2009; Coombes, 2014). Notwithstanding the appeal for devolution and a more democratic process of region-building, the state has retained a high level of centralisation and played a decisive role in defining regional institutions (Morgan, 2007). It is hence argued that the politics behind the construct of a more relational regional space are fundamentally territorial and bound by the existing state-scalar structure (Harrison, 2013). In other words, the development of city-regional networks does not represent a departure from the traditional administrative system. This situation only generates additional hierarchical structures and increasingly complex state configurations (Lord, 2009). Thanks to the legacy of ‘centrally orchestrated regionalism’ (Harrison, 2008), the development of the city-region rests upon ‘a continual process of (political) negotiation with the centre’ (Rees & Lord, 2013, p. 680).

In another group of studies concentrated on the US context, Jonas and others explored region-building from below (Cox & Jonas, 1993; Brenner, 2002). These bottom-up processes are built upon regional partnerships supported by horizontal links and interactions with civil society, social institutions, grassroots organizations, and

businesses (Jonas & Pincetl, 2006). The city-region is often forged on a metropolitan scale, tackling the tensions between the central city and surrounding suburbs in the collective provision of infrastructure and social reproduction (Cox, 2010). Although the state occupies a peripheral position in this bottom-up process, the state-scalar structure, with respect to funding, legal, and administrative conditions, still influences the development of city-regionalism from below (Jonas, 2012). The intervention from above is indispensable to resolve conflicts regarding taxation and other financial schemes in regional coalitions (Jonas et al., 2014).

To summarize, the city-region as a new scale of organising economic and political governance is not solely attributed to the process of economic globalisation and it does not necessarily mean the retreat of the state. Indeed, the formation of city-regions is still shaped by existing political-institutional structures (Mackinnon & Shaw, 2010). How governance is developed and assembled on a city-region scale is a contingent outcome and takes diverse forms based on a place-specific context (Jonas, 2013).

China's territorial administrative divisions and fragmented economy: the under-researched context of region-building in post-reform China

The Chinese state is governed by a territorial administrative system made up of the central government and multiple local states levels. During the socialist period, China operated a centrally-designed economy dominated by vertical administration. In other words, the administrative system was dominantly managed by top-down hierarchical control and the functions of territorial administrative jurisdictions were marginal.

Indeed, horizontal economic linkages among localities were largely denied. Since 1978, profound administrative restructuring has been launched and important administrative powers devolved from the central government to the local states. Consequently, local interests have been crystallized dependent upon territorial administrative divisions, which lead to rivalry and competition. The entrenched political intervention embedded in the Chinese administrative system, which generates tremendous problems for the formation of a functional economic space, is the primary driving force behind region-building in China.

China's territorial administrative divisions and stubborn administrative boundaries

Administrative restructuring in China since 1978 has been extensively and intensively studied in respect to changing central-local relations and urban administrative restructuring by political scientists, fiscal specialists, and scholars of urban studies (Chung, 1995; Tsui & Wang, 2004; Ma, 2005; Cartier, 2015). The post-1978 Chinese state territory is governed through a system of administrative divisions that are currently structured into four levels of local government, namely the provincial level, the prefecture level, the county level and the township and town level, all under the authority of the central state. The fiscal decentralisation reform was followed by an important administrative devolution in economic decision-making (Zhang, 2003). As a result, multiple levels of the local government began to play an important role in economic development (Oi, 1992; Walder, 1995; Unger & Chan, 1999). Rising local autonomy, however, does not necessarily lead to the hollowing out of the state. As a one-party state, the CCP maintains vertical control via cadre management and requires local governments to be accountable to the upper-level governments (Edin,

2003). Ultimately, it is the central government and the CCP that control the power of the achievement-based appointment of officials, including promotions, dismissals and transfers (Huang, 1996). It is under these circumstances that we witness a strong political incentive underpinning local governments' economic governance (Chen, 2016). The 'political tournaments' (Li & Zhou, 2005) have hence generated administrative-territory-based interests. Namely, the administrative jurisdiction constitutes the territory that political leaders use to create fortunes and develop momentous projects for political promotion. This significantly reinforces the local administrative boundary as a result of inter-locality competition led by multiple levels of the local government (Chien & Gordon, 2008), despite a context of economic decentralisation and market-oriented transition.

In short, horizontal linkages are considered to be inherently deficient in the top-down, hierarchical administrative system inherited from the socialist period (Xu & Yeh, 2013). Moreover, administrative decentralisation reforms, in economic and fiscal systems in particular, exacerbate the horizontal economic relations as a result of localisation and territorial competition. The entrenched political intervention embedded in territorial administrative divisions has significantly impacted China's economic and market development. A wide range of literature has depicted the phenomenon as a 'dukedom economy' (Wong & Dai, 1992), 'regionalism' (Zhao & Zhang, 1999), an 'administrative-division-based economy' (Liu, 2001) and so forth. It is suggested that the over-political intervention of administrative jurisdictions in local economic development has fragmented functional economic connections (Chen, 2016). To improve horizontal economic relations among local jurisdictions, continuous state-led efforts in region-building were initiated in post-reform China.

The historic path of region-building in post-reform China and the YRD

In order to facilitate cross-jurisdictional economic connections, which are considered to be divided by invisible walls established by administrative boundaries, various regional economic associations have been established throughout China since the early 1980s (Xu, 2008). The historic development of these regional experiments can be best illustrated by the evolution of the YRD, which has experienced both the rise and fall of regionalisation over the past decades.

The earliest efforts to construct city-regional tiered governance in the post-reform stage can be traced back to the Shanghai Economic Zone designated by the State Council in December 1982. The leading office of the regional organisation, the Shanghai Economic Zone Planning Office, was immediately subordinate to the State Council and directly led by the National Planning Commission (Yangtze River Delta Urban Economic Coordination Office, 2007). Though operated from a top-down command, the regional body was not a level of government with a full set of party and governmental offices. The institutional setting was deliberately created to circumvent forced, top-down cooperation and to encourage spontaneous horizontal collaborations (Chen, 2007a). Notwithstanding these efforts, the political wish to build a regional economy around Shanghai met resistance from some localities. For instance, Nanjing and Hangzhou, the capital cities of Jiangsu and Zhejiang provinces, both intended to compete with Shanghai to be the lead city of the region (Lu & Shi, 2008). In the end, conflicts between the top-down intervention and the emerging decentralisation environment led to the failure of the regional experiment.

After the dismantlement of formal regional agencies, bottom-up region-building was orchestrated. The process, led by local governments, was policy experimentation encouraged and supervised by the central authority (Heilmann, 2008) to find practicable measures to promote inter-jurisdictional collaborations. The Yangtze River Delta Economic Association was first initiated by the Economic and Trade Bureaus of fourteen prefecture-level governments in the YRD in 1992. The institution was managed by a member system and conducted forum-like operations (Luo & Shen, 2009). In other words, no specific organisation was established for the purpose and it remained merely a liaison under the existing governmental framework. The omission of a standing agency means coordination remains fragmented throughout different governments and ministries, which is detrimental to forging a political consensus (Xu & Yeh, 2013). Without a proper institutional framework, the association struggles amid the complex politics between administrative divisions. In a word, the bottom-up regional institution plays only a limited role in shaping collective governance in the YRD, which remains largely a collection of loosely assembled local governments (Wu & Zhang, 2010).

To summarize, the evolving city-regional governance in China and in the YRD in particular illustrate the constitutive role of the local-specific context and territorial politics. Rather than outcomes driven by external economic development, region-making under Chinese circumstances is closely tied with the internal challenges posed by territorial administrative divisions. Administrative fragmentation exacerbated by decentralisation and competition may be the major obstacle to fostering regional markets and cross-jurisdictional mobility. Furthermore, as illustrated by the past

experiences of the YRD, building city-regional governance is not a one-step transformation but an ongoing process that must overcome long-standing territorial politics. Using the present development of city-regional practices in the YRD as a case study, the next section will further investigate the ongoing dynamics and tensions underpinning the construction process.

Current region-building in the YRD

Since the new millennium, China has witnessed a new round of regional projects led by both upper-level governments and localities on a voluntary basis (Wong et al., 2008; Li & Wu, 2012a). Within the YRD, two emerging processes for region-building currently exist. First, as opposed to the top-down command, the central government initiates strategic regional policies and plans to create regions interlocked with cities. The second is a process in which selected local states wish to cooperate through joint infrastructure. In contrast with earlier strategies focusing on individual cities, some new urban development strategies have begun to focus on the regional level (Luo & Shen, 2007; Li & Wu, 2012b). These two aspects are discussed in detail below using pertinent examples.

Top-down embryonic region-building

The YRD Regional Plan occupies a pioneering role in the current wave of creating regional policies. It was commissioned by the NDRC, the most powerful central ministry, during the Eleventh Five-Year Plan period (2006-2010) and was approved by the State Council in May 2010. The Plan represents the first official cross-

boundary governance policy in the region, after the abandonment of the Shanghai Economic Zone in 1988 (Li & Wu, 2013). The aim of this plan is well-illustrated by the following excerpt from an article written by the planning division director of the NDRC's Local Economic Development Department, the office responsible for organising and supervising the plan-making process:

[T]he regional plan [is] to formulate a unified strategy for the region as a whole ... to coordinate industrial distribution and collective provisions which cannot be easily agreed upon among the localities ... and to [alleviate administrative barriers and] promote economic cooperation and integration (Zhou, 2005, pp. 4-5).

In other words, it reflects the central principle for achieving trans-jurisdictional coordinated development based on national and regional interests.

In order to reinforce its top-down role, the YRD Regional Plan was used as an experimental method to control local discretion and competition. This regulatory attempt is illustrated in a discussion by one of our interviewee's on the function of the plan:

The plan tries to consolidate its role through project approval and spatial zoning.... [I]f a locally initiated project is not included in the [project lists of the] regional plan, then it cannot be approved within this five-year period; if proposed projects are not located in the zoning area, they cannot be approved either. For example, although metallurgical plants are not totally

banned in the YRD region, they are spatially restricted in the plan in order to protect the environment and eliminate over-capacity of output. Therefore, metallurgical projects may not be approved if cities located outside the proposed area within the plan apply for them (Interview, Academic A, who was directly involved in the project, 2010).

In this way, the central government wishes to impose its regional vision upon locally-initiated development, especially on large schemes with the potential to significantly impact the local economy and regional environment.

Furthermore and relating to alleviating administrative fragmentation, one chapter in the plan recommends removing administrative barriers and establishing region-wide unified standards for government regulations, as noted by another interviewee:

Socio-economic activities are administered within respective administrative boundaries. This is still the case even after thirty years of economic reform and opening-up [when the localities are much more connected with the development of regional infrastructure such as high-speed rail]. All these administrative separations with regard to *hukou*, education, healthcare, banking, customs and the like have created obstacles for economic regionalisation and integration (Interview, Informant A from a university based in the region, 2010).

In spite of these proposed policy vehicles, implementation of the plan has nonetheless been considered quite challenging. One of the biggest problems is the lack of

enforcement power. No specific organisation has been established to take charge of carrying out the plan and the plan does not provide funding for implementation.

The planning provisions are still too broad to follow. The general principles may leave room to fit in the local state based on local conditions but there may be even more room for manoeuvring. And it is very difficult for the central government to control (Interview, head of a provincial planning institute based in the region, 2010).

To materialise the plan, [the central state] has to fund it with money [for the local governments to build as planned]. With capital flow from elsewhere, other than the state, the localities are empowered to develop at their own discretion. In other words, [local] development is no longer controlled in a top-down manner (Interview, central ministry official, 2010).

In the absence of economic incentives, regulatory changes are highlighted as essential for overcoming territorial politics generated by administrative divisions. To reduce political intervention in the economic sphere, the plan suggests that government functions be reoriented from economic production to social reproduction. A modification of the leadership evaluation system primarily based on local economic performance has been proposed. However, the effects of changing the political incentives are also being questioned:

For street-level government, an evaluation of GDP growth is no longer used. But [considering the circumstances of highly decentralized public

expenditures] we still have to think about where the money comes from, even if we are not evaluated in this way. It is always better to find your own money than to wait for the allocation of funding (Interview, Local Official A, 2014).

Regulatory reform may not prompt positive change right away. Based on my experiences, for the localities to promote a green economy, for example, they also need to see some successful examples to be convinced (Interview, Academic B who is directly involved in the project, 2015).

Under these circumstances, it is not surprising that local governments often utilize the regional plan as an opportunity to foster their own economic development rather than following the central vision of regional development and cooperation. Nevertheless, the preparation of a regional plan illustrates a top-down process for forming a regional concept, contributing to embryonic city-regionalism.

Bottom-up selective region-building

We will now consider the bottom-up process of region-building based on the development of the border region between the Shanghai municipality and a nearby county-level city, Kunshan, in Jiangsu province. The two adjacent cities were previously separated by a vast rural hinterland because of the relatively compact built-up areas. Divided by provincial boundaries and administrative levels, the two cities had loose connections in the 1980s. However, the relationship between the two cities became rather tense at the turn of the new millennium as Shanghai chose to take

advantage of its vast suburban area to sharpen its edge in attracting manufacturing investments. Rivalry competitions were launched by respective local governments regarding land supply, government subsidies, tax relief, and preferential labour policies (Li & Wu, 2012b, pp. 183-187).

In recent years, the relationship between Shanghai and Kunshan has been transformed and initiatives to promote regionalisation have been undertaken. One of the new practices of collaboration is exemplified by the development of Huaqiao International Business Park in Kunshan led by Jiangsu province and the city of Kunshan. This business park is located 20 kilometres from the central city of Kunshan, encroaching on the territory of Shanghai. More specifically, the fringe of the new town is enclosed by the Shanghai outer-ring highway. This location was deliberately selected to circumvent roaming and toll fees charged to commuters between the two cities (Interview, Huaqiao Local Official A, 2010). Another great effort to boost regionalisation and functional connections is the development of cross-boundary mass transit, namely, the extension of Shanghai's No. 11 metro line. Originally, the metro line ended at Anting on the urban fringe of Shanghai, only 400 metres from Huaqiao, Kunshan. This project is significant because it was unprecedented to build metro lines across provincial boundaries. In the 1990s, under extreme local protectionism practices, local governments tended to disconnect roads to block flow. Today, physical integration is welcome for the purpose of prompting functional connections:

(Located on the urban fringe of Shanghai), our (Anting) development may be in need of Huaqiao's support in certain ways, especially in terms of [attracting] population and consumption [to the territory of Anting]

Therefore, we finally accepted the need to organize our urban functions and transportation to cater to Huaqiao ... (Interview, Anting local official, 2010).

Although cities were willing to cooperate to advance their own interests, the process was not the least bit straightforward but rather, was constrained by administrative divisions:

Technically, there was no problem at all with constructing the extended metro line across provincial boundaries. What the project challenges is the [historically inherited] administrative system: [under the current institutional settings, we are supposed to] mind our own business. Tackling trans-boundary issues does not lie within our power. Therefore, we have to draw support from our superiors (Interview, Huaqiao Local Official B, 2010).

In fact, the administrative hierarchy made horizontal connections difficult; especially in this case because the city of Kunshan is a county-level city, while Shanghai has provincial jurisdictional status.

The negotiations [over metro line construction] could not be directly conducted between Kunshan and Shanghai. Kunshan had to submit its proposal to the Jiangsu provincial government. Before the provincial government and Shanghai reached an agreement, the city of Kunshan was not permitted to contact Shanghai directly. This was a quite lengthy process,

up to one year or longer if there was a disagreement (Interview, Shanghai local official, 2010).

No progress was made until 2009, five years after the proposal was initiated, when senior officials became involved. The support of key politicians was crucial.

The deal could not be made without the support of top leaders. The former provincial governor of Jiangsu and the party secretary of Shanghai are both members of the standing committee of the Politburo. They had to meet in person to discuss this matter (Interview, senior planner based in Jiangsu, 2010).

More importantly, regional cooperation at the current stage is rather sporadic. As indicated by one of our interviewees:

[I]nter-jurisdiction communication is generally concentrated on ad hoc projects such as on one particular transit highway.... Apart from that, there are no substantial negotiations and there is little communication regarding other common problems like water contamination and air pollution (Interview, Jiading local planner, 2010).

Moreover, these collaborative intentions are largely outlined in planning documents or conveyed by chief governors and are far from being practical actions. Although local strategies are oriented towards cooperation, 'they are formulated by the local policy-makers rather than by networking and negotiations with neighbouring cities'

(Interview, Jiading local planner, 2010). Indeed, reaching a consensus on regional development strategies among different jurisdictions still seems impossible:

It is extremely difficult in terms of industrial development because the development of industries is immediately related to GDP growth, [one of the predominant factors in the leadership evaluation system] (Interview, Informant B from a university based in the region, 2010).

Under the current appointment system, local leaders only have a short-term tenure, for example, five years at the most. Within this period, the leader has to accomplish some achievement for career promotion. Local leaders have to prioritize their own jurisdiction and initiate some large projects. Regional cooperation is intangible and time consuming. It is not a priority for local leaders (Interview, Local Official B, 2014).

Regarding other spheres of cooperation, such as building an integrated social security network to facilitate job and labour mobility, the outlook seems even less optimistic. It is simply believed that ‘social provision integration is just empty talk’ (Interview, senior planner based in Shanghai, 2014) under the tax-sharing system, which means highly decentralized public expenditures. Overall, the current scheme of regional cooperation is largely limited to the realm of transport infrastructure (i.e., physical integration).

In summary, substantial signs of bottom-up regional practices can be observed in China. However, the scope of inter-city cooperation is largely limited to cross-

boundary transportation infrastructure. In fact, neighbouring cities have only just begun to seek ad hoc cooperation in selected areas to advance their economic interests (i.e., strategic regionalisation with an entrepreneurial thrust) and formal inter-city networks are under-developed.

Placing city-regionalism in the context of China: Ad hoc cooperation with limited development of regional governance

The previous discussion revealed that the Chinese top-down hierarchical administrative system inherited from the socialist period makes horizontal connections rather weak. What is worse, the administrative decentralisation reforms inaugurated since 1978 exacerbate horizontal economic relations as a result of localisation and territorial competition. As a result, economic activities are divided by stubborn administrative boundaries, and inter-jurisdictional, functional connectivity is constrained by regulatory and policy differentials developed by respective administrative jurisdictions based on their own conditions and interests. The entrenched political intervention embedded in the Chinese administrative system, which creates many problems for the formation of a functional economic space, makes region-building in post-reform China necessary.

In general, two processes are observed pertaining to this attempt at region-building. The first is the top-down process driven by the central government. After the failure of centrally dispatched regional administrative organs created in the 1980s, a more strategic *modus operandi* was undertaken by the central state a few decades later. The recent YRD Regional Plan represents a top-down process to develop city-regional

coordinated development. Boundaries are defined by the central government and the spatial structure is envisioned through a top-down process. The approach is quite effective for creating a regional plan; it contributes to the conceptualization of the city-region because the Chinese political system is still a largely top-down system. The second is the bottom-up process initiated by local governments. Economic associations were established on a voluntary basis. However, the real function of the organisations is rather poor in terms of constructing a regional market and forging political consensus. This is because the current appointment and promotion system encourages local cadres to prioritize their own jurisdictions rather than to promote regional integration based on regional interests. Nevertheless, inter-city relations have evolved from hostile competition to collaboration in some cities and in selective areas. This is exemplified by the border region development between Shanghai municipality and the city of Kunshan as discussed above. However, the development of this inter-jurisdictional partnership is not region-wide governance seeking collective actions in relation to shared problems such as a fragmented economy, cutthroat competition, environmental degradation and the like.

Thus far, even recent region-building practices have not been translated into an established system of regional governance. The central government uses the regional perspective to develop spatial strategic plans to encourage the formation of a city-region-coordinated economy, without intending to establish a new tier of government above the city-region. However, the implementation of regional strategies and policies has been challenged. Because of the extant fiscal and political system founded upon territorial administrative divisions, local governments are driven to pursue their own development rather than development based on regional interests.

For bottom-up city-regionalism, despite some emergent interest in cooperation, regional collaboration has not been institutionalized. Regional cooperation is often based on case-by-case agreements and bargaining (Xu & Yeh, 2013). Bottom-up region-building lacks the process of legitimisation because local officials are not accountable to their local constituents and are appointed by the upper-level government. The hierarchical and centralized political system means that the central government is an indispensable actor in the formation of city-regionalism, even for locally initiated projects.

Thus, YRD region-building is manifested as ad hoc collaborative arrangements without the involvement of full-fledged regional governance. Regardless of whether it is a top-down or bottom-up process, the existing cooperation is rather sporadic and the scope is often restricted to regional transportation infrastructure. Shaped by entrenched political control and de facto economic decentralization, local governments tend to pursue physical integration that has short-term economic effects, e.g. projects that can create GDP growth or generate land financing. In sum, the territorial politics amid Chinese administrative divisions have driven the development of city-regionalism while simultaneously establishing obstacles to further development.

Conclusion

This paper examined the development of the YRD and the process of building regional governance on a subnational scale. The role of the national context and state configurations was emphasized in the process of region-building. In post-reform

China, it has become an imperative to overcome the fragmentation of governance and the economy resulting from the administrative divisions and excessive inter-city competition (cf. Zhang, 2006). However, the institutionalisation of regional governance has been slow and is still under-developed. Two relevant processes of region-building exist in the YRD: the top-down process initiated by the central government and the bottom-up process created through cooperation between local governments. Regional scale-building is not a smooth process. The dynamics and politics underpinning this course of construction represent an economically and politically conflicted process. While a city-region spatial economy is constructed to promote cross-jurisdictional connections and coordination, the realisation of this city-region image is challenged by the politics of extant territorial administrative divisions. Ultimately, on-the-ground city-regionalism turns out to be ad hoc, without a coherent governing mechanism.

The findings of this paper contribute to the current literature by providing a variegated mode of constructing city-regions and organising trans-jurisdictional activities in different national contexts (Table 1). In the aforementioned experiences in the case of the UK, a relational city-region is constructed to boost endogenous economic growth for political concerns involving uneven development and devolution (Harrison, 2010). The spatial construct is built in a more fluid and networked fashion to match the stubborn territory with the relational geography of economics (Harrison, 2012). Although these city-regions are envisioned in line with functional economic spaces, the development of the regional institution is highly political. The city-regional experiment is significantly vulnerable to changes in central-local dynamics (Pearce & Ayres, 2009). With regard to city-regionalism in the US, scale-building is closely tied

with urban sprawl and suburbanisation in the America-specific context (Cox, 2010). In order to manage the decline of the government's role in providing regional infrastructure and other public services, a bottom-up partnership is built on a city-region scale to overcome political and fiscal fragmentation on a metropolitan scale (Jonas et al., 2014). When using the city-region as a space for collective provisions, conflicts of interests are inevitable regarding the distribution of services within the space and among different groups (Jonas et al., 2010).

(Insert Table 1 about here)

In comparison, the construction of regional-scale mechanisms in China has been primarily driven by the public sector, particularly the central and local governments, which have played an important role in creating an imaginary city-region. However, the city-regional governance that actually exists is far from established. Unlike the case of the UK, which installed regional development agencies to promote regional cooperation, the setup of formal regional organizations is simply deemed inappropriate due to a historic concern over the threat of forced cooperation. Delivered by a soft spatial plan, the central state cannot fully impose its regional vision because economic decision-making has been decentralized within respective administrative divisions. On the other hand, the localities, despite recognising the need to cooperate and forge a regional governance scheme, are restricted by the vertical political system and administrative-territory-based interests. Different from the circumstances in liberal-democratic countries such as the US and UK, the private sector is barely involved in the process. Because the state has both the regulatory power and the incentive to dominate economic development, a new city-region scale

to organize economic activities has not been established. The practices in the YRD show that new regional practices have not managed to overcome the existing institutional configuration of the state. China's territorial administrative divisions are historical configurations that are essential to a more complete understanding of the efforts to create regional-scale mechanisms as well as to understand the failure to create a new subnational state space. Indeed, the challenges faced by Chinese city-regions could find some analogy in other post-communist countries such as in Central and Eastern Europe. With similar structural legacies of state-centric administrative structures and managerialism inherited from a socialist state regime, these former socialist countries all seem to have a long tradition of building regional governance; however, the tensions related to the creation of new regional entities are also quite formidable (Sýkora et al., 2009). Further enquiries into politically-orchestrated city-regionalism in these countries will reveal how local politics, institutional frameworks and historic legacies mediate city-regional formation in diverse national contexts.

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Table 1: Conceptualizing city-regionalism in divergent contexts

	UK	US	China
Economic context			
Economic system	Liberal market	Liberal market	Administered within respective administrative divisions
Connectivity and network	Well-developed	Well-developed	Emergent
Political context			
Political structure	Multi-party system	Two-party system	One-party system (CCP)
Political system	State-centric, democratic	Federalized, democratic	Political authoritarian, decentralization in economic decision-making and public expenditures (cf. CHIEN, 2007)
Territorial-conditioned process			
Imperatives for city-regionalism	To construct relational economic space	To manage collective provision on a metropolitan scale	To remove administrative barriers and construct an integrated regional market
Structural legacies for city-regionalism	Centrally dependent	Strong localism	Entrenched political intervention embedded within administrative structures

Scale-building mechanism	‘Centrally-orchestrated city-regionalism’ (Harrison, 2008)	City-regionalism from below	Top-down process driven by the central government; bottom-up process initiated by local governments
Involvement of non-public sectors	‘New non-state-space’ (Harrison, 2014) led by the private sector was recently witnessed	Business-led city-regionalism is quite common	Private sector is rarely witnessed in the process
Conflicts behind construction	Politics of political devolution	Politics of collective provision	Politics amid complex administrative divisions