

Revisiting urban governance in China: The manifestation of
entrepreneurial neo-managerialism in shantytown redevelopment in Luzhou

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Abstract: Recently, China's central government initiated a series of social policies to alleviate social disparities, providing opportunities to revisit state entrepreneurialism, which is known to have long prevailed in China's urban governance since the economic reform. By probing into a case of shantytown redevelopment in Luzhou, Sichuan Province, we assert the importance of considering state entrepreneurialism in relation to the state's managerial pursuit. That is, an actually existing mode of urban governance may be characterised by the shifting dynamics between a managerial and entrepreneurial endeavour of the local state. Viewed this way, we argue for the manifestation of what we conceptualise as entrepreneurial neo-managerialism through the analysis of the shantytown redevelopment at the local scale. In the context of a shrinking discretionary space under the power recentralisation of the central state that strives to avoid its legitimacy crisis, the local state, while still under the influence of its entrepreneurial logic of land-based accumulation, enhances its managerial role to respond to the top-down demands of social redistribution from the central state, devising a sophisticated redistributive mechanism of resource allocation. Through these findings, we hope to contribute not only to the literature on China's state entrepreneurialism but also to the broader urban governance literature by resurrecting the importance of the managerial role of the state.

Keywords: entrepreneurial neo-managerialism, state entrepreneurialism, shantytown redevelopment urban governance, China

Introduction

In October 2018, the then-deputy minister of China's Ministry of Housing and Urban-Rural Development declared in a press conference that more than 100 million inhabitants in China benefited from the national project of shantytown (*penghuqu* in Chinese) redevelopment, moving into decent new dwellings (BJNews, 2018). Such a claim would have meant that nearly ten per cent of all Chinese citizens were subject to this nationwide project. The promotion of a new affordable housing provision system since 2008 after a ten-year vacuum (Wang and Murie, 2011), of which the shantytown redevelopment project is a component (Jin, 2023; Li et al., 2018), is arguably on the extension of the Chinese state's *social turn* of their national policy-making (Howell and Duckett, 2019), which aimed at alleviating social disparities and saw the state's increasingly active redistributive role.

At first glance, such an emphasis on social redistribution of urban collective consumption, such as housing resources, sharply contrasts the prevailing understanding of contemporary China's urban governance that stresses its entrepreneurial orientation (see Wu, 2018). Since the economic reform, particularly the reform of state-owned enterprises in the 1990s, the state substantially withdrew from providing a wide range of redistributive welfare to public sector employees (Solinger, 2002). For local governments, the economic reform encouraged them to be increasingly entrepreneurial, actively seeking cooperation with private capital and pursuing city marketing (and often becoming market agents themselves) as they faced fierce competition for investment and pressure to boost economic growth (Duckett, 1998; Shin, 2009; Wu, 2018). Against such a backdrop, how can we understand the new policy trend exemplified by the national (predominantly urban) shantytown redevelopment project with seemingly a strong social objective? What further dimensions can it add to our understanding of China's urban governance?

In this article, by investigating the workings of the local state in its urban housing intervention, we hope to demonstrate that there is a solid case to reinstate the importance of managerialism in the context of power recentralisation of the central state, which helps us to understand the multiple facets of the Chinese state (or the state at large) and its complex multiscalar behaviour. In doing so, we contend that an actually existing mode of China's contemporary urban governance may

simultaneously bear the characteristics of managerialism and entrepreneurialism, and which of the two gets more emphasis would depend on how urban governance is situated in wider political economic contexts. By resorting to this relational perspective, this paper uses the case study of Luzhou's shantytown redevelopment to demonstrate the rise of what we conceptualise as *entrepreneurial neo-managerialism*, under which the local state enhances its managerial role to not only to serve the top-down demand of escalating the redistributive functions of the state but also (perhaps more importantly) to strengthen the role of local bureaucrats as resource gatekeepers. While the local state continues to retain its persistent entrepreneurial ambitions to promote economic growth, such managerial roles gain greater importance in preventing the state from falling into a legitimacy crisis, which is vital to the stability of China as a nation-state.

By conceptualising *entrepreneurial neo-managerialism*, we hope to make several contributions to critical urban scholarship. Firstly, given the renewed attention to managerialism, particularly the role of urban managers/resource gatekeepers (see, for example, Forrest and Wissink, 2017), we try to demonstrate how entrepreneurialism reconciles and engages with managerialism in a relational way. Secondly, in the urban context of China, while we view 'state entrepreneurialism' (see Wu's (2018) reconceptualization) as a useful conceptual tool, we attempt to bring managerialism back into the debates and highlight another mechanism (that is, entrepreneurial neo-managerialism) that an entrepreneurial state may pursue through manipulating the process of resource allocation (redistribution) by reshaping bureaucratic organisations. We acknowledge that managerialism used in the Chinese context may differ from that in the Western context but argue that the role played by the state in social redistribution can be comparable (more on this in the section titled 'The shifting dynamics of managerialism and entrepreneurialism in China'). Lastly, *entrepreneurial neo-managerialism* during recent power recentralisation enables us to demonstrate the historical stickiness of the socialist legacy in China.

The remaining part of this article consists of five sections. The first two sections will discuss how managerialism can be located in the literature on urban governance, particularly in the context of China's shifting dynamics of managerialism and entrepreneurialism. These discussions inform our conceptualisation of entrepreneurial neo-managerialism. Then, we introduce our research methods, including the case study site. The subsequent three sections analyse the case study of shantytown redevelopment in Luzhou to critically examine the urban manifestation of

entrepreneurial neo-managerialism as a distinctive mode of contemporary urban governance in China. The final section wraps up discussions and concludes.

Locating managerialism in urban governance

In his seminal work on the transition of urban governance from managerialism to entrepreneurialism in post-industrial capitalism, Harvey (1989) illustrates how the capitalist state has shifted from redistributive functions under urban managerialism to place-making and the shaping of a business-friendly environment with a speculative orientation through a partnership with the private sector. According to Harvey (*ibid.*), the entrepreneurial transformation of urban governance derived from the erosion of economic and fiscal bases in major cities of the post-industrial West. Such structural transformation compelled local governments to retreat from their redistributive responsibilities under urban managerialism and forge a pro-business environment for the private sector through such actions as city branding. Subsequent to Harvey's work, the notion of urban entrepreneurialism has further developed into related concepts that include, for example, entrepreneurial city (Jessop and Sum, 2000), diplomatic entrepreneurialism (Acuto, 2013), and municipal statecraft (Lauerermann, 2018), all of which tried to capture the multi-faceted nature of the changing dynamics of entrepreneurial urban governance.

Under the framework of entrepreneurial urban governance as above, managerialism is largely associated with understanding it as a receding mode of governance for Western welfare states after World War II under the Keynesian ideology (Williams, 1982). Here, managerialism played a significant role in redistributing social surplus, providing services for social reproduction, e.g., public housing (Goodin et al., 1999). Griffith (1998: 42) identifies its three main characteristics, which involve (1) an emphasis on the allocation of state surplus (rather than the attraction of private investment flows), (2) the dominance of bureaucratic organisational forms in the delivery of services (rather than the more flexible, less formalised, organisational approaches adopted in the leading parts of the business world), and (3) the dominance of social welfarist ideology, distinct from the business values of wealth generation and competitive success.

These discussions, albeit helpful, seem to fall short of probing into the nature (and persistence) of managerialism in contemporary capitalism, which is often regarded as a remnant of the Keynesian

welfare statism that gave way to urban entrepreneurialism. It may be far-fetched to consider managerialism and entrepreneurialism to be mutually exclusive. For instance, Kefford (2020) reviews the practices of urban governance in Britain from post-World War II to the mid-1970s and finds that the ‘actually existing managerialism’ did not differ substantially from much-discussed urban entrepreneurialism in later years in that Britain’s post-war planning regime was developer-friendly, helping unleash a boom in speculative commercial development. Cochrane’s (2007) discussion on managerialism and the city is also helpful in this regard. For Cochrane (ibid.: 39), managerialism in urban governance rose from the 1970s, necessitating the professionalisation of urban officials (post-bureaucratic officials) to tackle challenges in governance brought about by the entrepreneurial trend. Such views associate managerialism with the need to fix the limits of the compartmentalised welfare provision structure under the Keynesian ideology. In this sense, managerialism in the city emerged in conjunction with the rise of entrepreneurialism, transforming the welfare state into the ‘managerial state’ under neoliberalism (Clarke and Newman, 1997), accompanying the professionalisation of the delivery of welfare services. Recently, Phelps and Miao (2020) have followed this approach and adopted a Schumpeterian perspective to emphasise innovation and coinage innovative practices in public management like outsourcing and compulsory competitive tendering as ‘new urban managerialism’, understood as a variety of urban entrepreneurialism.

Meanwhile, it is necessary to reemphasise that central to the sustenance of managerialism are bureaucratic organisations (see Cox, 2020) known as ‘urban managers’ (Williams, 1978) or ‘gatekeepers’ of urban resources (Ford, 1975; see also Forrest and Wissink, 2017). In the urban domain, the redistributive welfare functions of the Keynesian welfare state under managerialism were supported by the dominance of such urban bureaucratic organisations in channelling resources to groups and individuals. According to Pahl (1970: 206), these gatekeepers included ‘those who control or manipulate scarce urban resources and facilities such as housing managers, estate agents, local government officers, property developers, representatives of building societies and insurance companies, youth employment officers, social workers, magistrates, councillor and so on.’ These gatekeepers had discretionary power, conditioned by their values, attitudes and preferences (Pollitt, 1993: 3; Ford, 1975), as evidenced in the council housing allocation by local officials in Britain (Forrest and Wissink, 2017).

The extant literature on urban governance transition, as discussed above, prompts us to reconsider managerialism, not as the theoretical antithesis of entrepreneurialism but rather theorise them in a relational way. Namely, we see the two modes of governance – managerial and entrepreneurial – would have co-existed *both* before *and* after the perceived governance transformation, as they speak to the essential functions – redistributive and accumulative - of the state and contemporary capitalism, with a particular emphasis on the roles played by urban bureaucratic organisations as urban managers or intermediaries. We also ascertain the importance of acknowledging the stickiness or friction of managerialism in entrepreneurial urban governance, which entails the permeation of the role of bureaucrats - as gatekeepers of urban resources - and their discretionary power into entrepreneurialism.

The shifting dynamics of managerialism and entrepreneurialism in China

The concept of urban entrepreneurialism has inspired a cornucopia of research on the change of urban governance in China. Scholars have attempted to document the rise of diverse entrepreneurial strategies of urban governments in their pursuit of suburban development (Shen and Wu, 2012), eco-city development (Chien, 2013), the commodification of urban heritage (Su, 2015), city-rescaling (He et al., 2018), the creation of innovation space (Luo and Shen, 2022) and so forth. However, while meaningful in terms of identifying the new roles of urban governments during the reform era, less attention has been paid to how entrepreneurialism needs to be understood in relation to persisting managerialism, especially given the long history of China's operation of a planned economy that saw the persistence of the redistributive socialist state.

Building on the previous section's discussions about the relationship between urban entrepreneurialism and managerialism, we herein argue that it is crucial to investigate the two modes of governance relationally in China's historical contexts. China's recent experiences in the governance transition to what we conceptualise as entrepreneurial neo-managerialism against the backdrop of power recentralisation help us theorise urban governance further in the context of an increasing presence of the state in both the market *and* the society to advance its accumulative and legitimacy goals. The rise of entrepreneurial neo-managerialism also ascertains the overpowering significance of the state-society relations, aimed at sustaining socio-political stability.

In this section, we present our understanding of how the dynamics between managerialism and entrepreneurialism in China have evolved by focusing on three phases, the evolution of which entails an alternating emphasis on each mode of governance: pre-reform socialist managerialism, reformist managerial entrepreneurialism, and, in recent years, entrepreneurial neo-managerialism. Here, by managerialism, we focus more on the general redistributive role of the state and the central role played by urban bureaucrats in resource delivery. The relational perspective we employ in this paper is expected to help us better understand the tension between the economic imperatives to accumulate and the ‘moral imperatives’ of the state.

Socialist managerialism under the planned economy

As in many other socialist countries, China, before the economic reform, was under the system of socialist central planning. State power was central to allocating nearly all resources for production and consumption (Zhou and Suhomlinova, 2001). Governance in China’s cities during this pre-reform period could, in a sense, be considered a socialist counterpart of urban managerialism under the social democratic regime in the West. By establishing what we might call socialist managerialism, China, albeit suffering from production bias, arguably established a comprehensive socialist welfare model for most urban residents whose daily lives were covered by their employers in the state sector and local welfare bureau (Wu, 2004). While acknowledging the presence of substantial political divergences between China and Western countries, by terming this period as socialist managerialism, we intend to highlight the comparability of the role played by the state in social redistribution.

Under socialist managerialism, social services were distributed through the system of work units (*danwei*), within which cadres acted as resource gatekeepers or ‘redistributors’ with sizeable discretionary power that generated significant disparities (Logan and Bian, 1999; Zhou and Suhomlinova, 2001). For example, the process of allocating social housing benefited cadres disproportionately, who were redistributors themselves (Wang and Murie, 2000), thus brewing corruptive behaviour. By manipulating resource allocation, resource gatekeepers could foster an ‘organised dependency’ amongst state-sector employees who couldn’t help but be tightly affiliated with their work units (Walder, 1988). Resource gatekeepers could also allocate extra resources to ‘activists’ in exchange for their loyalty and political support, generating a patron-client bond (*ibid.*).

Reformist managerial entrepreneurialism

One of the decisive measures by China's central state during the reform era was the decentralisation of some of its decision-making power to lower levels of the state, particularly urban governments, as part of the governance and economic reform. Having secured more discretionary space, local states adopted a more entrepreneurial stance to boost economic growth and urban development (Shin, 2009; Wu, 2002). Compared to the post-industrial West, China's urban governments played a more interventionist role and directly engaged with the market (Luo and Shen, 2022). For instance, in her research on state business activities in Tianjin, Duckett (1998: 14) coined the term 'state entrepreneurialism' to highlight government agencies' direct involvement in profit-seeking business activities. More recently, Wu (2018) reconceptualises state entrepreneurialism further to emphasise the state centrality in China's governance, arguing that China's entrepreneurial state does not passively follow the economic logic of capital accumulation or just act as the 'partner' of the private sector. On the contrary, the state has instrumentalised the market to reinforce its power. As stated by Wu (2018: 1384):

Through institutional reform, the state apparatus, in particular the local state, demonstrates a greater interest in introducing, developing and deploying market instruments and engages in market-like entrepreneurial activities. Thus, I define this state engagement with the market and its entrepreneurial role in this article as 'state entrepreneurialism'.

Despite the salient feature of entrepreneurial urban governance in this phase, it would be far-fetched to disregard the state's managerial practices. At the national scale, the central state continues to dominate and distribute critical resources using its planning power, such as the regionally-attuned quota of urban land supply (Tan and Zhou, 2015), which tends to shift between prioritising certain regions (e.g., 'get rich first' for eastern provinces in the 1990s) and balancing development through redistribution (e.g., 'go West' for central and western provinces in the 2000s). The much-heralded Special Economic Zones in China, known for their autonomy and privilege in resource allocation, were also designated by the central state (Miao and Phelps, 2022). At the urban scale, the local state continued to retain managerial practices. While investigating the entrepreneurial turn of Beijing's redevelopment policy in the early 2000s, Shin (2009) finds that this shift did not erase the managerial nature of the local state that took on the nominal challenge of implementing affordable

housing provision as part of socially inclusive measures.

Regarding urban managers, their managerial roles of dominantly channelling resources became less salient at this stage. Instead, they turned to pursuing economic opportunities in an entrepreneurial way (Duckett, 1998), while their managerial practices were more to support entrepreneurial objectives. Viewed from the perspective of managerial-entrepreneurial relations, we seek to call this practice ‘managerial entrepreneurialism’, with entrepreneurialism as a salient feature of urban governance while managerialism in a more auxiliary place.

Conceptualising entrepreneurial neo-managerialism

As noted earlier, the discussion around entrepreneurialism in China has long been contextualised against the backdrop of decentralisation. However, it has been recently argued that China has entered a new phase of recentralisation, which has become evident under the current leadership since 2012 (Jaros and Tan, 2020). In this phase, the Party-State has strengthened its control over allocating national resources while shrinking the discretionary space for local governments (Kostka and Nahm, 2017).

The degree of power recentralisation and its implications are uneven across geographies and sectors in China, reflecting different state scales in play and the heterogeneity of the state. Some state agents may take advantage of power recentralisation to strengthen their position vis-à-vis lower-tier governments, thus appropriating greater regarding the use of resources. For example, Jaros and Tan (2020) find that the power of the provincial government has been strengthened rather than weakened in this process because the provincial government, as the gatekeeper between the resource-rich central state and resource-hungry sub-provincial governments, utilises its intermediary position to navigate the power geometry of resource allocation and achieve its own development goals, even if its actions may deviate from the central state guidance.

With the resurgent of power recentralisation, we seek to identify a new phase of the interplay between managerialism and entrepreneurialism in China, which we conceptualise as ‘entrepreneurial neo-managerialism’, with managerialism re-assuming a more pivotal position vis-à-vis entrepreneurialism. It is a ‘neo-managerialism’ in the temporal sense, as it has been brought about by the power recentralisation, entailing a renewed emphasis on the redistributive function of the state. More importantly, it is ‘neo’ because both dimensions of managerialism, namely the

redistributive role of the state at the macro level and the actual resource allocation by bureaucrats at the micro level, are mobilised to sustain social stability while retaining the entrepreneurial agenda of the local state to continue their growth strategies. In this regard, it echoes the second conceptualisation of managerialism that the welfare state transforms to meet the entrepreneurial demand (Cochrane, 2007) or the rise of the ‘managerial state’ (Clarke and Newman, 1997). However, within this process, the redistributive bureaucrats are not replaced by professionalised new urban managers as in the Western context; instead, they remobilise their dominating role in resource allocation.

By identifying the recent phase of urban governance as entrepreneurial neo-managerialism, we are not meant to say it has completely replaced managerial entrepreneurialism throughout China nor to suggest the state’s use of the market in an instrumental way has fundamentally changed but argue that we need to pay more attention to the managerial dimension of local governance in the era when the state-society relations gains greater significance for the state’s sustenance of legitimacy and societal stability. Such governance transition is featured more strongly in those places that experience a higher demand for resource redistribution from above. Before delving further into a detailed case study, we explain our research methods and introduce the field site in the following section.

Research methods

To explore the urban manifestation of ‘entrepreneurial neo-managerialism’, we use the case study of a shantytown redevelopment programme in a neighbourhood named Qiancao in Luzhou, Sichuan Province, as a nested case (see Figure 1). Shantytown redevelopment has been practised sporadically at the local level for quite a while, but particularly after 2012 with the establishment of China’s new leadership, has it been upgraded to become a national project, both supported and mandated by the central government (Jin, 2023). It, therefore, demonstrates one of the vivid cases of power recentralisation. For the specific case of Qiancao, before its redevelopment, it was occupied mainly by industrial plants of three former state-owned enterprises and their auxiliary facilities, such as residential blocks and schools, established in the 1960s before the redevelopment. The majority of current inhabitants were workers or former workers of these enterprises, who were thus quite

adapted to the socialist managerial system. Amongst all 11,039 households of local inhabitants, 20.8% lived in old residential buildings constructed in the 1960s and 1970s. These buildings were relatively dilapidated (see Figure 1-a), and the inhabitants had to share toilets and kitchens with their neighbours. The rest lived in buildings constructed since the 1980s (see Figure 1-b); the newest blocks were completed in 2004 (see Figure 1-c). These post-1980s buildings have been maintained reasonably well and provided private indoor facilities for residents.

Figure 1. Location and appearance of Qiancao, Luzhou



We find this case study meaningful for various reasons. Firstly, the shantytown redevelopment in Qiancao, as the local manifestation of the national-level policy, was the largest among all the shantytown redevelopment projects in Sichuan (*Sichuan Daily*, 2016), subjecting more than 30,000 inhabitants to displacement and relocation. Secondly, some practices used in Qiancao's redevelopment, particularly the mode of residents' autonomous redevelopment, were also practised elsewhere (Deng, 2017), making the redevelopment of Qiancao an exemplary case worthy of

investigation. Here, we are not proposing Qiancao's experience as a (statistical) representation. Instead, based on its learning opportunities, we attempt an analytical generalisation adopted in qualitative research, which aims to generalise 'to theoretical propositions and not to populations or universes' (Yin, 2014: 21). Thirdly, in this specific case, the municipal, district and sub-district governments stand in the centre of performing resource appropriation and allocation. In contrast, the roles played by real estate developers and the provincial government are less pronounced. This configuration compels us to focus on entrepreneurial neo-managerialism in the realm of urban governance.

This paper is based on a series of fieldwork conducted in Qiancao between 2015 and 2017 by the first author. Mainly qualitative in nature, research methods included participant observation, archival research (policy documents), and individual and group interviews. In total, 42 interviews were conducted, covering 76 respondents. These respondents range from local officials, planning professionals, and factory cadres to local inhabitants subject to relocation. These interviews were either semi-structural or non-structural, each lasting 1.5 to 5.5 hours. Some interviews were recorded with the permission of the respondents and fully transcribed. It is noteworthy that before the research was conducted, in November 2014, local inhabitants under the pressure of displacement protested collectively against the redevelopment and compensation schemes with which they were not satisfied. Concerned about social unrest generated by collective action, local government officials became highly cautious when discussing their actions during interviews. Therefore, in this research, part of the local government's actions is reconstituted not directly through the interviews with officials but somewhat indirectly with inhabitants' descriptions, triangulated with various documents issued by the local government.

Orchestrating shantytown redevelopment

The land development in Qiancao took place in several phases. The initial impetus was in the 1960s when the three enterprises relocated to Qiancao as part of China's Third Front Construction. Due to the limited budget and time for construction at the time, Qiancao had not been well planned. Industrial plants and other facilities were mixed, surrounded by remaining agricultural land. For decades, although more buildings had been constructed, the overall landscape remained intact. At

the turning point of this century, however, developmental pressure increased as Qiancao came to experience an increasing ‘rent gap’ (Smith, 1996), which was generated by two factors. First, with the performance of the three factories gradually becoming poorer, the land in Qiancao became underused. Second, as the real estate price in Luzhou rocketed, the industrial and agricultural land in Qiancao, which occupied a premium location right opposite downtown, revealed the potential to earn more ground rents if being converted to a ‘higher and better use’, that is, residential and commercial uses.

The ‘rent gap’ prompted the municipal government to consider a redevelopment plan for Qiancao. In 2003, the planning authority of Luzhou started to revise the land use plan of Qiancao. The changes made in this version were relatively moderate (LIPD, 2003), which only proposed to relocate industrial plants to new development zones on Luzhou’s outskirts while retaining residential buildings. This relatively conservative plan was soon replaced by a more radical version in 2005. The new scheme (CAUPD, 2005) was to remove all existing buildings in Qiancao and convert all the land into residential and commercial uses. This ambitious plan, however, remained on paper for nearly ten years, as this costly plan would have involved the removal of nearly 30,000 inhabitants and a series of factories, all of which were beyond the local government's financial capacity. The local government could hardly justify the removal of all existing constructions either. During this rapid urban transformation that characterised many Chinese cities, while Luzhou’s built-up area doubled, no significant changes occurred in Qiancao.

Eventually, the local government's thirst for financial resources to redevelop Qiancao was fulfilled by the national project of shantytown redevelopment. Taking advantage of the new national project, the Luzhou municipality, guided by entrepreneurial rationale, published a new overall plan in 2014 to redevelop Qiancao (LDRC, 2014). The municipal government pledged to transform Qiancao into a new urban core, characterised by ‘the service sectors, including modern finance, commercial service, creative culture industry, urban tourism and eco-inhabitancy’ (ibid.: 1). As for the residential part of Qiancao, the 2014 plan had a wholesale demolition plan in the name of shantytown redevelopment. According to the plan, all the residential buildings in Qiancao were ambiguously described as follows:

One-storey or low-rise buildings in the old industrial base, built between the 1950s and 1970s.

The average size per unit is small. They were timber-framed masonry structures or brick-concrete structures. After being used for decades without necessary repairment, they were not solid enough to resist earthquake and meet the requirement of safe habitation (LDRC, 2014: 16).

Such description emphasised (or, to some extent, exaggerated) the negative aspects of Qiancao (see Jin, 2023 for more discussions on this negative framing). In doing so, the municipal government managed to package the residential part of Qiancao into a shantytown and bend its redevelopment into the national shantytown redevelopment project. In this way, the municipal government not only gained the much-needed justification to conduct its long-awaited redevelopment of Qiancao but also obtained additional support from the central government. Notably, special loans amounting to 6.2 billion *yuan* (approximately 725 million British pounds), provided by the China Development Bank (CDB, 2013), were received to displace and relocate existing Qiancao inhabitants.

To describe Qiancao entirely as a shantytown does not reflect its realities. Some residential buildings here were indeed built in the 1960s and, thus, as described by the municipality, are outdated in appearance and function. Nevertheless, as stated in the previous section, most residential buildings were built in different batches since the 1980s or even as late as 2004, many of which retained sound physical conditions. Besides, almost all residential buildings here had formal land use rights and property ownership owned by inhabitants or the public housing agency. All of these make them far from shantytown settlements. However, the central government did not provide a precise definition for shantytown in the national project (Jin, 2023), leaving discretionary space for the local government to interpret and manipulate as it deemed necessary. As admitted by a Sub-district Office official (Interview on 11 September 2015):

The authentic shantytown exists in the Northeast. That's the starting point of the national policy (of shantytown redevelopment). Shantytown here is different. In the strict sense, most parts of Qiancao can hardly qualify as shantytowns. We have explained to local inhabitants that we only used the name of shantytown redevelopment to obtain the loans from the above.

As suggested above, the Luzhou municipality thus depicted Qiancao as a large-scale shantytown, which allowed the government to leverage the resources provided by the central government and release the land to developers: in 2016, two years after the municipal plan labelled Qiancao as shantytown, the municipal government successfully assembled the first batch of Qiancao land parcels and leased it to Evergrande, one of China's real estate giants, for the company to

develop high-end residential complexes for profits. The land lease process indicates that the local government has appropriated the national shantytown redevelopment project to realise its entrepreneurial blueprint of revitalising a brownfield site in a premium location. Whatever financial tools were used to fund shantytown redevelopment projects, the ultimate resource came from the land revenues that the local government could reap from vacating and leasing the land once occupied by shantytown inhabitants, a prevailing practice found elsewhere in China (He et al., 2020). The land revenues were arguably financing the construction of the resettlement flats for construction and the relocation of inhabitants. Such a financing mechanism was integral to the operational logic of this project.

Appropriating redistributive resources for the entrepreneurial pursuit

While such a land lease-cum-redevelopment itself would conform to the usual entrepreneurial rationale much discussed in the literature on China's urban governance, this entrepreneurial practice is intertwined with the state's neo-managerial orientation. Promoting shantytown redevelopment as a national project to improve the living conditions of disadvantaged social groups marks the return of the state to the provision of social welfare, which enables the state to ascertain its legitimacy by demonstrating its ability to feed the nation, namely, guaranteeing economic security (Perry, 2008). Facing the housing affordability crisis, it becomes paramount for the state to ascertain its role in delivering social services to sustain the reproduction of labour and family and to reaffirm its commitment to some forms of social equity contextualised in China. Such a goal has been repeatedly emphasised in the municipal government's planning document, which says:

To implement shantytown redevelopment is ... constructive for improving the working and living conditions of inhabitants, increasing employment, decreasing social pressure and enhancing people's living standard (LDRC, 2014: 24)

Indeed, the national shantytown redevelopment project was part of China's new affordable housing scheme and was meant to be a crucial redistributive measure to alleviate the residential difficulties of those inhabitants living in dilapidated urban neighbourhoods. Although the state failed to successfully address the housing affordability problems in reality and even became a new catalyst

of rocketing housing prices, especially in smaller Chinese cities (He et al., 2020), the state's re-orientation towards ensuring social stability is to be noted in the context of increasing disparity and inequity, which questions the legitimacy of the Party State.

While the State Council (2013) promoted the shantytown redevelopment as a project for improving people's livelihood, the socio-political motivation behind launching this project, however, could be multi-faceted. Firstly, this national project aimed to pacify social discontent generated by relentless displacement, the housing affordability crisis, and the socio-spatial marginalisation of disadvantaged social groups, which could jeopardise the political legitimacy of the Party. Secondly, this project, along with other components of the new affordable housing scheme, took shape after the global financial crisis in 2008 and was designed as a spatial fix to revitalise the economy (Li et al., 2018; Wu, 2023). In this sense, this national project that used redistributive measures to cope with political and economic problems did bear some characteristics of urban managerialism.

In addition to the overall social redistribution, another dimension of urban managerialism, which may perhaps be identified as more significant according to Cox (2020), involves the dominance of bureaucratic organisational forms in the delivery of services (Griffith, 1998). As revealed by Forrest and Wissink (2017), under urban managerialism, those agents in charge of redistribution, also known as 'intermediaries' (Davies, 2014), become 'gatekeepers' of resources. When channelling resources to individuals or designing the resource allocation mechanism, these gatekeepers may infuse their personal preferences, contributing to unjust distributive consequences. The role of these 'gatekeepers' also becomes prominent under entrepreneurial neo-managerialism. Scarce resources, particularly resettlement flats, do not arrive at recipients automatically or via the market channel but through the mediation of officials in charge of housing expropriation and inhabitants' relocation. This implies the persistence (or potentially exacerbation) of social inequity under entrepreneurial neo-managerialism, going against the alleged state goal of its amelioration. The following section presents the analysis of the actions of the redistributive bureaucrats, central to the operation of neo-managerialism.

‘Playing the mass off against each other’: Redistributive bureaucrats as gatekeeping intermediaries

Driven by the demand of the local state for speedy and smooth housing expropriation, the Qiancao bureaucrats designed a sophisticated mechanism to manipulate the process of allocating resettlement flats, aiming at accelerating the housing expropriation process while preventing potential oppositions and appeasing dissenters. Under this mechanism, the Qiancao homeowners subject to displacement were compensated in monetary or in-kind compensation (QSO, 2014). If a homeowner chose the former, they would receive compensation fees based on the size and condition of their previous flat. For the in-kind compensation, a homeowner would be provided with a flat in a newly-built residential complex earmarked for displacees. As compensation, displaced inhabitants could get the same size as their previous flats for free, plus 20 per cent of the size as a bonus. In Qiancao, most inhabitants chose in-kind compensation. Here, it is important to note that resettlement flats of the same size can be qualitatively different in terms of their physical conditions, such as the number of rooms, the storey they are located on, the direction they face, their time of completion, etc. Some resettlement flats with a desirable combination of these qualities were perceived as preferable and, therefore, became a scarce resource for which local inhabitants would compete. The allocation of this scarce resource allowed the local government to co-opt some inhabitants while exerting ‘relational repression’ (Deng and O’Brien, 2013) upon others to accelerate the expropriation process.

In Qiancao, the local bureaucrats in charge of displacement and resettlement, namely, the sub-district office, designed a scheme in the name of ‘residents’ autonomous redevelopment’ (hereafter RAR), which can also be found in other urban redevelopment projects in China (Deng, 2017), to allocate resettlement housing. Such a scheme turned out to be very powerful for homeowners who chose in-kind compensation. Specifically, on 30th October 2014, the housing expropriation process was formally initiated. Each of the three residents’ communities (*shequ*) established its own RAR committee, working under the control of the sub-district office, to organise the housing expropriation process. Once a homeowner decides to opt for in-kind compensation, they would sign a tentative resettlement agreement with the RAR committee and then choose a flat type (*huxing*) (not a specific flat) categorised according to flat size and the number of rooms. The sub-district office designated 31st January 2015 as the deadline for signing the tentative agreement. After this

deadline, the agreement signing rate was calculated for each residential block, and then all the blocks were classified into seven bands according to the rate. All homeowners who had signed the agreement would belong to one of these bands defined by their block membership. After such classification, homeowners could proceed to select their specific resettlement flats. For homeowners choosing the same *huxing*, those with higher bands could have the priority, suggesting that they had more available options to choose from, which provided them with a greater chance of obtaining a more satisfying flat. If several homeowners were in the same band and chose the same *huxing*, their sequence was determined by drawing lots. Those who signed the agreement later than the deadline could only select their flats from those that remained after the first batch of displacees had made their choice. When the housing selection was completed, homeowners would sign an official compensation agreement with the district government's expropriation office to finish the process.

This scheme of allocating resettlement housing bound inhabitants with their neighbours in the same block. According to the scheme, to procure a preferential position to select resettlement flats, inhabitants not only had to cooperate with the housing expropriation agency by signing the tentative agreement before the deadline but also needed to mobilise their neighbours to do so. The housing expropriation agency had put up posters at several conspicuous sites within neighbourhoods to update the situation of individual households signing agreements. If an inhabitant had not signed the agreement yet, their neighbours, who might also be colleagues or friends, could find it out immediately and expose the non-cooperating inhabitants under great peer pressure. Therefore, even if some inhabitants were reluctant to sign the agreement, should they wish to maintain a good relationship with their neighbours who were eager to obtain a better position in the housing selection sequence, they had no choice but to accept the compensation scheme. Mr Shi, an engineer working in Qiancao, was a good example of how peer pressure could force inhabitants to change their minds. He used the term 'playing the masses off against each other' (*fadong qunzhong dou qunzhong*), which was once used to describe political campaigns in the Maoist era, to disclose the essence of the housing allocation scheme:

I am not content with the resettlement flat. ... In the beginning, I wanted to choose monetary compensation, but my mother wanted to stay with her acquaintances in the resettlement complex, so I had to choose in-kind compensation. I once planned not to sign the agreement immediately and stuck here to be a 'nail household.' However, my mother cannot put up with the pressure

from our neighbours. If we did not sign the agreement, they would lag when selecting resettlement flats. My mother demanded me not to hesitate. Many inhabitants here accepted the agreement in this way, although they were not satisfied with it. (Interviewed on 30 October 2016)

On the other hand, those inhabitants who were eager to get resettlement flats of better quality expressed their dissatisfaction with their neighbours if their wishes were to be hampered by their neighbours' reluctance. This dissatisfaction might even escalate into resentment, as exemplified by the case of Mrs Yang, who worked in an affiliated school. Her own block reached a 100% rate of agreement signing. When interviewed, she said she had already moved to her new flat while her mother was still waiting to move. She complained:

In my mother's block, the rate of signing agreements was only 70%. Three households in her block did not sign the agreement. My mother wanted to choose a 73-square-metre resettlement flat, below the 8th floor and not shielded by another building. She had to wait for those with a 100% agreement signing rate to select first. Eventually, she didn't have any other option. She had to pick what was left out by others, although we were not at all satisfied with that flat. My mother thus resented those three households. Don't you think they are annoying? At last, they still had to sign the agreement and select a resettlement flat. They didn't get a bonus penny by doing so but made the entire block to be the last one to select. How unlucky my mother was! (Interviewed on 06 August 2016)

In contemporary China, peer pressure from neighbours, colleagues, family members and so forth has been widely used to control different modes of resistance, such as demobilising public protests (Deng and O'Brien, 2013) and removing 'nail households' to facilitate urban redevelopment (Deng, 2017; Shin, 2016). With the help of the deliberately designed allocation mechanism, the housing expropriation in Qiancao proceeded smoothly, preventing social disruptions. As the gatekeeper of redistributive resources, i.e., resettlement flats for 'shantytown' inhabitants in this specific case, local bureaucrats managed to realise the goals of the local state, including *both* preventing potential resistance *and* accelerating the housing expropriation process to demonstrate their ability to address major developmental concerns, thus securing state legitimacy. Compared to urban managers in the Western contexts, what these urban managers infused into the resource allocation process was not their personal preference but the organisational will of the local state channelled into mobilising local inhabitants to fight for the scarce resource.

Conclusion

The local implementation of shantytown redevelopment in Luzhou, Sichuan Province, illustrates what we identify as ‘entrepreneurial neo-managerialism’ since the power recentralisation in recent years, which entailed two key features that further enrich the contemporary narratives of China’s state entrepreneurialism. Firstly, against the backdrop of power recentralisation, the central state in China, assuming greater power, has shouldered a greater responsibility of social welfare provision to address people’s livelihood needs, as epitomised by the national shantytown redevelopment project and other social policies to tackle social disparities. This can be understood as an act of the state to prevent itself from falling into a legitimacy crisis. With a shrinking discretionary space (Kostka and Nahm, 2017), local governments are required to speak to the top-down demands of social redistribution. Secondly, in the actual delivery of redistributive resources, the local state in charge of allocating resources played a significant managerial role, striving to achieve their policy target through a sophisticated allocation mechanism. In this process, local bureaucrats can be seen as the counterpart of ‘urban managers’ under urban managerialism (Forrest and Wissink, 2017). By formulating the allocation mechanism, these gatekeepers in charge of resource delivery can achieve a number of social and political goals.

To some extent, entrepreneurial neo-managerialism is the re-mobilisation of the legacy of socialist managerialism, particularly in considering the redistributive mechanism. Here, the collective value associated with the Party-State of China (see Perry, 2008; Sa, 2020) may partly explain the sustenance and persistence of the managerial functions of the state. For us, entrepreneurial neo-managerialism builds on the dualistic nature of the state, which aims to address the state legitimacy on the one hand, and the need for capital accumulation on the other. Against the backdrop of power recentralisation, the redistributive function of the state to avoid state legitimacy crisis and ensure political stability may be further enhanced, leading us to emphasise the managerial dimension of urban governance.

Our emphasis on neo-managerialism does not mean the Chinese state distances itself from entrepreneurialism. Instead, the state operation remains entangled with an underlying entrepreneurial logic, rendering the national shantytown redevelopment part of a profit-led real estate accumulation endeavour at the local level (in Qiancao’s case, through collaboration with a

property developer). That is, the delivery of resettlement flats couldn't be dissociated from the local state's continued practice of land-based accumulation. However, our consideration of entrepreneurialism in relation to managerialism in the analysis of actually existing urban governance helps us better explain what a smooth and speedy housing expropriation process means for the local state. While pursuing speedy urban (re)development may be driven by local bureaucrats' desire to advance their political career (Chien and Woodworth, 2018), under the logic of financialisation (Wu, 2023), shortening the housing expropriation process could also help the local state to yield financial returns faster by assembling and leasing land more quickly. Therefore, the local state's endeavour to realise its entrepreneurial aspiration to improve the liquidity of the capital invested in shantytown redevelopment projects and prevent such capital from being trapped longer-term and remaining unprofitable is conditional upon fast-tracking the expropriation process by means of resorting to managerial means (e.g., bureaucrats as gatekeepers of scarce resource allocation).

Recently, along with the power recentralisation, the leadership of the Chinese Communist Party reemphasised the importance of common prosperity as the fundamental goal of socialism, with wealth redistribution as a key approach to achieving this goal (Mullen, 2021). It remains to be seen to what extent state entrepreneurialism will steer further towards neo-managerialism. However, the side effects of the aforementioned practices with managerial characteristics may be an alarm for future strategies to promote 'common prosperity.' Firstly, the stated beneficiaries of shantytown redevelopment, although being expanded, are still limited to homeowners. Renters, particularly migrant tenants, can hardly benefit from this national project. Moreover, as illustrated by the Qiancao case, some of the homeowners are not actual shantytown inhabitants. They may squeeze out some of those who are really in need of improving their living conditions. Secondly, in the case of Qiancao, the allocation process has been utilised by the redistributive bureaucrats to bind local inhabitants together and partly deprive them of their rights to act according to their wills. Such practices remind us of the detrimental impact of managerialism, under which urban managers or gatekeepers could control access to scarce resources and thus contribute to the rise of social injustice (Pahl, 1970). Such social injustice resembles the injustice under the Western mode of urban managerialism, in which urban managers abuse their discretionary space to meet their preferences (Forrest and Wissink, 2017). How these limitations of urban managerialism can be resolved in China may need further attention.

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