State-led metropolitan governance in China: Making integrated city regions

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Abstract

Scholars have widely discussed the issue of how to govern rapidly growing metropolitan regions under the economic, social and political pressures of globalization. Many have argued for a metropolitan governance approach that involves less government regulation and more flexible arrangements between public and civic sectors. However, in countries like China, where a traditionally centralized state controls most resources and seeks to impose its vision for metropolitan development, a strong state-led approach is widely adopted. This article analyzes such a state-led model in China and identifies the economic and political factors that contribute to such development. It is suggested that metropolitan governance in China has formed a strong top-down, “dirigiste type” model to achieve state objectives. Findings are drawn from field observation, archival research and socio-economic data analysis in the Guangzhou–Foshan metropolitan region of the Pearl River Delta region in China.

Introduction

The rise of city regions has been witnessed around the world as a response to the social, economic, political and cultural challenges of globalization (Brenner, 2002; Florida, Gulden, & Mellander, 2007; Scott & Storper, 2003; Vogel, 2010). Scott and Storper (2003) argue that intensifying globalization is making the synergy-laden systems of regional economies more important to the development process, in both the more advanced countries and less-developed parts of the world. Economic concentration produces a new spatial and political organization where economic interaction and integration occurs in previously separated local jurisdictions. Localities became linked by movements of people, goods and services. Metropolitan development is redesigning city regions to meet the needs of global capital and enhance economic competitiveness through infrastructure development and public policies (Vogel, 2010). Territory and politics are being rescaled, with evidence of a shift from national to regional and metropolitan levels (Brenner, 1999, 2001).

The important issue of coordinating growth and development in rapidly changing and politically rescaling metropolitan regions has received worldwide attention. This article uses the concept of “metropolitan governance” to describe governance actions beyond a single city’s jurisdictional boundary and related to metropolitan-wide issues. In many cases metropolitan governance is dealing with the emergence of city regions in response to global economic and political changes. City regions are forming city-states that are drawing down authority and territorial control from sovereign nation-states and are more functional than local municipalities (Jonas & Ward, 2007; Scott & Storper, 2003; Vogel, 2010).

Governance of these regions transcends the traditional (local) urban governance because it involved multiple jurisdictions, including urban and suburban communities and neighboring cities. Metropolitan governance “encompasses a broad range of institutional forms, regulatory strategies and governance projects” (Brenner, 2002, p. 5). Some fundamental dimensions of urban governance are particularly relevant, such as the interplay between public and private sectors, the capabilities of local government organizations and the interaction between different levels of government (Pierre, 1999, 2011). In fact, the agglomeration of city regions has to deal with issues of horizontal and vertical collaboration at once. The multilevel nature of metropolitan governance under the neoliberal ideology denotes the corporatist and pro-growth models of urban governance (Pierre, 1999; Savitch & Kantor, 2004).

Western countries have called for a new “metropolitan governance” model (Brenner, 2002; Savitch & Vogel, 2000), which involves less governmental structural change and a polycentric governance network to address metropolitan-wide issues. Compared to the traditional government restructure approach, which entails “formal institutions and elections and established decision-making processes and administrative structures,” the
governance approach suggests that public functions can be delivered on a voluntary basis by a network of horizontally linked agencies and organizations (Savitch & Vogel, 2000, p. 161). Local governments may partner with nonprofit organizations and private providers to carry out public policies and to offer public services. Agreements among adjacent cities for metropolitan policies such as land use, development planning and service provision are encouraged (Brenner, 2002; Parks & Oakerson, 2000). This approach reflects the collaborative governance model in public sectors with active engagement of civic societies and grassroots organizations (Bouckaert, Peters, & Verhoest, 2010).

However, the notion of metropolitan governance tends to take a substantially different form in many Asian countries, where state authorities at both central and local levels have been very strong and whose governing policies are highly influential. Thus, governance in these countries incorporates a vertical dimension imposing on horizontal interactions between governments and non-state actors and should be carefully investigated against classic western style governance schools (Pierre, 1999; Rhodes, 1997). For example, in studying regional service industry development, Hutton (2004) observes that central governments in Japan and Singapore assigned leading roles to advanced service industries in support of urban and regional economic transformation. In these countries, extensive economic restructuring and urban development policies are heavily administered by the state to promote regional transformation (Ho, 1994; Shapira, Masser, & Edgington, 1994, quoted in Hutton (2004)). In Tokyo, “the provincial governments themselves directly plan and administer the regional scale” to create viable city regions (Vogel, 2010, p. 65).

Such policy arrangements, to a great extent, reflect the state-led, “dirigiste” model where the state exerts a strong influence on development policies and decisions. Under a dirigiste (directed) system, governments at different levels play a directive policy making and implementation role as opposed to a regulatory one. In this regard, urban development is largely orchestrated by political elites at the top of the bureaucratic pyramid and the government uses fiscal and political pressure to implement its policy objectives. Here the meaning of “state” may encompass not only the national authorities but also the interplays among central, provincial and local governments. Local government “used its extensive power and the city's economic prowess to launch aggressive social agenda” under the significant influence of national policies (Savitch & Kantor, 2004, p. 161). Although a dirigiste system was used to describe a capitalist political economy system like that in France after World War II it has been borrowed to analyze heavily government-directed marketization and urbanization in Asian countries (for example, Lal, 1995; Liu, Yin, & Ma, 2012; Pratt & Hutton, 2012). Increasing attention is paid to how the state leads the way of urban policy making and implementation, how different levels of government interact and how this process shapes the spatial, political and socio-economic urban transformation underway in China and other Asian countries (Gross, Ye, & LeGates, 2014). In this regard, China offers an important example of state-directed metropolitan governance that will be substantively explored in this article.

This article adopts the state-led, dirigiste approach to analyze China’s urban and metropolitan development, arguing that the formulation and implementation of such policies is largely the outcome of strong inter-governmental interaction, where senior governments exercise influence through political control and administrative pressure. A case study of the Guangzhou–Foshan metropolitan area in the Pearl River Delta (PRD) region in south China is used to examine this approach.

The rest of this article is organized as follows. The development of regional and metropolitan governance in China will first be reviewed. The PRD region will then be introduced to present the development and governance of the Guangzhou–Foshan city region. Evidence is collected from fieldwork in both cities; including government document analysis and personal communication with government officials. Discussion and conclusions will follow, with future research proposed to further explore this subject.

Development of regional and metropolitan governance in China

In China, the development of metropolitan regions has been an important part of its burgeoning urban development (Wu & Zhang, 2007; Xu, 2008; Xu & Yeh, 2010; Ye, 2009; Zhang, 2006). These metropolitan regions are clusters of contiguous cities, connected by small swatches of land that have been developed to house millions of people working in and around the urban areas (Ye, 2009). In the past two decades, these regions underwent significant transformation due to market reform, globalization and rapid urbanization (Cheung, 2012; Liu et al., 2012; Xu & Yeh, 2010; Ye, 2013; Ye & Wu, 2014). The literature in the field has described urban development in China's post-reform era as following a neoliberal approach, particularly after the budget reform in the mid-1990s put more pressure on local governments to pursue economic growth (for example, Lin, 2001; Xu & Yeh, 2005; Ye & Wu, 2014; Zhang, 2006). However, a laisez-faire approach to inter-city competition and regional development is difficult to implement in China (Wu & Zhang, 2007). Senior governments never totally loosened oversight and control over inter-governmental matters and regional development policies. Regional governance and planning have always been used as “a strategy that either serves consolidated power at the center or fulfills the planning targets of its accumulation region” (Xu, 2008, p. 161–162). A brief review of China’s regional strategies will help trace the development and interaction between national and local states.

Before the reform and opening-up, China established economic coordination regions (jinjixiezuoqu) in the early 1950s and regional administrative offices (diqiu xingshu) in the 1960s and 1970s to implement the nation’s regional policies (Zhang & Wu, 2006). In the post-reform period, China planned for the coastal region and the inland region in the sixth 5-year plan (1981–1985). The seventh 5-year plan put forward the demarcation of three zones (the eastern zone, the central zone and the western zone). These zones were further divided into seven trans-provincial economic regions in the eighth 5-year plan. The ninth 5-year plan strengthened the support to the central and western regions for a balanced national development. The tenth 5-year plan raised a master strategy for regional development which can be summarized as “the development of western China, the rejuvenation of old industrial bases in north-eastern China, the rise of central China and the leading development of coastal areas” (EU–China Cooperative Research Program on Regional Policy, 2010, p. 138).

After the 1990s, economic decentralization and political fragmentation resulted in the proliferation of local discretion and inter-city development plans (Xu, 2008). Echoing national strategies, Chinese local states joined in city region development. Confronted with intense domestic and global competition, inter-city cooperation was adopted as a popular tool to enhance regional economic competitiveness although some city regions were more successfully developed than others (Luo & Shen, 2008, 2009; Wu & Zhang, 2007; Zhang, 2006). In order to maintain central control in regional planning, the national government established or reorganized several key national ministries, such as the Ministry of Land and Resources (MLR) in 1998 and National Development and Reform Commission (NDRC) in 2003. These ministries strengthened the central state’s leadership in regulating land-use
and planning policies in response to the emergence of inter-city strategic development and enhanced the top-down central control in regional development (Xu & Wang, 2012). As a result, the eleventh 5-year plan put city region development as a strategy for the nation’s economic restructuring and urban transformation. The twelfth 5-year plan adopted urban agglomeration as a vital policy to improve the quality of urbanization in China (Ye, 2013).

To sum up, regional and metropolitan development in China is argued to be an outcome of multi-scale rescaling and re-territorialization processes under strong legislative and political influence (Shen, 2007). The governance of city regions in China requires understanding the way governments interact at different scales. Xu (2008) points out “together with market forces, the hierarchically, multifaceted and contested political contents of a tiered government system mould the production and transformation of regions” (p. 158). The next section turns to the case study in the metropolitan governance and their interactions with the national state.

The Pearl River Delta and Guangzhou–Foshan city region

The Pearl River Delta (PRD) region provides an important case to study how governments in China play a leading role in the governance of metropolitan development. This region is encompassed in one province (Guangdong), making strong government-led regional policies more possible than in other areas in China, for example the Yangtze River Delta (YRD), where regional coordination becomes more complicated with multiple provincial-level jurisdictions involved.

At the regional level, the PRD region formed several strategic plans to foster integrated city region development. As early as 1995, the Guangdong provincial government and the provincial Department of Construction launched the Pearl River Delta Economic Region Urban Cluster Plan (PRDER-UCP). After the return of the Hong Kong and Macau Special Administrative Regions (SARs), the Guangdong Provincial Communist Party Committee, the Guangdong provincial government and the national Ministry of Construction (the predecessor of the Ministry of Housing and Urban–Rural Development, MOHURD) jointly formulated the “Pearl River Delta Urban Cluster Coordinated Development Plan (2004–20)” (PRD-UCDP) in 2003.

However, the global financial crisis started in 2007, which seriously challenged economic development in the PRD region. After thirty years of opening-up, the PRD region has established a strong export-oriented economy based upon import-processing industrial development. The region's exports to Hong Kong, Macau, the United States and the European Union accounted for over 75% of its total export volume. The global financial crisis hit these destination regions heavily and their import demand reduced significantly (Xiang & Wu, 2010). The Guangdong provincial government realized the importance of transforming the regional economy to better survive and succeed in a more volatile global market. In December 2008, the National Development and Reform Committee (NDRC) and the Guangdong provincial government announced the Outline Plan for the Reform and Development of the Pearl River Delta 2008–2020 (referred to as “the 2008 Outline Plan” hereafter). This plan became the leading official document outlining the region's development in the coming decades. Nine major cities included in this plan are Guangzhou, Foshan, Zhaoqing, Shenzhen, Dongguan, Huizhou, Zhuhai, Zhongshan and Jiangmen.

One of the focuses of the 2008 Outline Plan is to promote coordinated regional development. Three major metropolitan regions are identified as the centers for economic growth, one of which is the Guangzhou–Foshan–Zhaqing metropolitan region with the Guangzhou–Foshan city region as the core area. Guangzhou is one of the oldest cities in the PRD region and southern China, with a history of more than two thousand years. Because of its location at the northern tip of the PRD region (Fig. 1), Guangzhou possessed exceptional conditions as a port city and was the regional logistic and economic center before the 1980s.

However, with competition from other port cities in southern China the central role of Guangzhou in the PRD region was gradually undermined in the 1990s. The city's share of the total GDP in the PRD region fell from 37% in 1990 to 32% in 2000. On the other hand, Shenzhen's share of the total GDP in the PRD increased from 20% to 23% between 1990 and 2000 (Xu & Yeh, 2005). The manufacturing industry of Guangzhou was challenged by those of cities like Shenzhen, and its conventional strength in services was overshadowed by Hong Kong after its return of sovereignty to China (Ye, 2011a).

As Guangzhou was in danger of losing out in the economic competition, several important measures were taken at the turn of the 21st century to re-strengthen the city's capacity to grow. One of these actions was the adoption of a strong metropolitan-wide development strategy. In 2000, the Guangzhou municipal government launched Guangzhou Urban Development Strategic Concept Plan (GUDSCP, Guangzhou cheng shi jian she zong ti zhan lue gai ni mun gui hua). One of the most significant aspects of this plan was to spatially scale the city under the strategy of “exploring to the south, optimizing the north, moving to the east, connecting the west” (Nantuo, Beiyou, Dongyi, Xilian) and to develop the city into a polycentric metropolis. In 2011, such a metropolitan-wide development vision was further detailed in the Guangzhou Urban Development Master Plan (GUDMP, Guangzhou cheng shi zong ti gui hua) 2010–2020.

A top priority adopted in the GUDSCP was to anchor Guangzhou's urban development from a city-centered model to a metropolitan development approach. Under this direction, several major re-territorialization measures were implemented. First of all, the Guangzhou city government annexed two bordering county-level cities, Huadu and Panyu, to become the city's urban districts in 2000. This action was intended to enrich the local land bank and to alleviate the development pressure within the city. This effort was in no way an easy task. In China, a county-level city has much stronger political and economic power than an urban district. When Huadu and Panyu were re-designated as urban districts, they were totally absorbed by Guangzhou and became a part of the city, losing their independence as autonomous political units. Facing resistance, Guangzhou city government had to seek top-down support from the central and provincial government. According to the Chinese Law on the Organization of Local Governments and the Regulation on the Management of Administrative Divisions, the National People’s Congress or the state council is the only central governing body that is empowered by the nation's constitution to approve city designation and its boundary changes (Shen, 2007). The Guangzhou government managed to obtain support from the central government for this major jurisdictional change. As lower-level political and administrative units, Huadu and Panyu had little chance to fight against their “big brother” and had to be merged with Guangzhou.

Before the reorganization, Guangzhou had 8 urban districts with a total area of 1274 km² in 1998. Following the reorganization, the area under the direct administration of the city government increased to 3719 km² (Xu & Yeh, 2003). This major move allowed Guangzhou to acquire more available land for its industrial, commercial and housing expansion. More importantly, the re-organization enabled the city government to gain potential land revenue and tax income. As Shen (2007) describes it, such jurisdictional re-organization is an important territorialization strategy to
strengthen a city’s political and economic power (p. 311). With additional land and fiscal resources available, the Guangzhou city government was able to construct major infrastructure facilities, such as a new international airport in Huadu and the port facilities in Panyu (Xu & Yeh, 2005).

In 2005, Guangzhou redrew its administrative boundaries by merging two municipal Economic Development Zones, Nansha and Luogang, as new urban districts in the southern and eastern part of the city. Two former urban districts in the center of the city, Dongshan and Fangcun, were dissolved and merged with Yuexiu and Liwan District in the northern part of the city. This measure increased the total number of urban districts from 8 to 10. These two major jurisdictional reorganizations were considered important measures to implement the “exploring to the south, optimizing the north, moving to the east” (Nantuo, Beiyou, Dongyi) strategy and to remap the city jurisdiction for optimal urban development.

Outside of the city boundary where annexation or consolidation was impossible, Guangzhou realized the importance of building an integrated metropolitan region with Foshan to improve its economic competitiveness, maximize growth potential and implement the “connecting the west” (Xilian) strategy. The two cities of Guangzhou and Foshan had long established inter-city trade and exchange relations. Such proximity and historical bonds created the possibility of a metropolitan development framework. The following section will discuss the governance policies in the Guangzhou–Foshan metropolitan region and analyze how governments play the dominant role in developing such policies. Archives of major inter-city plans since 2000 and the implementation of annual key projects since 2009 will be analyzed. Although these inter-city plans are not statutory plans they serve as a wide socio-economic development agenda and integrate strategic formulation, spatial planning and city marketing into one package, of which the preparation “becomes a process of political and social mobilization” (Wu & Zhang, 2007, p. 719). Studying these plans will help reveal the development strategies and understand policy interplays between different levels of governments. More importantly, the implementation of these plans reveals the inter-city politics and the development of metropolitan-wide governance capacity.

**Metropolitan governance in Guangzhou–Foshan city region**

The Guangzhou–Foshan metropolitan area is one of the most populated city regions in China, both with a population density over 1700 persons per square kilometer. Both cities enjoyed rapid population and economic growth in the last decade. The city of Foshan recorded a population growth of 34.8% while Guangzhou’s total population increased by 27.8%. Guangzhou’s total GDP grew by almost 400% and Foshan’s increased by 491%. Guangzhou’s per capita GDP (RMB 84630) was much higher than that of Foshan (RMB 78472) in 2010. Such a gap was the result of the economic structures of two cities. Over 62% of Foshan’s GDP was from secondary industry while only 35% came from tertiary industry. By comparison, Guangzhou had over 61% of its GDP generated from the tertiary industry and 37% from the secondary industry. Both cities had less than 2% of the GDP from the primary industry in 2010. With just over 20% of the land area, these two cities housed over 35% of the total population and produced over 43% of the total GDP of the PRD, which is one of the most developed regions in China. The economic performance of this metropolitan area has a significant impact on the entire region.

As discussed above, the Guangzhou government realized the importance of adopting a metropolitan-wide governance and development strategy to regain its regional supremacy. The Foshan government also considered the metropolitan governance scheme as an opportunity for the city to make the best use of the Guangzhou’s regional and global influence to stimulate local growth in Foshan. The two governments started to work closely around the turn of the 21st century. There have been two major stages of metropolitan governance in the last decade.

### Stage one (2000–2008): metropolitan cooperation between Guangzhou and Foshan

One of the development strategies adopted by both the GUDSCP and GUDMP was “connecting the west.” To the west of Guangzhou lies the city of Foshan (Fig. 1). The Guangzhou city government considered metropolitan cooperation with Foshan as a way to expand the development potential for Guangzhou. The reason is twofold. First, Guangzhou and Foshan have a long history of
economic, social and cultural connections. Their city centers are only 25 km apart and within 30 minutes’ commuting time. The two cities share a border over 200 km long. Historically many residents work and commute between the two cities. Both cities have a strong and complimentary economic base, where Guangzhou is specialized in the tertiary industries and Foshan has an advanced secondary sector. These strong ties make broad cooperation possible between the two cities. Second, as the capital of the Guangdong province, Guangzhou retains strong political power from the senior government. Being nearby and connected with Guangzhou, Foshan would be able to negotiate more favorable policies from the provincial and central governments.

After adopting its “connecting the west” strategy, the Guangzhou city government formally proposed the concept of Guangzhou–Foshan Metropolitan Area in 2002. The proposal received a warm reaction from the Foshan city government, which announced its “reaching out to the east” development strategy to strengthen the connection between two cities [Foshan Development and Reform Bureau, 2012]. Under this overall scheme, the governments from the two cities began a wide range of cooperative activities. In November 2002, the mayor of Guangzhou visited Foshan as the first move to begin the official exchange between two cities. The meeting between the two mayors initiated several cooperative plans to follow, one of which was the annual inter-city forum on Guangzhou–Foshan metropolitan issues.

In 2003, the first inter-city forum was held in Foshan to discuss the plan for a cooperative Guangzhou–Foshan metropolitan area. The major issues in this forum included adopting the metropolitan governance model, outlining the positive impact of metropolitan development, and designing the possible cooperative scheme. Representatives from the two cities’ government agencies, research institutions and commercial associations attended the forum. The 2004 inter-city forum further discussed the issue of metropolitan development, in particular how to improve regional competitiveness with metropolitan-wide economic activities. In 2005, the forum initiated inter-city projects including infrastructure and industrial development and proposed such projects to the two city governments. In 2006 and 2007, the themes of the inter-city forums covered areas such as economic cooperation, industrial relocation, environmental protections, resource management and urban planning. After these five years of continuous dialogue between two cities, a strong movement towards metropolitan integration was emerging.

Stage two (since 2009): metropolitan integration between Guangzhou and Foshan

As discussed above, the Guangzhou–Foshan metropolitan area was designated as one of the major development cores of the PRD region in the 2008 Outline Plan. Under the direction of this plan, Guangzhou and Foshan governments strengthened their efforts of cooperation between the two cities and pursued further integration.

In 2009, the mayors from Guangzhou and Foshan decided to scale up the inter-city forum to a joint mayoral meeting between the two cities. In contrast with the inter-city forum, the joint mayoral is a formal political and administrative mechanism for metropolitan cooperation, with top leaders from both cities required to attend. Such arrangement makes the implementation of inter-city policies and projects more enforceable. In April 2009 the first joint mayoral meeting was held in Guangzhou with mayors from both cities signing a series of documents on metropolitan governance issues and policies. The most important document was Metropolitan Integration Agreement (MIA, guangfo tongchenghua jianshe hezuo kuangjia xieyi) between Guangzhou and Foshan. The announcement of this plan was considered the turning point between the two cities from the planning stage to the implementation stage and served as the guiding framework for making an integrated metropolitan region [Foshan Development and Reform Bureau, 2012; Guangzhou Development and Reform Bureau, 2013].

Under the MIA’s framework, four policy documents were put in place in the areas of economic cooperation, urban planning, environmental protection and transportation infrastructure. These arrangements were commonly referred to as the “1+4” framework to promote metropolitan integration of Guangzhou and Foshan.

After 2009, Annual Key Work Plan for Guangzhou–Foshan Metropolitan Integration was set up to lead inter-city cooperation, except for a biennial plan between 2011 and 2012. The scope of projects covered all four major policy areas in the “1+4” framework, with the addition of social policy. Fig. 2 shows the number of projects in each policy category in different years. It can be seen that infrastructure projects were the most popular programs adopted by the two cities, followed by social policy and economic cooperation programs. There were not many environmental protection projects. Urban planning programs listed in the annual work plan referred to large scale land use planning so the number was limited.

Each project in the Annual Key Work Plan was implemented with a specific deadline and corresponding agencies in the two cities. The reason such projects were able to enhance the governance of metropolitan development was its enforceable nature with targeted completion time, designated responsible agencies and de facto implementation measurement as part of the performance evaluation for agencies involved. For example, one of the inter-city matters receiving wide attention was to eliminate the long distance telecommunication charges between Guangzhou and Foshan. This project was listed as a key project in the 2010 Annual Key Work Plan with the Bureau of Science and Information Technology in Guangzhou and the Bureau of Economy and Information Technology in Foshan designated as the responsible agencies. The project started in April 2010 with feasibility evaluation from both cities, after working with multiple telecommunication providers. In the following year, this project was listed in the 2011–2012 Annual Key Work Plan as a project required to be completed by 2012. In October 2012, the integration of long distance telecommunication systems was completed between Guangzhou and Foshan, reducing the inter-city call charge by 75%. Guangzhou–Foshan became one of only a few city regions in China providing free inter-city telephone calls with a monthly bundle price. This is just one example of how the Annual Key Work Plan pushed through the governance of metropolitan-wide issues.

Another major proposal from the first joint mayoral meeting was the drafting of a strategic plan for governing the Guangzhou–Foshan metropolitan area. This proposal became the focal point of the second joint mayoral meeting in September 2009, which was held in Foshan. In January 2010, after a year-long planning period, the city governments of Guangzhou and Foshan signed the Development Plan for the Guangzhou–Foshan Integrated Metropolitan Area (guangfo tongchenghua fazhan guihua) 2009–2020. This strategic plan outlines eight policy areas that these two cities will work on together: infrastructure building, economic restructuring, technology advancement, environmental protection, social services, government affairs, regional cooperation and policy innovation. Table 1 summarizes the major plans developed in Guangzhou–Foshan metropolitan region in the last decade.

Under the umbrella of the joint mayoral meeting, additional mechanisms were set up to carry forward the planning and implementation of metropolitan policies. The top leaders from both cities, including the party secretaries and mayors usually meet before the joint mayoral meeting is convened to outline the key issues to be discussed. After each joint mayoral meeting, ad hoc task forces are organized in designated policy areas to implement the
decisions reached at the meetings. For example, several development zones along the two cities’ border have been planned (Fig. 3), including the Guangzhou South Train Station, where the national high-speed railway runs through. These areas have served as new development corridors for both cities. Accordingly, transportation infrastructure projects were set up in each Annual Key Work Plan to better facilitate the development in these areas.

State-led metropolitan governance: double forces from top-down and bottom-up

As discussed above, developing an integrated metropolitan region has been used by the Guangzhou and Foshan governments to better coordinate development in and between both cities. This section analyzes this state-led metropolitan governance approach, in particular how the state powers at national, provincial and local levels interacted in shaping the dynamics of vertical and horizontal relationships in the policy formulation and implementation process.

As described by Shen (2007), one major difference between the western and Chinese cases lies in the nature of rescaling process. In western countries, scalar configurations are often remade through intense socio-political struggles as a stable and rigid system has been well established (Brenner, 2001, p. 592). In the Chinese context, a mature socialist market economy is yet to be established. Both the central and local states have been actively initiating a new arrangement of scalar relations to make room for further marketization and urbanization. The process is characterized by involving intense interaction between local and central authorities.

At the national level, regional strategies were adopted as a response to the growing global competition and a rising local entrepreneurial state (Luo & Shen, 2008; Wu & Zhang, 2007). Chinese cities are facing growing competition for foreign capital, domestic investment and economic growth projects. The economic decentralization raised the tensions among adjacent cities just as they needed cooperation to compete in the global market (Zhang, 2006). Confronted with this dilemma, the central government encouraged provincial and local governments to formulate
inter-city and region-wide strategic development to pursue metropolitan strategy. The central government tends to reward such actions with favorable land, fiscal and industrial policies. For example, the 2008 Outline Plan was approved by the NDRC, one of the most powerful cabinet-level agencies in China. It quickly replaced the previous two regional plans in the PRD and has subsequently led regional development in the PRD in recent years (Ye, 2013).

As the central government set the tone, sub-national governments followed. In the PRD region, since the jurisdictions are all within a single province, the provincial government became a key facilitator to coordinate regional development. The 2008 Outline Plan provided the foundation for almost all development plans in the PRD region and its constituent cities. Under the state direction, clustering of cities in the PRD region provides a vertical foundation for widening the range of market activities, stimulating industrial specialization and improving the economic productivity of the region as a whole. Cities within the region try to share their advantages and develop mutually beneficial horizontal industrial structures. Less developed cities have ample labor and land resources to support more advanced cities, which in turn provide newer technologies and more specialized skills.

As a result, an integrated Guangzhou and Foshan metropolitan region was developed as a top policy priority (Foshan Development and Reform Bureau, 2012; Guangzhou Development and Reform Bureau, 2013). Synergies between cities like Guangzhou and Foshan enable the region to diversify its economic base, to develop inter-city transportation infrastructures, and to provide metropolitan-wide services. Moreover, the integration between Guangzhou and Foshan was implemented to enable both cities to better utilize their existing geographic and economic advantages. For example, in 2008 the Guangzhou government issued an ordinance to Retreat the Secondary and Advance the Tertiary Industries (Tui Er Jin San) as a major redevelopment strategy of the city. Over 300 manufacturing plants were ordered to move from the city center and vacate these formerly industrial lands available for developing tertiary industries (Ye, 2011a). Many of these plants were relocated in the Foshan area due to Foshan’s heavy reliance on secondary industries. Without the above-mentioned metropolitan development scheme and approval from senior governments such inter-city industrial relocation would not have been possible.

Such a metropolitan governance framework has a strong development-driven and state-led characteristic. With the national and provincial guidelines in place, local governments formulate and implement their own metropolitan development plans. Local governments use these plans and policies to maximize their growth potential and win in the economic competition against other regions. As shown in Fig. 2, around two-thirds of the annual key metropolitan integration projects implemented between 2009 and 2013 are infrastructure building and economic cooperation programs. These projects are favored because they can generate economic output and stimulate local growth, which are the most important objectives of local governments in China. Other programs, such as social policy programs are considered “soft” projects without real economic output and are paid less attention (Ye, 2011b).
To conclude, in China, metropolitan governance is most likely to succeed when it has the support of senior governments. Local states utilize such an opportunity to push development at the metropolitan level. Such a top-down process has been necessary for city region development in China and is likely to continue (Luo & Shen, 2009; Xu & Wang, 2012; Xu & Yeh, 2010; Ye, 2009, 2013). The next section will summarize the findings of this article and discuss future research.

Conclusions and future research

This article finds that territorial rescaling is occurring in China’s city regions, echoing western literature on urban and metropolitan governance (for example, Brenner, 1999, 2001; Jonas & Ward, 2007; Vogel, 2010). However, China’s metropolitan governance has followed a state-led, dirigiste approach, with aggressive economic, social and institutional policies enacted by the senior government to support inter-city development. Local states respond to economic and political pressure by adopting aggressive metropolitan development strategies in pursuit of their goals. Such a model adds an important vertical dimension to metropolitan governance in centralized countries like China.

Under China’s hierarchical system, the central government has substantial power in the process of changing city scales and reorganizing territorial units, while an extensive horizontal organization of local governments follows to enforce policy implementation. This model shows the strong government-led orientation of China’s metropolitan governance approach and appears to enhance both vertical political leadership and horizontal governance capacity in China’s centralized environment. However, the long-term success of such a state-led model requires more careful consideration of participation and democratic praxis to support horizontal relationships and greater attention to sustainability. Jonas and Ward (2007) point out that new governance at the city region scale calls for diverse political participation and democratic praxis so that the double forces of economic restructuring and political rescaling can enable city regions to enhance social and environmental sustainability. In China, the state remains dominant in most cases. The involvement of non-state actors, a central feature of Western governance models is less obvious in this study. It remains to be seen how non-governmental sectors may participate more in formulating inter-jurisdiction policies and metropolitan governance in rapidly developing city regions in China. Such findings call for future research on whether China’s model portends a new pattern of metropolitan governance, and how applicable it is to regions in other countries.

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