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The Chinese Axis: Zoning Technologies and Variegated Sovereignty

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Concepts of regionalization and regionalism have dominated discussions of emerging global orders. With the rise of the European Union (EU), scholars have begun to look for similar multilaterally negotiated regional organizations in the Asia-Pacific region.

However, the search for regional forms in East Asia that may approximate the EU seems to set up a situation for the disappointing admission that regionalism or intergovernmental collaborations in East Asia is weak and fraught with political obstacles. A leading scholar has identified ASEAN+3 (the members of the Association of South East Asian Nations [ASEAN] plus China, Japan, and South Korea) as the major regional configuration in East Asia today, with the goal of “enmeshing” China in a “soft regime” of economic integration.¹ Such claims of a rising East Asian regional order seem dubious, more a vision shaped by politicians’ rhetoric than an actually existing institutional structure. Indeed, the search for broad comparative ideal-types of regionalization in Europe, North America, and East Asia often use Western modes of regionalization as the normative model, so that regional forms in East Asia are found to be lacking and defective. Alternately, one imagines that analysts in search of typologies may contrast the EU or the North American Free Trade Agreement (NAFTA) with Asian regional configurations, drawing up a set of oppositions such as multilateralism versus universalism, or the protection of civil rights versus compromises on them.

My analytical approach challenges such assumptions based on binary typologies. The EU is after all a unique experiment in transnational rule that emerged out of unique historical experiences and institutions to meet global challenges of the late twentieth century. One would expect that significant regional alignments in East Asia would be rather different and distinctive, emerging out of the interactions of market cal-

culations and diverse political entities. Regionalization in East Asia seems to take multiple forms, organized at multiple scales and based on limited groupings of sites or nations. Kenichi Ohmae has noted the rise of cross-border regional economies that establish linkages among different sites and populations in the Asia Pacific.² Thus even though East Asian regionalization seems nebulous, Greater China—an alignment of China, Hong Kong, Macao, Taiwan, and Chinese communities in Southeast Asia—is a regional configuration that is firmly based on institutional forms and practices. Unlike the EU, Greater China as a distinctive kind of regional space has not been forged through multilateral negotiations but is the outcome of the administrative strategies of a single state, China, in pursuit of economic development and political integration. Flexible Chinese state practices, I argue, deploy zoning technologies for integrating distinct political entities such as Hong Kong and Macao, and even Taiwan and Singapore, into an emerging Chinese axis. Furthermore, although zoning technologies are ostensibly about increasing foreign investments and economic activities, they create the spaces and conditions of variegated sovereignty aligned on an axis of trade, industrialization, and gradual political integration. Thus this Chinese-dominated archipelago challenges widespread assumptions that that economic and political forms of integration develop in different spheres.³ Greater China, I argue, is a state-driven strategy to economically integrate disarticulated political entities as a detour toward eventual political integration.

This article begins with a rethinking of sovereignty not as a container concept but rather as the outcome of various administrative strategies that seek to improve the economic and political well-being of the nation. China's administrative responses to globalization do not result from an "unbundling" of powers or territories but rather from the creation of spaces of political and economic exception. Next, I pinpoint zoning technologies as the mechanism through which China becomes aligned with various Chinese-dominated political entities, in an axis of variegated sovereignty called Greater China. Although Export-Processing Zones (EPZs) have long existed in East and Southeast Asia, China's Special Economic Zones (SEZs) and Special Administrative Regions (SARs) are the outcomes of a distinctive reterritorialization of the national socialist space in order to generate capitalist development and eventual political integration with selective, ethnically Chinese-dominated capitalist neighbors. Zoning technologies create zones of political exception to normalized Chinese rule, generating economic, social,

and political conditions that constitute a detour to political integration with Hong Kong, Macao, and, expectantly, Taiwan. Finally, I argue that this Chinese zoning modality suggests a viable experimentation for socialist North Korea to open up and eventually integrate with South Korea.

Rethinking Sovereignty

Scholarship on sovereignty is still dominated by concerns to match specific nation-states to ideal-types of political orders: the Westphalian, liberal, or anti-utopian models.

Such views stem from adhering too closely to the Weberian model of the modern liberal state as resting on a bureaucratic administrative order that holds a legitimate and legal monopoly over the use of powers.⁴ This formulation has been recast in rigid terms by Anthony Giddens, who maintains that “the modern-nation state is a power-container whose administrative purview corresponds exactly to its territorial delimitation.”⁵ These views continue to be productive and relevant as particular expressions or problems of sovereignty. Indeed, the 2003 U.S. attack on Iraq is a useful reminder of the military power behind U.S. sovereignty.

In East Asia, the container model of national sovereignty⁶ has shaped the model of Asian developmental state, as epitomized by Japan and, until recently, South Korea, whereby government-business collaborations pursue structural change as a form of legitimation or as a national project.⁷ Ironically, the original “developmental state” was the Soviet Union, which sought to undertake the overall development of the country as an overriding national project. This socialist developmental model shaped China’s *modus operandi* up until the late 1970s. Ironically, the developmental state is now synonymous with the new Asian capitalist powerhouses of Japan, South Korea, and Taiwan. This Northeast Asian state-directed capitalism is widely assumed to be the Asian model of state form, when in actuality the specific forms and articulations between state authorities and capitalist actors are rather diverse in terms of institutions involved. For instance, there are very striking differences in developmental state action between Northeast and Southeast Asian nations when it comes to state-business ties.⁸

Furthermore, whereas the developmental state model focuses on development as a state project that covers the entire national territory, I

have argued that are “developmental” strategies highly varied and that their regulatory effects are not uniform across the national territory. I have used the term “postdevelopmental” to identify recent state strategies in Southeast Asia that focus not on an overall developmental project but rather on the management of spaces and populations in order to achieve developmental ends. In Malaysia, for instance, postdevelopmental strategies in the 1980s regulate spaces and populations according to their relationship to modes of global production. I use the term “graduated sovereignty” to describe the rescaling of state power across the national landscape and the differential scales of regulatory effect on the rights and privileges of different segments of the population.⁹ This view of sovereignty—not as a uniform effect of state rule but as the contingent outcomes of various strategies—also informs my analysis of China. In the transition from a centrally planned economy to capitalist development, the Chinese state devised various strategies to address rather specific problems of capitalist development that will also contribute to the political imperative to reunite with breakaway territories. Strategies of reterritorialization become vital not only in fomenting economic development in border zones but also in accommodating spaces of variegated governance. Obviously, the point is not to judge sovereign power by some formulaic or container view of sovereignty but to adjust our analytical tools to examine various instruments and procedures of governing.

Government as Technologies of Ruling

A view of government as practical rationality shows that the state of sovereignty or sociopolitical order is the contingent product of varied technologies that define, discipline, and regulate individual and collective life in a nation. This formulation suggests that, first, sovereign power depends on a network of regulatory entities that channel, correct, and scale human activities in order to produce effects of social order.¹⁰ Narrowly defined “political” activities (e.g., elections, crackdowns, military activities) are merely one set of elements directly involved in shaping conditions of ruling and political normativity.

Following Michel Foucault’s focus on the microphysics of power, I consider government as the exercise of “political power beyond the state,” stressing the networks of technologies that link up strategies developed in centers of power to thousands of scattered points where regulations of spaces and populations take place. My focus is thus on

technologies and procedures “that happen to be available, in which new ways of governing were invented in a rather ad hoc way, as practical attempts to think about act upon specific problems in particular locales.”¹¹ The exercise of power is calculative and informed by a variety of logics in solving problems such as the well-being and wealth of the nation.

In the second half of the twentieth century, market calculations increasingly informed and shaped political rationality and action in many countries. Internal market reforms became part of political rationality in the 1960s when developing countries were encouraged to create suitable sociopolitical conditions and infrastructures for overcoming their third world brand of backwardness. By the 1970s and 1980s, export-industrialization programs shaped the political goals and justification of governments throughout Northeast and Southeast Asia. The marriage of market logic and authoritarian rule gave rise to the so-called Asian tigers—South Korea, Taiwan, Hong Kong, Singapore, and Malaysia. Neoliberal logic—which is abstractable, mobile, and dynamic—comes into interaction with diverse political arrangements and political goals in Asian countries.¹² In the aftermath of the 1997–1998 Asian financial crisis, entrepreneurial activities were promoted not only in the marketplace but also in the government and among citizen-subjects in order to create conditions of high-stakes competition and risk-taking. Neoliberal calculation has pushed political actors to promote and operate in conditions of freer access and borderless flows. Thus, a study of technologies of ruling does not rely on given models of “democratic” or “authoritarian” models of nation-states; it requires identifying the specific assemblage of rationalities (political, economic, ethical) that interact to create the conditions of possibility for sovereignty.

Specifically, the social order that is produced through the interactions of neoliberal logic and political rationality is highly contingent and subject to destabilization, ruptures, and crackdowns. The contingency of rule comes not only from the outside—as in the form of a global financial crisis—but also from within the state. Carl Schmitt defines “sovereignty” as ultimately the power to call a state of exception to the normalized condition or the law.¹³ Calling for exceptions to the normalized situations of citizens or territorial controls is, of course, not new in times of nation crisis, such as vivid examples of the mistreatment of European citizens during World War II. I argue, however, that in the 1990s exceptions to normalized conditions were routinely invoked in many countries and not merely in response to political crises

(narrowly defined) but especially in creating exceptional opportunities for participating in the world economy.

Indeed, the recent shift toward regional formations has come about through the actions of governments to rethink the contours and forms of sovereign power. The rise of the EU is predicated on a series of exceptions enacted by individual governments to transfer aspects of sovereignty power to a higher centralized power authority in Brussels. This novel form of regionalization has inspired a new constructionist approach that pays attention to how state organization reacts to economic and political challenges from the outside. John Ruggie attributes the emerging architecture of the EU to a process of “unbundling” territory and sovereignty as governments disaggregate different components of power—from fiscal policies to the Green movement to security measures—giving up certain controls for the governance of overlapping national spaces.¹⁴ More recently, Stephen Krasner maintains that states in Eastern Europe have solved specific problems stemming from conflicting claims to authority by disaggregating sovereignty through the creation of various semiautonomous, semi-independent, and semilegal entities.¹⁵ Saskia Sassen argues that the global market and human rights regimes have led to “a partial denationalization of national territory and a partial shift of some components of state sovereignty to other institutions, from supranational entities to the global capital market.”¹⁶ Concepts of unbundling, disaggregation, and denationalization describe specific new practices of sovereignty that created EU regionalization, but the forms they take are rather different in regionalizing processes in the Asia-Pacific.

I argue that the logic of exception deployed in the construction of the Chinese axis is marked more by flexibility of state practices than by the unbundling or disaggregation of powers. By invoking exceptions to normalized forms of political control and economic activities, post-Mao state strategies have displayed a flexible and creative approach to the diverse regulation of spaces and civil society. Specifically, China’s opening (*kaifang*) and market reform policies has relied not on unbundling or denationalizing sovereignty but on the production of new spaces of exception and border-crossing powers. Zoning technologies have been critical in creating new capitalist spaces where none existed before on the socialist mainland, or to adjust to and eventually absorb political entities by gradually weaving them into a complex web of economic networks that extend beyond the national space.¹⁷ By examining the various technologies that zone land, mobilize economic resources

at a distance, and accommodate political entities, we capture a dynamic and fluid process of sovereignty that is often ignored in studies that assess sovereignty in terms of broad “liberal,” “democratic” or “authoritarian” labels.

Zoning Technologies

Zoning technologies formalize economic and political action at specific scales within and across national borders. Zoning technologies provide the mechanisms for creating or accommodating islands of distinct governing regimes within the broader landscape of normalized rule, thus generating a pattern of variegated but linked sovereignty. Economic zones are not a new phenomenon, having their origins in Western colonial practices that created special treaty ports and customs areas in dominated lands, including China. In Asia, the first modern free trade zone (or EPZ) in Asia was established in Kaoshiung, Taiwan, in the mid-1960s. Under the promptings of the United Nations Industrial Development Organization and the World Bank, export-processing zones subsequently proliferated throughout Asia, as well as in Latin America and in the Middle East. The EPZ is a combination of old customs areas and export-oriented manufacturing. Thus EPZs combine tax-free holidays with other incentives for foreign investors to set up factories that produce export goods, train low-skill workers, and facilitate technology transfer.¹⁸ The EPZ strategy succeeded export-substitution industrialization in developing countries, driven by the pursuit of foreign exchange earnings. In the initial decades of export-industrialization, EPZs were given a free hand to exploit abundant and low-wage workers, most of whom were female. From South Korea to the Philippines to Malaysia, union organization among zone workers was routinely harassed by the police. These export zones were the sites of sustained labor struggles to combat industrial oppression and to raise wages; the results of such zone-based struggles gradually improved the living conditions of the new industrial workers in the Asian tiger economies.¹⁹ Within two decades, the labor and technological gains in EPZs consolidated the industrial foundation of “authoritarian developmental states” such as South Korea, Taiwan, Singapore, and Malaysia. Larger transnational zones (so-called Growth Triangles) have been set up in Southeast Asia.²⁰ In short, created by an act of exception, the free trade or export-processing zone “is like a country within a country,”²¹ a technology that over time spreads its industrial, labor, and social gains throughout the nation.

China's Zoning Technologies

Learning from economic zones elsewhere in Asia, China has developed zoning technologies that are distinctive in creating the forms for the alignment of the mainland with overseas Chinese-dominated polities in an archipelago of variegated sovereignty.

This Chinese axis came about through the building of overlapping economic and political zones that are marked off from conditions prevailing in the centrally planned socialist environment. In the opening to the global economy, the Chinese state invoked the logic of exception to create the system of Special Economic Zones in the late 1970s.

In the mid-1990s, the “one country, two systems” policy created Special Administrative Region for the contingent reabsorption of formerly colonized or breakaway territorial possessions (Hong Kong, Macao, Taiwan). Thus while SEZs were intended to intensify cross-border networks and economic integration, and the SARs are a formal accommodation of different political entities, the synergy generated between the two zoning systems is creating a kind of regionalization that makes political unification of China and its breakaway parts inevitable.

Special Economic Zones

In the late 1970s, the Four Modernizations program introduced a zoning program in order to open the previously self-contained socialist economy outward in order to engage foreign capital and technology. The open policy called for the establishment of new “Hong Kongs” along the Chinese border in closest contact with foreign Chinese capitalist communities. Deng Xiaoping considered SEZs as both an economic bridge and as well as a political window to the outside world. Different kinds of zones were established in several steps throughout the 1980s and 1990s (see Table 1). The first decade was devoted to setting up major border SEZs, “open” coastal cities, and coastal belts to attract foreign investments and skills, especially from Hong Kong, Taiwan, and overseas Chinese communities. Once the economic development in the coastal zones gained momentum, dozens of Free Trade Zones, special economic and high-tech industrial zones, as well as tourist sites were established in interior cities to attract foreign exchanges and accelerate inland economic development. In 1997, under the “one country, two systems” policy, an explicitly political zoning technology introduced SARs to link capitalist Hong Kong and Macao

Table 1 Major Forms of Zoning in China*Major Border Zones*

- 1980s Special Economic Zones (SEZs)
Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan Island
- 1990s Open Coastal Cities (14)
Dalian, Shanghai, Wenzhou, Guangzhou, Beihai, and others

Open Coastal Belts

- Yangtze River Delta; Pudong New Area (international investments)
Pearl River Delta (mainly Hong Kong-based investments)
Xiamen-Zhangzhou-Quanzhou Triangle (mainly Taiwan investments)
Shantung Peninsula, Liadong Pen., Hebei, Guangxi

Special Administrative Zones

- 1997 Hong Kong SAR
1999 Macao SAR

Domestic Interior Zones, 1990s

hinterland provincial cities, 15 FTZs, 32 state-level economic and technology zones, 53 high-tech industrial development zones in large and medium cities and numerous tourist and holiday zones

Source: Information compiled from different sources, including www.wikipedia.org/wiki/Special_Economic_Zone (accessed September 24, 2003).

to the socialist mainland. The SAR format suggests a model as well for the eventual assertion of sovereignty over Taiwan. This article will focus on how SEZs and open cities, overlapping with SARs, create structures and conditions for emergence of the Chinese axis.

The open policy was given concrete form with the opening of five SEZs on the southern coast, across the border from overseas Chinese cities or communities: Shenzhen adjacent to Hong Kong; Zhuhai across from Macao; Xiamen across the strait from Taiwan; and Shantou and Hainan, which have strong traditional connections to Chinese communities in Southeast Asia. SEZs were initially modeled on EPZs in Taiwan and South Korea, primarily geared to invite foreign investment in various industries in a first step to open up the socialist country to the global economy. There are four main governing principles: to attract and utilize foreign capitals; to forge joint ventures and partnerships between mainlanders and foreigners; to produce wholly export-oriented goods; and to let market conditions (i.e., not politics) drive economic activities.²² To carry out the fourth principle, special managerial systems and labor service companies allow more flexible labor contracts and costs and less bureaucratic red tape than elsewhere in China.

As some scholars have noted, the SEZ system evolved into a unique system not only for export-oriented industrialization but also to spear-

head transformation of socialist China into a market economy.²³ There are important aspects to SEZs that go beyond the conventional functions of EPZs elsewhere in East Asia. The location of SEZs in Guangdong and Fujian Provinces underlines the focus on drawing in investors and participants from neighboring Chinese polities. Article 1 of the Regulations on Special Economic Zones in Guangdong Province, passed by the National People's Congress in 1980, proclaimed that

The special zones shall encourage foreign citizens, overseas Chinese and compatriots from Hong Kong and Macao and their companies and enterprises (hereafter referred to as "investors") to set up factories and establish enterprises and other undertakings, with their own investment or in joint ventures with our side, and shall, in accordance with the law, protect their assets, the profits due them and their other lawful rights and interests.²⁴

Besides gaining from overseas Chinese capital and expertise, SEZs along the coast quickly lessened economic and income differences between the mainland and neighboring areas with which China seeks eventual political unification. Further, SEZs can also act as controlled spaces for dealing with social discontent and labor unrest that might arise over market reforms. The economic linkages, wealth, and capitalist experiments in SEZs also served explicit political goals by managing the eventual integration of Hong Kong, Macao, and Taiwan with mainland China. SEZs are also different from EPZs in that they enjoy a wider array of powers, including substantial autonomy for the local creation of business opportunities, as well as simplified administrative regulations for planning, banking, and insurance. These zones report directly to the central authorities in Beijing on economic and administrative matters.

Political order within the zones and open cities promote free-wheeling entrepreneurial activities and labor exploitation to a degree not allowed in the rest of China. Unlike state enterprise workers, who are highly organized under the All China Federation of Trade Unions, zone workers are considered peasants unprotected by China's labor laws and are not entitled to social benefits due workers.²⁵ Under the SEZ law,

The staff and workers employed by enterprises in the special zones are to be managed by the enterprises according to their business requirements and, when necessary, may be dismissed, after going through the procedures provided in the labour contracts.²⁶

Not only are migrant workers exposed to the full force of market conditions; they are treated like discriminated foreigners by zone authorities. Migrants must obtain a border pass, work permit, and temporary resident pass to work in the SEZs. In effect, zone workers, the majority of whom are rural women working under highly exploitative conditions, are systematically ignored by unionized workers in the rest of China. Furthermore, as rural migrants, they are not entitled to urban citizenship that comes with residential rights, education for their children, and access to various subsidies.²⁷ The massive influx of the “floating population,” many of them young and female, supply the SEZs with the cheap labor for huge factories producing consumer goods for the global economy.

SEZs in China developed rapidly, especially after the Tiananmen crackdown in 1989, when a tidal wave of investments from overseas Chinese communities exceeded investments from Japan. By the early 1990s, SEZ-driven capitalist enterprises became synonymous with building connections with overseas Chinese. Under the banner of “Let Overseas Chinese Build Bridges, Let Them Create Prosperity!” newspaper articles reported that almost a half-million Shanghainese had overseas connections that formed “a large invisible bridge” with Chinese capital from abroad.²⁸ In SEZs, local Chinese officials set up tens of thousands of Township and Village Enterprises (TVEs) that bring together overseas Chinese capital and expertise, with abundant cheap labor and land on the mainland. These hybrid enterprises are the nodes of cross-border production networks that strengthen Hong Kong’s role as the gateway to China.

The pairing of the Shenzhen SEZ with Hong Kong is an especially apt example of how interactive zones across political borders act as both a hinge—for linking socialist and capitalist spaces—and as a bridge—for channeling actors, resources, and skills across zones.²⁹ Shenzhen, a small village across the border of Hong Kong in the 1980s, has mushroomed into a Wild West frontier city of millions, becoming the mainland extension for Hong Kong business and industrial enterprises, as well as a center to screen out undesirable migrants for the metropolis. Tens of thousands of Hong Kong-based factories moved into Guangdong Province, and by the 1990s the Pearl River Delta had become an industrial extension of Hong Kong. Tens of thousands of Hong Kong factories shifted to the Delta, where Hong Kong managers train millions of poor rural women in manufacturing “the South China miracle.”³⁰ Hong Kong’s goal to become “the Manhattan of Asia” is linked to using Shenzhen as a screen to keep out the influx of poor

working families, as well as a dumping ground for Hong Kong's working poor, who can no longer afford the city's stratospheric real estate prices. Meanwhile, Hong Kong's sophisticated and bilingual expertise in legal, financial, and business services are crucial for interfacing these linkages between the mainland and global corporations³¹ and for translating foreign products and practices for mainland use. In all coastal cities, expatriate Chinese are well-represented in all sectors vital to the mainland economy, especially in business services, finance, manufacturing, transportation, and hotel management.

The formation of the Xiamen-centered coastal belt to attract Taiwanese capital led to a frenzy of cross-strait economic activities. SEZ policies allow local officials autonomy in forming joint ventures with foreigners, as well as in retaining revenues at the local levels. Taiwanese investors, capitalizing on ethnic and linguistic ties, forged interpersonal relations (*guanxi*) with local officials who further eased bureaucratic rules on tariffs.³² With the formation of the Xiamen-Zhangzhou-Quanzhou Triangle, Taiwan is a major industrial power, as indexed by its thirty-odd intelligent industrial parks clustered around Hsinchu. These science parks maintain important relationships—technical, economic, personal—with Silicon Valley firms but have built thousands of factories in the greater Xiamen area. Most of the products manufactured in the Xiamen-Zhangzhou-Quanzhou Triangle are machinery, electrical goods, metals, and textiles. By 2001, the trade between Xiamen and Taiwan amounted to U.S.\$1 billion. This amount constitutes half of Fujian's total cross-strait volume.³³

Besides the Pearl River Delta complex and the Xiamen Triangle, the Yangtze River Delta as an open zone seeks to turn Shanghai, with its new financial center in Pudong, into the "dragonhead" of Chinese development. Shanghai is the leading center of Chinese capitalism, with a huge Western presence in commerce, manufacturing, and finance. In contrast to the other SEZs, where the emphasis is on low-tech processing firms and bottom-level cheap labor, Shanghai and its surroundings are to become urban jewels in the Chinese capitalist crown, the sites of a stock market, high-technology, and business glamour. For instance, Western business schools and U.S. managers in Shanghai are seeking to transform white-collar Chinese workers into global corporate players.³⁴

Meanwhile, Singaporean technocrats have been recruited to build Silicon Valley-style industrial parks in Suzhou and Wuxi.³⁵ Singapore authorities act as both middlemen and guides in creating a new kind of

industrial zone where conditions of doing business, living, and working adhere to certain technical standards. The goal was to transform Suzhou Township into a world-class industrial city with landscaped, tree-lined boulevards, an international school, and a strict balance between industrial and residential areas. However, Singapore's technocratic practices and norms—in building codes, water treatment, traffic controls, and so on—have met obstacles because of the weakness of Chinese administrative and regulatory bodies overseeing the zones. Indeed, local Suzhou authorities learned the business benefits of zoning and started building competing industrial zones that lure foreign businesses with lower rental rates and free advertisements.³⁶ Nevertheless, the autonomy given to business and administrative activities in these zones has engendered dense transnational business networks and a higher level of social conditions than can be found elsewhere in China.

SEZs and open cities have also generated the rise of a sizable mainland professional and business classes with growing connections to overseas Chinese locations. Free trades zones in Taiwan, Singapore, and Hong Kong exchange personnel, knowledge, and technology with SEZs on the mainland. Singapore, and to a lesser extent Hong Kong, have been recruiting thousands of students, professors, and scientists from the mainland to work in universities and science parks in these cities.³⁷ Thousands of mainland Chinese travel to Southeast Asia to learn English and prepare for university entrance examinations in the West. The two-way flows of professional and business classes between China and overseas Chinese communities have created complex networks that amount to a de facto transborder integration of the socialist mainland with overseas Chinese capitalist citadels at the scientific, business, and personal levels.

In short, the coastal zone authorities and open cities are spaces of exception to the centrally planned socialist economy. They enjoy autonomy in all economic and administrative matters in order to attract foreign investments and create jobs for millions of migrant workers and city-dwellers. Released from socialist practices governing labor, market conditions are allowed to determine wages and work conditions. Economic dynamism has greatly intensified social inequalities among the populations within zones, as well as between the coastal areas and Chinese society at large. Zone autonomy frees up socialist regulations, creating conditions of total market freedom but without the democratic rights that were finally demanded in Hong Kong on the eve of its return to mainland rule (see Table 2).

Table 2 Powers of Autonomy and Regulations in Economic and Political Zones

Major Economic Zones as Exception to Centrally Planned Socialist System

Types of Zones: Special Economic Zones, Open Coastal Cities, and Open Coastal Belts

Powers and Privileges: Autonomy in all economic and administrative matters; exemptions from socialist central planning and regulation of investments and labor issues; market conditions determine wages and work conditions

Special Administrative Zones as Exception to Mainland Socialist Political Order

Types of Zones: Hong Kong SAR, Macao SAR

Powers and Privileges: Miniconstitution or basic law for full-fledged capitalist activities; independent Judiciary, Executive and Legislative Councils; democratic elections of all officials, except the chief executive; and freedom of speech (exemptions from mainland socialist laws governing national security are being politically contested)

Source: www.wikipedia.org/wiki/Special_Economic_Zone (accessed September 24, 2003); "Hong Kong Special Administrative Region," <http://www.china.org.cn/english/feature/38096.htm>.

Special Administrative Regions

In the late 1990s, under the "one country, two systems" policy, the Chinese state devised a special administrative zoning system formalizing the absorption of Hong Kong and Macao but without radically transforming their separate modes of governance. Great Britain and the People's Republic of China, with minimal consultation of Hong Kong people, negotiated the Basic Law of the Hong Kong Special Administrative Region (HKSAR), a miniconstitution that allows "a high degree of autonomy" so that their capitalist system and way of life can continue for fifty years.³⁸ Thus, the SAR zoning system allows for Hong Kong (and Macao) to return to Chinese sovereignty and yet maintain a legal exception—specifically a democratic way of life—to the rest of centrally planned socialist China. Under the Basic Law, Hong Kong leaders, not mainland officials, will serve in the government. HKSAR fully enjoys the power of decision over matters within its autonomous jurisdiction—executive and legislative councils, an independent judiciary, and final adjudication powers. The democratic structure of SAR governance is compromised by the appointment of the chief executive—Tung Chee Hwa—of the government by Beijing (see Table 2). Thus, Hong Kong returned to Chinese rule with a newly feisty Legislative Council intent upon keeping democratic rights belatedly given them during the last decade of British rule. There is the suggestion that

the SARs model is a test case for the eventual reunification of Taiwan with China. The SAR framework allows for experimentation with different degrees of civil rights in a vibrant capitalist setting, a milieu that acts as a laboratory and testing ground for China's future.

The strategic deployment of two zoning technologies—SEZs and open cities, and special administrative entities—have interacted to produce an evolving system of variegated sovereignty. I use the term “variegated sovereignty” to describe the differential powers of autonomy and social orders that are allowed by the Chinese state in the two overlapping zone systems. As Table 2 illustrates, SEZs enjoy a more limited range of autonomous powers compared to the SARs. SEZs are technically an economic exception to socialist central planning and enjoy autonomy mainly in market and market-related activities in order to freely develop capitalism on the mainland, with the help of overseas Chinese and other foreign investors. Nevertheless, open economic zones contribute to political integration by strengthening legal procedures and practices that support transnational economic activities and relationships. SARs are fundamentally an exception to the socialist political order. These administrative zones possess their own miniconstitutions, independent political institutions, and judiciaries. Furthermore, a spectrum of democratic rights allow for free elections and freedom of expression, at least for the immediate future. In brief, then, SEZs represent particular orders of economic and administrative autonomy within centrally planned socialist China. SARs, in contrast, are unique orders of political autonomy within a flexible arrangement of one country, two systems. In practical terms, SEZs overlap substantially with the spaces of SARs, creating spaces of variegated sovereignty based on the synergy between untrammled capitalist activities and electoral democracy within the body of socialist China. At the same time, these exceptional spaces are vital nodes in dense networks connecting the mainland to Taiwan and Singapore, allowing an axis of variegated sovereignty to come into being. As the Chinese leaders themselves have always indicated, “one China, two systems” format is a temporary arrangement for reunification. But two sets of intertwined zoning technologies created the institutional detour for incremental but eventual political integration, as well as sites for experimentations in civil society outside China proper.

SARs: A Detour to Political Integration?

In June 2003, six years after Hong Kong was returned to Chinese sovereign control, both parties signed the Closer Economic Partnership

Arrangement as a step toward even greater economic integration. The agreement will give Hong Kong-based banks and companies market access to the mainland. Tariffs on hundreds of Hong Kong products will be removed, giving the economy an immediate boost following the outbreak of the SARS disease. This trade agreement between Hong Kong and the mainland is an economic gift to sweeten the imposition, at the same time, of a new national security bill to curb sedition and other crimes against the Chinese state. This state intervention into the SAR political environment ignited a massive protest on July 1 by a half-million Hong Kong residents who wanted to uphold the policy of one country, two systems. To prodemocracy groups such as the Hong Kong Human Rights Monitor, the free trade pact is a kind of payback for business leaders who dominate Hong Kong's Legislative Council and who have gone along with the steady erosion of civil rights, especially in journalism and the media.³⁹ The new security measure, article 23 of the Basic Law, seeks to curb activities such as "subversion," "secession," and the leaking of state secrets, crimes similar to the "counterrevolutionary activities" banned on the mainland. The antisedition bill would allow police searches of homes without warrants, government powers to ban groups already outlawed in the mainland, and heavy penalties for the "theft of state secrets." Adopting article 23 would have curbed the freedoms that permit diverse viewpoints, activities, and nonmainstream political groups to flourish in Hong Kong, thus bringing the SAR political order closer to that of the mainland.⁴⁰

Although much of the Western press has viewed the street protests as a sign of democratic resistance, it is also important to situate the massive unrest in the context of steady economic decline since 1997. The Beijing-appointed chief executive, Tung Chee Hwa, rightly or wrongly, is widely viewed by Hong Kong residents as an inept leader and a symbol of bad luck for the economy. In addition to the financial crisis, property prices have plummeted, salaries and budgets have been cut, and unemployment is at all-time high.⁴¹ The slow response to the SARS outbreak, which killed around 3,000 people in the territory, wreaked further damage to the lackluster economy. Indeed, Tung lost support even among the business elite and the professional classes and has been asked to step down.⁴² Economic unease has been deepened as well by a pervasive sense that Shanghai is pulling ahead as China's economic engine and that Singapore is displaying more efficiency in planning for and dealing with economic crises. In short, the street demonstrations reflected a massive discontent over the state of the Hong Kong

economy and worries about its future, fears that fed the democratic resistance to mainland antisedition laws.

Beijing has blamed prodemocracy groups for “hijacking the protest and using Hong Kong people for their own political purposes.”⁴³ But beyond this reprimand, Beijing has decided that it should adopt a wait-and-see attitude and continue to uphold the “one country, two systems” policy, since the variegated sovereignty it accommodates seems a more practical and coolheaded route to gradual complete political integration. Special autonomous regions are a kind of testing site for the controlled expression of civil rights in a Chinese market context. Its SAR framework has allowed Hong Kong to remain the freest economy in the world⁴⁴ and to experiment with different degrees of political freedoms that test socialist worries over national security. Hong Kong may never submit entirely to mainland forms of political controls, but it must be noted that political practices in China proper are themselves undergoing transformation, as evidenced by the hands-off reaction to the massive show of dissent in Hong Kong, and limited responses to worker demonstrations in SEZs.⁴⁵ Thus, politically speaking SEZs and SARs have remained an exception (i.e., spaces of variegated sovereignty that contrast sharply from the normal political landscape in the rest of China). The Hong Kong demonstrations have proved not the weakness but the flexibility of the intertwined zoning systems that can accommodate variations in degrees of civil liberty across sites.

Chinese sovereignty is basically legitimized by opening channels for cross-border trade, not by opening channels for civil rights. Problems of government are increasingly solved through the deployment of intellectual and practical techniques that foster economic success by opening up economies rather than by opening up political spaces.⁴⁶ But market liberalism fostered through zoning practices can safely accommodate pockets of agitation for civil rights, allowing the kind of experimentations that are not easily tolerated in the rest of mainland China. New democratic forces in economic zones and in Hong Kong (and Taiwan) that have emerged with the growth of cosmopolitan classes coexist with the normative centralized regulation of populations in the name of national security.

There is a new alignment between national security and economic freedom, but exuberant political freedom can only be permitted, and occasionally challenged, in special zones and regions. Zoning technologies seem the best technical mechanism for creating controlled spaces of economic and political experimentations that do not threaten

collective and national security. The SAR mechanism thus becomes a detour—through the development of capitalist networks and the tolerance of civil rights demands—toward eventual political integration. The huge protests of Hong Kong citizens against the new internal security law may yet win the day against greater political integration, but regardless of the political outcome, Hong Kong is already firmly tethered the business, technology, and personal networks that integrate it into the Chinese axis.

Finally, it is important to note that there are strong and weak links among the spaces of exception, open cities, and countries. The conditions secured by the SARs and SEZs foster extensive economic and communication links with mainland China. But even though Taiwan is not a SAR, and currently does not have direct flights to China, the island has been drawn into mainland sites through Hong Kong and Macau. Beyond the zones themselves, the mobilization of resources and expertise from a large number of overseas sites support a geometric increase in economic activities. With the entry of China into the World Trade Organization (WTO), the commercial, technological, service, and personal links among various ethnic Chinese places will only intensify across the region.

Sovereignty and Security: The Ethics of Exception

A dominant view of sovereignty and security maintains that governments operate along the lines of “organized hypocrisy,” whereby states act in terms of their own specific interests even when they violate international rules.⁴⁷ This notion seems to be a rough translation of Carl Schmitt’s concept of the exception that Stephen Krasner transposes to the international arena. One notes that that the Chinese state often invoke the ethics of the exception (i.e., in the name of collective or national security) to legitimize crackdowns on dissidents, as in the Tiananmen Square incident, and the banning of groups such as the Falun Gong. That practice is, of course, not exclusive to governments in Asia, as we have witnessed the scaling back of civil rights by the U.S. responses to the war on terrorism.⁴⁸ But what seems interesting in China is that such exceptions to the law are increasingly made in settings of open economic borders and networks that heighten the tensions between economic freedom and political repression. The exceptions have become routine in moments of orchestrated crises (e.g., the need for market reforms), as well as unplanned ones (the outbreak of infec-

tious diseases), and technocrats have developed an agility in keeping borders open to economic activities and networks while closing borders to political freedoms, information, and interconnections.

Thus, this nexus between sovereignty and security in an open economic realm requires observers to go beyond a strictly military understanding of security to consider how questions of national security can be handled not only by wielding military weapons but also by signing trade pacts. Let us consider how my point about zoning technologies as a detour to political integration suggests alternative avenues for the reconciliation of divided countries.

Taiwan and China

I suggest that one pathway for a Taiwan-China rapprochement lies through ASEAN. Viewed from the lens of exceptions, one is surprised not so much by the saber-rattling across the strait as by the innumerable exceptions that have allowed Taiwan to participate in zone developments and develop networks with sites throughout China. Politically Taiwan may be on the outs, but economically it is very much a key player embedded in the economic and social fabric of Chinese capitalist modernity.

At the same time, Taiwan has sought to participate in China's markets by inveigling itself into multilateral organizations that have relationships with the mainland. ASEAN is a ten-member group of Southeast Asian nations that is increasingly repositioning itself in relation to China and Japan. Since the 1990s, ASEAN has used a broad conceptualization of regional security that is based on building regional economic networks that can create greater opportunities for citizens in the region. Since the financial crisis of 1997–1998, there has been greater stress on making a broader coalition called ASEAN+3 (China, Japan, and South Korea) or ASEAN+4 (including Australia). What we see is a postimperial economic integration of a region of a half-billion people, in thirteen or more countries, that hopes to move in the direction of a common market and a common regional currency within a decade.⁴⁹ Taiwan is conspicuously absent in this lineup, but not for want of trying.

Indeed, the turn of the century was an especially tense moment of saber-rattling when outgoing Taiwanese president Lee Teng-hui announced a “two states” theory to replace the “one China” policy. Subsequent claims by his successor Chen Shui-bian for “state-to-state” relations with China intensified the bitter dispute across the strait. Much attention has been given to the triangular balancing of power

between China, Japan, and the United States as a way to contain Chinese aggression against Taiwan. Meanwhile, in addition to the U.S. security umbrella, Taiwan wants the ASEAN Regional Forum to provide a form of security against possible Chinese attacks.

But the ASEAN stress on the humanization of security and common regional destiny suggests another pathway for building political bridges. The new “security culture”⁵⁰ still operates according to the principles of consensus, consultation, and limited interference in member countries’ domestic affairs. Norms associated with the “ASEAN Way” has allowed the organization to bridge political tensions and to include formerly shunned states such as Cambodia and Myanmar.⁵¹ As far-flung places are drawn into ever-widening networks of securitization, ASEAN and the Chinese axis of common economic interests help to deflect or to circumvent political conflicts, especially between China and Taiwan.⁵² A formal membership in ASEAN is out of the question because of China’s sensitivity, but by working from the backdoor Taiwan has already developed extensive informal economic relations with ASEAN members such as Singapore and the Philippines. Taiwan promotes itself as vital to peace and prosperity in East Asia and as a successful model of transition to political democracy, market economy, and civic society, unlike countries dominated by one-party rule.⁵³ Despite its marginal position in relation to ASEAN+3, Taiwan is already deeply interconnected with neighboring Asian countries. Furthermore, China’s membership in the WTO will soon end limits on direct travel and trade between China and Taiwan, allowing the island to play a bigger role in providing business-oriented research to the mainland. Thus, conditions for a new kind of cultural rapprochement across the strait will be in place even as China becomes more integrated into the global community.

The Chinese axis is also an imaginary line of cultural sovereignty that operates along an ideological plane of the graduated geopolitical field. As technological and commercial networks and economic zones increasingly articulate along a Chinese axis, we see an emerging political archipelago that flirts with the wider possibilities of an “imagined community.”⁵⁴ This loose alliance suggests a regional patterning anchored in China that is very different from Western notions and discourses of integration and regionalism such as the Pacific Rim⁵⁵ or the Asia-Pacific. Instead, regional narratives increasingly invoke “East Asia,” a rhetorical term that signals the growing connections between the Sinic parts of Southeast Asia (Singapore, Malaysia, Thailand, and

the Philippines) with Taiwan, Hong Kong SAR, and mainland China. For instance, overseas Chinese scholars have invoked a confluence of histories, languages, cultural, and kinship practices among widely dispersed sites to define an emerging field of Sino–Southeast Asian studies.⁵⁶ Despite ongoing political tensions and opposition to Beijing leaders, ethnic Chinese in the Asia-Pacific take great cultural pride in the emergence of China as a global actor. The imagined axis also creates an ideological space of exception within the Asia-Pacific, marking off a space of rising China-centric hegemony

The Sino-centric discourses, further enhanced by the mainland and Hong Kong popular media, are growing even as the People's Republic of China and the Republic of China remain in a standoff. Meanwhile, the economic integration between Taiwan and the mainland, especially Fujian Province, Shanghai, and the Yangtze Valley, is so advanced that a *de facto* absorption has taken place even before a formal political integration has begun. Thus, the emergence of a Chinese axis is based on Beijing's very distinctive deployment of zoning technologies that lay the groundwork for transnational market integration, making intelligible the political and cultural goals of variegated sovereignty in formation. As technologies of ruling, zoning mechanisms become an economic detour for broader or future political integration. It is therefore not unthinkable that zoning technologies, and the logic of the exception, can offer lessons for the reunification of divided nations.

Toward a Korean Axis?

Zoning technologies have been deployed by China to circumvent inconvenient political and economic obstacles to regionalization. Technological zones at both the national and subnational levels accommodate and link spaces of variegated forms of governance. The “one country, two systems” formula, and the clusters of economic zones, establish the institutional groundwork for broader integration. Meanwhile, as the United States and China draw closer over the war against terrorism and the potential threat of North Korean nuclearization, the axis of Chinese power will become more influential as a regional form.

SARs and SEZs also suggest an alternative solution for creating a Korean axis, as a first step toward future reunification. As in the China case, the continual war of words and military brinkmanship can be viewed as operatic diversions that draw attention from on-the-ground administrative and economic collaborations. But there is evidence that

North Korea is slowly emerging from its deep political freeze by building zones as stepping-stones to further political collaboration and perhaps even reintegration with South Korea. During the 1980s and 1990s, North Korea sought to copy the Chinese zoning programs by setting up free trade zones in the northern cities near the border with Russia and China,⁵⁷ but the Rajin-Songbong zone has not really taken off. Much more recently, under the cloud of a nuclear standoff with the United States, two new cross-border zones have been proposed. In June 2003, North Korean and South Korean officials and businessmen broke ground for a joint industrial park in Kaesong, just north of the Demilitarized Zone. About 900 South Korean businesses, many of them in textiles and garment manufacturing, have applied for spots in the zone where they will enjoy cheap labor, tax cuts, and other benefits. The South Korean government and the giant conglomerate Hyundai will help prepare the site, including demining the land before setting down railway lines to connect the two countries.

A more famous special administrative zone, modeled on Shenzhen in China, was also set up in Sinuiji on the Chinese border, where the Yalu River enters the Yellow Sea. A Chinese entrepreneur, Yang Bin, who holds Dutch citizenship, was appointed by the North Korean leader as the governor of the zone, which, Yang told CNN, "will have its own legislative, judicial and executive powers without any interference from the central government."⁵⁸ Apparently, Beijing was not consulted, and Yang was soon arrested on suspicion of evading taxes in his hometown of Shenyang and for allowing the visa-free entry of Chinese and other foreigners to Sinuiji.⁵⁹ The inauspicious beginning nevertheless highlights a crucial aspect of zoning practices in China, that is, the direct involvement of government in regulating the flow of population and capital in both directions. There is nothing to suggest that the Chinese government is against the cross-border zoning scheme, and in all likelihood the zone will prosper under a new, carefully crafted joint administrative partnership. The lesson is that individual business tycoons cannot work independently of crucial ties to state officials who in the final instance oversee and regulate special zones that are an alternate space of governance.

In this connection, the loosening of economic links between the South Korean government and business is creating opportunities for South Korean industrialists to seek opportunities outside by opening up more zones in the North (with the approval of course by the South Korean government). The North represents a whole new set of opportu-

nities for economic projects that can grow into a kind of Korean axis of development. Viewed against the wider background of Chinese zoning practices and networks, especially the dramatic case of Shenzhen–Hong Kong, it becomes clear that semiautonomous zones are not only initial experimentations with capitalism but also mechanisms for laying the infrastructure, industries, and administrative regimes for reunification.

The North Korean regime seems to represent an extreme sovereignty that is based on the power to take away life, rather than the health, well-being, and productivity of the population. It does not foster “biopower,” or the management of life, in the sense of maximizing the forces of the individual body and regulating the population as a whole for its well-being and productivity. For Michel Foucault, biopolitics is the essence of modern sovereignty.⁶⁰ In North Korea, biopower is fostered among only a tiny minority, whereas a barren lifestyle—as evidence in long-term and widespread starvation—is the lot of the majority. Bare living and the mismanagement of life appears to be the norm rather than exception. The political elite in Pyongyang and privileged workers seem to be the only ones to enjoy a political existence of social benefits and pleasures.

One can therefore argue that technological zones represent an ethics of exception to life in the labor camps. In the economic zones, special conditions of biopolitical regulation permit economic competition and better living standards. These spaces of exception allow North Koreans to interact with South Koreans and other foreigners and to develop economic connections to external sources of capital, skills, and knowledge. Because these privileged zones operate at an ideological plane of exception to the archipelago of labor camps, they are places where notions of an eventual national reunification can be practically broached and tested. Special economic zones thus will eventually create an alternative imagining of biopolitical government for the rest of North Korea and suggest a passage to the eventual reunification of the two Koreas.

Conclusion

Government is a problematizing activity that results in continual shifts in the reasoning, techniques, and inventions for creating the conditions of possibility for economic development, political stability, and regional organization. I have suggested that we go beyond a focus on state insti-

tutions to examine the particular assemblage of political rationality, neoliberal logic, and zoning technologies that interact to produce the axis called Greater China. I maintain that Chinese approaches to modern sovereignty are especially flexible, being predicated on an astute use of the logic of exception to create economic and political zones that spread economic networks and foster political integration.

Greater China is thus an axis that has its beginnings in a distinctive strategy of reterritorialization that creates zones of political exceptions to normalized Chinese rules, generating conditions of variegated sovereignty that provide a detour to integration with Hong Kong, Macao, and eventually Taiwan.

By taking the view that the axis of sovereignty and security is not delimited by national borders, I have identified a new geography of state-directed techno-industrial complex in the Asia-Pacific. The particular assemblage of socialist planning, neoliberal logic, and zoning techniques has created conditions of possibility for circumventing politically inconvenient obstacles and for bridging politically divided entities. I suggested that this creative deployment of zoning technologies holds a partial answer to the intractable problem of the two Koreas. The transition of North Korea from a dire situation of bare life can be achieved through an open policy that utilizes special economic zones or administrative areas that can support ways of life proper to a modern nation by building on connections with South Korea.

Finally, it is important to note that even though the zoning pattern represented by Greater China is powerful and growing, one should not assume that the axis of Chinese regionalism is a permanent condition. New contingencies or crises can very well bring about a different disarticulation or rearticulation of diverse elements that interact to define conditions of possibility for Chinese sovereign power and its spread of networks overseas. Other assemblages of market logic, national security, and technologies may very well bring about other kinds of reterritorialization or configuration of sovereignty, security, and civil liberty in the Asia Pacific.

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