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Empowering regional economy with a spectacular space: mega-events, over-drafted capital and momentary growth in China's metropolises

George C. S. Lin^a, Canfei He^b, Xun Li^c and Yifei Wu^a

ABSTRACT

China's leading city-region governments have actively pursued momentary economic growth and spectacular spatial development by hosting mega-events. The cases of the Beijing and Guangzhou show that mega-events have functioned as instruments (ab)used by municipal governments to expedite land sales, relocate old state-owned industries, and drive migrant workers and the urban underclass out of the city centre. Improved environmental quality was found to be short lived. Hosting mega-events was a temporary stimulus prolonging the cycle of regional economic growth (and decline). The competitive edge of the central city was further enhanced at the expense of the disadvantaged and marginalized periphery. The findings of this research call for a critical re-evaluation of perceptions of space and place in studies of urban and regional development.

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KEYWORDS

regional development, mega-events, urban politics, political economy, China, Beijing Olympics, Guangzhou Asian Games

摘要

以重大赛事促进区域经济：中国大城市的重大事件、透支资本和短暂增长。 *Area Development and Policy*。中国的一流城市地区政府积极通过举办重大赛事来追求短暂的经济增长与令人瞩目的空间发展。北京和广州的案例表明，重大事件已经成为市级政府加快土地销售、转移国有老产业和将农民工和城市底层人口驱逐出城市中心所使滥用的工具。研究发现这带来了短时的环境质量改善。举办重大赛事是一种延长区域经济增长（与衰退）周期的临时性刺激措施。中心城市竞争优势的进一步提高以弱势的边缘地区的发展为代价。本研究的结果呼吁对城市与区域发展研究中空间和地方的认识进行批判性的再评价。

关键词

区域发展, 重大事件, 城市政治, 政治经济, 中国, 北京奥运会, 广州亚运会

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RESUMEN

Capacitar la economía regional con un espacio espectacular: mega eventos, extracciones excesivas de capital y el crecimiento momentáneo en las metrópolis de China. *Area Development and Policy*. Los Gobiernos de las principales regiones metropolitanas de China han seguido activamente el crecimiento económico momentáneo y el desarrollo espacial espectacular mediante la organización de mega eventos. Los casos de Pekín y Cantón muestran que los mega eventos han funcionado como instrumentos (ab)usados por las administraciones municipales para facilitar la venta de tierras, reubicar antiguas industrias de propiedad estatal y echar a los trabajadores inmigrantes y la clase marginada urbana del centro de la ciudad. Se observó que la mejora de la calidad del medio ambiente era efímera. Organizar mega eventos era un estímulo temporal para prolongar el ciclo del crecimiento (y declive) económico regional. La ventaja competitiva del centro de la ciudad se mejoró aún más a expensas de la periferia desfavorecida y marginada. Los resultados de este estudio indican que es necesario hacer una reevaluación crítica de las percepciones de espacio y lugar en los estudios del desarrollo urbano y regional.

PALABRAS CLAVE

desarrollo regional, mega eventos, políticas urbanas, economía política, China, Juegos Olímpicos de Pekín, Juegos Asiáticos de Cantón

АННОТАЦИЯ

Стимулирование региональной экономики при помощи эффективного пространства: мега-события, капиталовложения и кратковременный рост мегаполисов Китая. *Area Development and Policy*. Власти ведущих китайских городов-регионов активно преследуют возможности кратковременного стимулирования экономического роста и создания эффективного пространства посредством проведения мега-событий. Примеры Пекина и Гуанчжоу показывают, что мега-события выступают как инструменты, используемые, к лучшему или худшему, муниципальными властями для ускорения продажи земельных участков, перемещения старых государственных предприятий и стимулирования переезда рабочих-мигрантов и представителей городских низов из центра города. Улучшение качества окружающей среды оказывается недолгим. Мега-события выступают в качестве временного стимула, продлевая цикл регионального экономического роста (и спада). Конкурентоспособность центральной части города расширяется за счет обездоленной и маргинализованной периферии. Результаты этого исследования призывают к критической переоценке представлений о пространстве и месте в изучении городского и регионального развития.

КЛЮЧЕВЫЕ СЛОВА

региональное развитие, мега-события, градостроительная политике, политическая экономия, Китай, Олимпийские игры в Пекине, Азиатские игры в Гуанчжоу

1. INTRODUCTION

Until recently, existing theorization of uneven regional economic growth (and decline) has been based on the assumption that space is a natural condition existing out there and place is the backdrop against which various social, economic and political forces interact. In conventional neo-classical economic growth and modernization theories, regional growth is seen as the natural outcome of comparative advantages and movements of capital, labour and technology. The dawn of a new age of globalization and neoliberalization has ushered in the discourses of 'new economic geography' and 'new regionalism' that attribute uneven regional development to the operation of the agglomeration economies, competitive advantages, traded and untraded interdependencies,

institutional milieux, cultural economies, learning regions, and global production networks (Krugman, 1991, 1995; Porter, 1990, 1998; Scott, 1998). Yet, the shock and disturbance of the recent global financial tsunami and its prolonged aftermath of economic recession have effectively shifted scholarly attention towards regional resilience – how and why certain regions are able to reconfigure and adapt their socio-economic structure (firms, industries, technologies and institutions) so as to maintain an acceptable growth path without falling off (Boschma, 2015; Bristow, 2010; Bristow & Healy, 2014; Christopherson, Michie, & Tyler, 2010; Martin, 2012; Pendall, Foster, & Cowell, 2010; Pike, Dawley, & Tomaney, 2010; Simmie & Martin, 2010). Throughout the entire course of theoretical advancement, emphasis has been invariably placed on the functioning of regional comparative or competitive advantages, ‘hard’ and ‘soft’ externalities (skilled labour, technological infrastructure, inter-firm relations, localized norms and conventions, networks of trust and cooperation), and the discursive social, cultural and institutional environment in which regional growth is embedded. In this established body of literature, (sticky) places and (slippery) spaces are taken as either the conditions given or the container within which agglomeration economies operate and comparative/competitive advantages make their differences. This popular assumption requires critical reconsideration in the light of new practices of area development in which space has been proactively (re)created and reproduced to become an important input factor for sustained and resilient economic growth.

This study identifies a practice of event-driven area development that has gained increasing popularity in many emerging economies such as China where space is not treated simply as an external condition but instead as an instrument and stimulus for national and local governments to seek momentary growth, extend the cycle of saturation, stagnation and decline, enhance regional competitiveness, and advance personal political careers. Hosting mega-events has been used by city and regional governments as a means to mobilize capital from elsewhere and mortgage the future, remove the people and industries considered undesirable, justify land grabbing and urban expansion, and conceal the problems of social discontents and environmental degradation. While a spectacular urban space is created to empower and rejuvenate the regional economy amidst economic downturn, practising event-driven growth strategies has given rise to looming local debts and liabilities, exacerbated regional inequality, intensified social exclusion and marginalization, shifted many problems of urban growth elsewhere and postponed the crisis into the future. The popular practice of event-driven area development has raised significant theoretical questions concerning how the reproduction and reconfiguration of space should factor into ongoing enquiry into the changing world geography of regional resilience and uneven regional development.

The paper is organized as follows. The next section starts with a critical evaluation of ongoing theoretical enquiry into the nature and dynamics of uneven regional growth and resilience, while the third section clarifies some definitional and methodological issues relating to the empirical research. The fourth section demonstrates and critically evaluates the actual practices of empowering a regional economy with a spectacular space in China, focusing on the cases of Beijing and Guangzhou that served as the hosts for mega-events of international significance. The findings of the research and their implications for the theorization of area development and policy are discussed in the final section.

2. THEORIZING THE RESTLESS LANDSCAPE OF REGIONAL GROWTH AND RESILIENCE

In the last decade, scholarly attempts to theorize the nature and dynamics of uneven regional growth (and decline) have experienced significant re-orientation in perspectives and approaches as the world economy closed its long chapter of inflated boom and turned its leaf into crisis, disturbance and recession. The dramatic melt-down of the global economy since 2008 has

effectively changed the focus of regional studies from growth and development to decline, recovery and resilience. Although the available literature on regional resilience remains vague and controversial, there is no shortage of bold attempts to elucidate the issue of what makes a regional economy resilient. Among many others, the factors identified are primarily internal attributes akin to the 'DNA' of the regional economy (Boschma, 2015; Bristow, 2010; Bristow & Healy, 2014; Christopherson et al., 2010; Martin, 2012). Emphasis has been invariably placed on firms, industries, technology, production networks and institutions, all of which are supposed to be localized, inherited, built-in and place bounded. In this perspective, space is treated as a container and place as the background and context against which firms, industries and human beings adapt to and resist shocks, disturbances, risks and crises. As Bristow and Healy (2014) elaborated: 'In this ontology of change, place and context become inescapable in the understanding of human adaptations and resilience. ... Regions are critical containers and shapers of these different economic agents and their activities ...' (p. 933). Despite the earlier inspirational work that situates space and place in a central position in linking up globalization with cities and regions (Markusen, 1996; Massey, 1984; Saxenian, 1994), the popular perception has been to take space as the container and place as the backdrop – both are externally given conditions.

The prevailing theory of regional growth and resilience requires critical evaluation and reformulation against the rapidly changing and diversified practices of urban and regional development in different world regions. Several conceptual issues have not been fully and satisfactorily elucidated. These issues provide significant avenues for theoretical advancement. First, simply treating space as the passive container existing out there and place as the context for practising regional development is too narrow and problematic. In the current era of uncertain growth and decline, city and regional governments are faced with not only intensified competition from their near and distant rivals but also the risks and dangers of unexpected crisis and disturbances. An interesting practice that has recently gained great popularity has been to host mega-events, creating a spectacular space to stimulate and empower the regional economy (Deng, Poon, & Chan, 2016; Gruneau & Horne, 2016; Lauermann, 2016; Shin, 2012, 2014; Wu, Li, & Lin, 2016; Zhao, Ching, He, & Chan, 2016). In this process of spatial reproduction and place re-making, space and place do not function simply as the container or natural conditions given out there but instead become important assets and input factors instrumental to the growth, development and resilience of the regional economy.

Second, recognizing the importance of the reproduction of space engineered by city and regional governments raises a related and broader theoretical question concerning the relationships between state power and space. This is an issue that remains highly controversial. In the theory of neoliberalization, space is the arena in and through which global neoliberal agendas are initiated, contested, negotiated and mediated. State power encourages and facilitates the engagement of the private sector and market forces in the reproduction of space. Yet, the issue becomes highly controversial when actual practices are scrutinized. A good case in point is the conception of state power and space in China where the role of an authoritarian state has been widely acclaimed and debated. The Chinese state is credited by some as the architect and engineer responsible for the miracle of sustained growth and phenomenal urbanization, but is blamed by others for excessive intervention, setting up unnecessary institutional barriers to rural–urban migration, and distorting market mechanisms in urban and regional development. How can one evaluate the controversial relationship between state power and the reproduction of space? Is state power the condition and decisive force that shape the reproduction of space, or is it the other way around? Why are national and local state agencies so keen on the creation of a spectacular space through the hosting of mega-events? What are the ambitions, aspirations and motivations operating behind the scene? These issues may sound abstract and elusive, but they are fundamental to the theorization of the nature and dynamics of uneven regional growth, development and resilience.

Finally, existing theorization of regional growth and resilience continues to play up the functioning of firms, industries and institutions, and play down the (re)positioning of different stakeholders and changes in regional inequality, social stratification, social cohesion and environmental sustainability. There exists a tendency to (over)emphasize the sectoral and industrial (re)structuring of a regional economy at the expense of many other social, spatial and environmental dimensions that are of equal if not more importance to the men and women directly involved in the process of regional development. Against this backdrop, ongoing practices of empowering regional economies with a spectacular space in many emerging economies have provided new opportunities to correct this imbalance.

3. DEFINITIONAL AND METHODOLOGICAL ISSUES

The purpose of this research is essentially to identify and critically evaluate a local developmental strategy that has gained popularity in Chinese cities in the last decade. This strategy involved the practice of hosting mega-events as a means to mobilize capital for instant, albeit momentary, economic growth and transformation of the urban built environment. Here, mega-events refer to major international sports events such as the Summer Olympics and the Asian Games that involve massive capital investments in not only the building of event venues but also dramatic development of the urban built environment in order to capture global attention. Hosting mega-events is not a Chinese invention. There exists a voluminous body of literature that documents and interprets the success and failure, pros and cons, and winners and losers of the popular practice of hosting mega-events in- and outside of China (Baade & Matheson, 2004; Billings & Holladay, 2012; Gotham, 2005; Horne, 2007; Preuss, 2006; Sterken, 2006; Tien, Lo, & Lin, 2011). In contrast with the existing literature dominated by concerns over changes in the local economy, culture and society, the emphasis of this study is placed on the way in which urban space was transformed and reproduced both for the purpose of and by the means of hosting a mega-event. Why and how has the practice of hosting mega-events become a strategy of urban development actively pursued by many leading Chinese cities? What are the institutional, political and economic underpinnings of practising an event-driven urban developmental strategy? How is the needed capital mobilized and invested, and how is land expropriated and developed in the name of hosting a mega-event? How is the urban economy reconfigured, and how is urban space transformed also in the name of hosting a mega-event? To what extent and in what manner has the practice of hosting mega-events affected urban economic growth, reproduced the urban built environment, transformed the regional developmental landscape, enhanced urban competitiveness, widened spatial inequality and exacerbated social exclusion?

The issues identified above are addressed through an investigation of the practice of hosting mega-events in Beijing – China's national capital and the host of the globally publicized 2008 Summer Olympics, and Guangzhou – China's southern gateway metropolis and the host of the 2010 Asian Games (Figure 1). To answer the research questions raised and in the interest of consistency, detailed data and information were collected and analyzed covering the following dimensions, namely: mobilization and investment of fixed asset capital, land expropriation and development, expansion of the urban built-up area, development of urban infrastructure, relocation of state-owned industrial enterprises, changes in the physical environment of the city, redistribution of the migrant population, and changes in spatial inequality.¹ The areal extent of Beijing and Guangzhou follows the Chinese official definition of the two municipalities inclusive of the central city and suburban counties (Figure 1). The period of the study covers 2000–12 when Beijing and Guangzhou were chosen to be the hosts of the 2008 Olympics and the 2010 Asian Games.² It is acknowledged that the experiences of hosting mega-events tend to be contextually sensitive and time–space specific. An investigation of the cases of Beijing and Guangzhou does not afford sufficient grounds for overall generalizations. Nonetheless, a focused study of the two front

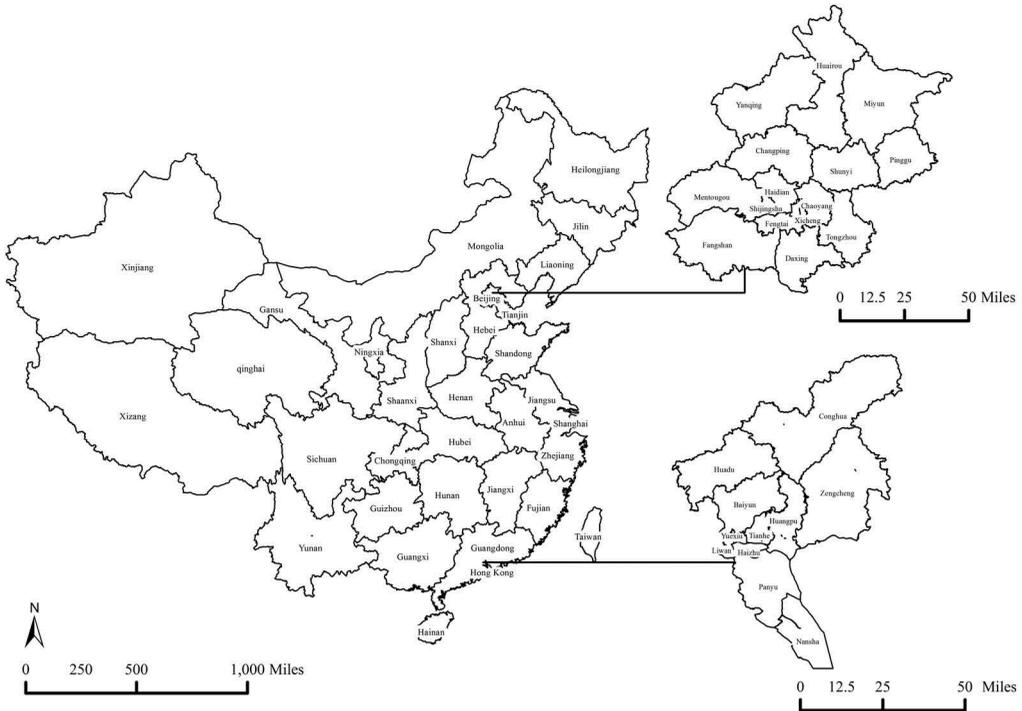


Figure 1. Location of the Beijing and Guangzhou city-regions.

runners in the hosting of mega-events as an urban developmental strategy can provide important practical lessons for other Chinese cities as possible followers, generate significant theoretical insights into the pattern and process of event-driven urbanization in China's large cities and provide material for international comparisons.

4. REPRODUCING A SPECTACULAR URBAN SPACE IN AN ERA OF INTENSIFIED PLACE COMPETITION UNDER VOLATILE GLOBALIZATION

In the last decade, deepened market reforms and continuing globalization have exposed Chinese cities and regions not only to intensified global competition but also to periodical shocks and disturbances deriving from the world economy of which China has become an integral part and in which it is a major player. A series of global economic disturbances, ranging from the dotcom crisis in 2001, the terrorist attack of September 11, 2001, and the atypical pneumonia epidemics in 2003 have posed new challenges to Chinese central and local leaders in their attempts to maintain economic stability and repeatedly reminded them of the near-constant need for stimuli to sustain and safeguard growth. A popular notion widely circulated among experienced Chinese municipal officials is that there is a need to identify what the Chinese called a 'handle' (*zhua shou* 抓手) or a key to overcome formidable obstacles, quickly make a big difference to the urban economy and urban space, and thereby pursue the political ambition of career advancement based upon visible and tangible economic accomplishments. As Shin (2012), Shin (2014), Zhao et al. (2016), Brady (2009) and many others have already documented, many Chinese municipal governments have turned their attention to mega-events as a key to creating a spectacular urban space in the pursuit of economic, social and political ambitions.

The Chinese practice of hosting mega-events as a means to over-draft capital for the creation of a new and upgraded urban space started in May 1999 when an International Horticultural Expo was held in Kunming – provincial capital of Yunnan in south-western China. Hosting a mega-event turned out to be an effective ‘handle’ enabling the municipal government to obtain an estimated 2 billion yuan of capital for fixed-asset investment leading to an instant and dramatic upgrading of the existing urban built environment. The Kunming adventure was quickly emulated and replicated by many other cities, especially large cities that occupy a central location on the eastern coast. Amongst them, the 2008 Beijing Olympics – announced in July 2001 and held in August 2008 – and the 2010 Asian Games in Guangzhou – announced in July 2004 and held in December 2010 – stand out as two influential mega-events that have attracted heightened international attention. In both cases, hosting mega-events was used as a ‘handle’ to obtain (and borrow) a large amount of capital for fixed-assets investment, legitimize forceful land grabbing and escalated land sales, expand and upgrade the urban built environment, relocate state-owned industries occupying central locations, displace the migrant population, and further enhance urban competitiveness and the leading position of the central city at the expense of the rural and peripheral parts of the regional economy.

In a market economy, the ups and downs or booms and busts of the national economy are usually moderated by the state through fiscal and monetary policies. In the case of China where a socialist planned economy is undergoing market transition, state intervention usually takes the form of changing the scale and portfolio of fixed-assets investment either to expand the economy at the time of growth and prosperity or to keep the economy from falling off a cliff in the face of external shocks and disturbances.³ The scale and structure of fixed-assets investment therefore provide an interesting angle from which to see government intervention in the urban economy. Figure 2 shows the growth of fixed-asset capital investment in Beijing and Guangzhou during 2000–11 highlighting the period from the year when the city was confirmed as the host of the mega-event to the year when the mega-event was completed, and indicates a concentration of investment in fixed assets in the two cities in the name of the planned mega-event.

Further analysis suggests that of the total capital investment only 19.34 billion yuan (6.2% of the total) in the case of the Beijing Olympics and 13.6 billion yuan (6.5%) in the case of the Guangzhou Asian Games was for the construction of sports facilities, event venues and athletes’ villages. Direct event-related investment was less than 10% of total investment, which stood at 290 billion yuan for the Beijing Olympics and 195 billion yuan for the Guangzhou Asian Games. The bulk of the capital investment, 180 billion yuan (58%) for Beijing and 195 billion yuan (93%) for Guangzhou, was for the development of the urban infrastructure (Figure 3).

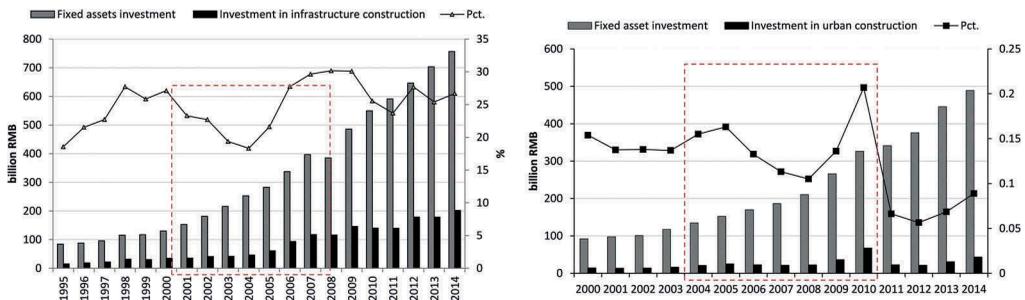


Figure 2. Fixed-assets investment in Beijing (left) and Guangzhou (right).

Sources: Beijing Statistical Bureau (1998–2015); Guangdong Statistical Bureau, 2001–15).

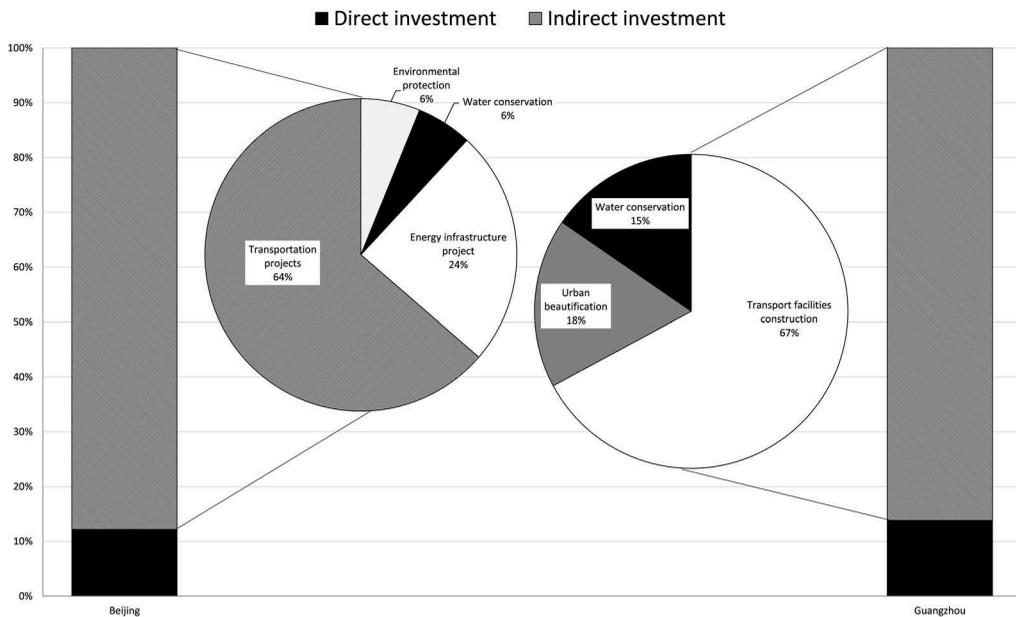


Figure 3. Capital investment of the 2008 Olympics and 2010 Asian Games. Sources: Guangdong Audit Office (GAO) (2011); Luo (2011).

How was this large amount of capital mobilized? An analysis of the sources of total fixed-asset investment identified a common pattern in both Beijing and Guangzhou. In both cases, self-raised funds dominated capital formation. Domestic loans and securities also played an important role. These two categories accounted for over 60% of total capital formation in the two metropolises (Beijing Statistical Bureau, 1998–2015; Guangdong Statistical Bureau, 2001–15). In other words, the funds needed to finance these mega-event were mobilized by the municipal governments (self-raised funds) and by mortgaging the future (loans and securities). In the process of capital mobilization, land assets within the jurisdiction of the municipality and under the direct control of the city government played a very important role. Urban land is owned by the state. In practice, municipal government acts on behalf of the state claiming property rights over the state-owned land in the city.⁴ Urban land was accordingly used by the municipal governments as an asset that was injected into local investment corporations and used as collateral for mortgages when domestic and international bank loans were needed. Land sales or land conveyance (*tudi churang*) with which the municipal government is entrusted by the state also provided an important source of revenue for the and in the name of hosting mega-events. Figure 4 identifies an interesting pattern of land sales vis-à-vis the growth of the general budgetary revenue of the two municipalities in 1998–2014. Despite differences in the timing and scale, there was significant growth in both the revenue from land sales and its ratio to the general budgetary revenue of the two cities immediately after the confirmation of the mega-event (July 2001 for the 2008 Beijing Olympics and July 2004 for the Guangzhou 2010 Asian Games).⁵ Obviously, in hosting mega-events land was used by the two municipal governments not only as collateral for borrowing but also as a source of local income from escalated land sales. The sudden drop in land sales in the two municipalities in 2011 was the direct outcome of the global financial crisis (Figure 4).

Due to the importance of land as both a basic input into the construction of the urban built environment and a valuable source of finance, rapid urban land development was actively pursued by the two city governments, also in the name of hosting mega-events. Figure 5 presents the pattern of the growth of the total land area developed by means of administrative

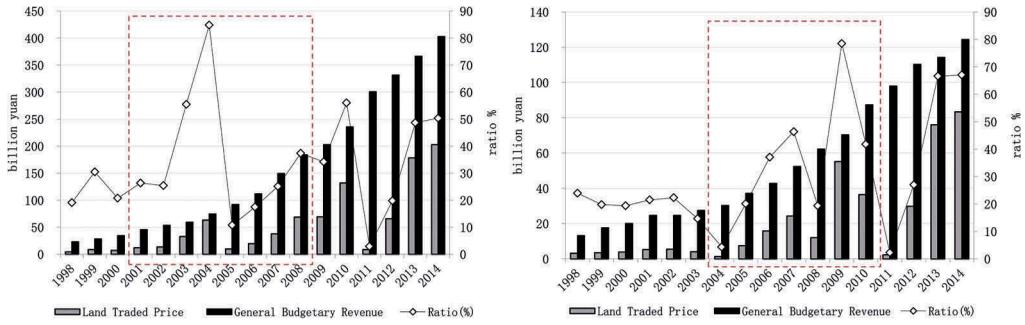


Figure 4. Event-driven land sales in municipal finance in Beijing (left) and Guangzhou (right). Sources: China Ministry of Land & Resources (1994–2015).

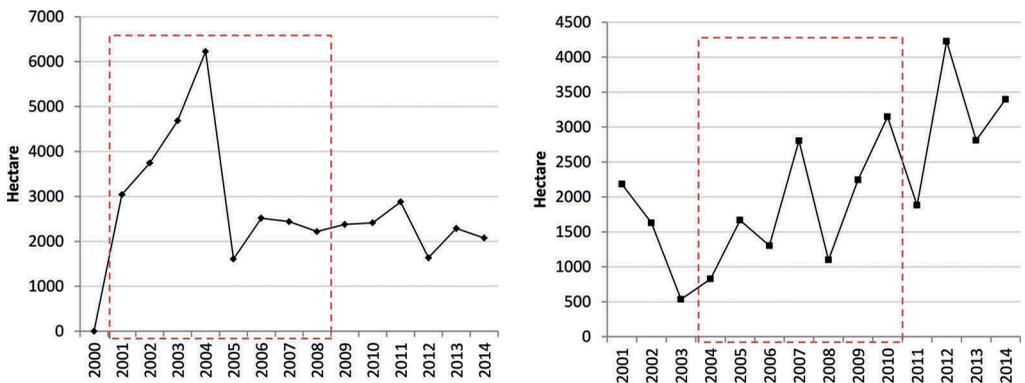


Figure 5. Event-driven land allocation and conveyance in Beijing (left) and Guangzhou (right). Sources: China Ministry of Land & Resources (1994–2015).

allocation (*huabo*) and land conveyance (*churang*).⁶ In a manner similar to the pattern identified in Figure 4, there was a significant increase of land development in the two cities immediately after confirmation that they would host the mega-events.

Increased fixed-asset investment and escalated land sales and land development only paved the way for the mega-event project. A central aim of the mega-events strategy was to upgrade and transform the existing built environment and (re)produce a new urban space in order to extend the cycle of economic growth, pacify social discontent and advance political ambition.

To what extent was the urban built environment of the two metropolises transformed during the mega-event preparations? An analysis of the available information suggests that the most noticeable changes in the urban built environment were in two areas, namely improved transport infrastructure to ease spatial mobility and improved air quality that lasted for only a short period of time. Any recent visitor to large Chinese cities such as Beijing and Guangzhou would quickly ascertain that the two major urban problems plaguing these cities are traffic congestions and severe air pollution as a direct consequence of increased automobile use and continuing urban growth. Only through extraordinary actions can these two formidable obstacles to further urbanization be overcome. Hosting a mega-event provided Chinese municipal governments with an effective and extraordinary 'handle' to deal with these two urban problems. As a result of concentrated fixed asset investment, the urban transport infrastructure of the two large cities experienced substantial expansion, upgrading and improvement. Figure 6 shows the significant expansion of the urban rail

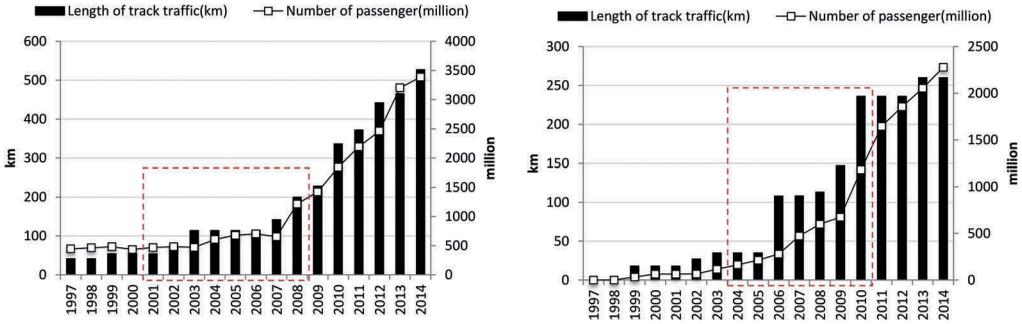


Figure 6. Expansion of the urban rails in Beijing (left) and Guangzhou (right).
Sources: Beijing Statistical Bureau (1998–2015); Guangzhou Statistical Bureau (1998–2015).

networks in terms of track length and the volume of passengers for the two cities during the preparations for the Olympics and the Asian Games, with noticeable improvements in the year immediately preceding the mega-event. In the meantime, improvements in air quality and waste water discharge was remarkable, albeit short-lived. Figure 7 shows the reduction of waste water discharge and the emissions of sulphur dioxide for the two cities during the years of preparation and hosting of the mega-event. For Beijing, there was a substantial reduction in air and water pollution in preparation for the 2008 Olympics. Indeed, air and water pollution were brought under control by 2008, but the problem returned immediately after the mega-event. A similar pattern was observed in Guangzhou (Figure 7).

While traffic congestion and air pollution are two formidable obstacles to continuing urban growth, dealing with the many state-owned enterprises (SOEs) that used to dominate the urban space of Chinese cities was even more difficult for municipal governments without an extraordinary ‘handle’. Unlike cities in a free market economy where the urban space is shaped by a bid-rent logic, Chinese cities are traditionally planned and structured according to the principles of a socialist city (i.e., uniformity, standardization, work units and neighbourhoods). Whereas financial and commercial activities occupy central locations in a capitalist city, central locations in Chinese cities were dominated by state sector industrial enterprises and work units that occupied large tracts of land. As market reforms deepened, municipal governments looked for ways to relocate SOEs so that land in central locations could be converted to more lucrative financial and commercial uses. Yet, removing SOEs from the city centre was a very difficult endeavour because many SOEs were subsidiaries of central government ministries beyond the

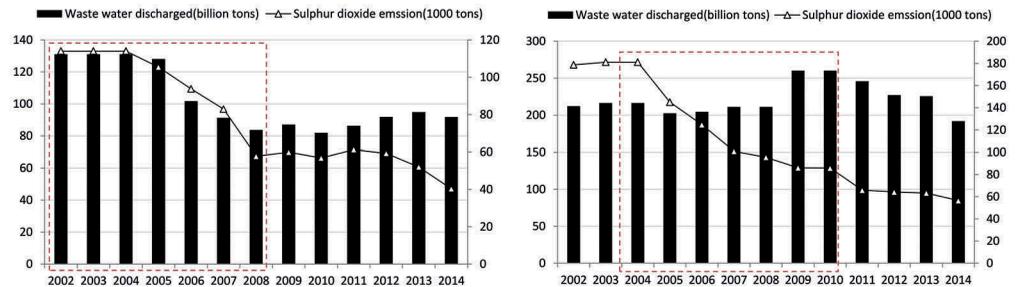


Figure 7. Momentary changes in air and water pollution in Beijing (left) and Guangzhou (right).
Sources: Beijing Statistical Bureau (1998–15); Guangzhou Statistical Bureau (2001–15).

reach of municipal governments. In Beijing, for example, the centrally located Capital Iron and Steel Company (CISC) was a powerful giant untouchable by the municipal government. Hosting a mega-event provided a rare opportunity – an extraordinary ‘handle’ – for the municipal government to tame the ‘tigers’ and deal with powerful and untouchable enterprises.

In 2002, a year after Beijing’s status as the host for the 2008 Olympic Games was confirmed, the Beijing Organizing Committee for the Olympic Games (BOCOG) released its ‘Action Plan for the Beijing Olympic Games 2008’. This plan called for the relocation by 2008 of all polluting industrial enterprises located within the fourth ring road. This plan was followed by a special National Development and Reform Commission (NDRC) measure requiring the relocation of CISC to an industrial development zone in Hebei province in 2005 (Lin & Zhang, 2017). The relocation of this industrial giant not only removed a major source of pollution but also, and more importantly, released a large parcel of valuable land for urban development in Shijingshan district. Figure 8 identifies an interesting common pattern in Beijing and Guangzhou of significant decline in both the number and share of industrial SOEs in the city industrial economy. Apparently, hosting mega-events has been fully utilized by the two municipal governments as a powerful and effective ‘handle’ to relocate state-owned industrial enterprises away from the central city and replace them with more profitable financial and commercial businesses, reconfiguring and commodifying urban space.

How did the (re)production of urban space shape the growth of the urban economy, the redistribution of population and economic activities, and regional inequality? It is difficult to provide a precise and uncontroversial estimate of the impacts of mega-events on the growth of the urban economy and to establish a clear causal relationship because of the difficulties separating mega-events from other factors. This difficulty is compounded by the fact that the time period concerned included the 2011 global financial crisis and China’s unprecedented 40 trillion yuan stimulus package designed to prevent the national economy from crashing. The performance of the Chinese economy nationally and locally was therefore a combined result of the national stimulus package and specific local endeavours. Acknowledging the complexity of the issue concerned, Figure 9 records the economic growth of the two municipalities at the time of the mega-events and the economic stimulus package and shows that economic growth was sustained in both Beijing and Guangzhou.

While it is difficult to determine the effect of hosting mega-events on economic growth, it is possible to analyze the impact of the mega-event strategy on the spatial redistribution of the population. As important parts of the mega-event developmental agenda, Beijing and Guangzhou both introduced and implemented master plans to upgrade and redevelop the inner city including redevelopment of the ‘three olds’ – old factories, old neighbourhoods and old villages – within the city (Lin, 2015). While the urban redevelopment and image-building

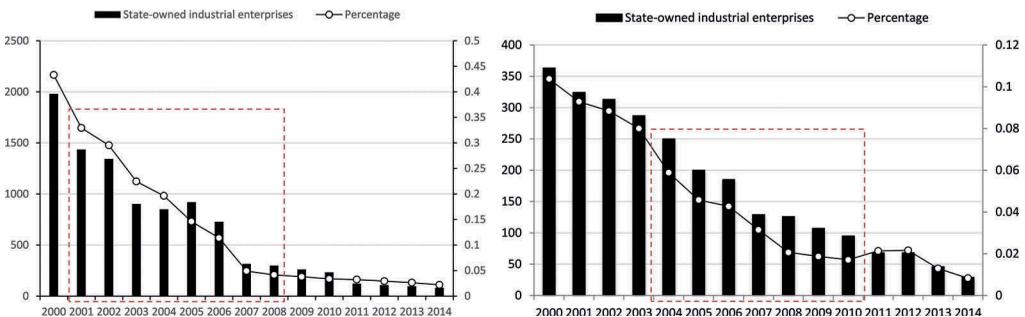


Figure 8. Relocation of state-owned enterprises (SOEs) in Beijing (left) and Guangzhou (right). Sources: Beijing Statistical Bureau (1998–15); Guangdong Statistical Bureau (2001–15).

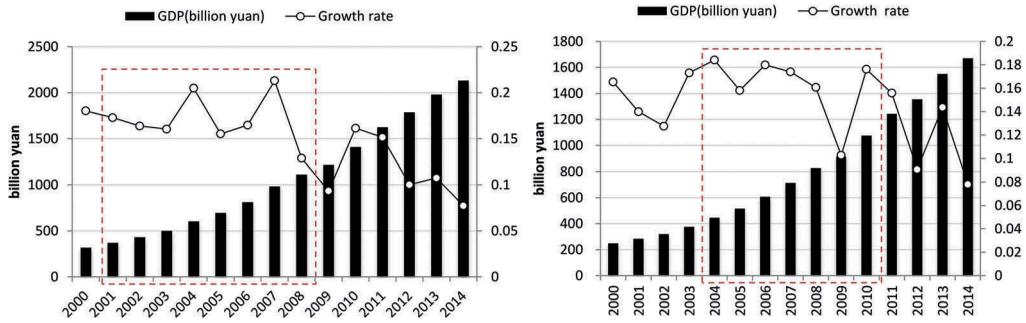


Figure 9. Growth of gross domestic product (GDP) in Beijing (left) and Guangzhou (right).

Note: Data are calculated in year 2000 constant prices. Sources: Beijing Statistical Bureau (2001–15); Guangdong Statistical Bureau (2001–15).

projects significantly modernized the existing urban space, the urban population experienced an interesting process of spatial redistribution and social stratification. As the old factories, old neighbourhoods and old villages within the city were removed and replaced by spectacular and highly priced apartment buildings and shopping malls, the low-cost habitats of the migrant population and the urban under-class were destroyed. The result was a spatial restructuring of the population with a concentration of the rich, powerful and privileged in the redeveloped city core and the relocation of the poor, excluded and under-class from the city centre to the outskirts of the city. Figure 10 records the changing distribution of the migrant population between the inner city, near suburbs and outer suburbs of Beijing and Guangzhou. As urban space was reproduced and modernized, the share of the migrant population in the inner city continued to decline, but the share in the outer suburbs rose, suggesting that there was an interesting diagonal process of increased concentration of the local population in the central city and dispersal of the migrant population into the relatively remote outer suburbs.

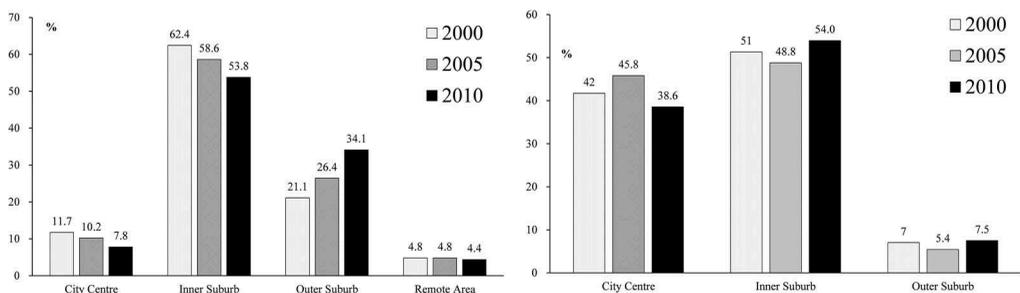


Figure 10. Redistribution of the migrant population in Beijing (left) and Guangzhou (right).

Note: The migrant population refers to those people who do not have an official household registration in the city, but who have lived and worked in the city for six months or longer. Beijing city centre includes the city core of Dongcheng and Xicheng; the inner suburb includes the districts of Chaoyang, Fengtai, Shijingshan and Haidian; the outer suburb includes Tongzhou, Daxing, Changping, Shunyi, Mentougou and Fangshan; the remote area includes Pinggu, Huairou, Yanqing and Miyun. Guangzhou city centre includes the urban districts of Yuexiu, Liwan, Haizhu and Tianhe; the inner suburb includes the urban districts of Baiyun, Huangpu, Luogang, Panyu, Nansha and Huadu; and the outer suburb includes the two suburban counties of Zengcheng and Conghua.

Sources: Beijing Fifth Population Census Office (2001); Beijing Sixth Population Census Office (2011); Guangzhou Fifth Population Census Office (2001); Guangzhou Sixth Population Census Office (2011).

Hosting mega-events is essentially a way of deploying and (over)drafting financial resources from the future and elsewhere for concentrated investment in, and instant upgrading of, the existing built environment of a city. The (re)production of a new urban space further enhanced the competitive edge and leading position of the central city with respect to rural and peripheral parts of a city-region. This process of competitive spatial enhancement driven by mega-events took place at two different levels. At the regional level, the lead of the central city over its peers was further enhanced (Beijing vis-à-vis north China and Guangzhou vis-à-vis Guangdong) (Lin & Zhang, 2015; Wu et al., 2016). At the local level, the urban districts that housed event venues (Chaoyang and Haidian districts in Beijing and Tianhe district in Guangzhou) experienced an upward diverging trend as their level of economic growth measured by per capita gross domestic product (GDP) was found to be higher than those of most of their peers in the municipality (Lin & Zhang, 2017). The new space economy reproduced through the hosting of mega-events was therefore characterized not only by a significant competitive reshuffling of places but also by greater unevenness and spatial inequality at the regional and municipal levels.

Finally, the (re)production of an urban space based on capital (over)drafted from the future and elsewhere naturally led to a piling up of local debts to such an extent that the sustainability of economic growth was severely undermined. The information officially released and publically accessible suggests that the local debt associated with the 2008 Beijing Olympics amounted at 10.7 trillion yuan. For the 2010 Asian Games in Guangzhou, the public debts were estimated at 210 billion yuan (Wu et al., 2016). Current practice is to use state-owned land as collateral for loans. Mortgaging land is made on the assumption of stable land prices or upward appreciation of the land market. However, negative liquidity cannot be ruled out in the current era of volatile globalization. Reproducing a spectacular urban space may have provided the energy and stimulus to extend the cycle of growth, but was achieved at the expense of equitable regional development and the long-term sustainability of economic growth.

5. DISCUSSION AND CONCLUSIONS

For nearly a century, the striking and persistent unevenness of regional growth and decline has never ceased to intrigue development specialists, planners and policy-makers. Despite competing interpretations of the nature and dynamics of development and under-development, established research has considered regions as countable, measurable and delineable entities that can be unambiguously classified and compared in a value-free manner. The post-prefixed (post-colonialism, post-dependency, post-Fordism, post-modernism, post-structuralism etc.) era has opened up diverse, pluralistic and flexible treatments of regions as borderless, permeable and perceived arenas in and through which personal emotions are attached, a sense of place is developed, agglomeration economies operate, knowledge and technology are incubated, and soft/hard externalities are glued and stuck together. Space serves simply as a container and place works is the context for regional growth, development and resilience. The phenomenal global shift of the centres of gravity in production and consumption in recent decades has posed new challenges to the convention of theorization deriving from the comfort zones of the West.

This research examined the practice of event-driven developmental strategies in globalizing and urbanizing China where space is reproduced and places are marketed in order to sustain resilient economic growth. The experiences of mega-event urbanization in China and other emerging economies have already been extensively documented (Brady, 2009; Deng et al., 2016; Dunford & Liu, 2015; Gruneau & Horne, 2016; Lauermaun, 2016; Shin, 2012, 2014; Zhao et al., 2016). Shin's (2012) work has pioneered the application of Guy Debord's concept of 'unified space' to the double

imperatives of mega-events, i.e., capital accumulation and suppression of social discontents. Zhao et al.'s (2016) work has unfolded

the intriguing relations between central and local governments, between functional/institutional systems (land, taxation and banking) in regard to territory and space, and between economic and political dynamics (local competition for both economic/GDP growth and individual political aspiration). (p. 1)

This study of the experiences of two prominent Chinese metropolises has identified an interesting developmental strategy characterized by the hosting of mega-events as an instrument to mobilize capital, create a spectacular urban space and transform the urban built environment. In both cases, hosting mega-events was used to expedite land expropriation and land sales, relocate old industries, neighbourhoods and villages from the inner city, and drive the migrant workers and underclass out of the city centre. Contrary to the conventional wisdom that treats space as a container and place as a background, space was purposely reproduced and transformed as an input factor of production and place was actively commodified and promoted by Chinese municipal governments in their pursuit of competitive and sustained urban growth.

For decades, theorization of uneven regional development has been based on the understanding that advanced and prosperous regional economies can outperform others because of the operation of comparative/competitive advantages, agglomeration economies, and many other material and discursive relational assets. To explain unevenness in regional downturns and recession, the latest thesis of regional resilience has highlighted regional adaptation capacity. Adaptation involves structural change and the reconfiguration of the sectoral/industrial mix of the region. Space and place are taken for granted in this industrial/sectoral-based tradition of theorization. The current practices of empowering regional economies through the construction of spectacular spaces identified in this research question the relevance of the popular perceptions of the case of China and arguably of other emerging economies. Going further, this research calls for a serious re-evaluation of the prevailing industrial and technological bias in the theorization of uneven regional development. After a long delay, it is high time to go beyond the many (cultural, institutional, relational and technological) turns and return to space and place as central concerns and as one of the input factors essential to the theorization of uneven regional growth and decline.

Bringing space and place back in raises a related issue concerning the nature of state power and its relationship with space because theoretically only the state has the power, authority and institutional capacity to manipulate space. The findings of this research suggest that, even in the case of China with a supposedly powerful authoritarian party-state, the state is far from a powerful, coherent and self-sustained unitary agency, but instead an evolving, internally conflicting, contested and mediated ensemble of power relations. Is the Chinese state a powerful animal (either a facilitator to be credited or dictator to be condemned), decisive and pivotal in bringing about (or blocking/distorting) the reproduction and transformation of space? The answer is not necessarily because the state is constrained and crippled by both many competing and contradictory internal elements and different external interests, demands and challenges. Is the Chinese state conditioned and dependent upon the project of urbanization and regional development as some scholars have asserted? Yes and no, because state power is claimed not entirely through the reproduction of space, and the career advancement of government officials is not solely determined by the success or failure of urbanization. The political fortunes of state officials are determined by both meritocracy (i.e., performance) and factionalism (i.e., political factional alignment and personal loyalty). The nature of state power and its relationship with space thus play out as an elephant being examined by many blind scholars. Only after all the constituent elements are sorted out and pieced together according to their logics of functional integration can one develop a full understanding of the real and true dynamics.

Finally, the findings of this research have raised important concerns about the long-term sustainability of growth, spatial inequality and social cohesion. An event-driven developmental

strategy is practised essentially to mobilize resources from the future and elsewhere for concentrated investment in the urban built environment. This has led to a momentary economic growth, instant improvement of the built environment and possibly an extension of the cycle of saturation, stagnation and decline. The leading position held by the central city has subsequently been further enhanced and upgraded at the expense of other areas that remained disadvantaged, underdeveloped and peripheral. Moreover, a space of the spectacle has been (re)produced through forced eviction of the workers of state-owned industries, displacement of farmers and removal of the migrant population from the central city. This practice simply delays and displaces built-in problems and crises without dealing with their root causes and finding an effective solution. For China to maintain its sustained economic growth and social stability, current policy and approaches must be changed in a direction such that the benefits from momentary growth are spread out over time, shared across regions and enjoyed by all segments of society inclusive of laid-off SOEs workers, landless farmers and the large migrant population.

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NOTES

1. The Chinese statistical authorities define the urban built-up area as 'a largely continuous area covered by urban constructions and urban facilities. Water surfaces such as rivers and lakes are also included' (Lin & Ho, 2003, p. 88). The migrant population refers to those who do not hold an officially recognized household registration of the city, but who have lived in the city for six months or longer. In this study, the migrant population was defined as the difference between the resident population (*changzhu renkou*) and the local population (*buji renkou*).
2. Beijing's hosting of the 2008 Olympics was announced in July 2001. Guangzhou's hosting of the 2010 Asian Games was announced in July 2004.
3. Chinese fixed-assets investment includes five main categories: (1) state budgetary allocation; (2) domestic loans obtained from banks and non-bank financial institutions; (3) foreign investment and foreign borrowing; (4) self-raised funds, which include formal and informal borrowing, local levies on utilities and services, and other extra-budgetary funds; and (5) others, which includes the funds raised through issuing bonds by enterprises, financial institutions and/or individuals, funds raised through donations, and funds transferred from other units (CCSB, 2011, p. 211).

4. There are exceptional cases, however, as state-owned urban land is also occupied by state agencies, state-owned enterprises, subsidiaries of the central ministries and the military over which the municipal government has little control (Lin, 2009; Hsing, 2010).
5. For obvious reasons, no reliable data have ever been released on the actual net income from land sales. The data used here are land traded price (*tudi churang chengjiao jiakuang*). These prices essentially represent the gross income from land sales, as they include the costs of land expropriation (*zhengdi fei*) and development (*kaifa fei*) that turns undeveloped into developed land (Lin, 2014, p. 1821).
6. The supply of urban land is made through administrative allocation (*huabo*) and land conveyance (*churang*) as well as land leasing (*zhuling*) (Lin & Ho, 2005; Lin, 2009).

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