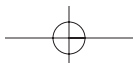
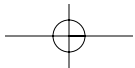
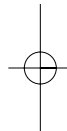
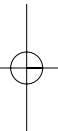
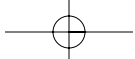


Part I

Globalization and urbanization





2 Beyond the reach of globalization

China's border regions and cities in transition

Xiangming Chen

Introduction

One of the principal ironies of contemporary globalization is that it appears simultaneously to reach all corners of the world and affect various parts of the latter differently. The uneven spatial impact of globalization is manifested in the dominant position and influence of a few global cities like New York, London, and Tokyo (Sassen 2001), the varied repositioning of major cities in the global air travel network (Smith and Timberlake 2001), and the rare rise of previously marginal towns to important international centers like the Chinese city of Shenzhen bordering Hong Kong (Chen 1987, 1993). Moreover, there are cities in the world that lie largely beyond the span of global influence and thus beneath the analytical radar-screen of the global or world city perspective (see Robinson 2002). As we move from spots or dots on the world map where globalization has left the strongest imprint to where its marks are much less visible, perhaps to the point of non-existence, we encounter the important question of why this is so. A more obvious answer would be that some less or hardly globalized cities and places are located in less open economies and in geographically isolated or remote regions, or both. A related explanation would be that these cities have less or unfavorable links to the global economy. A more effective way of tackling this question, however, is to identify the mechanisms that mediate the global-local nexus by either fostering favorable global ties to cities or forestalling such ties. This is key to provide a deeper account for the uneven local impact of globalization, especially for the development of cities that are difficult for globalization to reach.

Chinese urban development provides a fitting case for understanding why and how some regions and cities develop with little or no impact of or connectivity to globalization. China has the largest number of cities of different sizes and developmental stages located in geographically and economically diverse regions with uneven physical access to the outside world. Second, while Chinese cities experienced relatively limited change over a long history, they have become considerably more differentiated in growth, functional influence, and international links across regions over the last two decades. Major cities along China's 'golden coast' have boomed, whereas a number of interior or remote border cities have mired in underdevelopment. Even within the prosperous coastal belt, early developers like Shenzhen and other cities in Guangdong and Fujian provinces, which were fairly

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small and marginal in the past, have raced ahead of the more established port cities like Shanghai and Tianjin, which have since picked up pace and regained their earlier glory (see Chen 1998). This sequence and pattern of growing inter-local differentiation stems primarily from the state's policies of targeting and favoring sets of cities in different regions for fast and focused growth in a staged and incremental fashion.

This powerful policy regime is only one component of a broader mix of explanatory factors that have contributed to the uneven development of Chinese cities across regions. However, much of the literature has focused on the prosperous Pearl River Delta in Guangdong province by emphasizing the powerful driving force of overseas Chinese investment behind rapid growth and global integration (see Hsing 1998, Lin 1997). Studies on Shanghai have highlighted the relative roles of the central and municipal government policies and foreign investment in its accelerated growth and global influence (see Yeung and Li 1999, Wu 2003, Zhang 2003). The coastal bias in the literature on urban China is only a weakly offset by a small number of studies on frontier cities from generally historical and cultural perspectives (see Harrell 1995, Gaubatz 1996), with only budding attention paid to the relationship between minority border regions and globalization (Mackerras 2003). This neglect of Chinese cities in remote border regions as opposed to near the coastal boundary may have contributed to a narrow and perhaps inflated view that global capital has simply responded to the favorable state policies for and advantaged geographic locations of coastal cities and brought about their rapid growth. By not giving sufficient attention to China's border regions and cities, we have missed out on the question of if and how foreign investors have reacted to cities of less attractive locations under equally favorable but delayed state policies to stimulate their catch-up. In addition, we have missed a chance to look at whether and how intra-regional- or trans-local-level conditions unique to border regions may severely limit the local impact of the global economy.

Keeping globalization at bay

Mediating the global–local economic nexus

While globalization may facilitate the development of border areas and cities through long-range trade and investment links, the more immediate transborder subregion in which frontier cities are embedded may have a more critical but uncertain influence. I conceptualize this influence as mediating the global–local¹ nexus. Rosenau (1997) views globalization and localization² as coexisting and interdependent processes in such a way that the integrating force of globalization and fragmenting impact of localization blend into *fragmegrative* (his original usage) processes that produce either complementary or contradictory outcomes. Globalization may reach or even penetrate a border city previously shielded by a national boundary. But whether that border city is directly integrated into the global economy may depend on how it is tied with other localities, especially through or near a central node in a transborder region. The latter could strengthen

the integrating effect of globalization by creating direct links between the global and local economies. However, a transborder region may weaken the integrating effect of globalization by rendering global–local economic ties less direct and more territorially confined. In this scenario, a transborder region may produce some local fragmentation relative to global processes.

A transborder region provides a timely context for re-evaluating the relative role of spatial and institutional dynamics in shaping global–local ties. In a transborder region, cities and their immediate hinterlands are more likely to be both local and global at the same time and subject to the influence of multiple central and local governments as well. Economic transactions between cities on both sides of a border will remain localized if they are facilitated by short distance and other favorable conditions, but may be hampered by the lack of access to a broader transport network and the global market. These trans-local economic ties can be elevated directly to the regional level and linked indirectly to the global economy when national and local governments remove or reduce border controls and tariffs and build more cross-border transport links in the following section.

The inside and outside of the tiered state

A focus on the global–local nexus should not obscure the important role of the nation-state in shaping border regions and cities. Looking at the role of the state in this context differs from the state-centric theorizing and debate over the autonomy and power of the state versus the market in national economic development.³ What happens to the state when it is deeply penetrated by economic globalization from outside and strongly pressured by rising economic regionalism and localism from inside? First, the state evolves and reconfigures through shifts in its boundary and capacity. Political boundaries, many of which have been arbitrarily drawn and redrawn, rarely coincide with the cultural and ethnic borders. Sassen (1996, 1997) elaborated on how the state and its territorial space are becoming partially denationalized due to the rapid growth of advanced information industries, the embedding of global dynamics in domestic local places, especially in such global cities as New York and London, and the relocation of some components of national state sovereignty and capacity onto supranational authorities and corporate systems.

Generally speaking, important decisions regarding border control, customs regulations, trade and investment, infrastructure development, and tourism in and between neighboring countries reside with the central state. As trade and investment ties between border cities and their hinterlands grow closer, the demand for more subnational and local policy-making tends to rise. This downward shift of economic action and associated policy-making raises stakes for both provincial and municipal governments, because their decisions and choices have a stronger and more direct influence on the economic benefit or loss for their jurisdictions, while central government interference may have an inhibiting effect. The pressure of globalization on the nation-state to be more market conforming, reinforced by the bottom-up pressure from cross-border private sector activities, has shifted decision-making power from the central to the local government (see Orum and Chen 2003).

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Despite this shift in the relationship between the central and local state that strengthens the latter, how autonomously the local state acts remains constrained by varied national political contexts and is subject to the growing influence of private firms. In the Chinese context, while the central state is strong, it has delegated growing decision-making power to provincial and local governments since the early 1980s, thus making them loyal but flexible agents. The enhanced autonomy of local governments in Guangdong and Fujian provinces stems from a mutually dependent and beneficial relationship between officials and entrepreneurs. While the former supports the latter through providing access to profits and protection, local(ized) entrepreneurs, both domestic and overseas, influence officials through offering payoffs, employment opportunities, and business partnerships (see Wank 1995, 1999). The spatial variation in this relationship can be captured by a comparison across border regions and cities.

Cross-border ethnic ties

Border cities often share historical, cultural, and ethnic ties across international boundaries. These ties in the Asia-Pacific region in general and China in particular were severed or weakened by competing political ideologies, military conflicts, and absent economic relations between China and Taiwan, China and South Korea, China and the former Soviet Union, and China and Vietnam at various times. They have revived and been expanding over the two past decades or so, however. Kinship and ancestral networks created and sustained by past and present migration circuits, coupled with shared regional dialects, have become active in the open and highly interactive border environment, which is also imbued with a strong native-place identity based on geographic affiliations.

Just as the local economy and state in a transborder context interacts with global processes in complex ways, cross-border ethnic ties could either foster or impede globalization at the local level due to its contingent nature and influence. They not only reside in but also shift with changes in local development situations and territorially based political institutions such as the local government. Under these concrete conditions, cross-border ethnic ties are capable of exerting a practical influence on border-spanning economic activities.

As I have argued elsewhere (Chen 2000), cross-border ethnic ties have a twofold role in “gluing” and “lubricating” the Asia-Pacific transborder links, albeit to different degrees. “Gluing” involves bringing multiple actors on different sides of a border together in some sort of economic cooperation through mutual investment and joint production. Just bringing economic actors across borders together is not sufficient, as their cooperation may be hampered by frictions of different systems. “Lubricating” refers to ways and tendencies by which ethnic ties smoothen cross-border economic cooperation. Without lubrication, the glued seams of economic ties may strain and even come apart under the competing pressures of incompatible systems. As close and extensive ties with overseas Chinese in Hong Kong and Taiwan have “lubricated” the manufacturing machine in Guangdong and Fujian provinces, it would be interesting to see if the cross-border ethnic ties of China’s

border cities would make a difference to their growth in conjunction with the presence or absence of global capital and the decentralizing state.

Border effects and transport infrastructure

The effect of borders is another key to the development of cities on or near them. Borders can either block or bridge the development and integration of different border areas. Understanding this barrier or opportunity effect of borders hinges on how we conceptualize borders and their functions. The two dominant and commonly accepted views on a border are that it is either a dividing line or a contact zone. From the “line-border” perspective, a border represents a frontier territorial edge lying astride the boundary that sets the legal limit of the state. It tends to separate rather than unite border regions of two states through demarcated jurisdictions, control over crossings, and enforced customs rights. The competing perspective, however, sees a border as a contact zone or filter factor that creates a functioning membrane space for transboundary economic exchanges and social interactions and their diffusion beyond the border (Ratti 1993).

Borders have multiple barrier effects beyond the rigid legal demarcation of separate states. Rietveld (1993: 49) identified four border-related barriers: (1) weak or expensive infrastructure services in transport and communication for international links; (2) consumer preference for domestic rather than foreign products and destinations; (3) government interventions; and (4) lack of information on foreign countries. International road or rail links across borders are generally less developed than domestic links on either side of borders. This creates higher detour costs for transportation between border cities that has to be routed through other domestic cities. Government interventions that increase borders’ barrier effects include rigid visa requirements, high tax levies, tight currency exchange controls, and complex registration and certification procedures for border trading companies and border-crossing products. Overcoming these obstacles, especially through improving cross-border transport infrastructure will facilitate more integration of border cities and hinterlands.

By presenting the arguments and identifying their associated factors in the following section, I intend to show that they individually or jointly are capable of deflecting or neutralizing the positive or negative impact of globalization in such a way that sets the transition of border regions and cities in China or elsewhere on a distinctive trajectory.

China’s border cities in two transborder subregions

To demonstrate how the four sets of factors interact to influence the development of Chinese border cities, the empirical analysis focuses on selected cases in two transborder subregions: the Greater Tumen Subregion (GTS) in Northeast Asia and the Greater Mekong Subregion (GMS) on mainland Southeast Asia. While I have conceptualized these two transborder subregions, together with several other similar cases, and examined them in full details elsewhere (see Chen 2005),

AQ: Please provide better quality maps for Maps 2.1 and 2.2



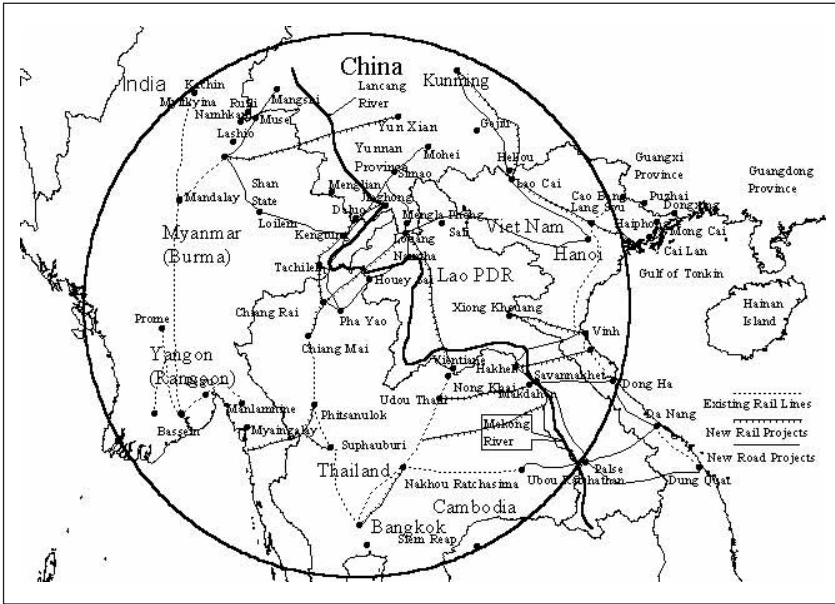
Map 2.1 The Greater Tumen Subregion.

I choose them here for two reasons. First, they contain Chinese frontier cities and areas that will contrast with the heavily studied coastal cities regarding growth patterns and external ties. Second, they serve as the crucial context in which the four sets of factors mentioned earlier operate in conjunction to foster or constrain the development of Chinese border cities largely beyond the reach of globalization.

Within the GTS, which as a whole is complicated to define due to its multiple layers,⁴ I focus on Jilin province and its city of Hunchun primarily and other border cities, secondarily in the Yanbian Ethnic Korean prefecture of Jilin province bordering the riparian parts of North Korea and the Russian Far East (RFE) covered by the Tumen River (see Map 2.1). The GMS comprises Thailand, Vietnam, Lao People’s Democratic Republic (Lao PDR), Myanmar (formerly Burma), Cambodia, and China’s Yunnan province (see Map 2.2). To be consistent with the units of analysis in the GTS, I examine Dehong prefecture and the two cities of Ruili and Wanding in Yunnan bordering Myanmar.

Frontier cities and border trade:missing global impulses for local development

Growing trade, which is an important aspect of globalization, takes the form of mostly border trade of China’s border provinces, prefectures, and cities with the neighboring countries in the GTS and the GMS. As Table 2.1 shows, trade between Jilin province and North Korea grew rapidly from a small base in 1982.



Map 2.2 The Greater Mekong Subregion.

During 1954–1970, trade between Jilin and North Korea was largely confined to small-scale bartering between the Yanbian Korean Autonomous prefecture (which is over 40 percent ethnic Korean) of Jilin and North Korea. Due to China's Cultural Revolution, this trade was suspended between 1970 and 1982 when Jilin province resumed both border trade and local barter trade with North Korea. Jilin exported mostly lumber, rice, rubber, steel, and metal products, while North Korea's exports included seafood products, fruits, steel, and fertilizer (Shi and Yu 1995).

The period 1991–1994 saw the most rapid growth of Jilin–North Korean trade, now conducted in US dollars (see Table 2.1). The number of traded items went from 8 in 1982 to 217 in 1987, and to 230 in 1994. The number of Chinese and North Korean companies involved in trade rose from 20 in 1991 to over 110 in 1994. The volume of trade between Yanbian and North Korea surged from US 75 million dollars in 1991 to US 310 million dollars in 1993. The latter figure accounted for nearly 70 percent of Yanbian's total foreign trade (Lawrence 1999) and about 60 percent of Jilin's total trade with North Korea that year (Shi and Yu 1995).

Trade between North Korea and Jilin, especially Yanbian began to contract in the second half of 1994 and dropped sharply in 1995 (Table 2.1). The floods in North Korea, coupled with economic mismanagement severely reduced the short list of commodities (e.g. rice) that could be exported to Jilin. The problem for North Korean trading companies being late in payments for Chinese exports got worse due to a severe shortage of cash. The Chinese central government also withdrew the favorable policy of the 50 percent tax on imports through local

28 *Xiangming Chen**Table 2.1* Jilin Province's Trade with North Korea and the Soviet Union (Russia), 1982–1995

Year	North Korea ^a			Russia ^b		
	Total trade	Export	Import	Total trade	Export	Import
1982	103	52	51	—	—	—
1983	1,199	664	535	—	—	—
1984	4,445	2,110	2,335	—	—	—
1985	10,987	5,758	5,229	—	—	—
1986	8,656	4,472	4,184	—	—	—
1987	12,772	6,726	6,046	—	—	—
1988	15,796 (15.5)	7,870 (10.4)	7,926 (31.5)	1,210 (1.2)	687 (0.9)	532 (2.1)
1989	22,856	11,175	11,681	8,221	5,988	2,233
1990	14,802	8,152	6,650	11,124	5,368	5,756
1991	9,271 (6.9 ^c)	4,843 (4.7)	4,428 (11.7)	11,478 (8.2)	5,890 (5.7)	5,588 (14.7)
1992	23,400	11,200 (8.6)	12,200 (19.1)	16,400	1,700 (12.9)	14,700 (22.9)
1993	47,126 (15.8)	22,960	24,165	—	—	—
1994	45,500	25,300	20,200	55,600	31,300	24,300
1995	11,000	7,300	3,700	—	8,000	—

Sources: Compiled from Fu (1998: 410–411), Fukagawa (1997, Table 3.5), Li *et al.* (1997: 37), Liu and Liao (1993, Tables 3 and 4), and Shi and Yu (1995, Table 1).

Notes

a The figures prior to 1991 were in 10,000 Swiss Francs, which had a roughly 1:1 exchange rate with the US dollar. The figures for 1991 through 1994 were in 10,000 US dollars.

b Data before 1991 pertained to the former Soviet Union.

c The figures in parentheses for 1988 and 1991 are percentages of the province's total foreign trade.

barter trade. These factors led Jilin to reduce its trade with North Korea (Shi and Yu 1995). By 1996, trade between North Korea and Yanbian declined to US 27 million dollars and rose slightly to US 32 million dollars in 1998 (Lawrence 1999).

The border city of Hunchun in Jilin province has emerged as an important frontier center due to its favorable location. Centrally situated at the trilateral borders of China, North Korea, and the RFE, Hunchun has the closest and most convenient access to the railroad and road terminuses near the North Korean and RFE borders and through them to all major North Korean and RFE ports.⁵ Hunchun had a long history as a frontier center for trade with Japan, Korea, and Russia.⁶ This prosperous ocean trade ended in 1938 when Japan unilaterally imposed a blockade on shipping on the Tumen River from Hunchun to the Sea of Japan.

From 1949 to the mid-1980s, despite being a rural county, Hunchun remained an officially classified important border post and was largely cordoned off from domestic entry unless one had a special permit. The place, where buildings of two stories or taller was banned, became economically marginalized. Hunchun

entered a new era of opening and rapid economic growth in 1985 when its border crossing with the RFE was (re)opened. In 1988, Hunchun was administratively upgraded from a county to a municipality and allowed by Jilin province to build a special economic zone (SEZ). Following the onset of the United Nations Development Programme-sponsored Tumen River development in 1992, Hunchun was chosen by the central government to be among the first group of officially designated open border cities and allowed to set up China's first Border Economic Cooperation Zone (BECZ). Bounded for 88 square kilometer and planned for 24 square kilometer, the Hunchun BECZ received infrastructure investment totaling US 150 million dollars from the state. In April 2000, the national government approved the establishment of the Hunchun Export Processing Zone (HEPZ), one of only 15 in China. In February 2001, the national government approved the Hunchun China–Russia Free Market and Trade Zone, with the construction of a huge indoor market hall. The zone offered financial incentives and procedural conveniences including visa-free entry for Russian traders and duty-free exodus of Russian goods taken out of the zone by Chinese traders.⁷

In 1992, Hunchun had a population of approximately 175,000 that grew to 250,000 by the end of the decade. Its gross domestic product (GDP) in 2001 tripled that of 1995. Since 1995, Hunchun's foreign trade has been growing almost 100 percent annually, while its GDP has been up between 16 and 20 percent a year, which is comparable to those of some coastal cities. Passenger and cargo flows through Hunchun's overland ports with North Korea and the RFE have been rising over 30 percent per annum.⁸ About 80 percent of the industrial enterprises in Hunchun have received some foreign investment, most of which came from Hong Kong, South Korea, and Japan. Although the Asian financial crisis in 1997 slowed down the inflow of foreign investment, Hunchun made a relatively quick recovery by attracting 33 foreign-invested enterprises into the BECZ that involved contracted capitalization of dollar 127 million by the end of 2000.⁹

Hunchun has been trying to reach out to the global economy from a geopolitically important but politically unstable and economically underdeveloped part of Asia. While Hunchun has done better than its North Korean and Russian counterparts across the borders, it has not created very beneficial local–global economic links. One disadvantage is its concentration of extractive industries in the GTS as natural and mineral resources for extraction are fixed in space and physical isolation (Bunker 1989). The major barrier to creating global–local economic links for Hunchun and other Chinese border cities in the GTS is the lack of economic complement. This barrier is difficult to overcome because the GTS consists of the poorer and more peripheral regions and cities of three countries. It has severely limited the type and scale of foreign manufacturing investment that has turned out competitive exports from cities in southeastern China.

Yunnan province and its border cities were important trade outposts historically. Yunnan's active historical role in border trade, however, stagnated from the Cultural Revolution to the early 1980s, when coastal provinces and cities were heavily favored over inland border provinces. While Yunnan's international trade rose from US 130 million dollars in 1980 to merely US 750 million dollars

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in 1990 (Wang and Li 1998), higher than the national increase of 203 percent, it lagged significantly behind most coastal cities.

The 1990s saw the return of Yunnan's important role in international trade, especially in border trade. Yunnan's foreign trade grew 20 percent annually and amounted to US 15 billion dollars in 1997. Foreign trade as a share of provincial GDP rose from 1.8 percent in 1978 to 10.3 percent in 1997. Yunnan's border trade grew from a cumulative total of US 24 million dollars during 1978–1984 to US 431 million dollars in 1994 (see Table 2.2), averaging an annual rate of over 30 percent. As the table also reveals, Yunnan's foreign and border trade is heavily oriented toward the three neighboring countries. Between 1991 and 1995, Myanmar, Vietnam, and Lao PDR were the first, fifth, and tenth largest markets for Yunnan's exports, absorbing 34.2 percent of its total exports. The largest importer by far, Myanmar accounted for 77 percent of Yunnan's exports to the three countries in 1999 (Zhonghua Publishing House 2001). In 2002, Yunnan's trade with Myanmar reached US 407 million dollars, which accounted for 47.2 percent of China's total trade with Myanmar.¹⁰

As Table 2.3 shows, Yunnan's six border prefectures accounted for just about all the provincial border trade through 1995. Dehong Minority Autonomous prefecture had the lion's share of the total border trade due to its location. Bordering on Kachin and Shan states of Myanmar for over 500 kilometer, Dehong is close to such important Myanmar cities as Lashio, Myitkyina, and Mandalay (see Map 2.1). From the Burma Road (built as a vital supply route after Japan's 1937 invasion of eastern China) between Kunming and Mandalay at Lashio, there is a road link to India via Myitkyina and rail and river (the Irrawaddy) connections to Yangon (Rangoon) and the Indian Ocean.

Key Chinese and Myanmar border towns are intensive spots for border trade. The end of Chinese support before the collapse of the Burmese Communist Party

Table 2.2 Yunnan province's border trade with Myanmar, Lao PDR, and Vietnam, 1989–1995 (in millions of US dollars)

<i>Year</i>	<i>Yunnan's total border trade (1)</i>	<i>Yunnan's trade with Myanmar, Lao PDR, and Vietnam (2)</i>	<i>Yunnan's border trade with Myanmar, Lao PDR, and Vietnam (3) = (5) + (6)</i>	<i>Border trade as a percentage of total trade (4) = (3)/(2)</i>	<i>Border import from Myanmar, Lao PDR, and Vietnam (5)</i>	<i>Border export to Myanmar, Laos PDR, and Viet Vietnam (6)</i>
1989	109	—	—	—	—	—
1990	151	141	131	92.9	43	88
1991	198	165	154	93.4	52	102
1992	274	233	228	97.8	74	154
1993	346	311	271	87.2	76	195
1994	431	431	255	59.2	110	145
1995	—	556	229	41.2	112	117

Sources: Adapted from Li and Zhao (1997: 185), State Statistical Bureau (SSB) (1998, various tables), Wang and Li (1998: 31).

Table 2.3 Yunnan's top six prefectures and regions in border trade, 1990–1995 (in millions of US dollars)

Year	Dehong prefecture ^a	Xishuang-Banna prefecture ^b	Baoshan region ^a	Honghe prefecture ^c	Lincang region ^a	Wenshan prefecture ^c
1990	117	—	5	—	2	—
1991	159	5	8	17	4	4
1992	207	11	18	18	8	7
1993	242	27	45	19	27	14
1994	280	52	54	43	36	23
1995	255	66	54	42	30	23
Total (%) ^d	60	10	10	8.5	7	4.2

Source: Adapted from Li and Zhao (1997: 235–248).

Notes

a Bordering Myanmar.

b Bordering both Myanmar and Laos PDR.

c Bordering Vietnam.

d The figures in this row are each region's estimated share of the Yunnan's total border trade.

in 1989 facilitated the opening of more border trading posts between the two countries. The Myanmar border town of Muse became open for border trade in 1988. The Chinese border city of Ruili created the Jiagao Border Economic Development Zone in 1991. Thanks to Ruili's most active trading role, border trade accounted for half of Dehong county's revenue in the 1990s (Kuah 2000).

Yunnan's border trade is primarily characterized by small-scale transactions between border residents and petty traders at about border 100 crossing points of varied administrative grades along a lengthy border.¹¹ Local border residents and international traders cross the almost invisible and lightly guarded check points frequently to buy and sell at border trade markets that consist of rows of stalls or small store fronts. At the border trade market in Ruili, there are often close to 1,000 petty traders and dealers including some from Myanmar, Bangladesh, India, Nepal, Pakistan, and Thailand selling cotton, jade, bracelets, ivory items, and aquatic products. Despite the limitations and problems of small-scale border trade, there have been some efforts to move cross-border economic cooperation in the GMS beyond the localized exchange of raw commodities or simple goods. The Ruili and Wanding municipal governments have encouraged foreign investors to utilize raw materials to manufacture products to meet both local and international demands. By 1997, imported materials for export processing (mainly jade, precious stones, and rubber) as a share of Yunnan's total border imports reached 35.5 percent. This integration of border trade and simple manufacturing has facilitated the evolution of Yunnan's border trade, which has shifted from involving primarily local commodities to broadly sourced products, as the proportion of industrial goods from elsewhere in China and exported through Ruili and Wanding reached almost 90 percent (Economic and Trade Cooperation with Neighboring Countries Bureau 1995). The evidence suggests the possibility

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for Yunnan's border cities to develop through achieving broader and deeper economic cooperation in the GMS beyond border trade.

Late decentralization to the periphery: a necessary but insufficient political stimulus

As China's open policies favored the southeast coast in the late 1970s and early 1980s and the Bohai rim in the mid- and late 1980s, its northeastern and south-western border regions fell much behind. In early 1990s, however, the central government began to shift the open policy and development focus to the more isolated and backward inland border regions by offering them financial incentives that had been granted exclusively to the coastal areas. This policy adjustment was intended to narrow growing regional disparities and appease leaders of the inland areas who felt that they had been mistreated.

The central government singled out specific border areas of Jilin province along the Tumen River for more favorable policies, which also was stimulated by the UNDP-sponsored Tumen River development initiatives in the early 1990s. The State Council of China established a special office and a research and development team with the State Science and Technology Commission as the leading unit to handle issues concerning Tumen River development, while the State Development and Planning Commission incorporated the Tumen River project into the Ninth "Five Year Plan."¹² The central government handed out the largest favor in 1992 by designating the city of Hunchun as a top-level open border city. This gave Hunchun the privilege to implement all the favorable policies that had been granted to coastal cities. It also allowed Hunchun to set up one of China's first and few border economic cooperation zones.

Following the central government's initiative, the governments of Jilin province, Yanbian prefecture, and Hunchun municipality formed leaders' groups and special offices in charge of developing the Tumen region. The Jilin provincial government immediately adopted favorable policies to spur the growth of border cities like Hunchun. In 1992, the Jilin government shifted 10 provincial-level rights of approval in border economic cooperation and trade down to the municipal government of Hunchun and granted the latter over 20 other favorable policies. From the mid-1980s through 1993, the national and provincial governments doled out a cumulative total of US 140 million dollars to build up the infrastructure in Hunchun's energy, transportation, and telecommunications sectors (Yu 1994). Just as what happened to the key cities in the Guangdong and Fujian provinces, the central government's combined strategy of granting favorable policies, decentralizing administrative power, and capital outlays, coupled with proactive local responses, have elevated the status and role of a border city like Hunchun in the regional place hierarchy.

Despite the weakened central control and stronger central support, local governments in Northeast China, particularly in the Tumen region have been constrained to take full advantage of these favorable conditions. Given their border locations in China's primary region of state-owned extractive and heavy industries,

cities like Hunchun became heavily dependent on subsidies from both central and provincial governments. Although these local governments were permitted to provide financial incentives to foreign investors and to create and keep revenues through exports, the lack of exportable light consumer goods limited their opportunities. The government of Hunchun was not in a position to achieve fast growth and generate wealth like Shenzhen.

Despite the long-standing trade between the border peoples of Yunnan and the neighboring countries, China's central government imposed severe restrictions on border trade prior to 1978 based on the premise of its border regions being politically sensitive and militarily insecure. For example, the central government limited the purchase of goods by Chinese farmers across the border to 30 Chinese yuan (about US 4 dollars) at each transaction, and the exchange boundary to a 10 kilometer stretch from the border line (Kuah 2000). This tight control and monitoring began to loosen by 1985 when it promulgated a policy that encouraged provincial governments and border residents to be more liberal in border trade. By 1992, the central government took a step further by handing over to the provincial government the rights to implement regulations and control over border trade. The central government also introduced guidelines for trade with Myanmar and designated Kunming, Ruili, and Wanding as state-level open cities and towns for border trade and investment. This was similar to the policy of granting the same status to several cities of Jilin province in the early 1990s.

The growing power of the provincial and county government has reinforced autonomous and targeted policy-making at the subnational levels. While Yunnan province unveiled its own policy for border trade as early as in 1985, which included tax concessions and bureaucratic streamlining, the early 1990s saw the acceleration of provincial independence in formulating bolder border trade policies. The provincial government, for example, would provide additional incentives to foreign investors in designated border towns and areas. It also simplified visa and customs procedures for those residents to cross the border as tourist-traders who could re-enter Yunnan multiple times on a daily basis (Kuah 2000). Although getting the 'green light' from the center later than the Guangdong and Fujian governments, the Yunnan provincial government has been more aggressive than Jilin province, where state-owned industries were more dominant, in pushing border trade. The active provincial government fueled strong initiatives of the local governments of Yunnan's key border cities and towns.

The Dehong prefectural government provided the most illustrative example of effective local autonomy in line with the trickle-down of decentralized central and provincial government power. It established the Jiegao Border Economic Development Zone in the border town of Ruili that had previously been designated by the central and provincial governments as a key outpost for border trade. The zone, which covers an area of 4 square kilometer and borders on Muse in Myanmar (see Map 2.2), has attracted a steady inflow of small-scale investments from Hong Kong, Thailand, and Singapore. In addition, a China-Myanmar Street was set up between Jiegao and the border to accommodate small shops and mobile daily traders (Hong Kong Trade Development Council 1992). Other local

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government pro-development actions included setting up a center to provide investors and enterprises with information on border trade and introducing favorable changes in customs inspection, taxation, border control, and customs duties. These measures spurred border trade and related activities, which contributed to over 50 percent of provincial and local government revenues in the first half of the 1990s (Kuah 2000).

Revived cross-border ethnic ties: beneficial but limited

Given the historical settlement pattern of Koreans in China, China's 1990 census revealed that 97 percent of the nearly 2 million ethnic Koreans in China lived in the three northeastern provinces, with 1.2 million of them residing in Jilin province. The Yanbian Autonomous prefecture, which administers the key Chinese border cities of Hunchun and Tumen in the GTS (see Map 2.1), is home to approximately 900,000 ethnic Koreans, which accounted for 41 percent of Yanbian's total population and 43 percent of the entire ethnic Korean population in China. In the city of Hunchun in 1992, ethnic Koreans accounted for 47.3 percent of the local population (Li and Wu 1998). With a more open border, cultural adaptation and linguistic similarity also have become valuable ethnic social capital that could foster economic exchanges.

The geographic concentration of South Korean investment in the Yanbian region validates the connection between cross-border ethnic ties and inflow of capital. Also spurred by the establishment of diplomatic relations between China and South Korea in 1992, South Korean investors flocked to Yanbian to set up factories in garments manufacturing, food processing, chemicals, and construction materials. Particularly, a number of small Korean food processing and cold-storage companies began to congregate here to export products back to Korean supermarkets. The 42 Korean-invested enterprises by the end of 1992 accounted for one-third of all foreign ventures in the prefecture and reached US 16 million dollars in capitalization (Peng and Yan 1994). In the city of Yanji, the capital of Yanbian Prefecture, 119 (over 50 percent) of the 226 foreign-invested enterprises were financed by South Korean capital (Wang and Zhang 1998).

The city of Yanji, the heart of the Chinese Korean region, has remained the most attractive destination in northeastern China for South Korean investment and remittance. According to the local informants in Yanji whom I interviewed in 1999, a heavy influx of remittance from South Koreans boosted the local economy in the mid-1990s, especially in real estate development and the restaurant business. Some of the remittance came from the Korean Chinese working as temporary labor in South Korea. In 1996 remittance from South Korea accounted for half of the real estate investment in Yanji, and helped elevate per capita income for Yanji to the fourth highest of all Chinese cities.

The onset of the Asian financial crisis in 1997 dampened Yanji's prosperity. South Korean investors quickly pulled out from their ventures and left behind stockpiles of unsold products waiting to be exported. Since the large majority of the South Korean-invested enterprises were small, collectively owned local firms,

which offered no guaranteed employment (the so-called 'iron rice bowl'), the withdrawal of South Korean capital left many local workers unemployed. The financial crisis also led to a sharp reduction of South Korean tourists, and even those who came after 1998 engaged largely in window-shopping. Nevertheless, the striking billboard for the South Korean Airline (Asiana) dominated at the Yanji Airport, despite the fact that it was not yet allowed to fly in. There was little question of the heavy South Korean presence in this Chinese border region heavily populated by ethnic Koreans.

The ethnic ties not only brought South Korean investment into Yanbian, but also brought about new types of economic exchanges (besides barter trade) across the China–North Korea border under the local governments' favorable policies toward North Korea businesses. In Yanbian, North Korea has invested in 25 businesses, mostly restaurants, sauna parlors, karaoke bars, and real estate companies on the Chinese side of the border (Chen 1995, Lawrence 1999). Illegal young North Korean girls were found to work in some of the karaoke bars in Yanji without being detained, as local informants revealed. Ethnic Korean merchants continued to do business with their North Korean counterparts, even under the unfavorable conditions of not getting paid on time and having few attractive goods to buy. Unlike the South Korean connections earlier, the Korean Chinese use kinship-based social networks under a more open policy to generate economic exchanges intended to benefit North Koreans on the other side of the border.

Yunnan province is home to 26 of China's 55 minorities. In 1996, the minorities accounted for 35 percent of Yunnan's total population and occupy about two-thirds of the area, much of which involves the border zones next to Myanmar, Lao PDR, and Vietnam (Li and Zhao 1997). Ten minorities in Yunnan's border region including the Dai, Jinpo, Miao, Yao, and Yi have settled across borders for a long time. The Dai, who reside heavily in Xishuanbanna and Simao prefectures along the China-Myanmar and China-Lao borders, are known as the Shan who are concentrated in the Shan state of Myanmar (Hsieh 1995). The Jinpo of Yunnan and the Kachin in the Kachin state of Myanmar belong to the same ethnic origin (Zhao 1997). The Hani in Yunnan are known as the Akha in Myanmar and Thailand. In 1991, of Ruili's total population, the Dai accounted for 45.8 percent, the Jinpo 12.6 percent, while the Han Chinese and other minorities made up the remaining 41.6 percent (Liu and Liao 1993).

For decades, the old ethnic ties mentioned above lay dominant in their respective local areas when several wars fought on Indochina and lack of political trust among the countries preempted cross-border economic and cultural exchanges. The 1990s marked a new decade for the Mekong River region with the launch of the GMS Program and the opening of Southwest China. In this more open environment, ethnic identity and linguistic capacity have become favorable factors in border trade, especially in small-scale bartering and transactions at the border free markets.

Most of the Myanmar traders crossing over the border are ethnic Chinese, many of whom originated in Yunnan, and some of them left as recently as during

the Cultural Revolution.¹³ They used the Chinese language for communication during buying and selling, convenient and efficient for both parties (Hong Kong Trade Development Council 1992). This ethnically mediated border trade bears remarkable similarity to border trade between North Koreans and Korean Chinese along the Jilin-North Korea border in the GTS.

Growing cross-border trade and investment has translated into new cross-border social interactions and outcomes, especially for Yunnan's border towns. In the pre-reform and pre-opening era, poverty in this remote border region forced residents in such towns as Ruili to pick tea leaves over in Myanmar to supplement their meager income. And local girls often married Burmese men. In recent years, however, many of these old trends have reversed. A large number of Myanmar border residents came to work in Ruili. Many of the former local residents who had left returned and resettled. More and more Myanmar girls preferred to marry young men in Ruili (Chinese Central Academy of Ethnology 1993).

***Urban frontiers and transport infrastructure:
the challenge to bridging peripheral cities***

The combination of multiple border crossings and both land and rail access to several good and geographically proximate ports has not created the kind of tight cross-border links that would help overcome the economic and political barriers to the integration of the GTS. The primary reason lies in the overall underdevelopment of transport infrastructure. The various border regions and cities in the GTS are remote and peripheral to the economic and political centers of the three countries involved. Because of this status, they have suffered from a cumulative shortage of large-scale investment for improving their transport facilities. The roads and railroads in and between these places were limited, not well connected, and had lower grades and carrying capacity. The seaports were poorly equipped with loading and storage facilities and therefore could not perform up to full capacity. For example, while the Chinese side was completing parts of a highway leading to the Quanhe border crossing in 2000, the North Korean side still used a sand and gravel track that turns into mud in the rain or snow. This poor condition makes it difficult for trucks carrying containers to cross the border (Lawrence 1999). The Hunchun government and shipping companies also were active in opening new shipping routes through and beyond the GTS, including regular container shipping from Hunchun to the Rajin port and on to Pusan of South Korea, and from Hunchun to the Posyet port of the RFE and then across the Sea of Japan to Akita of Japan (see Map 2.1).

The long-term payoffs from improved transport links are shrouded in uncertain future demand for the cross-border flow of goods, which fluctuated in the mid-1990s (see Table 2.4). Further integration and development of the GTS and greater cross-border trade flows will put more pressure on the still underdeveloped transport system across the border regions of Northeastern China, the RFE, and North Korea. While this broad scenario may turn out to be realistic, the

Table 2.4 Import and export volumes through land border crossings at the Yanbian ethnic Korean autonomous prefecture, Jilin province, China, 1993–1996

Crossing	1993			1994			1995			1996		
	Import	Export	Total	Import	Export	Total	Import	Export	Total	Import	Export	Total
Changlingzi	65,308	10,929	76,237	16,532	15,552	32,084	3,983	7,504	11,487	3,004	4,139	7,143
Shatuozi	40,161	7,676	47,837	17,308	8,478	25,786	2,469	4,181	6,650	1,940	3,020	4,960
Quanhe	—	—	—	—	—	—	—	—	—	8,741	15,032	23,773
Tumen	217,588	287,588	505,176	144,200	100,497	244,697	186,769	186,269	373,038	32,240	40,204	72,444
Kaishantun	13,302	14,406	27,708	11,508	11,548	23,056	2,420	1,200	3,620	3,310	3,310	6,620
Nanping	14,104	1,143	15,247	15,795	12,112	27,907	4,130	2,496	6,626	16,666	6,911	26,277
Guchengli	13,905	965	14,870	12,762	473	13,235	8,872	1,172	10,040	14,042	1,000	15,024
All crossings	364,368	322,707	687,075	218,105	148,660	366,765	208,643	202,822	411,465	79,943	73,616	153,559

Source: Adapted from C. Chen (1998: 7).

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specific demand on the various cross-border transport links may be uncertain. It is projected that the volume of China–RFE trade through the Changlingzi crossing could reach 200,000 tons by 2005, while the through volumes of China–North Korean trade at the Quanhe, Shatuozi, and Tumen crossings may approach the same level. The projection is partly based on the steadily growing exports of large quantities of grain and high-heat coal from Yanbian to meeting the shortages in North Korea and the RFE and continued demand in Japan and South Korea. In addition, the growth of foreign-invested companies in Yanbian, especially in its strong lumber processing industry will stimulate greater import of timber and export of processed wood and paper products (C. Chen 1998).

Just as the Tumen River is the ecological glue for linking the border cities of China's Jilin province with the parts of the RFE and North Korea, the Mekong River supplies rich water resources¹⁴ that bind a long stretch of Yunnan province and the neighboring riparian GMS countries. The twelfth largest and sixth longest river in the world and the sixth largest in Asia, the Mekong ranks only behind the Yangtze River of China in flow volume. During the Vietnam War, the Mekong River was known as the world's most notorious waterway – the 'Iron Curtain of Asia' – which symbolized death and division (Asia Inc. 1996). By the 1990s, the mighty Mekong emerged as a major ecological corridor for subregional economic cooperation due to (re)newed inter-state arrangements such as the Mekong River Commission and the GMS Program. For goods from China's interior northwestern region to reach mainland Southeast Asia, shipping along the Mekong would shorten the distance by about 3,000 kilometer compared with going through the southeastern ports (Tang 1995). The river sometimes known as the 'Danube of the Orient' appeared poised for booming commercial use.

However, the shipping capacity of the Mekong has been limited by two factors. First, a long stretch of the Mekong is difficult to navigate. For example, the river between the China–Myanmar border down along the Thailand–Lao PDR border to Vientiane, about 1,080 kilometer long, contains dangerous shoals and shallow beds. Second, most of the ports and docks along the Mekong, especially its upstream, are relatively small and old. Resources for upgrading them are highly limited as the Upper Mekong runs through the less developed regions of four GMS countries, namely southwestern China, northern Thailand, northwestern Lao PDR, and eastern Myanmar.

To improve the difficult navigating conditions, a number of government efforts have been made in recent years. At the beginning of 2002, China, Lao PDR, Myanmar, and Thailand reached a new agreement to improve the navigating conditions of the Mekong River, with China putting up the bulk of the funds (US 5 million dollars) and being responsible for all technical solutions and implementations. The planned projects include fixing dangerous shoals, erecting navigation marks and signs, and widening and deepening some stretches of the riverbed. The central and Yunnan governments have invested heavily in upgrading such major ports as Jinghong and Simao on the segment of the Mekong called Lancang near Yunnan's border (see Map 2.2). This investment paid off in the growing activities at several river ports (Table 2.5).

Table 2.5 Cross-border flows through the major river ports and overland crossings of Yunnan's Province, 1993–1997

<i>Ports or crossings</i>	<i>Year</i>	<i>People (number)</i>	<i>Vehicle (number)</i>	<i>Cargo (ton)</i>	<i>Cargo value (10,000 USD)</i>
Jinghong Port (Bordering Myanmar)	1993	6,850	140	1,260	2.3
	1994	26,000	444	11,760	4.9
	1995	6,951	410	12,329	504.9
	1996	25,600	3,209	33,100	1,136.3
	1997	11,275	1,454	32,550	1,208.9
Simao Port (Bordering Myanmar, Laos PDR, and Vietnam)	1993	1,990	35	700	0.4
	1994	3,800	681	1,850	0.4
	1995	1,404	268	20,551	494.1
	1996	6,100	159	10,300	606.6
	1997	680	306	15,283	147.8
Mohan Crossing (Bordering Lao PDR)	1993	98,000	16,780	10,780	1,251.7
	1994	196,800	48,819	20,997	1,538.7
	1995	144,500	12,374	69,538	3,407.0
	1996	114,400	3,364	32,800	1,545.0
	1997	90,770	7,756	19,410	1,287.3
Daluo Crossing (Bordering Myanmar)	1993	260,000	44,087	79,205	1,508.3
	1994	350,000	53,719	91,730	1,827.7
	1995	396,800	71,565	96,540	1,961.6
	1996	2,050,000	137,008	57,800	1,152.9
	1997	2,040,912	132,166	21,320	682.5
Menglian Crossing (Bordering Myanmar)	1993	15,700	9,876	9,730	231.3
	1994	184,100	1,306	35,200	287.8
	1995	117,878	11,981	16,041	1,095.3
	1996	322,700	34,070	25,000	552.3
	1997	185,522	32,008	22,177	336.6

Source: Adapted from Wang and Li (1998: 38).

The limit of globalization and China's frontier cities: transborder subregions as the mediating middle

The extensive evidence analysis above has shown little impact of globalization on several Chinese frontier cities, at least not directly. Instead, their transitions, as varied as they may be, have been similarly influenced by an interaction of transborder subregional economic dynamics, decentralizing state policies, cross-border ethnic ties, and boundary-spanning transport infrastructure. While this mix of factors may appear complex and difficult to disentangle, they collectively have kept the penetrating influence of globalization at bay, so to speak. This role of theirs is clearly and closely tied to the composition of the two transborder subregions (GTS and GMS), which consist of multiple border cities and their hinterlands in geographically contiguous transnational spaces in which the Chinese border cities are embedded. Given its layered units, actors, and ties, each transborder subregion mediates global–local relations and local development in different ways. Economically, the limited complementarity among the participating units

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in the GTS and GMS, coupled with their marginal status, form an internal barrier to the development of China's frontier cities. The limited inflow of global capital and export-oriented manufacturing due to the peripheral location of units in the two transborder subregions have imposed an external constraint on the Chinese border cities to develop beneficial trans-local and global ties. This combination has narrowed the band of economic activities in the Chinese border cities to border trade with neighboring countries that only generates relatively weak development impulses.

Politically, while the Chinese border provinces and cities in both the GTS and GMS have benefited from decentralization and some local autonomy, decentralization was relatively late and did not go far enough to allow the provincial and local governments to develop wider and deeper links with the global economy. This is further hampered by the lack of decentralization and its unevenness among the neighboring countries and cities across the borders. The RFE has been trapped in a double bind of continued control by and dependence on Moscow, leaving the RFE with little room and resources to unleash its strength in and contribution to the GTS through economic cooperation with China. The very short leash from the totally controlling political center in North Korea has practically eliminated any chance for autonomous development of the Rajin-Sonbong Free Economic and Trade Zone that would otherwise occur with the its special status and adjacency to the Hunchun BECZ. Even as the series of decentralization measures introduced by both the central and provincial governments have boosted Yunnan and its border cities' advantages in trade with Myanmar, Lao PDR, and Vietnam, the more limited autonomy of cities in the latter countries has set limits on the scope of this trade and its extension to cross-border manufacturing activities.

While cross-border ethnic ties reflect a distinctive aspect of global cultural connections, they have had a positive but limited effect on the development of China's border cities in the two transborder contexts. Boundary-spanning Korean identity has induced some concentration of South Korean investment in the predominantly ethnic Korean cities in Jilin, while historical and cultural links among various cross-border ethnic minorities have promoted small-scale border trade and tourism for Yunnan's border cities. However, lacking the massive scale of overseas Chinese ties in Southeastern China, the Chinese frontier cities of Yanji and Ruili could not draw from greater outside resources. In addition, the cross-border ethnic ties in these two transborder subregions were less active under the stronger political and military control of regimes like North Korea and Myanmar, which has hampered the ways in which these ties could benefit both Chinese and non-Chinese border cities.

Finally, improved transport infrastructure in both the GTS and GMS has strengthened the opportunistic effect of geographic proximity and more open borders. This in turn has contributed to the development of Chinese border cities by facilitating greater cross-border flows of people, vehicles, and cargo between them and other border cities. However, the severe lack of large-scale financial resources needed for developing transport infrastructure has left some barrier

effect of borders in place. In the meantime, limited and uneven growth of cities on or near different borders creates uncertain present and future demand for cross-border transport infrastructure.

This set of favorable and unfavorable factors, which define the dimensions and parameters of the transborder subregion context, has a greater impact on the development of Chinese frontier cities than the presumed strong and far-reaching influence of globalization present in the fast-growing coastal cities. The distinctive transition of China's border regions and cities challenges analysts to look beyond the analytical lenses of globalization and market reform to be conceptually more eclectic and nuanced and empirically more comparative and wide-ranging. By examining several frontier cities in a complex transborder subregional milieu, this study intends to open a new vista on urban China research.

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Notes

- 1 The definition of what is the "global" and what is the "local" may not be precise, just as it is difficult to pin down their respective physical boundaries. While generally using the term "local" to mean localities such as cities and regions rather than nations, and the term "global" to signify worldwide processes, Amin and Thrift (1994: 6) choose to leave both terms more or less ambiguous. They highlighted the more varied use of the "local", which might refer to a small area like the rural industrial districts of Italy or a large agglomeration like Silicon Valley as a player in the world economy. In this chapter, I use the "local" to refer to the border cities or areas that are actual or potential players in the global economy. This allows me to examine explicitly the role of transborder subregions in mediating the economic relations between border cities or areas and the global economy.
- 2 Rosenau (1997) defines globalization as a process that compels individual and their collectives to act similarly and thus broaden boundaries or de-emphasize them, while localization is a process that narrows the horizons of individual and collective actors and heightens the limiting role of boundaries.
- 3 Stimulated partly by the publication of *Bringing the State Back In* (Evans *et al.* 1985; also see Block 1987), the role of the state in economic development, especially in the East Asian context has drawn sustained scholarly attention and debates. While the literature is too large to summarize here, the controversy has shifted from disagreement between the neoclassical economics view and the developmental state perspective to a debate between the latter and an institutional approach and interpretation. Representing the developmental state school, Amsden (1989) and Wade (1990) suggest that the state has guided and directed the market with a heavy hand through such policies as picking winners and losers and protecting domestic firms. For an extended summary of these policies, see Henderson and Appelbaum (1992: 21–22). On the other hand, Kuo (1995) challenges the developmental state model by pointing to evidently important roles of business associations and firms in a changing clientelist or corporatist relationship with the state in Taiwan and the Philippines. Evans (1995) demonstrates that the South Korean state only became developmental when it was embedded in social networks and cooperated with important actors in civil society.
- 4 At the inner most core of the GTS is a small triangle anchored on the border city of Hunchun in China's Jilin Province, the border port city of Sonbong of North Korea,

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and the port city of Posyet in the Khasan region of the RFE, all located within a radius of 40–50 kilometers from the estuary of the Tumen River. This zones of 1,000 square kilometer was originally labeled the Tumen River Economic Zone (TREZ) when the United Nations Development Programme (UNDP) began its involvement in the Tumen River development project in the early 1990s. It was enlarged into a larger triangular region called the Tumen River Economic Development Area (TREDA) in 1994. Covering approximately 10,000 square kilometer, the TREDA is bounded at its apexes by the Chinese border city of Yanji, the North Korean port city of Chongjin, and Vladivostok and Nakhodka of the RFE, located within 80–120 kilometer of the estuary. The hinterland of the TREDA would envelope the bulk of China's Jilin and Heilongjiang provinces, the entire Hamgyong-Bukdo of North Korea (a provincial-level administrative unit bordering Jilin province), and the southern portions of Primorskii Krai (Maritime Territory), Khabarovsk Krai, and Amurskaia Oblast (all provincial administrative units) of the RFE. On a still larger scale, the TREDA and its hinterland constitute the spatial core of economic cooperation in Northeast Asia among northeastern China, North Korea, South Korea, the RFE, Mongolia (especially its eastern part), and Japan along the Sea of Japan (see Marton *et al.* 1995, Fukagawa 1997).

- 5 Hunchun features a unique combination of both overland opening and sea access. Its border with Primorskii Krai (Maritime Territory) of the RFE to the southeast covers 232 kilometer. Its overland border crossing is only 32 kilometer away from the RFE border town of Kraskino, which is connected to Trans-Siberian Railway through a spur line. Hunchun is located about 46 kilometer away from the small RFE port of Posyet and 140 kilometer away from the largest and most important port of Vladivostok in the RFE. Hunchun borders Hamgyong-Bukdo of North Korea to the southwest across the Tumen River along 140 kilometer. The Chinese border town of Fangchuan, the east most point of China's land border along the Tumen River, is only 2 kilometer away from the North Korean border train station at Doo-Man River Lee (an equivalent of township). The rail and land crossings connect Hunchun conveniently with the three North Korean ports of Rajin (90 kilometer away), Sonbong, and Chongjin. Finally, with the town of Fangchuan being only 15 kilometer away from the Sea of Japan, Hunchun marks the closest shipping point from northeastern China to the west coast of Japan, with a distance of 800 kilometer from Niigata (see Liu and Liao 1993).
- 6 Hunchun's important role in ocean trade with Japan goes all the way back to the Tang dynasty (AD 618–907). The Hunchun–Japan shipping route earned a reputation as the “Ocean Silk Road” or the “Japan Road.” Even after Russia took over a large portion of China's northeastern territory in the late nineteenth century, a Sino-Russian border treaty signed in 1886 continued to allow Chinese ships to enter the Sea of Japan from Hunchun on the Tumen River. There were regular commercial vessels running between Hunchun and Posyet and Vladivostok. In 1906, for example, over 1,500 vessels passed through the Hunchun port with a total tonnage of 25,000. The Hunchun border customs established in 1909 was the very first such facility in northeastern China (Liu and Liao 1993). China lost the shipping right from the Hunchun port to the Sea of Japan in 1938 due to Japan's military-backed blockade of the mouth of the Tumen River during the Russian–Japanese War.
- 7 *Renmin Ribao* (The People's Daily), overseas edition, January 2, 2002, p. 8.
- 8 *Renmin Ribao* (The People's Daily), overseas edition, November 7, 2000, p. 1.
- 9 *Renmin Ribao* (The People's Daily), overseas edition, January 2, 2002, p. 8.
- 10 Reported in *Renmin Ribao* (The People's Daily), overseas edition, December 18, 2003, p. 3.
- 11 Yunnan's border with Myanmar, Lao PDR, and Vietnam stretches a total of 4,060 kilometer, of which 1,997 kilometer, 710 kilometer, and 1,353 kilometer separate the province from the three neighboring countries, respectively. Yunnan province has 17 prefectures, 8 of which, with 26 counties, border Myanmar, Lao PDR, and Vietnam. Yunnan has 8 state-level (first-grade) border crossings, 8 provincial-level

- (second-grade) border crossings, and over 80 third-grade crossings with check points and border street markets (Economic and Trade Cooperation with Neighboring Countries Bureau 1995). There also are hundreds of unofficial land or river border crossings between Yunnan and Myanmar (Mellor 1993).
- 12 Interview with the Director of Tumen River Research Institute under the Academy of Northeast Asian Studies at Jilin University, Changchun, Jilin Province, July 28, 1999.
 - 13 From the city of Ruili alone, over 10,000 people crossed the border into Myanmar (Burma at the time) in the Great Famine of 1958. In 1969, due to the ultra leftist policy of politicizing the border associated with the Cultural Revolution, another 9,000 people left. The two exoduses drained half of the town's total population (Chinese Central Academy of Ethnology 1993).
 - 14 With its portion in China known as the Lancang, the Mekong River originates from the northern wing of the snowy Tanggula Mountain in the Tibetan plateau, flows down through the southern part of Qinghai Province and western Yunnan, exits China at Xishuanbanna, passes through Lao PDR, Myanmar, Thailand, Cambodia, and Vietnam before emptying into the South China Sea via a massive delta known as the Dragon's Mouth. The Mekong River is 4,880 kilometer in total length, and 2,161 kilometer are within China with 1,247 kilometer flowing through Yunnan province alone (Wang and Li 1998).

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