

## **The ASC annual conference 2019: Innovation — A tension between economy, the state and society**

Bremen, Jacobs University, November 29–30, 2019

### **Report by Lia Musitz**

The ASC annual conference 2019 on the topic of “innovation” took place at the Jacobs University in Bremen from 29 November to 30 November 2019. The organisers Tobias ten Brink and Marcus Conlé called for contributions on contemporary social research on China and allowed for scientific exchange related to innovation in a broad and “cross-fertilizing” sense. This inclusive approach was reflected by substantively diverse panels and academic contributors from Germany, Finland, Great Britain, Taiwan, France and Austria, including senior and junior researchers.

The first of a total of five panels linked the study of innovation processes to policy innovation. A linkage that guided the topics of all contributors. Thus Doris Fischer’s discussion of Anna Barbara Heindl’s qualitative analysis of Chongqing as one local space of innovation processes started the conference, thereby opening the conference room for setting and unsettling the scientific terms to observe innovation in China. Informed by qualitative interviews Heindl’s work identifies heterogeneous actors of innovation that interact in heterogeneous conditions, consequently developing varieties of knowledge and skills exchange. These findings contradict with the widely used concept of Regional Innovation Systems that explains differences of the evolution of Research & Development (R&D) and Science & Technology (S&T) by region, neglecting differentiated innovation processes within one locality.

Also, the following case studies provided an illustrative ground for ongoing discussions on the adaptability of Western concepts to Chinese cases within social research on China. Marcus Conlé, Tobias ten Brink and Wei Zhao show that the actual science and technology transfer models applied in the Chinese context deviate from existing literature. Furthermore, their contribution provides the first systematic study of New Research & Development Institutes (NRDI) in Guangdong’s Pearl River Delta and identifies their factors for and types of research and technology transfer. Thereby, they emphasise local governments’ important role in institution building to facilitate knowledge transfer of public scientific research and foster innovation processes in emerging economies like China.

The second panel took up this demand for political steering to develop industries in an emerging economy like China. In a written comment Nele Noesselt discussed Doris Fischer’s, Hannes Gohli’s and Sabrina Habich-Sobiegalla’s paper “Balancing Stability and Development.” Against the backdrop of a widespread assumption that the state’s intervention essentially contributed to China’s economic rise, the authors differentiate between efficiency and effectiveness and

evaluate their extent in industrial policies especially since the political leadership of Xi Jinping. Discussed by Timna Michlmayer, Hannes Gohli complemented the previous paper's rather theoretical contribution with a case study on China's industrial policies to steer economic growth in the field of "Smart Grid". Also looking at the political framework to facilitate technological development, Tobias ten Brink discussed Lai Chun-Kuei's comparative study of government policies to renew the energy production sector in Taiwan, Mainland China, and Germany. Though different factors lead each government to embrace renewable and secure energy production, Lai's study finds that in all cases economic interests conflict with new energy development goals, hindering the growth of the latter. He therefore suggests that governments need to provide more governance to facilitate economic gain from renewable energy production.

The first conference day ended with a get together at Chinese dinner followed by food for thoughts provided by inputs of Margot Schüller and Gunter Schubert. Following Schumpeter's argument «that innovation is what drives the economy», Schüller shows a differentiated picture of China's innovation. China's good image as an international driver of innovation is tarnished by its actual decline in productivity, measured by total factor productivity — a challenge to Chinese leadership since 2013. While the introduction of innovation policies in the shape of a "top-level design" might facilitate the interaction between public and private actors, Gunter Schubert reminded the audience of its simultaneous "innovation imperative." In particular, China's formerly established regime responsiveness informed by actors from bottom up is replaced by pressure and rewards for bureaucratic innovation from above. This leads to the introduction of market-mechanisms that incentivise technocratic ideas, in which gains for efficiently solving small problems distract from regime failures.

The red threat of policy innovation guided through the conference's second day. In the third panel Barbara Darimont discussed Tobias ten Brink's, Armin Müller's and Tao Liu's finding of three causal mechanisms, namely policy experimentation, top-leader intervention and elite cooperation, to explain the evolution of China's social insurance system. In the 4th panel the need of non-state actors to realise China's government goals, was key to both, Sabine Mokry's discussions of Jens Damm's work on China's "cultural diplomacy" and Christina Maags' comments on Katja Levy's and Anja Ketels' comparative study of migration policies in China and Germany.

Finally, the fifth panel ended the conference with a current outlook on the internationally media-effective topic Artificial Intelligence in China, often exemplified by China's Social Credit System. Daniel Fuchs discussed Lia Musitz' paper that argues to analyse China's Social Credit System (CSCS) as institutional social embedding to facilitate the development of a distinct platform economy. Following up on the topic of CSCS, Elena Meyer-Clement discussed Christoph Steinhardt's survey on the public perception of Data Privacy. Surprisingly,

Steinhardt's findings suggest that the increase of individual's information on the CSCS is positively related to an increase of its support. Furthermore, the respondents showed higher concern of violation of privacy issues by commercial activities than by the state. The fact that Chinese citizens care for the protection of their privacy is also one finding of Yishu Mao's and Kristin Shi Kupfer's analysis of Chinese expert debates on AI related to ethical concerns, discussed by Anna Ahlers. Their research stresses the demand of social and corporate actors from Chinese state actors to consider and mitigate ethical risks while providing regulatory certainty for corporate leaders of the digital economy. A tension between innovation of the economy and society that sums up this year's annual conference of the ASC and addresses current socio-political and economic challenges in China, and beyond.

The ASC 2019 left much food for thought to nurture future research on China. The organisers took great care and succeeded in making the conference not only an intellectually diverse feast, but also in presenting the ASC as an open, inclusive and pleasant community.

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