

Managing Creativity on the Margins: A Comparative Study of Beijing's Songzhuang Art District and Hangzhou's White Horse Lake Creative Eco-City

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ABSTRACT

In the past decade the 'creative cluster' has become a driver of urban renewal in China. Many cluster developments attract human capital and investment to post-industrial spaces. This paper looks at two developments which are more post-agricultural than post-industrial: the first is Songzhuang, a large scale contemporary art community situated on the eastern fringe of Beijing, the second is Hangzhou's White Horse Lake Creative Eco-City, a 'mixed variety' cluster model which integrates elements of art, fashion, design and animation. The common factor in both cases is how they came into existence. In both districts urban creative workers moved into a rural environment. Drawing on interviews with planners, officials, and residents we investigate the challenges of sustaining such fringe clusters.

Keywords: Cultural resources, Cultural redevelopment, City fringes, Creativity, Clusters

“We will implement a policy of getting industry to support agriculture, cities to support the countryside, strengthen support for agriculture, rural areas and farmers, and continue making reforms in rural systems and innovations in rural institutions to bring about a rapid and significant change in the overall appearance of the countryside. This is a major fundamental step to be taken in the overall modernization drive.”

Premier Wen Jiabao (2006)

1. INTRODUCTION

The Fat Years is a novel by the Chinese author Chen Guanzhong¹. The story takes place in 2013 when China is finally reaping the rewards of ‘harmonious society’ (*hexie shehui*) policies first introduced by President Hu Jintao under the previous National 11th Five-Year Development Plan. Chen’s novel opens with a flashback to 2011 when a second wave of the Global Financial Crisis led to drastic intervention by China’s central power brokers. Foreign-owned factories were closing down, investment was draining out of China’s manufacturing sector, and widespread unrest was developing. In the story, the state takes drastic action reminiscent of events in June 1989.

While the denouement of *The Fat Years* provides a sinister twist, the central theme of the novel concerns a substantial transformation in economic policy. The policy shift has the effect of weaning China off its dependence on cheap exports and Western markets—that is, off the ‘world factory model’ of development. In turn, this new policy direction leads to heightened domestic consumption of national goods and services: the Chinese nation becomes self-reliant and immensely proud, hence the ‘fat years’.

The Fat Years is remarkably prescient of contemporary policy thinking as China moves towards the goals of its 12th Five-Year Plan². Five-Year Plans were a feature of Soviet politics and were introduced to China in 1953; over the years they have become the policy mechanisms to launch major cultural and economic reforms. All Five-Year Plans set objectives and growth targets³. The current Plan spells out how China’s coastal regions will transform from the ‘world’s factory’ to hubs of R&D, high-end manufacturing and service sectors. While the coastal regions are

obvious candidates for economic liberalization, the question remains as to how to integrate the economies of city and countryside. In *How Creativity is Changing China*, Li Wuwei, a senior policy advisor, writes:

In the age of creative economy, the construction of a sustainable, healthy rural industrial system through the development of creative agriculture and the transformation of agricultural development is an innovative way to achieve the goals of constructing a new socialist countryside (Li, 2011, p. 74).

The term ‘new socialist countryside’ (*xin nongcun jianshe*) is invested with considerable political authority. The slogan was taken up by Chinese premier Wen Jiabao and President Hu Jintao in 2006. According to Lei Guang (2010) the ‘new socialist countryside’ was reportedly initiated by Justin Yifu Lin, the founding Director of Beijing University’s Centre for Economic Research and later the senior vice-president and chief economist of the World Bank⁴. The ultimate aim of the program and associated development policies has been to reduce the income gap between city and country (Buckley 2011) and to break down a perception that people in the countryside are being marginalized as China increases its pace of modernization, urbanization, and integration into the global economic community.

This paper examines two prominent cluster developments in China that reflect these policy goals: the Capital Arts District (CAD) on the eastern fringes of Beijing (usually referred to as the Songzhuang Contemporary Art Cluster), and the White Horse Lake Creative Eco-City in Hangzhou, a second tier city located in Zhejiang Province. Our concern is how these two projects

¹ Chen Guanzhong (Chan Koonchung) was born in Shanghai but grew up in Hong Kong; he now lives in Beijing

² http://news.xinhuanet.com/english2010/china/2011-03/05/c_13762028.htm

³ Generally speaking, documents issued from leading government agencies in the lead up to the major planning periods, the National Five-Year Economic and Social Development Plans, serve as blueprints. In practice a range of documents are formulated by various state organs, departments, offices and bureaus. The government also issues

are similar yet different: the first a government regulated contemporary art commune close to the national capital, the second a newly planned cluster, incorporating design, animation, fashion and visual art, with links to the Chinese Academy of Art. Both projects reflect the 'harmonious' vision of a 'new socialist countryside'. Both projects have a stated aim of bringing development, both socially and economically, and of bridging cultural divides.

One of the key challenges facing the national government is to construct an inclusive reform agenda. Inclusiveness is particularly important considering the potential for massive social unrest if development is inharmonious. In this paper we examine particular instances of how city and country interact in new modes of cultural production. In doing so the paper shows how urban-fringe interactions are transforming people's 'mentalities'. By this term we refer to the perceptions of local residents towards the new creative classes, many of whom have no direct affinity with the locale. The term we draw on to explain perceived differences between city and country is *suzhi*, which in English can be loosely rendered as 'human quality'; in our sense it has an association with the capacity of less educated segments of the population to become productive and morally responsible members of society. The role of culture in 'civilizing' unruly members of society has a long history (see Bennett, 1998) and we make brief mention of how this rural-urban civilizing process was inverted in revolutionary China. The paper, however, makes the point that rather than the moral values of farmers and peasants enriching the baseness of urban intellectuals, it is in fact the creative urban classes that are raising the 'human quality' (*suzhi*) of the rural residents.

The common ingredients in both case studies are rural locations, the transformation of rural land, and a search for creative human capital. While there is commonality, however, there are some important differences. Visual art, the example of the first study, is not under the same extreme commercial pressures as other sectors, namely design, gaming and animation. Nevertheless, the desire to achieve quick profit is found in China's

burgeoning visual art markets: this is no more better illustration than in the art district known as Dafen Oil Painting Village in the southern city of Shenzhen where thousands of migrant laborers are now members of a 'no-collar creative class', working in factory-style conditions churning out imitative art works for local and international markets (see Keane, 2013). Likewise in the design and digital media industries that are moving into the hinterland, there is an expectation that a stronger connection with nature will infuse creative work with more sensibility and morality by the connection with 'down-to-earth farmers'. In the final section we address some of the problems overlooked in a rush to embrace rural creative development.

2. CULTURAL AND CREATIVE INDUSTRIES: TURNING TO THE COUNTRYSIDE

The creative industries began as a policy intervention in the UK in 1998. This terminology, coined by the Department of Culture, Media and Sport (DCMS), gathered momentum largely because the 'creative industries' in the UK were amenable to analysis: this resulted in a spate of reports, white papers and indexes, many of which sought to boost their value in order to gain even more support from funding bodies. Moreover, as this policy discourse was put into practice in different cities, regions and localities it activated recognition of the importance of place.

As Keane has discussed extensively in previous work (Keane 2007, 2011, 2013), cultural and creative industries policies are now well established in China; all cities and provinces have instigated economic policies targeting cultural workers and emerging projects. These policies promise more than increased tourism earnings and new forms of employment. There is a belief that talented people will emerge from China's training institutions and universities, and that a new generation of 'ideas people' will assume charge of China's 'soft power'—a policy slogan that was initiated in 2007 and remains a centerpiece of China's 12th Five Year Plan. The liberation of the new productive forces has moved with surprising speed since the idea of

slogans (kouhao 口号), a practice that goes back to the heyday of the Chinese People's Revolution under the great helmsman Mao Zedong: a current short list of political slogans includes the 'three represents', 'harmonious society', and 'soft power'. Across different levels interpretations vary and local officials will seek to creatively modify the central 'guidelines' in pursuit of economic development. For a discussion of the policy process and the relationship between levels of government and regions see Bresnitz and Murphree (2011)

⁴The 2006 No 1 Document of the Chinese Communist

'creative industries' took root in Shanghai in late 2004. Shanghai's urban planners saw the creative industries as an opportunity, reflecting its identity as a modern international city (O'Connor & Gu 2006; O'Connor 2009; Keane 2007, 2011). Meanwhile, the Beijing Municipal Government opted for the compromise term 'cultural creative industries' (*wenhua chuangyi chanye*), falling in behind the approved national 'cultural industry' policy discourse.

The cultural and creative industries resulted in a great deal of policy on the run. Cities have competed to roll out cluster projects (Keane 2009, 2011). Creative incubators have become fashionable add-ons to technology parks, usually near leading universities. According to one leading scholar a widespread belief in cultural policy circles is that building appropriate cultural infrastructure will attract creative people (interview with lead author, May 2011). The underlying suggestion here is that government has no real understanding of creative human capital. While, the word for 'talent' (*rencai*) appears regularly in the many Chinese policy documents surrounding cultural and creative industries projects, there is a view that talent can be 'harvested' through cluster projects. In contrast to how much policy on creative cities and creative industries is shaped internationally (see Kong et al., 2006), that is, with a focus on attracting creative classes to open progressive cities (see Florida, 2002), Chinese policy makers have invariably viewed the cluster as the default setting. Many clusters are situated close to central business districts of Chinese cities. As the 'new socialist countryside' agenda has gathered steam, more have appeared on the margins of cities, often in special zones that are earmarked for industrial development. These projects on the margins of city and countryside are important in understanding the changing relationships between country and city, and between urban creative classes and rural populations.

Very little research has been conducted internationally on how creative industries impact on non-urban residents. The creative city (Landry, 2000) invariably has been the default setting for policy making. The gentrification of post-

industrial space in urban centers is often the focus of research (see Evans, 2009; Roodhouse, 2006; Wu, 2005). Susan Luckman (2012), in a study of regional and remote creativity makes the observation that the countryside is traditionally associated with craft, art and antiques; yet increasingly we are seeing signs of digital media-based activities outside the urban centers.

In China the city-rural divide is similarly articulated: the national government recognizes that the newer digital industries are favored by proximity to the coast; yet at the same time large centers attract thousands of workers from the countryside; many of these take up art and design practices, hoping to make a living from the newly endorsed cultural and creative industries. While this augurs well for the infusion of talent and ideas into these fields, at the same time, it exposes rural populations to tensions inherent in the 'creative economy': the attraction of making pirated products and cheap knock-offs, exploitative conditions in design and animation sweat shops, and an ever-present tension between creativity (for personal fulfillment) and commerce (for personal gain).

In investigating the peri-urban communities of Beijing's Capital Arts District and the White Horse Lake project in Hangzhou, we consider tensions between the mentalities of city and country people. The term 'mentalities' is quite problematic in contemporary discussions of culture. Initially used by Lévy-Bruhl (1923) to explain perceived differences between pre-logical (primitive) populations and those of civilized countries (i.e. France), 'mentalities' transferred into psychological and educational debates, as well as into cross-cultural debates where it has been attached to stereotypes of Chinese and East Asian culture (Nisbett, 2003). The term has resonance however when we consider perceptions of civility. Stereotypes of urban-rural differences remain even in a modern age when city and country populations are deeply interconnected. Are people more inclined to be honest, trustworthy in the countryside where cooperative forms of social capital have a longer history? Are city people smarter but less trustworthy? We might ask: what determines differences in our

mindsets: is it social persona, upbringing, values, the societies we belong to, the languages we speak, or some combination of all these factors (Lloyd, 2007)?

The urban-rural divide has particular provenance in China's revolutionary history. The induction of urban intellectuals into the ranks of the Chinese Communist Party's elite during the 1940s and 1950s entailed a process of immersion in the daily life of the masses. This process, in theory at least resolved a 'contradiction' between intellectuals and peasants, one which Mao Zedong had experienced firsthand. In his address to cultural workers at the Yan'an Forum in 1942, Mao spoke of his early experience as a young student, his reluctance to countenance manual labor, and his disdain for workers and peasants. He said, 'But after I became a revolutionary and lived with the workers and peasants and with the soldiers of the revolutionary army, I gradually came to know them well, and they gradually came to know me well' (Mao, cited in Denton 1996, p. 462). Years later during the anti-rightist campaign of 1957, the implementation of the theory of contradictions resulted in intellectuals compelled to work with their hands while peasants and workers were enrolled in universities (Schurmann 1968, p. 91).

During China's Cultural Revolution (1966–1976) peasants were elevated as role models: urban intellectuals and artists were attacked as being complicit with imperialist bourgeois forces. The Deng Xiaoping era (1978–1994) subsequently rehabilitated intellectuals in the grand cause of nation building. Modernization, urbanization, and economic reform have further shifted the balance in favor of urban intellectuals. In turn, artists have become useful and productive members of Chinese society. Artists have claimed a direct association with post-industrial transformation as a result of the Chinese government's identification with 'cultural construction' (*wenhua jianshe*). While this has occurred, the status of rural residents has diminished. The association of country people with floating populations, migrant labor and even petty criminality (Zhang, 2001) has led to mixed perceptions of the role of the rural population in China's creative economy. Whyte (2010, p. 16)

writes: "For their part many if not most urbanites continue to regard villagers as well as urban migrants as uncultured, backward, and in general less civilized than urbanites."

The 'distance' between city and country and between artist and farmer (peasants or villagers) is therefore framed in the sense of 'mentalities', and in the Chinese lexicon in the notion of a lack of *suzhi*. Andrew Kipnis (2006) writes that *suzhi* is often defined as an individual's 'quality' attained through education and upbringing. In a sense of social differentiation it justifies social and political hierarchies. In governmental terms national policy is directed to raise the overall *suzhi* of the population. Kipnis notes how in rural contexts, cadres justify their right to rule in terms of having a greater quotient of *suzhi*. In particular, *suzhi*, is often used in a derogatory sense to indicate a certain distance between the educated and the uneducated; for instance in the common phrase 'his quality is too low' (*tade suzhi tai di le*). Rural migrants entering the city workforce, are often singled out as having low *suzhi* and from the perspective of mentalities, many are considered backward. For instance in a study of digital DIY communities in Shanghai, Sylvia Lindtner has noted participants 'self-identification' of their *suzhi* as elevated due to their association with members of Shanghai's creative classes (Lindtner, 2012).

Urban-fringe clusters represent an important change in the relationship between city and countryside. In 1989, land use tax was introduced into China, which effectively meant that all work units or individuals were obliged to pay for use⁵. Within a few years an amendment was introduced that allowed profits from land use transactions, effectively encouraging the reuse of land such as farming land. The rezoning of farmland and its conversion into high profile projects is now accompanied by great fanfare; in the cases we investigate local peasants are encouraged to believe that these new projects will raise their standard of living and provide new forms of housing. Local governments oblige by planting trees and building new roads.

However, for many of the peasants the loss of land has meant that they have no clear means of

⁵ See Chang Liu (2008).

subsistence; they have to learn new skills, provide low cost services to the new creative classes, or leave the area. Many of the refurbished properties in turn are sold or rented out to wealthy business people who aspire to have a rural address and to live among 'professors', an accolade dispensed to many of the creative classes. With this resettlement, the land values rise and the tax benefits to the local district bureau (*dishuiju*) increase. Because local tax revenue derives from the registration of businesses, the cluster managements seek out small local companies rather than businesses registered in other jurisdictions. Effectively, this model with its focus on real estate constrains innovation.

3. THE CAPITAL ART DISTRICT (CAD)

Our first example illustrates some interesting notions of social engineering based on the elevating potential of art. In 1993, a handful of artists set up makeshift studios and workspaces in Songzhuang village, a rural locality some thirty kilometers east of Beijing's CBD in the district of Tongzhou. The Songzhuang Capital Art District is approximately twenty kilometers west of the more commercial 798 Arts Zone at Dashanzi. The relationship between 798 Arts Zone and Songzhuang is now one of complementarity: Songzhuang focuses on original art production and exhibition while 798 markets artworks and kitsch to international tourists.

Beijing's art communities began to emerge in the mid-1980s, initially spurred on by a group of 'would-be poets, painters, sculptors and writers' calling themselves *The Stars*. Karen Smith (2008) writes about how they took up residence at Fuyuanmen Village, close to the ruins of the Yuanmingyuan, the Ming Emperor's Summer Palace in Beijing's north-west Haidian district. The group included artists like Fang Lijun, Qi Zhilong, Ding Fang and Yang Maoyuan. Parties were noisy affairs and went long into the night. Eventually the initial goodwill that existed between artists and peasants began to evaporate. Rubbish, including beer bottles, began to line the streets; villagers complained that their stockpiles of winter cabbage were disappearing (Smith, 2008). Local authorities concerned about the

impact of artists on the development blueprint of Zhongguancun, the emerging IT hub, which moved the artists out.

The management of the Chinese contemporary art scene since the early 1990s shows how the state moved quickly to monitor valuable economic resources. While it is not the intention of this paper to detail the remarkable success of Chinese visual art, we note that the artist, once marginalized, is now a valuable industrial commodity, one that requires enough freedom to be 'productive' and enough management to restrain the 'disruptive' artistic passions that led to the demise of the Yuanmingyuan artists' village⁶. This has entailed a new strategy of governance that is embedded within cultural and creative industries policymaking. While the survival of Chinese visual art still relies on the hand of government, there is greater arm's length supervision. Barbara Pollack, a US-based art critic who first visited China in 2004 writes:

Once government censors saw their job as protecting the people from the destabilizing influence of contemporary art. Now they have been won over by the screaming success of their nation's artists in the international art world and embrace this home-grown talent (Pollack 2010, p. 12).

The scale of the Capital Arts District (CAD), sometimes referred to the Industry Base of Original Contemporary Art, is difficult to imagine in developed countries. In the Jin and Yuan Dynasties (12th and 13th centuries CE), the Tongzhou region formed the northern axis of the Great Canal leading south to Hangzhou. Up until a decade ago Tongzhou's economic success had come from high-tech industries, manufacturing, food processing, and garment production. The district is about 20 kilometers from Beijing's most well-known arts exhibition center, 798 Art Zone, with which it maintains an ambivalent relationship. Many Songzhuang based artists take the opportunity to exhibit in 798 but many are equally critically of what they see as artists taking short cuts; that is, producing derivative commercial art. The Songzhuang artist Wu Zhenhuan is critical of the 798 market

⁶ The value of the Chinese art market rapidly increased in the 1990s, initially stimulated by the reputation of expatriate Chinese artists in New York and Paris. Artists such as Xu Bing, Zhang Huan and Cai Guoqiang captured the imagination of Western art critics and connoisseurs. In 2006, China's share of the global art market was 6 percent; by 2011, this had increased to 23 percent. See 'Art Market Report: A New Global Landscape' by Clare McAndrew <http://www.tefaf.com/DesktopDefault.aspx?tabid=78>

strategy, claiming that contemporary artists use 'contemporary' and 'avant-garde' as an excuse for self-appropriation, deceiving themselves and others as well. Wu goes as far as saying that 99 percent of contemporary art is trash (Wu, 2007).

In 2004 there were 316 artists at Songzhuang and neighboring villages. The activity of artists at Songzhuang soon attracted the attention of local government officials who conducted an analysis of the economic potential of the art industry to the district and subsequently implemented a development plan. The ensuing Tongzhou District Songzhuang Township Plan (2006-2020) proposed 'to facilitate the "Overall Planning of Beijing City and State Council Suggestions on promoting Socialist New Countryside Construction"' in order to meet the new requirement of capital development, to balance urban and rural development in Northern Tongzhou, and to build a harmonious society (Tongzhou District Songzhuang Township Plan 2006-2020).

In 2004, the brand China Songzhuang was registered and now provides IPR protection for 44 brands in the region. In an interview with one of the authors, the Deputy Party-Secretary of Songzhuang said there were now over 4000 artists at Songzhuang and surrounding villages, most of whom were professional art workers. The official outlined five 'management projects' conducted in the district since 2004. The first, beginning in that year, was the establishment of the Songzhuang Arts Promotion Committee, a coordinating group responsible for providing infrastructure facilities such as road construction, water projects, as well as internet and telecommunications infrastructure. The newly constituted committee allocated subsistence allowances to struggling artists. A second project in 2005 saw the establishment of an annual Songzhuang Cultural Arts Festival which provided exhibition and trade opportunities; after the first Art Festival, a hundred galleries and fourteen arts museums were established. The largest arts museum is 20,000 sq. meters. These facilities were designed to promote exhibition and tourism, and to develop supporting service industries. A third project was a dedicated Cultural Industries Fund to assist

industry development; the fourth project was the official Songzhuang Website which has provided an on-line exhibition and trade platform. The final project, according to the official, was the Cultural and Creative Industries Investment Company, which functions as a financing platform (interview, 12 October 2010).

In the context of building a new socialist countryside we need to ask: are there mutual benefits from the confluence of artist and peasant communities? Firstly, it is evident that the open and natural environment of the district has attracted many younger artists. The infusion of artists from all over China, as well as from outside China, has generated an aesthetic apparent in the design of shop fronts. In comparison with the disorder that led to the removal of artist from Yuanmingyuan, the externalities are positive. Artists have provided a makeover for this former agricultural and industrial area. Some artists see advantages accruing to the villagers. An artist from Ningxia, a north-western province deep in the 'socialist countryside' was unaware of any great transformation in artists' mentalities as a result of exposure to local life. In response to a question: do local villager's thoughts influence the artists' work? He replied:

I would say normally not. Artists are trained in thinking and skills; they won't change because of farmer's mentalities. There might be some artists who pay attention to social problems but usually they care about higher level things (artist interview, 12 October 2010).

However, when pressed about the reverse effect he was more forthcoming:

Do the artworks influence farmers' lives? It is not necessary a good thing: there might be a gap between backward and advanced thinking. For instance, farmers can see some artists who are very rich and who have a very different life; they may not notice the 'down-to-earth' attitude of the artists. These things appear suddenly and affect their lives; it takes away their simplicity and honesty. An example is that houses are

built roughly for renting – they used to build good houses.

One might expect a different perspective from the management of the community, whose goal is to promote harmonious relationships. The social and economic benefit of artists to the welfare of the locals was expressed by the local party official as follows:

In relation to the economic contribution to the region, over 2,300 idle houses are let. Combining rent and consumption, we have calculated that each artist spends 60,000 yuan in the region. Furthermore, local people not only work for the artists, but also have collaborated with artists to open the 'Farmer's Gallery'. With over 500 exhibitions already held in this area, some local farmers have set up the 'Farmer's Supply Company'. Some run stores selling painting materials. This has changed local people's life and work (interview, 12 October 2010).

The official was quick to empathize with concerns of local artists: 'Instead of following the commercialization path of SoHo and 798, Songzhuang intends to retain the original arts work creation as its defining characteristic' (interview, 12 October 2010).

The effectiveness of the social transformation from farming world to 'art world' (Becker, 2008) is evident in Songzhuang's neighboring village of Xiabao. In 1993, a total of 703 persons, 100 percent of the workforce, were engaged in agricultural production. In 2007, the total workforce of 682 persons was employed in service related industries such as restaurants, cleaning, and gallery maintenance (Kong, 2008). The per capita income in Xiaobao increased from RMB 7,992.9 in 2002 to RMB 13,607.1 in 2006. In 2002, there were no street lights; now there are street lights and a bus service. Villagers own motor vehicles. Before there was no village square; now there is an art square and an 'art street' (Kong, 2008).

4. WHITE HORSE LAKE CREATIVE ECO-CITY

The second case study provides a different interpretation of the new socialist countryside programme. A city situated on the southern wing of the Yangzi River Delta in central Zhejiang Province, Hangzhou, is well-known throughout history for commerce and trade. Hangzhou was one of the seven capitals of imperial China. In the thirteenth century the legendary Venetian traveller Marco Polo called Hangzhou the most magnificent city in the world. Past representatives of Hangzhou culture include Bai Juyi (772-846), a renowned poet of the Tang Dynasty who was appointed as the governor of Hangzhou; Shen Kuo (1031-1095), a polymath scientist and statesman of the Song Dynasty who penned the Dream Pool Essays; Su Dongpo (1037-1101), a writer, poet, artist, calligrapher, and pharmacologist. Su Dongpo was twice appointed as an official of Hangzhou; Gong Zizhen (1792-1841), was a reform-minded writer and poet whose works foreshadowed the modernisation movements of the late Qing Dynasty.

Today Hangzhou remains famous for lush hills, scenic lakes, and the affluent and relaxing lifestyle enjoyed by many of its residents. Tourism, recreation and exhibition industries have supported the city's goal of being a 'City of Quality Life'. Hangzhou's relationship with cultural and creative clusters development can be traced back to a gathering of several designers and artists at an unused fiber factory in Gongshu district in 2003. The occupants later called this LOFT49 Creative Industries Park. When the momentum for cultural and creative clusters broke out after 2007, it was recognized by the local government as a model for future developments, although its potential has been hampered by its positioning in between a senior middle school. This has constrained access by visitors.

In 2004, the State Administration of Radio, Film and Television (SARFT) designated a National Animation Base. The intention here was to facilitate a 'City of Animation' campaign. Such campaigns have become feature of regional

development, particularly over the past decade. Following the directives of the national 11th Five-Year Plan (2006 - 2010), and Zhejiang's initiative of 'Building a Cultural Province' (2005), the Hangzhou municipal government established a Cultural and Creative Industries Office in 2007. The Office identified eight sectors: information service, animation and gaming, design, media, crafts, education and training, cultural recreation and tourism, and cultural exhibition. In 2008, the Office announced that Hangzhou would aspire to be the National Cultural and Creative Industries Centre⁷, an initiative which is now included in the Regional Plan of the Yangzi River Delta, ratified by the State Council (May, 2010). In effect, the local strategic goal has become a national strategy.

Much effort goes into justifying these development plans. Accordingly a range of data is utilized to spin a positive story. According to the Municipal Bureau of Statistics, the added value of cultural and creative industries in 2010 reached RMB 70.2 billion, or 11.8% of the GDP of the city. In the same year six creative cluster projects were accredited, taking the total to sixteen. In the draft document of Hangzhou's 12th Five-Year Plan, development projects such as these are described as 'optimizing and upgrading the industrial structure'.

The second case examined in this paper, White Horse Lake Creative Eco-City, was one of the first ten cultural creative industries projects to be ratified. In contrast to Songzhuang's evolution from spontaneous art commune to a regulated but profitable art zone, it is the product of urban planning from the outset. The White Horse Lake (WHL) area is located in the southern rural Hangzhou High-tech Industry Development Zone (Binjiang), a National High-tech Zone accredited by State Council. The Hangzhou High-tech Industry Development Zone was established in March 1990. Binjiang District was formalized in December 1996. In June 2002, the Hangzhou Municipal Committee of the Municipal Government redefined the administration of the two sites as 'two mechanisms and one management team'. Since then, the district government became responsible for administration.

The publicity for the High-tech Zone (Binjiang) resembles many such innovation park projects in China. The zone promotes impressive development in industries such as micro-electronic information, biomedicine, optical-mechanical-electrical integration, and various computer applications in its northern part. In November 2007, the High-tech Zone signed a project authorization document and design contract with China Academy of Arts (CAA) to develop the White Horse Lake area into a cultural and creative industries park. The White Horse Lake Creative Eco-City (Creative Eco-City for short) has a designated area of 20.5 sq. kilometers, making it the largest cultural and creative industry area in terms of scale and industrial infrastructure in Hangzhou. It involves eighteen villages and a total population of 52,000. The construction is scheduled for completion in 2014.

The promotional material provides an expedient mix of business and political realities. The overall strategic goal is described as providing the 'four comforts' (*síyì*), namely, 'a right city for residence, for business, for travel and for culture'. With a view to the larger picture rather than just a state-level cultural and creative industries district, the project identifies the construction of travel and leisure resorts as well as business centers with elaborate architecture design. In a sense the White Horse Lake has selectively borrowed ideas and slogans. The chief design consultant of the White Horse Lake Creative Eco-City is the China Academy of Art (CAA). Its 'experimental' SOHO Creative Park (SOHO Park) in Shanyi Village offers reconvered farmhouses, an opportunity to work in a natural environment while maintaining a fashionable work style. The second attraction is that the farmhouse SOHOs are offered to eligible creative teams for free for three years. The admission criteria are: 1) the participants must be involved in one of the eight subsectors of cultural and creative industries recognized by municipal government; 2) they must attain an annual production value of RMB 5 million (excluding start-up businesses).

With the endorsement of the CAA, thirty teams, including at least one from each cultural and creative sector, soon signed contracts with the

⁷ http://www.0571ci.com/html/detail/info/2009-04/info_201.html

CAA Creative Industries Development Co. (CAACID). Close examination of the teams reveals preferential treatment – about half of the work studios are owned by deans, accomplished painters and designers of CAA. A few institutions, such as the CAACID and an Atelier Pierre Bleue founded by the dean of School of Arts and Design of CAA, are even nominated as the ‘CAA practice base’, offering internship to students or graduates from CAA.

The appeal of the model fits the expectations of the community, one long accustomed to planning, and long dependent on government. The cultural and creative industries precincts are viewed as a development method that fits the Chinese way of doing things; people generally believe in the ‘clustering’ approach; after all, it is a form of collectivism; it has references to the past when city people were sent down to the countryside to engage with nature. The creative teams and enterprises are placed together; here the sparks of creativity are fanned by nature. The general manager of the Hangzhou West Lake International Expo Co., Ltd, Mr. Li Shuilin says,

I have enjoyed working with designers, planning professionals and the deans of CAA faculties... We have had many discussions on projects or cooperation with other enterprises (Li, interview, 23 November 2009).

With regard to the government influence, Mr. Wang Baile, the owner of Baile Creative Design Institution speaks directly as an entrepreneur. He is very satisfied with the ‘creative milieu’. He moved his business to White Horse Lake because of the long-term potential of the area:

It is political economy in China; business needs to be in accordance with the macro policies... Changing the name of the company into ‘creative design institution’ is the bridging of the company to government... (Wang, interview, 24 December 2009).

Professor Wang Xueqing, the dean of School of Arts and Design, China Academy of Arts, reopened his Atelier Pierre Bleue in a four-story farmhouse. He has seven fixed employees; the

flexible human capital includes his graduate students. He says that, ‘On some occasions we have over twenty people working on one project’ (Wang, 20 November 2009 interview). A young administrative staff, Ms. Zhang Yulian of the Animation Game Centre comments,

Comparing to the National Animation Base (Binjiang), it is more artistic here... Currently we do not have cooperation with other work studios, but a good relationship is being built as we are working in the same precinct. Animation games industry covers many areas, so there is much potential and there are opportunities for cooperation (Zhang, interview, 9 December 2009).

Most interviewees agreed there is likely to be cooperation because they are all working in one precinct. A sense of responsibility and a common identity is anticipated. It is not difficult to see such idealism in a nation with the tradition of ‘collective culture’, even taking into account the past failures of collective models, from the People’s Communes of the 1950s to the state-owned enterprises of the 1990s. The mood is positive. Echoing the spirit of collaboration in a White-horse Lake ‘Creative Ideas’ Forum, Prof. Wang called for all the residential enterprises to work together to build a better SOHO Park. The project also has a political element. It is designed to echo the idea, ‘building a new socialist countryside’. The ‘CPC Central Committee decision on major issues of rural reform and development’ (2008) notes that ‘We should insist on using the socialist advanced culture to occupy the rural front ... to level up the ideological and moral quality’. However, this does not imply that these creative professionals are faithful representatives of socialism; the avant-garde art of 798 Arts District and Songzhuang Artist Village is often themed with a critical attitude to socialist society (Ulfstjerne, 2009). Might the same values of oppositional consciousness spill over in Hangzhou?

The appearance of better-educated creative professionals is intended to have an ‘uplifting’ impact on the villagers, for instance, to make many work and lifestyle possibilities, rather than

just farming, more accessible. In turn, the rural lifestyle may also have some influence on the creative workers. Some reports of the Creative Eco-City project use the gimmick ‘celebrities are moving to the countryside to be farmers’ (Jin, 2009). Being trapped in the crowded, noisy and air-polluted city, people are hoping for a sea change effect by going back to the countryside, being closer to nature and communing with good-natured ‘down-to-earth’ farmers. Mr. Yu Weizhong speaks of life in the Park by referring to a famous literary work by the Eastern Jin writer Tao Yuanming⁸ in which the author yearns for an idyllic lifestyle: ‘while picking asters neath the Eastern fence, my gaze upon the Southern mountain rests’. This vision shows that the rural area no longer presents an image of poor, culturally deprived and back roads existence, but conjures up open spaces, freedom, and simplicity (Overton, 1987).

5. DISCUSSION

In a study of the rural-urban divide in China and the implementation of the new socialist countryside program Lei Guang raises two scenarios. The first scenario is that closer rural-urban ties might intensify the exploitation of rural labor by metropolitan-based employers. The second is that rural modernization projects could widen the rural urban-divide when they are introduced into an already inequitable rural environment (Lei, 2010, p. 321).

The Songzhuang Capital Arts District in Tongzhou District and the White Horse Lake Project in Hangzhou illustrate similar concerns with the expansion of the cultural and creative industries beyond urban enclaves. In the first case study we noted organic beginnings followed by official intervention: the rationale of intervention is claimed to help manage the affairs of the artists. Songzhuang made its reputation on the back of the unprecedented boom in Chinese contemporary art from the late 1980s (Pollack 2010; Smith 2008). Sensing an opportunity to adjust the ‘art world’ of Songzhuang to the aspirations of the local community, a correction that accords with the themes of ‘harmonious society’ and the ‘new socialist countryside’, officials conducted

research carefully. They became knowledgeable connoisseurs of art; they exercised restraint in managing the careers of artists; they worked hard to provide the impression that this was a project that brings together locals and artists with mutual benefit. For the artists, however, the association with villagers is more a necessity than a duty. The locals provide many of the support services that complete what Becker (1982) has termed ‘art worlds’. These include the production of canvas, frames and art materials, the provision and maintenance of artist spaces, galleries, and restaurants to service the new community.

The case of White Horse Lake is a work-in-progress. There is great enthusiasm for the project; it is justified as a mode of social renewal and a means of harmonizing relationships between local elites from the China Academy of Arts and local residents. In Hangzhou, mobility has often worked in a negative sense. With the freeing up of residency (*hukou*) and work permits in recent years—and with increased access to fast transport—talented people have moved to Shanghai and Beijing, or wherever opportunities for success are higher. In response, the White Horse Lake Project, and the associated attempts to rebrand Hangzhou as a ‘cultural and creative center of China’, can be viewed as attempts to maintain local human capital resources. Moreover, the construction of the site includes luring new creative classes, including celebrities, to Hangzhou.

In China, the massive injection of government funding in clusters is driving competition for talent and investment. Places are competing for creative talent and investment on a scale unprecedented in China. Local governments provide preferential policies, tax breaks and free rent. In most cases enterprises are attracted by the preferential conditions. The expediency of the government is further demonstrated by these clustering plans. By nominating clusters, and by providing incentives, the government is able to identify creative businesses and maintain some control over management. Previously, these enterprises have remained relatively invisible. Once identified, they are more manageable, indeed more governable—even if the projects are

⁸ Tao Yuanming (365~427). The work referred here is *Drinking* (yinjiu, 饮酒).

not successful. In a sense, corralling of artists and cultural workers in large communities represents effective management of uncertainty. Furthermore, channeling new enterprises into parks has the effect of raising land values, still the only proven business model for the cultural and creative industries in China.

The problematic aspect of clustering, both from a civil-society perspective as well as from a business perspective, is that they remain regulated, although for many incumbents the regulation appears to be 'at a distance'. Moreover, with the exception of the art markets of Songzhuang and Beijing's 798, many are underperforming. The successful ones make money from real estate and rents, or from provision of business services to resident companies.

Despite many problems with this model, these clusters appear to signal a new era of Chinese openness, in many instances, a new rapprochement between rural and city life. The relationship between government and culture is effectively maintained, albeit with a more liberal façade. The cluster, artists, producers, and workers who man them, are contributors to China's new international face, and to its soft power rhetoric. While the freedom to express oppositional views remains limited, the freedom to express oneself as an entrepreneur is encouraged. The key point is that people's mentalities, and their conduct, is now governed in a different way. As urbanization increases, country and city come together under a new social contract.

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