

Artistic Urbanization: Creative Industries and Creative Control in Beijing

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Abstract

The discourse of creative industries arrived in China in the early 2000s via the epistemic network of international scholars and consultants. It has since garnered enthusiastic support on the domestic policy circuit, where it is viewed as the key to making the transition from 'Made in China' to 'Created in China'. This article situates China's creative industry development in its urban context, examining the state spatial strategies of reconstituting control over cultural production by turning the formerly organic artist villages into official art districts. Drawing upon fieldwork on the visual and performing arts sectors in Beijing, we find that the local state has extended its creative control over artists by using interlocking directorates — a practice of appointing the same government officials to serve across the executive boards of multiple governing organizations in art districts. The districtification of artist villages has led to 'artistic urbanization', a process whereby rural villages quickly urbanize in the midst of art-led development endorsed and monitored by the local state. Artistic urbanization is a spatial strategy by the state to reconstitute its control over cultural production and to profit from real estate development, and it has led to renewed censorship of artists and widespread property speculation.

From bohemian nineteenth-century Paris to neo-bohemian twentieth-century New York and Chicago, artist quarters have always been an integral part of the modern urban fabric (Zukin, 1982; Kostelanez, 2003; Ley, 2004; Lloyd, 2005). In Chinese cities in the new millennium, artist clusters play a similar role as harbingers of urban spatial transformation (Wu, 2004; Zhou and Breitung, 2007; Cartier, 2008; Currier, 2008; Wang, 2009; Zhong, 2009). However, unlike in the West, where artists often inhabit abandoned factories and warehouses in inner-city locations, artist quarters in Beijing — the art capital of China — tend to form in rural villages on the urban periphery.¹ The ambiguous jurisdictional organization and loose land regulation have made urban fringes attractive places for artists to settle. In the brief period since 2000, many artist villages have appeared at the urban–rural intersections in Beijing, triggering a further migration of international galleries and a construction boom on the periphery. Beginning in 2005, some of the artist villages have been turned into official art districts by the city government, in order to promote cultural industries and to convert rural

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1 Art districts in other Chinese cities such as Shanghai are not necessarily located on the periphery. The geographic peculiarity of Beijing's art scene can in part be explained by the size of artist communities in the city — Beijing has by far the largest concentration of artists and inner-city neighborhoods simply cannot accommodate them.

land for urban real estate development. The districtification of former artist villages indicates the state interest in pursuing art-led urban development, while maintaining control over cultural production by quarantining artists in fixed territorial confines. Situating Beijing's cultural industry development in its urban context, this article examines the state spatial strategies of reconstituting control over cultural production through districtification.²

This study is situated within the literature on cultural industries and China's land development politics. Studies on cultural industries in the West have mostly focused on issues such as organizational structures, cultural policy and social equity, while debates on cultural industries in China are centered on the conflicting roles of the state in trying to capitalize on the new cultural economy and to control cultural production. Previous research has examined policy reforms aimed at privatizing state-owned enterprises (SOEs) in sectors such as publishing, broadcasting and media (Wang, 2004; Keane, 2006, 2007; O'Connor and Xin, 2006; Zhang, 2006). Departing from previous studies on the partial privatization of the cultural sector in China, this article investigates the spatial strategies with which the local state has reconstituted its control over cultural production. Moreover, building on the literature of land development politics in China (Lin and Ho, 2005; Wu *et al.*, 2007; Lin, 2009; Hsing, 2010), this article further examines how the state spatial strategies of promoting cultural industries while maintaining control over artists have reshaped urban spaces in Chinese cities.

Based on ethnographic fieldwork conducted in Beijing, we find that the local state has extended its creative control to the formerly under-regulated artist villages on the periphery through districtification. The new modes of control are achieved by the use of interlocking directorates, whereby the state appoints the same government officials across the executive boards of multiple key governing bodies in art districts. The districtification of artist villages signifies the new cultural turn in urban development in China, which had previously followed the model of urban renewal, demolition and displacement. As rural villages inhabited by artists quickly urbanize in the midst of art-led development promoted and monitored by the state, urban-rural intersections experience in-situ urbanization. We call this process 'artistic urbanization'. We argue that 'artistic urbanization' is a spatial strategy for the local state to reconstitute its control over cultural production and to profit from land leasing and real estate development, a practice which has led to renewed censorship of artists and widespread property speculation.

Cultural industries include a broad set of economic sectors with cultural and design contents, and not all of them are subject to the same degree of state censorship in the Chinese context. In this article, we choose to focus on visual and performing arts in the larger category of cultural industries, because we are primarily interested in exploring the nexus between artistic production and real estate speculation.³ Compared to other sectors of cultural industries such as fashion, publishing and broadcasting, contemporary art can provide a privileged lens through which to examine art-led urban spatial transformations, as local states in China actively use the presence of contemporary artists to rezone certain areas of cities into art districts in order to profit from land leasing and real estate development.

2 In this article, we use 'cultural industries' and 'creative industries' interchangeably. See Pratt (2005) for a discussion on the use of terminology in the UK.

3 The UK government classifies cultural industries into 11 sectors: advertising, architecture, arts and antique markets, crafts, design, designer fashion, film, video and photography, software and electronic publishing, music and visual and performing arts, publishing, and television and radio. The United Nations classifies cultural industries into four sectors: cultural heritage (traditional cultural expressions and cultural sites), art (visual arts and performing arts), media (publishing and print media, audiovisuals) and functional creation (design, new media and creative services). In China, classifications of cultural industries vary at the national level and the city level, and individual cities often employ their own classifications (see Zhang, 2007). In all of the above classifications, visual and performing arts are a critical component of cultural industries.

We conducted 12 months of fieldwork in Beijing in 2009, including participant observation at various art events and 23 semi-structured and open-ended interviews in Songzhuang. The interviewees included government officials and planners at the district, town and street (*jiedao*) levels, members of the management committee of Songzhuang, artists, gallery owners, curators, local residents and tourists. All interviewees were asked about their knowledge of the transition of Songzhuang into an art district, and the government officials and planners were asked about the planning and management of the art district. The interviews were normally conducted at interviewees' workplaces, homes and galleries, and the length of each interview varied from 30 to 60 minutes. We also randomly spoke to artists, visitors (both Chinese and foreign) and gallery owners at numerous art events; these informal conversations were highly informative and complemented the data collected through formal interviews. In addition to fieldwork materials, the data used in the analyses also include government policy documents (e.g. five-year plans, cultural policy strategic plans) and Tongzhou district master plans.

Cultural industries: China and the West

Cultural economy plays a significant role in the restructuring of postindustrial cities, and the notion of cultural industries and creative cities has attracted wide research attention (Scott, 1997, 2000; Hall, 2000; Florida, 2002; Evans, 2003; Clark, 2004; Hartley, 2005; Currid, 2007). The scholarship on cultural industries in the West has mainly focused on organizational structures, cultural policymaking and the question of social equity, while the literature on cultural industries in China has centered on the role of the state in promoting while controlling the cultural sector. This divergence in research focuses reflects the different urban and institutional environments within which cultural industries are embedded.

The inquiry on the organizational structures of cultural industries in advanced economies has focused on the dynamics of new industry formation, which is often explained in relation to agglomeration economies, labor market conditions, social relations, institutional factors and the built forms of cities. Scott (2006) identifies the vertically disintegrated networks of firms engaged in interdependent operations of specialization and notes the flexible labor markets, characterized by the coexistence of highly paid professionals and low-paid unskilled labor, as both a necessary condition for and a result of the development of cultural industries. Santagata (2002) and Lazzeretti (2003) study the roles of property rights and the social relations between firms and local communities in shaping the trajectory of the development of cultural districts. Hutton (2006) further explores the conducive effects of the spatiality of inner cities, such as historical architecture, on the rise of knowledge-intensive cultural industries.

Past studies have also examined the policy context in which cultural industries are situated, and the role of state and non-state actors in the governing of these industries (Leslie and Rantisi, 2006). According to Kong (2000), the development of cultural policy in the advanced economies has undergone three phases, with its focus shifting from building high-culture institutions (in the 1950s and 1960s), to community development and social welfare functions (in the 1970s), and then to generating local revenues (since the 1980s). Currently the main tension in cultural policymaking is between the commercial nature of cultural industries and the elite cultural forms that were traditionally the subject of cultural policy and state funding (Pratt, 2005). In the context of interurban competition, city governments have devised entrepreneurial policies to promote cultural industries and economic growth, for example, with architectural megaprojects (McNeill, 2009; Ren, 2011), cultural festivals (Gotham, 2005), museums, bike paths and other amenities (Zukin, 1995; Lloyd and Clark, 2001). However, as Scott (2006) points out, it is of paramount importance to realize the limits of cultural policies; what policymakers can realistically seek to accomplish in the search for enhanced urban creativity and economic growth might be fairly limited.

Inquiries into the organization of cultural industries and cultural policy share a common concern over social redistribution and equity. In critiques of Richard Florida's *The Rise of the Creative Class* (2002), many have raised concerns about social equity issues such as the gap between the creative class and the wider citizenry, the stratification within the creative labor market and the precarious conditions facing even some of the core members of the creative class (Peck, 2005; Scott, 2006; Atkinson and Easthope, 2009; Ross, 2009). To quote from Scott (2006: 15), 'any push to achieve urban creativity in the absence of a wider concern for conviviality and camaraderie (which need to be distinguished from the mechanical conception of "diversity") in the urban community as a whole is doomed to remain radically unfinished'. Social bifurcation is widely recognized as an intrinsic feature of cultural industries, which require flexible labor markets, characterized by widening gaps between professional and unskilled labor.

The idea of cultural industries travelled to China via the epistemic community of international scholars and consultants in the early 2000s, and has since generated much interest on the domestic policy circuit.⁴ The enthusiastic support for cultural industries in China is largely driven by two endogenous factors — firstly the desire of the national government to promote Chinese culture and to build 'soft power', and secondly the attempts of both the national and local governments to upgrade labor-intensive manufacturing to knowledge-based industries.

In an op-ed article entitled *The Rise of China's Soft Power*, Joseph Nye (2005) argues that, in addition to hard power such as military and economic strength, China is also competing with the US by building its soft sources of power such as culture, political values and diplomacy. This can be seen in the recent government sponsorship of initiatives to teach Chinese language and culture overseas, such as the Confucius Institutes. Nye (*ibid.*) also points out that China's soft power still has a long way to go to match that of the US; for example, China does not have cultural industries like Hollywood. Policymakers in China are very much aware of the imbalance in cultural trade, and view cultural industries development as the right tool to build China's soft power.

The widespread support for cultural industries also reflects the urgency for economic upgrading felt by the national and local governments. The Tenth National Five-Year Plan (2001–05) stated that the rationale for promoting 'cultural industries with Chinese characteristics' is to stimulate domestic consumption demand, increase employment opportunities and restructure the national economy (State Council, 2001). As Keane (2006; 2007) rightly points out, cultural industries have become a 'super-sign' in China, invested with supernatural powers to transform and revitalize the urban economy. For many Chinese cities trying to move up the value chain of global production, developing cultural industries is viewed as the solution to make the leap from 'Made in China' to 'Created in China' and to simultaneously achieve many goals, such as wealth creation, the reuse of traditional resources, green production, talent renewal and industrial upgrading. Thus, cultural industries landed in China at a critical juncture — when the government was eager to enhance China's soft power and to restructure the economy by replacing labor-intensive industries with high-tech manufacturing and services.

Reflecting a different institutional environment from the West, research on cultural industries in China has focused on a different set of questions, specifically relating to the conflicting roles of the state in trying to maintain its control over cultural production and to capitalize on a more market-based cultural economy (Hui, 2006; O'Connor and Xin,

4 See Prince (2010) for a discussion on the transfers of creative industry policies from the UK to New Zealand, in which the author argues that smooth policy transfers across geographic and institutional contexts would require reassembling divergent political motivations, translating different ideas, and inventing new concepts and programs. In the Chinese case, what has been 'transferred' from abroad is often not creative industry policies from specific countries, but the general idea that cultural and creative industries could stimulate urban growth.

2006; Zhang, 2006; Keane, 2007; Wang, 2008). As Wang (2004) insightfully points out, cultural industries in China comprise at least three sub-contexts — the partial privatization of the formerly state-owned cultural sector, the persistence of state monopoly even when it pushes an agenda of commodifying public cultural goods and the issue of mixed ownership of firms in the cultural sectors. The conflicted role of the state is reflected in the uneasy adoption of the terms ‘cultural industries’ (*wenhua chanye*) and ‘creative industries’ (*chuangyi chanye*) in official documents. Shanghai is the only Chinese city that has officially adopted ‘creative industries’ (Chen and Zhu, 2009), whereas Beijing has clearly rejected ‘creative industries’, preferring ‘cultural industries’ (Hui, 2006). O’Connor and Xin (2006) argue that these tensions around terminology have allowed a renegotiation of the divisions of responsibility from public sector-dominated ideologically charged ‘culture’ to private sector-oriented ‘creativity’. The ambiguous stance of the state can also be glimpsed in key government policies, which invariably push for further privatization of the cultural sector while maintaining the monopoly of state-owned firms.⁵

The partial privatization of the formerly state-owned cultural sectors is a defining feature of the development of cultural industries in China; however, to fully grasp the complexity of the issue, we also need to situate cultural industries in their urban contexts. Cultural industries in China are invariably connected to land politics and real estate speculation, and state policies of promoting cultural industries have significantly reshaped urban spaces. Similar to the development zone fever of the 1990s, promoting cultural industries has led to another round of land grabs, as large tracts of land are acquired by local states to develop creative industry parks and clusters. Many such schemes have led to widespread land speculation and involve little cultural industry development.

The literature on land politics in China can shed light on the active involvement of local states in land development (Lin and Ho, 2005; Wu *et al.*, 2007; Lin, 2009). In her recent work, Hsing (2010) uses the concept of ‘urbanization of the state’ to understand land development politics in China. She argues that the Chinese state apparatus is extended through land acquisitions and urban constructions, as existing agencies are strengthened and new agencies are established to administer various construction projects. After these projects are completed, the agencies stay on to manage the new territorial additions to the local state, thus helping to consolidate the state authority. This observation applies to the development of art districts as well, as new state agencies are established in addition to preexisting ones, to monitor cultural production in art districts while pursuing land and real estate speculation.

Building on the scholarship of cultural industries and land politics in China, this article highlights the territorial logic of cultural industries development in Chinese cities by exploring the nexus between cultural industries and state-led land development. Based on empirical fieldwork in art districts on the urban periphery of Beijing, the rest of the article will examine the spatial strategies with which the local states have reconstituted their control over cultural production while pursuing land development.

5 For example, the Tenth Five-Year Plan (2001–05) urged that issues of the ownership of state-owned cultural enterprises be resolved by separating business functions from non-profit and propaganda functions, but at the same time it also insisted on the dominance of state-owned cultural enterprises (State Council, 2001). The Eleventh Five-Year Plan (2006–10) welcomed private capital investment in the infrastructure development of creative industry parks (State Council, 2006). The Cultural Industry Revitalization Plan of 2009 stressed the urgency of developing cultural industries to fight the economic recession, and insisted on the leading role of state-owned cultural enterprises while allowing other forms of ownership (State Council, 2009). The 2009 Revitalization Plan also laid out promotional policy measures, such as lowering the barriers to private capital investment in the cultural sector, increasing government funding, and providing tax breaks and more financing options for enterprises.

Artistic urbanization on the periphery

The affordability of land and jurisdictional ambiguity on the urban periphery have produced a peculiar geography of art spaces in Beijing, where the urban periphery has become the center of artistic production (see Figure 1). 'Periphery' is a relative term and is constantly redefined with the urban sprawl of Beijing. The spatial expansion of Beijing has followed a concentric pattern, with the construction of several expressways around the city's historical core.⁶ The Third Ring Road defined the city limits in the 1990s, and urban construction during this period rarely occurred beyond the expressway. However, as economic growth and large-scale urban renewal have accelerated since 2000, Beijing has witnessed massive metropolitan expansion and the consequent construction of the Fourth, Fifth and Sixth Ring Roads. Accompanying the construction of these ring roads, property developments have pushed the boundary of the city further into the former rural hinterland. The city's periphery, now typically thought of as the areas near or outside the Fifth Ring Road, has become the most dynamic area of spatial and demographic change, exhibiting a heterogeneous assembly of old and new land uses, such as residential new towns, large shopping centers, industrial parks, remaining former farmland, migrant enclaves and artist villages. As Hsing (2010) noted, the urban periphery has become a primary site of capital accumulation, territorial expansion and consolidation vital to the state building projects of city governments.

Loose government regulation over land transactions on the periphery is a strong incentive attracting artists. The urban-rural intersections in China are often zones of fragmented administrative control and are characterized by ambiguous jurisdiction — often divided between city governments on one hand, and rural town and village governments on the other. Officially, most towns and villages on the periphery have been merged with urban districts, and are therefore under the administrative control of the city

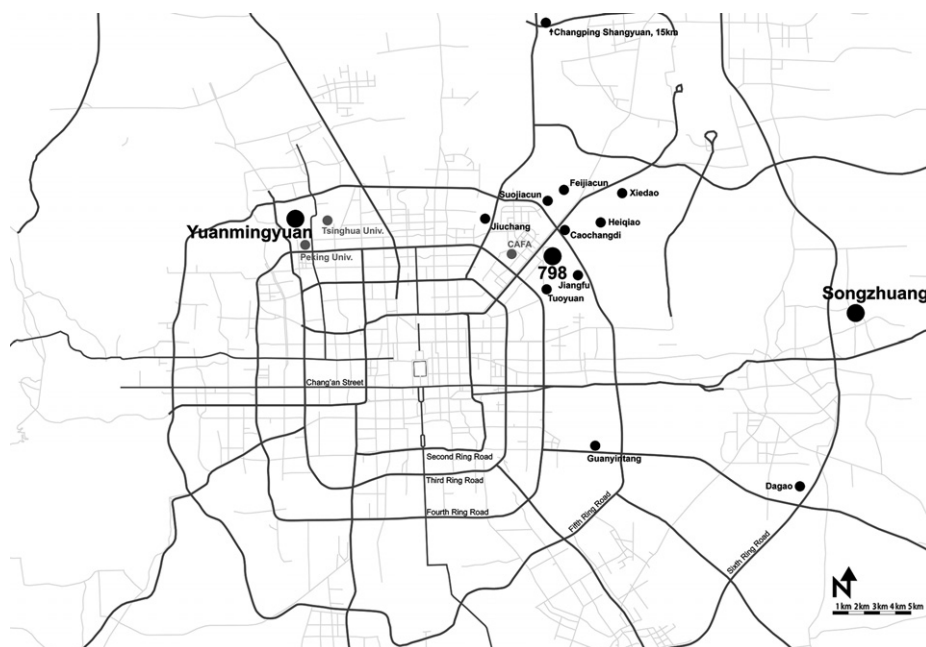


Figure 1 Artist villages in Beijing, 1985-2010

- 6 The historical core consists of the Inner City and Outer City built during the Yuan Dynasty. The cluster of palaces including the Forbidden City is within the Inner City.

government. But in many cases the land of villages is still owned collectively by villagers, and unless the city government acquires the land and converts the *hukou* status of villagers from rural to urban, it has limited control over land-use decisions.⁷ Although the city government forbids the leasing and selling of land-use rights to non-villagers, in practice, village committees and villagers routinely rent out or sell these rights to outsiders. Over the years a large number of independent artists have settled in the villages on the urban periphery of Beijing, renting space or buying land from villagers to build their own studios — most of which is illegal construction. In a few large artist clusters such as Caochangdi and Songzhuang, village committees have themselves become developers and built modern studio spaces to rent to artists. The loose regulation of land transactions on the city periphery has thus led to hectic construction projects undertaken by artists, local governments and private developers, which have rapidly changed the rural landscapes on the urban fringe.⁸

Beijing's artist clusters on the periphery are inevitably transient in nature. As real estate development continuously encroaches on the rural hinterland, the urban–rural intersection is in a constant state of flux. The 20-odd artist clusters on the city's periphery have met varying fates of development — from crackdowns by governments to evictions of artists by developers, and to official recognition and endorsement. The different trajectories of artist villages depend on the attitude of the city and district governments — only when the governments recognize the economic potential of artist clusters and consequently endorse them can these villages avoid demolition and disbandment.

The earliest artist cluster in Beijing was Yuanmingyuan artist village (1984–95), established in the northwest suburbs. Having started in the mid-1980s, Yuanmingyuan had attracted over 300 migrant artists from all over the country by the early 1990s. Many of these artists had quit their stable jobs in cultural institutions in the public sector and come to Beijing to pursue an alternative career. But in the aftermath of the Tiananmen student movement of 1989, the political climate in Beijing was conservative and the city authorities had an attitude of deep mistrust towards artists. The public security bureau viewed the artist congregation at Yuanmingyuan as a potential social threat, and in 1995 Haidian district police shut down the village and evicted all artists.

After Yuanmingyuan, 798 Factory emerged as the central art district in Beijing in the midst of a booming urban economy and relaxed political control. In the late 1990s, a few artists moved into the Bauhaus-style factory buildings at 798 Factory in northeast Beijing — a state-owned factory built in the 1950s to manufacture military supplies. The artists rehabilitated industrial workshops into spacious art studios and exhibition spaces (see Figure 2). 798 Factory provided a space for contemporary art to interact with the public that had not previously been available. It quickly became the epicenter of the contemporary Chinese art scene; several art festivals were successfully organized and many high-profile foreign galleries moved in. 798 Factory was for a period threatened with demolition by its landowners and evictions to make way for real estate development (Currier, 2008). However, due to its international reputation and the rising policy interest in cultural industries, in 2006 the Chaoyang district government swept aside the interests of developers and designated the 798 Factory as an official art district, listing it among the top tourist destinations for the Beijing Olympics. The official endorsement, however, led to a rapid spate of commercialization, and by the time of the 2008 Olympics, 798 Factory had completed its short lifecycle as a bohemian artist colony and become a

7 China's *hukou* system divides the national population into urban and rural segments, which have different entitlements to social welfare benefits. According to the Chinese Constitution, all urban land belongs to the state, and rural land is collectively owned by villagers and managed by village governments. See Solinger's (1999) study of rural migrants in cities in the 1990s on the issue of 'contested citizenship'.

8 See Mangurian and Ray (2009) for images and discussions on the spatial transformations in Caochangdi.



Figure 2 The 798 Factory, Beijing (photo by Xuefei Ren)

cluster of international galleries and boutique shops catering mostly for tourists (Ren, 2009). Most resident artists were pushed out by the rising rents and moved to other villages further away from the city center.

The émigrés from Yuanmingyuan and 798 (plus numerous newcomers) soon formed other artist villages in the Chaoyang and Tongzhou districts on the northeast edge of Beijing. However, as property development intensified on the periphery, some of these new clusters, such as Suojia village and Feijia village in Chaoyang district, soon met the same fate of demolition and eviction that confronted many other urban neighborhoods. With the success of the 798 art district, the Chaoyang district government has no interest in preserving other artist clusters and instead intends to develop the peripheral land for other high-value-added service industries. The various trajectories of artist villages indicate the transient nature of art spaces in Beijing and the crucial role of the local state — at both the city and district levels — in determining their preservation and survival.

Art market boom and land development fever: the rise of Songzhuang

Unlike 798 Factory, which has become gentrified by international galleries and boutique shops catering for tourists, Songzhuang town remains a primary site of artistic production and by 2009 was home to about 3,000 artists. Songzhuang town is located 28 kilometers east of Beijing city center in the suburban Tongzhou district, and was designated as one of the first 11 cultural and creative industry (CCI) clusters in

Beijing in 2006.⁹ The population of Songzhuang is about 100,000 residents — 60% villagers and 40% temporary residents — the latter consisting mostly of migrant workers but also including artists. Among the 47 natural villages in Songzhuang town, 22 currently have artist studios and galleries, and 80% of the artists live in Xiaopu village, the place where a dozen artists expelled from Yuanmingyuan first resettled. The district public security department tried to prevent the artists from settling in Xiaopu village, but due to the urban–rural administrative divide in China, the city police could not control the internal affairs of the village. Despite the pressure, Cui Dabai, the head of Xiaopu village, allowed the artists to stay, but primarily for economic reasons. Compared to other villages, the farmland of Xiaopu village is less fertile and villagers have a lower average income. A farmer in the early 1990s in Xiaopu village could only make RMB 300 at most in a good year but, by renting space to artists, villagers could collect as much as RMB 2,000 per year. Some artists also offered to pay up to RMB 5,000 to buy courtyard houses from villagers; this was considered a fortune in the early 1990s, so the village committee even encouraged villagers to sell land-use rights to artists. As the village head, Mr. Cui, commented in an interview: ‘I just wanted our villagers to have more income. It’s not against the Party or Socialism. What’s wrong with that?’.¹⁰ The artists’ need for a new place to settle after the crackdown on Yuanmingyuan thus converged with the villagers’ interest in generating more income. Songzhuang, the largest artist village in Beijing, was born at this unique juncture of time and space.

The artist population in Songzhuang is diverse and highly stratified, ranging from rags-to-riches international auction stars to starving artists struggling to make a living on the city’s edge. The top stratum consists of a small number of extremely wealthy and internationally known artists who have sold works at overseas auctions. The middle stratum includes the long-term resident artists who make a stable living by selling their works. The lower stratum, representing the majority of Songzhuang artists, mostly comprises art school graduates who come to Beijing from the provinces to seek more opportunities. This last group forms a sizable ‘creative underclass’ without stable income that has difficulty making ends meet. According to our fieldwork observation, about 40% of Songzhuang artists rent space from villagers, 50% rent studio space in former village factories,¹¹ and only about 10% — the commercially successful minority — have built large studios on land leased from villagers. In spite of the large number of artists, there have yet to emerge any grassroots associations organized by artists, and socialization among the artists mostly takes place on an individual basis.

The rise of Songzhuang as a primary artist cluster in Beijing also needs to be situated in the broader context of the international art market boom and China’s real estate development fever. The increasing popularity of contemporary Chinese art in the international market is the most significant factor explaining the growing presence of artist clusters in Beijing. In 2005, several works by contemporary Chinese artists were sold for record prices at Sotheby’s and Christie’s auctions, and since then contemporary Chinese art has become a financial instrument for speculation. The average auction prices of Chinese contemporary art doubled between 2002 and 2007. In 2002, there was only one Chinese artist on Sotheby’s list of ‘rich young artists’ — those born after 1950 with at least a single art auction sale over US \$1 million — but by 2008, 34 Chinese artists appeared on the list (Zhao, 2007). The boom in contemporary Chinese art is part of the larger trend of the structural expansion of the international art market, which has

9 Currently the Beijing city government allocates RMB 5 billion per year for the development of CCI clusters, and most of the funding has been channeled into infrastructure construction.

10 Interview with Cui Dabai, head of Xiaopu village, 9 July 2009.

11 There are about 200 small-scale factories in Songzhuang, which generate about RMB 20 million of tax revenue annually. Some factories in deficit have been shut down and their workshops converted to studio space for artists (information gleaned from interviews with village committee members, 20 June 2009).



Figure 3 New artist studios and residence (photo by Meng Sun)

witnessed an increasing number of art collectors and investors coming from the BRIC countries (Brazil, Russia, India and China). Investors and art collectors from these emerging economies are more interested in buying works of contemporary art from their own countries, and many works by Chinese artists at overseas auctions have been purchased by new patrons from China and Southeast Asia. Many of the internationally famous artists are based in Songzhuang and they have poured their new wealth into the construction of large studios and gated residences in the village.

In addition to such self-construction projects by affluent artists, fueled by money from overseas auctions, Songzhuang has witnessed a larger real estate boom led by both private and public actors with the construction of residences, studios, museums, galleries and large-scale infrastructure works. The investments in these projects come from diverse sources, including subsidies allocated by the city and district governments, funding from village governments and the private capital of village entrepreneurs. The Beijing city government has allocated special funds to facilitate the development of the Songzhuang CCI cluster. According to the ambitious district master plan, Songzhuang is part of the larger creative industry base for the development of the visual arts, animation, movie and media sectors. With the initial investment provided by the city government, agricultural land in all villages in Songzhuang will be converted for urban residential and commercial uses by 2015, to attract creative industry workers and the urban middle class. In addition to this government-funded development, Xiaopu village has invested in its own construction projects, such as converting an abandoned bomb shelter into a cluster of studios and building a brand-new Songzhuang art museum and a boutique ‘art station’ (see Figure 3). Furthermore, individual entrepreneurs (mostly farmers turned landlords) have also emerged who have torn down their old single-storey houses to build multi-storey buildings or even bigger art complexes for leasing to artists (see Figure 4).



Figure 4 Art complexes in Songzhuang built by villagers for renting to artists (photo by Meng Sun)

Overall, the designation of the Songzhuang CCI cluster has triggered a larger property development boom that targets not only artists, but also higher-income members of the urban middle class working in creative sectors.

The real estate developments — undertaken by artists, upper-level district and city governments, lower-level village governments and farmer landlords — have led to drastic transformations of the rural landscape. The change in the built environment can be clearly observed on the main street of Xiaopu village. In 1994, there was only one retail store on the main street. By 2009, our fieldwork observations showed that there were 40 galleries, 58 service establishments (e.g. restaurants and supermarkets) and 28 art supply stores. This in-situ artistic urbanization took place in the broader context of the international art market boom, local development fever and loose land regulations on the urban fringe.

Creative control and interlocking directorates

The districtification of artist villages provides protection against demolition and evictions, but it has also introduced new mechanisms of control and surveillance in the formerly under-regulated urban periphery. Specifically, four types of organizations play a key role in the governing of art districts: management offices set up by district governments; state-owned enterprises (SOEs) established by town and village governments to develop real estate and attract investments; government-organized NGOs (also called GONGOS in China) mediating between artists and local governments; and finally village committees — the lowest level of China's administrative hierarchy — which represent individual villager-leaseholders and participate in decision-making on

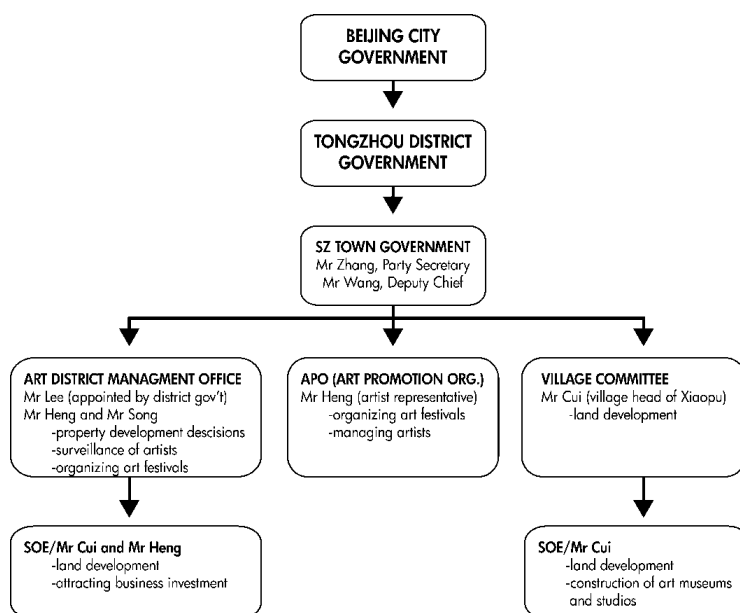


Figure 5 Interlocking directorates in Songzhuang art district

land development. In the case of Songzhuang, all of the four types of organizations are present and they are intertwined through interlocking directorates. Aside from village committees, the other three types of organizations are all state agencies newly added to monitor the operation of art districts. A small group of party officials, mostly appointed by the district government, dominate the executive boards of all these organizations. This interlocking organizational feature enables exclusive and concerted decision-making over land development, constituting new modes of state control over cultural production.

Figure 5 illustrates the hierarchical structure of the local state and the interlocking governing structure of Songzhuang art district. The local state consists of four layers of government — city (Beijing), district (Tongzhou), town (Songzhuang) and village (Xiaopu). After Songzhuang art district was established in 2006, a management office was set up by the Tongzhou district government in 2008. The office head (Mr. Lee) is appointed by the district government, and the two key members of the office (Mr. Heng and Mr. Song) are both closely connected with the Party Secretary of Songzhuang town, Mr. Zhang.¹² The management office represents and implements the policy decisions of the district and Songzhuang town governments, and oversees major activities in the art district — from attracting investments and building infrastructure to monitoring artists' activities through an intermediary GONGO, the Songzhuang Art Promotion Organization (APO). Established by the Songzhuang town government, the APO takes charge of the daily maintenance and planning of art events, but its main goal is to monitor independent artists' organizations to ensure that artists do not engage in politically sensitive activities.¹³ The governing board members of the APO are not elected but consist of the members of the management office, the town government and a few prominent artists, while the majority of Songzhuang artists are not represented in the APO. The strong presence of government officials on the governing board dictates the real function of the APO. Excerpts from our fieldwork interviews illustrate the cosy relationship between the APO and the Songzhuang town government:

¹² Pseudonyms are used for the officials (except Cui Dabai, head of Xiaopu village).

¹³ Interview with Mr. Song, deputy head of the Songzhuang management office, 21 July 2009.

Civic associations in China have supervisors, and normally they are the local district governments. Frankly speaking, we just listen to the Party. We get funding from the government too (interview with APO staff member, 16 July 2009).

The APO is like a civic association sponsored by the government. It represents the government to manage artists, because the artists don't have their own organizations. Thus the APO can function as a platform for artists and the government to communicate (interview with Mr. Song, deputy head of the management office, 12 July 2009).

The control and surveillance by the government can be clearly observed in the organization of the annual art festival. Key officials from the town government directly participate in and scrutinize the organization of the festival. The management office first submits a proposal to the town government, which must be approved personally by the Party Secretary of Songzhuang. Then the proposal is sent to the upper level of the district government and reviewed by the Propaganda Department, the Culture Committee and the Public Security Bureau. The district government also sends its own personnel to Songzhuang to check the actual artwork to be displayed, and the final decisions on what to include and exclude often depend on ambiguous moral judgments by individual officials:

There are all kinds of artists here, and some of their works can't be displayed in public. The headshot of Chairman Mao is OK, but the works with strong political tendencies and nude images are not allowed. They will negatively affect children and the public. The town government does the first check, and only after we make sure there's no problem, we send the proposal to the district government for approval of the content and safety issues (interview with Mr. Wang, deputy Party Secretary of the town government, 21 July 2009).

While monitoring artist activities through the APO and annual art festivals, the town and village governments are also actively involved in property development through their satellite SOEs.¹⁴ Both the management office and Xiaopu village have set up their own business firms, and the main role of these firms is to acquire land from villagers and to prepare the land for the next phase of real estate development. The officials of the management office and village committee are also the executives of the SOEs. This arrangement is widely referred to as 'one team of people, working under two titles'. When they need to provide a government function — such as granting approvals for specific projects — the officials will represent the government, and when they need to perform a market-related function — such as acquiring and leasing land — the same people will represent business interests through the operation of their SOEs. As extensions of the local governments, the SOEs have monopoly power over land acquisition. As collectively owned farmland is converted into state-owned urban land, villagers lose their land and change their *hukou* status from rural to urban. This process of 'accumulation by dispossession' (Harvey, 2003) is happening all over the country as the demand for land soars and real estate development proceeds on the urban periphery. With funds from the city government, bank loans and private capital, the SOEs first undertake demolition and construction of infrastructure and then attract industries with subsidized land in the hope of generating more tax revenues. After the land value rises with the development, the SOEs will auction some of the land to private developers to collect land-leasing fees.

One last important player in art districts is constituted by the village committees representing the interests of individual land leaseholders. Development plans involving land-use changes made by the Songzhuang town government need to be supported by village committees because of the collective ownership of rural land. Land acquisition often involves complex negotiations between village committees and the town government, and the results vary greatly depending on the power balance between the two. Because of the strong leadership of Mr. Cui, Xiaopu village is the only village in

14 SOEs are normally at least 50% funded by public capital.

Songzhuang that will not be demolished for the development of the CCI cluster. Xiaopu village has formed its own SOE and Mr. Cui serves as its executive to ensure that the village can benefit from land development. Villagers are shareholders and receive a small amount of annual dividends from land-leasing fees. Other villages in Songzhuang with fewer resources and less negotiating power will be demolished and their land transferred to the city government.

In her study of villages-in-the-city (called *chengzhongcun* in Chinese) in southern China, Hsing (2010) identifies similar processes of non-confrontational negotiations between villages and city governments, which she calls 'corporatist villages'. Villagers manage to eke out a share of urban wealth through real estate operations and maintain relative autonomy by use of village shareholding companies. The party secretaries of villages are often the CEOs of the shareholding companies, and such corporatist practices have led to a consolidation of village leadership and played the role of brokering urban governance. Compared to southern China where many semi-autonomous villages-in-the-city can be found, villages in northern China, such as those on the periphery of Beijing, are relatively weaker when negotiating with municipal governments over land transfers. As the case of Songzhuang shows, Xiaopu village is the only one that managed to build its own shareholding company to redistribute real estate profits among villagers; all other nearby villages will eventually be demolished and their peasants displaced without much compensation. The case of Songzhuang also illustrates how the corporatist village structure can be used to monitor cultural production and artists.

Discussion

In post-reform China the state's control over artistic production has weakened significantly (Kraus, 2004). However, with the introduction of cultural industries discourse to China, the state has had a renewed interest in promoting and capitalizing on cultural industries while reconstituting its control over cultural production. Based on fieldwork in Songzhuang, we have examined the spatial strategies through which the local state has extended its control over the art district. We argue that the districtification of former artist villages propels a process of artistic urbanization on the urban periphery, fueled by art-led development and monitored by the different layers of the local state. The local state has established control over land-use changes and surveillance over artists by use of interlocking directorates across the executive boards of key governing bodies of art districts.

Art districts in Beijing exhibit a number of place-specific peculiarities compared to similar districts in other Chinese cities. For example, places such as 798, Songzhuang and Caochangdi in Beijing are geared more towards visual and performing arts activities, while art districts in Shanghai such as M50, Redtown and 1933 Millfun are centered more on fashion, design, advertising and tourism. In terms of the contents of artistic production, there is a more rebellious and anti-government spirit in the art communities in Beijing — dating back to the Yuanmingyuan era — than in Shanghai, and most major artist activists are concentrated in Beijing. The peripheral location of art districts in Beijing is another peculiarity, driven by a combination of factors including the large size of the artist community, affordability of housing and loose regulations on the urban fringe. Although the case of Beijing might not be representative of cultural industry developments in China in general, the spatial strategies of art-led urban development captured in this study also characterize the production of art districts in other Chinese cities.

The rampant property speculation in the art districts of Beijing raises intriguing questions about the future development of cultural industries in China. For instance, can these art districts, endorsed by the government, provide a new space for artistic production and an institutional platform for China's emerging cultural industries? Or are

these just new instruments for the public–private coalition to reap profits from land speculation? These further lead to a larger question — can creative cities be made, and what does it take for a creative milieu to emerge? In his commentary on creative cities, Hall (2000: 645) argues that creative cities are all places in transition; the creative urban milieus are places of great social and intellectual turbulence and societies in economic and social flux — they are all in the course of rapid economic and social transformation, experiencing ‘an immigration of talents as well as generators of wealth that could help employ that talent’. Hall (*ibid.*: 646) also notes that the new and young arrivals need something to react to, such as socioeconomic turbulence, instability and the uncertainties accompanying the transitions; a creative city is also a place ‘where outsiders can enter and feel a certain state of ambiguity: they must neither be excluded from opportunity, nor must they be so warmly embraced that the creative drive is lost’.

These descriptions neatly capture the atmosphere of Beijing in the first decade of the twenty-first century — a city in transition forwards, with drastic changes in the built environment and mass arrivals of young talent from both within and outside China. Artists and other creative types are reacting to China’s socio-spatial transformation, with themes such as demolition, displacement and migrant workers frequently appearing in their works (Kochan, 2010). With the accumulation of wealth, the rise of private art patrons and the expansion of the international art market, a contemporary art scene has rapidly flourished, and the creative drive has centered on these organic artist villages on the urban periphery. However, government intervention has equally quickly altered the cultural landscape of the city with the establishment of more than 20 CCI clusters, many of which build on previous artist villages. The districtification of artist villages is a new spatial strategy by the local state to control cultural production in the context of privatization and globalization. It is still too soon to determine whether or not the new state control will suffocate urban creativity. Creativity may migrate once again to new territories under the pressure of state surveillance and real estate development fever, and artists and other creative types may confront, circumvent and react to both state and market forces in their everyday production and resistance. Continued research is needed to examine the ongoing struggles of state control and cultural production unfolding in Chinese cities. This study of China’s emerging art districts provides a comparative case for reflecting upon the role of the state in the governance of cultural industries in other urban institutional environments.

Postscript

On 22 February 2010, a group of about 20 artists marched along Chang’An Avenue towards Tiananmen Square to protest against the demolition of their homes and studios in an artist village on the fringes of Beijing. Although protests against demolitions are not uncommon, this was the first time that protesters had marched in the symbolic heart of the city — near Tiananmen Square. The artists only made it about 150 meters before police intervened. Many of the artists had signed long-term leases with the village government, but the land had recently been transferred to private developers and the artists were ordered to leave within weeks. The developers cut off electricity and water, and in the week before the protests, the artists were attacked by thugs hired by the developers; several of them were hospitalized. Ai Wei Wei, a central figure in the contemporary Chinese art scene whose popular blog was blocked by the government, led the protest. He managed to send out messages and images of the protests via Twitter. This incident exemplified the escalating tensions between artists and real estate development, which may yet trigger new responses from local government and lead to new strategies of governing in art districts. Ai Wei Wei was arrested on charges of tax evasion in early 2011. He was released several months later, but is not allowed to speak to the media about the arrest.

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Résumé

Le discours des industries créatives a été amené en Chine au début des années 2000 par le réseau épistémique des chercheurs et des consultants internationaux. Depuis, il a gagné un appui enthousiaste dans les circuits de politique intérieure où on le considère comme la clé de la transition du 'Fabriqué' au 'Créé' en Chine. Cet article replace l'essor de l'industrie créative chinoise dans son contexte urbain, en s'attachant aux stratégies spatiales de l'État, lequel cherche à reconstruire la production culturelle en transformant d'anciens villages d'artistes organiques en quartiers d'art officiels. À partir d'un travail de terrain sur les arts visuels et du spectacle à Beijing, il apparaît que l'État local a étendu son contrôle de la créativité artistique en 'croisant' les conseils d'administration, par la nomination des mêmes représentants gouvernementaux comme administrateurs dans de nombreux organismes régissant les quartiers artistiques. La redéfinition des villages d'artistes en quartiers a entraîné une 'urbanisation artistique' rapide de villages ruraux dans le cadre d'un aménagement autour des arts, validé et piloté par l'État local. L'urbanisation artistique est une stratégie spatiale pour que l'État récupère son contrôle de la production culturelle et tire parti de l'essor immobilier. Elle a conduit à un regain de censure artistique et à une vaste spéculation foncière.