

# Chapter 1

## Local Milieu in Developing China's Cultural and Creative Industry: The Case of Nanluoguxiang in Beijing

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### **ABSTRACT**

*This paper examines the role of creative milieu and cultural heritages in the development of Chinese cultural industry. Through case study of Beijing's Nanluoguxiang, where several arts institutions and theaters concentrate, it depicts the birth and growth of a creative place for free artists in the institutional changing of Chinese cultural setting. Based on field survey data from artists, managers and visitors, it shows the spouting and growth of local creativities in a transitional economy needs atmosphere of tolerant and frequent social gathering, especially in spaces like cafes and bars. It also suggests that making a good use of local cultural and creative resources like heritages and folk customs enables the superiority of localization standing out in the wave of globalization. The key findings indicate that the newly-built creative parks might be useful to breed the creative products, but not necessary.*

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## **INTRODUCTION**

Since the end of last century the set of cultural and creative industries have presented increasingly important employers, export earners, and competitive strengths in developed countries. This poses a formidable challenge to developing countries. Since cities in China used to compete for business with tax incentives and well-trained, docile and low-cost labor forces, the imperative for a change is undeniable.

Along with the on-going debate on the importance of cultural and creative industries for the economic development of cities, this discourse has been enhanced by the milieu concept and cluster concept. More and more studies look at creative cities of developed countries. However, there is a lack of literature on the milieu of cultural and creative industries in developing countries. This paper is intended to fill this gap.

In the background of the fever of building “creative parks” in China, this paper focuses on Beijing’s old Nanluoguxiang where the artists are clustering. By an in-depth interview and survey with free artists and bar managers, the paper argues that the role of local space and the milieu of creative and cultural industries can be significant in the creative processes. While the local tolerant atmosphere has been released by effective institutional reform, talent will enhance the creative milieu, the related groups such as the local fans of art may spark off positive feedback to the locality, and the place can be a catalyst to creative activities. The creative infrastructure like cafes and bars plays an important role. From this point of view, the newly-built creative parks might be useful to breed the creative products, but they are not necessary. The key for the development of local creative activities is to attract the creative talents to be there.

## **POLICY BACKGROUND OF THE CASE OF NANLUOGUXIANG**

China’s cultural undertaking was treated as a political propagandistic tool but separated from economy

for three decades after 1949. The traditional cultural goods and services fell in stagnancy during the overwhelming “modernization” throughout the country, especially in cities. As the economic reform proceeding, the state art agencies have gradually gotten rid of a purely academic style, starting to promote art products to the market. Since the 16th National Congress of CPC in 2002, to meet requirement for China’s entry into the WTO, China has formally encouraged non-government sectors to participate in cultural undertakings<sup>1</sup>. In the Tenth Five-year Plan of National Economic and Social Development of China in 2005, “improving culture industrial policy, strengthening the management of market of culture products and services, promoting the development of culture-related industry” was addressed. Since deepening reform of cultural system, general art troupes, publishing houses, newspapers and magazines on culture, art, life and popular science, bookstores, movie studios, theaters, TV play producers, cultural intermediary organizations have gradually restructured into market businesses. Large part of the cultural undertakings has undergone the change of commercialization, which makes it distinctive to study the milieu breeding of the cultural and creative activities. The contemporary change of Nanluoguxiang in Beijing reflects this situation.

Nanluoguxiang - South Gong and Drum Lane - is in the Dongcheng district of Beijing in the old part of town. This lane used to be the geometry centre of the city in Yuan dynasty, and has a history of about 740 years. Nanluoguxiang is intersected by 16 branch parallel alleys (Hutong) on both sides, showing the pattern of “fish-bone” dating from Yuan dynasty. Among the heritage protection areas of China, Nanluoguxiang is the one which reserves the most complete urban pattern, possesses the most history heritage and story, and has the richest cultural connotation. In the recent years, more than 30 various cafes and bars are springing out along this lane, which makes Nanluoguxiang a place of interest for tourists and a place of leisure for local residents.

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