

## April 2013. Vol. 17, No. 2. – Management Strategy for Songzhuang Culture and Creative Industry Cluster: Nan Yang – Personalization of Place: Remixing the Eugene Coloring Book: Emily Hope Dobkin

[Read Emily Hope Dobkin's article, "Personalization of Place: Remixing the Eugene Coloring Book."](#)

### Management Strategy for Songzhuang Culture and Creative Industry Cluster

**Nan Yang**

#### Introduction

In the summer of 2011, I was able to visit and interview many extraordinary artists in the Songzhuang, China community as a member of the [2011 ChinaVine Beijing Summer Field School](#). This experience inspired me to complete masters level research related to the Songzhuang area as a graduate student in [Arts and Administration](#) at the University of Oregon.

My research interests in Songzhuang area were triggered by the rapid development of the Culture and Creative Industry (CCI) in China. Recently, CCI has been the most frequently cited topic on government memos, media, and research papers. At the Eleventh General Meeting of the Ninth Party Committee of Beijing on December 27, 2005, it was announced that the city of Beijing would promote CCI to become the pillar of the city's future development. The Chinese government believes developing the creative industry will enhance China's national competitiveness (Keane, 2006). Furthermore, it is believed that these creative industries will not only convert the static forms of culture into interactive forms, but also drive economic growth and promote diversity (Keane & Zhang, 2008).



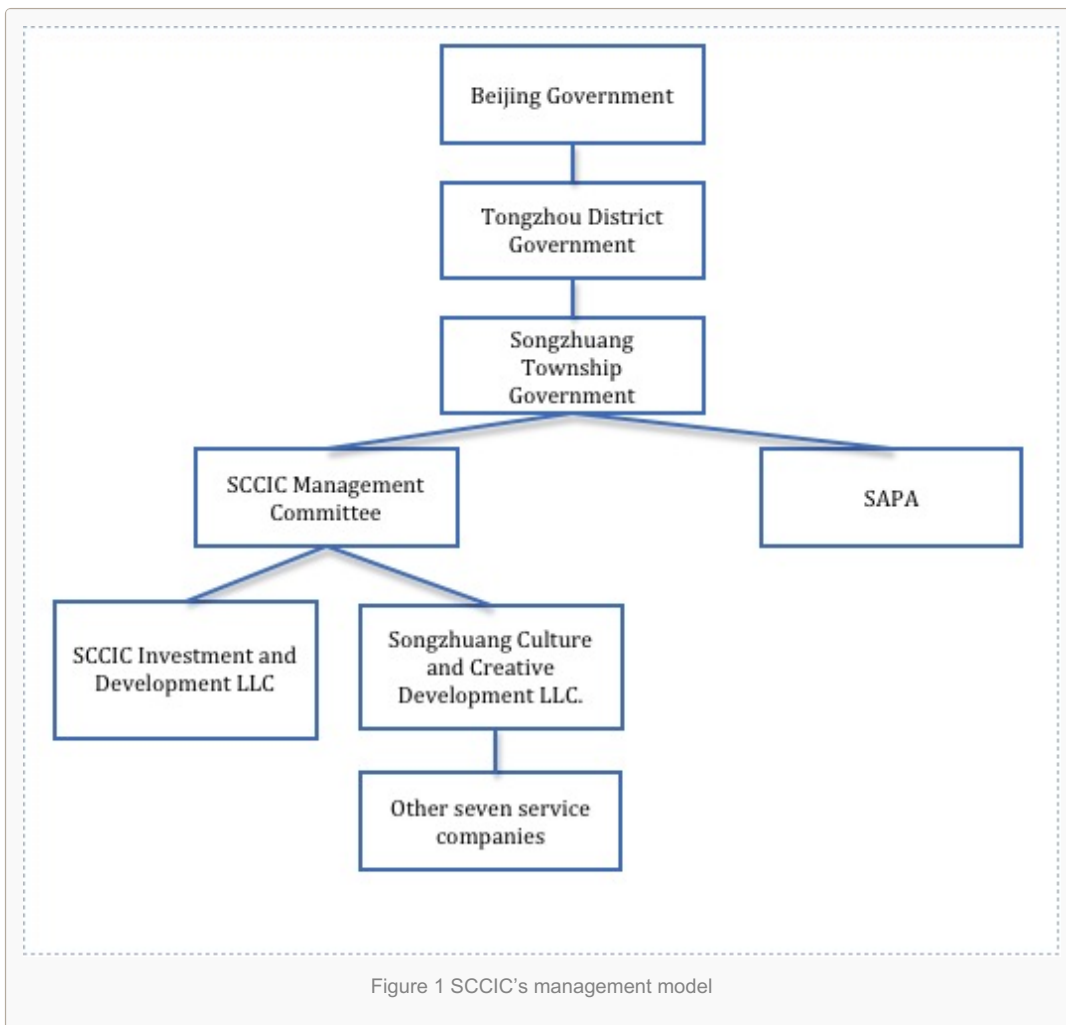
As creative districts gain global popularity, what can we learn from the challenges and proposed solutions facing China's Creative Industry Clusters?

Hitter and Richards (2002) pointed out that "creative industries show a strong proclivity to clustering", because inside the cluster, people could "share production facilities, draw on the same audience, or engage in collaborative marketing (p. 236). Reflecting on this observation, China now has numerous areas designated as Culture and Creative Industry Clusters (CCIC). In the CCICs of Beijing, Songzhuang Culture and Creative Industry Cluster (SCCIC) has one of the most promising futures. Currently, there are more than 4,600 artists inside Songzhuang area, including many world-renowned artists and many young artists as well.

Many previous research efforts have made reference to SCCIC; however, most of the existing research on Songzhuang was conducted before the Central Art District (CAD) plan. In July 2010, at the Sixth Songzhuang Art Festival press release, Songzhuang Township Government proposed a new long-term development plan: to develop

SCCIC into a new CAD in Beijing<sup>1</sup>. This ambitious plan also included building eight functional Industry zones inside the CAD. With the new development plan, the Songzhuang government has displayed their determination to build CAD as an international brand for Beijing.

As figure 1. shows, the budding CAD's current management and support system is comprised of three parts: SCCIC's management model, government support, and private sector support. The direct local authority for SCCIC is its Management Committee. A paralleled organization of SCCIC management committee is named Songzhuang Arts Promotion Association (SAPA). It is a nonprofit organization held by Songzhuang artists and the Songzhuang township government. SAPA works as a bridge to connect artists with the government, local residents, and other businesses. There are three levels of government support for SCCIC. The Beijing government, Tongzhou District Government and Songzhuang township government each provide financial support for project subsidizing, tax reductions, and so on. In terms of the private sector's support, SCCIC has already attracted big property enterprises to launch real estate projects. World Trade Center (Shanghai Holding Group) and Sanchime (Sanchen) Cartoon Properties Ltd. have already signed the contract with the SCCIC Management Committee to invest over 3.5 billion RMB (0.5 billion USD) inside SCCIC for several projects (World Trade Center (Shanghai) Holdings Group & Sanchime Cartoon (Beijing) Properties Ltd, 2011).



Almost three years have passed since the CAD concept was shown to the public. There are many questions left unanswered. For example: how is the development progressing? Is the policy suitable for the development? What is the artists' living status after the CAD plan? During my research, I have examined those questions above, analyzed SCCIC's current situation, tried to refine the current development strategy for the cluster, and eventually provided suggestions for SCCIC's future development.

## SCCIC's background and its comparative advantages

Songzhuang is a township located in the Tongzhou District within the eastern suburbs of Beijing. Since 1994, many artists have begun renting and purchasing peasants' homes to set up their own studios in several of Songzhuang's villages, such as Xiaopu Village and Xindian Village. In 2006, the Beijing government officially recognized the Songzhuang artist cluster as a Culture and Creative Industry Cluster. Compared with other CCICs in Beijing, SCCIC has many unique advantages. First, it is strategically located. Positioned at the junction of Beijing's main axis, Chang'an Avenue and the eastern development belt, its cultural and creative products may be easily transported and traded throughout the world. Second, support from various levels of government has given SCCIC many advantages in terms of policy and planning. As a developing cluster, it has plenty of underdeveloped land and abandoned factories available for repurposing. Taking advantage of these resources may reduce future capital building cost. Also, given the development of the cluster, more international artists are slated to move to the area. Songzhuang artists have and will continue to attract arts agencies and international investment opportunities. Finally, SCCIC offers an unparalleled abundance of human resources and business opportunities.

Artist He Xuesheng, from Ningxia province, moved to Songzhuang in 1993. In 2008, after several years of painting, he spent 250,000 RMB (40,000 USD) to rent an acre of land from the Songzhuang Township Government for 50 years, upon which he built his own studio<sup>2</sup>. Because of the advantages of SCCIC, many foreign galleries and agencies visit his studio each year to purchase his work. He said the creative atmosphere of Songzhuang has provided him numerous inspirations, and he believes that compared to other culture districts, living in SCCIC brings him more opportunities.

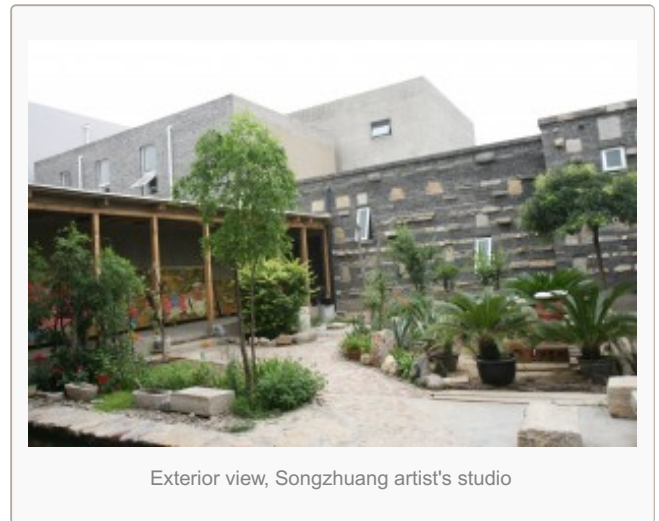
## Problems and Suggestions for SCCIC

### Management issue

SCCIC is a bottom-up cluster. Bottom-up indicates the cluster initiated from the organic local communities without governmental or public sector involvement and was later handed over to government officials and private real estate companies to manage (Hitters & Richards, 2002). The problem that lies in the management of such a cluster is that the artists spontaneously gathered to the area due to its freedom and rural features. However, when government starts to manage the cluster, conflicts between the management committee and artists can arise. SCCIC shares this problem. In order to solve this problem, I suggest that a third party entity should be introduced to help with management. SAPA should work as a mediator to alleviate the tensions between SCCIC committee managers, governments, and artists. Since the SAPA has support from artists, it would provide more elasticity and less censoring of the content for artists' exhibitions and arts' activities.

### Inequity problem

The social inequity issue is another problem that exists within SCCIC. At present, SCCIC is focusing on attracting investment and land development. However, the needs of artists are less mentioned. Artists are the founders of this



cluster, and they are also the human resource for the future development of SCCIC. Despite the fact that there have already been many successful artists, those artists are on the top of the pyramid, and most of the artists in Songzhuang are still struggling financially. Most of the artists in Songzhuang are self-employed. They do not have stable incomes, and according to my research, over 80 percent of the artists do not have social security insurance. More than half of the artists are short of money (“Following Report for”, 2012). This situation worsens when artists become ill, causing their quality of life to suffer. For example, after Songzhuang artist, Zhou Yibing, was diagnosed with kidney failure, one sentence kept hovering on his mind, “A whole life’s painting, can’t save my life?” (IONLY, 2011). Due to the illness, Zhou lacks money for treatment, the only thing that he has are his paintings.

This social inequity among artists also emphasizes the importance of SAPA. SAPA has already worked to solve some artists’ living problems. After learning of Zhou’s situation, SAPA worked with an auction website to fundraise money for Zhou. They raised more than 60,000 RMB, and at some level eased Zhou’s financial strain. However, Zhou’s situation is just a single case and effectively guaranteeing artists’ living standards is regularly in question. SAPA could cooperate with the SCCIC Management Committee to help artists solve the health insurance problem by setting up an artists’ health foundation. The money for the foundation could be raised from SCCIC’s government financial support, private donor funds, and small fees from SAPA’s registered artists. When the registered artists face health problems, they could gain assistance from the foundation.

Another way to guarantee artists’ living standards inside SCCIC is to provide artists with employment opportunities to work in companies within the SCCIC. SAPA could build an artists’ database platform, and share it with companies that have partnership with SAPA. When those companies need artists to contribute to the creative industry, they could go directly through SAPA’s platform to find an appropriate candidate. In this way, a win-win situation could be built as partner companies would have more human resources, and the artists could obtain health insurance and a reliable wage.

## **Government’s bureaucratic problem**

Although the government has provided much financial support for the cluster’s development, the bureaucratic procedure for the funding is complicated, causing inefficiency in SCCIC’s development. For example, according to Administration Rules on Specific Funds for Infrastructure Building for Cultural and Creative Industry Cluster (Beijing Municipal Commission of Development and Reform, 2007), more than 24 processes should be implemented in order to get the infrastructure funds from the Beijing government. If any one segment gets stuck during the process, the cluster can do nothing but wait. Finally, even if SCCIC receives financial support from the government, the time and energy that it takes to get the support is wasteful. At the same time, the lack of cooperation between government departments also results in the inefficiency of SCCIC’s development.

A recommendation is to develop a fast channel for governmental departments to more efficiently work together on project applications and approval processes. This would be a positive step in each cluster’s development. Each related government department could arrange specialists to work on culture and creative clusters’ issues and simplify the project application and approval processes. I also recommend the government continue to increase financial support for SCCIC. When the government makes investments first, the entrepreneurs follow, and the CCI’s economies will consequently develop faster (Kash, 2012). In order to attract more entrepreneurs to invest in SCCIC and solve the land development problem, the government should continually increase financial support for SCCIC.

## **Conclusion**

Influenced by the global trend to develop CCI, China has developed its own creative industry and created CCICs in the hope of strengthening its economy and culture. The SCCIC is one of the most well-known CCICs. Beginning as a rural village, the development of SCCIC is a product of the joint efforts of artists, Songzhuang Township Government, Tongzhou District Government, Beijing Government, and private entrepreneurs.

After examining the management model and public and private support for the SCCIC, I found that although SCCIC is

planning to be the Capital Arts District in Beijing, there is still a long way to go. Findings emphasized the importance of SAPA for helping to solve the conflicts between artists and management committees. Developing a meditation office within SAPA would be better beneficial than SCCIC's Management Committee directly examining artists' works and activities. Also, findings revealed a huge inequity problem for artists inside SCCIC, which shows the lack of protection for the artists' social welfare and living standards.

I recommend that SAPA provide health insurance plans for registered artists inside SCCIC. A registration system would also help SAPA manage artists and attract more talent to the district. The government's support is equally important. The government should simplify support application procedures and continue providing financial and policy support to aid in SCCIC's development.

## **Recommendation for future research**

Although this paper has provided some recommendations for SCCIC, the cluster's future development is still unclear. Will SCCIC become Beijing's Capital Art District in the future? Will it attract a talented class of people working within its borders to develop creative products, enhancing China's soft power of culture and economic strength? Or will it become another huge real estate project that attracts investment in skyscrapers and large mansions? The answer remains uncertain.

Therefore, future research needs to be done to evaluate if the recommendations of this study would effectively better the management of SCCIC, especially given the potential longstanding effects of these recommendations. Other research could focus on the future status of SCCIC. When SCCIC finishes its infrastructure and land development phase, the core of SCCIC may begin working on how to: a) attract more culture and creative industry investments; b) industrialize culture and creative products; and, c) best utilize artists' resources. All of these problems require new policies, as well as new management strategies by SCCIC, which should be pursued in future research.

Applied in a broader, international sense, the development of SCCIC raises important questions regarding the global trend of building cultural districts. How can third party entities help manage bottom-up initiatives and liaise between grassroots and governmental organizations? Can health foundations and corporate business partnerships provide more employment opportunities and higher living standards for artists? How may bureaucratic fast channels be implemented to help government departments work together more efficiently? Concrete analysis of these issues may help the arts and culture sector to use the Culture and Creative Industry idea to promote diversity and foster economic growth.

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1. Printcrime can be downloaded directly from Project Gutenberg:
2. Interviewed by ChinaVine on Songzhuang at July, 14th.

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## **Author Note**

Nan Yang, of Beijing, China, received her master's degree in Arts Management from the University of Oregon in 2012 and is currently working as the arts management teacher and public relation director at Beijing Opera and Arts College. Feel free to contact Nan at [yangnan86@gmail.com](mailto:yangnan86@gmail.com) with any comments or questions.

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