

Gathering, branding, and commercialization: development of grassroots artist clusters in China

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Abstract:

The rapid development of cultural industries as well as branding and commercialization of grassroots artist clusters in deserted loft factories and suburban villages in Beijing and other major cities marks the entrance of major cities in China into a post-industrial era. Based on our multiple field surveys and literature review, this paper traces the evolution of grassroots artist clusters from its initial organic gathering to branding and the current phase of commercialization. Similar to its counterparts in the West, the development of grassroots artist clusters in China is driven predominately by market forces. However, the impact of globalization through artwork orders and foreign-owned galleries on Chinese grassroots artist clusters has been unparalleled and has accelerated every stage of the development. In addition, Chinese government policies, particularly the change from opposition to support, have had very strong influences on the development of grassroots artist clusters. Given the importance of cultural and creative industries, continuous scholarly monitoring of the grassroots development and relationship to regional economic development and urbanization is necessary.

Key words: Grassroots artist cluster, Cultural industries, Artistic gentrification, Commercialization, China

1. Introduction:

Although China is still producing a large quantity of labor intensive manufacturing goods, the rapid development of cultural/creative clusters, including grassroots and government or real estate developer

initiated clusters in major Chinese cities has increased rapidly in recent years. The definition of cultural industries is still debated, but a broad definition includes advertising, broadcasting, the film industry, content aspects of the internet industry, music industries, print and electronic publishing, video and computer games, visual arts and performing arts (Gibson & Kong, 2005; Hesmondhalgh, 2002). As such, it is clear that the cultural industries could only be an important economic sector after a country enters the postindustrial era. Therefore, most studies on cultural industries have focused on advanced economies such as those of the US, UK and Western European countries (Bassett, Griffiths, & Smith, 2002; Drake, 2003; Neff, 2005; Power, 2002; A. J. Scott, 1996). More specifically, the literatures on cultural industries is highly concentrated on a few global cities such as New York (Currid, 2006, 2007a, 2007b; Currid & Connolly, 2008; Gibson & Klocker, 2004; Leslie, 1997; Neff, 2005; Pratt, 2000; Rantisi, 2002a, 2002b, 2004; Schoales, 2006; A.J. Scott, 1999; Strom, 2008; Weinstein & Clower, 2000), Los Angeles (Currid & Williams, 2010; A. J. Scott, 1996, 1997; A.J. Scott, 1999) Chicago and London (Evans & Smith, 2006; Hamnett, 2003; R. Lloyd, 2002; Newman & Smith, 2000; Nixon, 2006; Pratt, 1997; Schoales, 2006; Talbot, 2004; While, 2003; Wittel, 2001). Only a few scholars have studied other cities such as Tokyo and Singapore (Yusuf & Nabeshima, 2005) and Mumbai (Harris, 2005).

China's grassroots artist clusters emerged much later than in other advanced economies especially those of world cities as mentioned above, but the development has been extremely fast and unprecedented scale especially in the past 10 years (Murphy, 2012). Some clusters have gone through the initial gathering and branding stages to become commercialized in recent years. Some recent studies have examined the production and reproduction of culture in a global city focusing on the development of 798 Art Zone and its effect on Beijing (Zhou & Breitung, 2007). Other studies have focused on promoting Beijing as a global city to explore the art and power using 798 as a case in the new China (Currier, 2008), and discussed the cultural embeddedness of fine arts industries in Beijing (Zhou & Shen, 2008). Ren and Sun's study on artistic urbanization in Beijing used 798 and Songzhuang as the main cases to examine the development of artist clusters and state's spatial strategies of reconstituting control over cultural production to profit from real estate development (Ren & Sun, 2012), while Chou argues that local state intervention does not ultimately benefit the development of organic cultural clusters in the city (Chou, 2012). Some scholars researched art-led urban regeneration and gentrification (J. Wang, 2009; J. Wang & Lau, 2009) as well as the role of the "entrepreneurial state" in the development of Shanghai's cultural industrial clusters (Zheng, 2010). Although some studies have been done on the subject, many questions remain to be answered, such as: To what extent has the development of cultural industries in China been affected by the forces of local economic development and globalization? How similar or different are Chinese art clusters compared with SoHo in New York (Currid, 2007b; Simpson, 1981; Zukin, 1989) or other art clusters/agglomerations or Neo-bohemia (Richard Lloyd, 2010) in the Western countries?

Based on the authors' multiple visits during the past ten years to both grassroots artistic clusters and government/developer-created culture industry clusters, the interview records of more than 150 artists, gallery owners, developers, management offices, and local government officials in Beijing, Shanghai, and Shenzhen, this study attempts to provide a better understanding of the development of these cultural and art industrial clusters as we focus on grassroots artist clusters and the forces that drive their change from initial random gathering of artists to commercialization. This paper will first review the development of art and cultural industrial clusters in China, and then analyze the driving forces which will give a special attention on the roles and the impacts of market forces and government policies on the cultural industry development. The last section will summarize the paper with a discussion on future studies.

2. The rise of grassroots artist clusters in China:

Created by some avant-garde freelance artists, the earliest grassroots villages emerged in Beijing in the mid 1980s. To this day, many of the artist clusters have gone through three stages of development from organic gathering, branding to commercialization. The development history of China's grassroots artists' clusters in the three stages is briefly reviewed below.

2.1 Organic gathering of freelance artists, 1979-2002:

Modern Chinese art that refers to the avant-garde works of art produced after the Cultural Revolution emerged right after China's economic reforms in 1978. When the groundbreaking Star Show was held in downtown Beijing in 1979 (Zhan & Huang, 2008), modern Chinese art was not only unknown but also jobless. After the show, artists worked individually with small gatherings until the mid 1980s when economic growth, open door policy, and gradually relaxed control on migration made it possible for freelance artists to survive. In Fu Yuan Men Village near the ruins of Yuanmingyuan the former royal summer palace some young artists who just graduated from art colleges and had the courage to refuse taking their assigned jobs in other provinces along with some middle aged ones who left their jobs in other provinces rented some farmer's rooms/houses and started the first sizable gathering of artists in China. The Yuanmingyuan artist village is close to the two top universities in China Peking University and Tsinghua University, but most importantly, this was a place to live in Beijing with affordable rent and little resistance to unauthorized renters who had no local *hukou* (resident registration). Here, beneath the notice of the local authorities in their interstitial niche, the avant-garde artists created paintings and sculptures, exchanged ideas, viewed each other's exhibits, partied and drank until dawn, as well as supported each other financially. Some have later on sold their work at prestige auctions around the world for millions of US dollars, such as Fang Lijun, Zhang Xiaogang, Yue Minjun and Wang Guangyi (Adams, 2007; Epstein, 2008). At its peak time in the early 1990s, the Yuanmingyuan village (including Fu Yuan Mun and surrounding villages) attracted more than 300 artists from all over the country and became a unique phenomenon in China. Although it was an "underground club" at the time, art dealers and collectors knew the place and even came from overseas to purchase the first works of radical artists. When an article titled "The Artist Village in the Ruins of Yuanmingyuan" was published in the China Youth Daily in 1992, the village attracted more domestic and international attention including that of the local authorities (Art Speak China, 2011). Being seen as marginal men or "Bohemian" and concerned about potentially subversive activities, local policy visited the artists' studios and residences frequently. Some artists were warned or even arrested. In 1995, the village was officially closed by the authorities and all artists were evicted.

Another organic artist village Dongcun (East Village) outside of Beijing housed radical avant-garde artists, writers, musicians and performing artists. Occupied by poor migrating workers first and then freelance artists who were also financially struggling, the village did not have a name until 1993 when some artists were inspired by the East Village Art District in New York and named it Dongcun.

Shortly after the artists moved in, their naked shows shocked the neighborhood and the authorities. Police arrested some artists and closed the village in 1994 (Art Speak China, 2009) - only one year after the village was created.

The evicted artists from Yuanmingyuan and Dongcun moved farther away from central Beijing into more isolated villages in distant suburban areas; Songzhuang and surrounding villages such as Xiaopu, Daxing, Xindian, Lamazhuang, Renzhuang, Beisi, Baimiao and Xiaoyanggezhuang in Tongxian have received the largest number of artists since 1994. Songzhuang, the name of the township that includes most of above villages, was recognized later on in the early 2000s by the local government and became China's largest organic artist cluster with more than 4000 artists today (Guo, 2010; Hong & Wu, 2009). Interestingly, Songzhuang was selected as an artist village due to a random personal connection. Mr. Zhang Huiping, one of the first artists who moved from Yuanmingyuan to Songzhuang, heard about this village because Songzhuang was the hometown of his former student. Mr. Zhang liked the large yard of the villager's houses, the cheap rent, and little resistance to unauthorized dwelling (Chen, 2006). Some other leading artists from Yuanmingyuan such as Fang Lijun, Yue Minjun and Liu Wei were amongst the earliest settlers in 1994. Many Yuanmingyuan artists moved into Songzhuang in 1995 when they were evicted and many more came later on.

History is often made by a combination of inevitable trend and accident. While development of cultural industries is surely to happen with China’s rapid economic growth, more open policies, and marketization of urban land, location selection of earliest grassroots avant-garde urban artist clusters was somewhat accidental. In the early 2000s, when the Central Academy of Fine Arts (CAFA) relocated from Wangfujing (Beijing’s central business district) to the current location in Huajiadi, they came to a neighborhood of manufacturing complexes including 798 and six other military electronic plants in a large compound covering an area of 640,000 sq. meters (158 acres). Having the largest saw tooth-shaped roof complex of Bauhaus-style architectures in the world, 798 were only partially functioning at the time with a lot of idled and abandoned workshops and warehouses.

In December 2000, sculptural professor Sui Jianguo (the chair of the sculpture department at CAFA) was attracted by the bright and loft Bauhaus-style workshops in 798 and rented an abandoned furnace machinery workshop to set up his personal space for sculptural work (Zhou & Breitung, 2007). Although it was not a new idea to use an idle workshop for art work, especially given that CAFA was temporarily housed in the former Beijing Semiconductor Parts Factory for five years during their move from Wangfujing to Huajiadi, it was unheard of at the time that an individual professor could rent a workshop for his personal studio outside of school. It was indeed unprecedented at the time not only because a professor working for himself outside of the college was not allowed, but also because no one thought it was possible and even knew how to rent a defunct workshop in a state-owned factory for individual use. Professor Sui’s “rebellious” action (whether it was intentional or accidental) started a new page in China’s development of grassroots art and cultural clusters in an urban area the reuse of manufacturing land by freelance artists.

When the door is open, people come in. The first group of people who moved into 798 after Prof. Sui was two publishers and a writer: Hong Huang and her magazine “New Tide”, Robert Bernell an American art publisher and his Timezone 8 Art Books Store, and a writer/ musician Liu Suola with her studio (L. Cheng & Zhu, 2008). Mr. Bernell’s accountant Xiang Xiaoli and her husband also brought a group of visual artists into 798. Huang Rui, Xu Yong, Bai Yiluo, Chen Lingyang and more artists set up their studios in 798. Some people consider 798 an international art cluster from the beginning because one out of four of earliest residents were American but others think 798 became a truly international artist cluster only after the Japanese-owned Beijing Tokyo Art Projects opened its inaugural exhibition - Beijing afloat in 2002 (L. Cheng & Zhu, 2008). Figure 1 shows the location of grassroots artist villages or clusters in Beijing.



Figure 1 Grassroots Artist Clusters in Beijing

While the grassroots artist clusters in Beijing were still struggling to gain acceptance by government and society, most of Shanghai's artist clusters and cultural industries took a top down approach and had a smooth and rapid development. Affected by the *tui 2 jin 3* of urban economy and marketization of urban land, many factories in major Chinese cities moved out of urban centers, merged with other factories or closed down. Some of these industrial properties were torn down and rebuilt for residential or commercial use ((Zhou & Breitung, 2007), but many were abandoned and became eyesores. Shanghai, the largest industrial city in China with numerous factories located in residential and commercial areas, faced the biggest challenge to reuse and redevelop these abandoned industrial properties. The city's government took the initiative and turned them into shopping centers, residential areas, as well as cultural and creative industrial districts, and then allocated funds to improve the physical environment of the area Tianzifang cultural district is a typical example. The roads were repaved and sewer systems were repaired on Taikang Road first, and then designated as a cultural and art district. The government then gave permission to Yilufa Cultural Development Company for renovating and managing the abandoned industrial properties on the street. When the world-renowned artist Chen Yifei opened his studio in 1999 in a former carpentry workshop of Shanghai Food Machinery Factory, more artists moved in including Er Dongqiang, Wang Jiyin, Wang Jiajun, as well as some foreign ones ("About Tianzifang," 2010). Many art stores, design offices, fashion stores, and café shops also followed, making the street an art creation and exhibition, as well as shopping, eating and tourist attraction. Tianzifang was designated as the first cultural and creative district in Shanghai in 2002. Different from organically developed creative artist clusters in Beijing and many other cities, most of Shanghai's cultural industrial clusters are not only recognized by the government, but also commercialized right from the beginning.

Another art/cultural industry cluster that became known during this time period is Dafen Village in rural Shenzhen. Different from creative artist clusters in Beijing, this cluster is a money making and profit driven industrial cluster for artwork reproduction although it developed during the same time period as Yuanmingyuan village. Since Shanghai and Dafen's cultural industrial clusters took different development paths, this paper will not further discuss them in detail.

In summary, the emerging and early gathering stage of grassroots creative artist clusters has taken more than two decades. Avant-garde artists started underground gathering in villages such as Yuanmingyuan and Dongcun in the 1980s and were forced to move from one place to another by the authorities in the 1990s until they settled down in places like 798 and Songzhuang in the early 2000s. Similar to the experiences in Western countries such as SoHo in New York, China's grassroots artist clusters also emerged in major cities especially in Beijing that has had the highest concentration of artists and artist clusters. However, the earliest artist clusters in China were all in suburban villages instead of in deserted factory lofts as those in Western countries (Simpson, 1981) because China's economy was still in the industrialization stage and urban factories were still in operation at the time. In addition to government or developer rebuilding plans and neighbors' complaints about the artists' behavior that all emerging artist clusters have to deal with in the world, Chinese artists had to face local authorities on the political correctness of their work and permit issues for renting a place without local *Hukou* causing them to be evicted or even arrested during this early stage of development.

2.2 Branding and Recognition, 2003-2005:

2003 was an important year in the history of grassroots artist clusters in Beijing and the development of cultural industries in China when many organic artist clusters began pushing for their clusters to be known and recognized domestically and internationally. In Beijing, artists in 798 organized the *Re-create 798* event in April 2003 that declared the transformation of 798 from a factory to an art district/cluster (L. Cheng & Zhu, 2008). In the same year, Li Xiangqun who is a professor of Tsinghua University and a National People's Congressman as well as a 798 artist, submitted a proposal to the National People's Congress on "protecting old factory architectural heritage and fostering a developing art district" (L. Cheng & Zhu, 2008).

The proposal caught the attention of state and Beijing governments who put the plan to demolish 798 and rebuild it into an electronic city on hold. In 2004, German Prime Minister Schroeder visited 798 and expressed his delight in seeing the largest Bauhaus architecture, no longer found in Germany, so well preserved and turned to an Art Zone. Since then, more world leaders have visited 798 including EU Chairman Barroso, French President Sarkozy, and Chairman of International Olympic Committee, Jacques Rogge. They highly praised the 798 Art Zone and some even purchased art works. In 2005, the Bauhaus architecture complex in 798 was officially recognized by the Beijing municipal government as “Exceptional Modern Architecture” and designated to be protected. This decision cleared the way for the designation of the 798 Art Zone at the beginning of the following year (2006) by the Beijing government and its local Chaoyang District Government as Beijing’s first “agglomerated district for cultural creativity” (L. Cheng & Zhu, 2008).

Since 2003, more artists and art galleries have moved into 798 with the number of businesses reaching 109 in 2005. In this spacious loft and secluded environment, modern, avant-garde, radical, critical, and realism artists are constantly testing and pushing the limit of freedom of expression in China. Some of their pieces were sold in prestige auctions in millions US dollars worldwide and many more were openly exhibited, although the artists of some politically incorrect works were forced to take something off from time to time by the authorities.

Songzhuang village had a similar experience to 798 but had it much easier than Yuanmingyuan and Dongcun villages. In 2003, the Songzhuang Artist Community of China converted the buildings of former Songzhuang supply and marketing cooperatives that covered more than 2,000 sq. meters (0.41 acre) in land area and over 400 sq. meters exhibition area to artists' studios and opened it to visitors in December (Songzhuang Artist Community of China). Songzhuang Art Center - a 2,000 square-meter exhibition center - broke ground in 2003 and held its inaugural exhibition of the First Songzhuang Annual Art Festival in 2005. The event attracted about 800 art works and more than 100,000 visitors including overseas art collectors, dealers, critics and gallery owners (Z. Wang, Hong, & Zhou, 2005).

In addition to the publicity that grassroots artist clusters attracted, the Chinese government began to realize the important role that cultural and creative industries could play in the next stage of

China’s economic development from “Made in China” to “Created in China”. As such, both state and local governments adapted new policies to support, stimulate or even directly invest in their development. The inaugural exhibition of Beijing International Art Biennale in 2003-which was approved by the State Council, funded by the central government, and sponsored by the China Federation of Literary and Art Circles the Beijing municipal government and the Chinese Artists Association attracted more than 400 art works from 45 countries and an average of 20,000 visitors per day from Sept. 20-Oct. 20, 2003 (Huai, 2003); the event became a key project in the National Program on Cultural Development as part of the 11th Five year Plan (2006-2010).

In Shanghai, the municipal government issued a twenty-year lease to the Life Style Center Group from Hong Kong and the China Light Group to jointly build a creative industrial park out of a former state-owned automobile brake factory of the Shanghai Automobile Group located at the Bridge 8 on Jianguo Road of the Central Luwan district in 2003. The developers were responsible for the renovation and real estate management of the entire property with a land area of 10,000 sq. meters (2.07 acres) and a built area of 20,000 sq. meters. After the redevelopment of Bridge 8 was completed in 2005, the office and studio spaces were rented to about 70 companies in design services (20%), consulting and planning (34%), advertisement and media services (9%) and others. As the first “creative industry cluster” that was redeveloped entirely from a single abandoned factory in Shanghai, this project was not only a landmark in Shanghai but also a milestone of cultural and creative industrial development using former industrial property from above (“Bridge 8,” 2010). In 2005, the Shanghai Economic Commission designated The Bridge 8, Tianzifang and 14 other sites as Shanghai Creative Industry Clustering Parks (Li, 2006).

In addition to all the domestic changes, 2003 is also the year China's modern art and artist clusters received international recognition when Newsweek listed Beijing as one of the world's 12 "capitals of style," citing the 798 Art Zone as the main reason ((Zhou & Breitung, 2007). The same year, Time included 798 into the 22 most typical urban cultural and art landmarks in the world. In 2004,

Beijing was included in Fortune magazine's annual list of 20 potential cities and also cited 798 as the main reason (Zhou & Breitung, 2007).

From 2003 to 2005, state and local governments as well as some businesses realized the potential value of artist villages or clusters in regional economic development, particularly as a tool for revitalizing and redeveloping abandoned manufacturing land in urban areas and for branding (Currid,2009).When government support became clear, investment to artist clusters and creative districts poured in from central, provincial and local governments, businesses, individuals as well as artists. 2005 saw the beginning of the booming period for all kinds of artist clusters. In addition to existing clusters, many new ones emerged from grassroots artist gatherings or were built by developers, and either designated by the government or became known by the public, such as Shanghai's Suzhou River.

Warehouse, Xiamen's Wushipu village, Chongqin's Tank Loft, Dujianyian's Juyuan Village, Qingdao's Dani Village, Guangzhou's Xiaozhou Village, Zhuhai's Beishan Village, and Kunming's Chuangku, just name a few.

In 2005, the Shanghai Economic Commission designated a total of 34 cultural and creative industry clusters (16 in early 2005 and 18 at the end of the year) with a total built up area of over 900,000 sq. meters (Li, 2006). Other provinces and cities also designated some clusters such as

Qingdao's Dani Village in 2004, Zhuhai's Beishan Village and Chongqing's Tank Loft. The Shenzhen government even set a goal to nurture cultural industry as one of the four pillars of Shenzhen's economy in 2005 (Che, Chu, Yang, & Wang, 2010).

At the national level, the Ministry of Culture of China officially designated the first 42 National Cultural Industries Demonstration Bases in November 2004 (Culture Ministry of People's Republic of China, 2011). Although none of the grassroots creative artist clusters made it to the list except Dafen Village in Shenzhen, the designation itself signified the beginning of a new era with government support and involvement in China's cultural industrial development.

As discussed above, the branding process of China's grassroots artist clusters was exceptionally accelerated when compared with some successful grassroots artist clusters in the West such as SoHo in New York where artists won legal sanction of their residency in 1971 and the declaration of SoHo as a land mark district in 1973 after inhabiting it since late 1950s (Simpson, 1981; Zukin, 1989). In addition to the strong push by artists and the rapid economic growth that brought demands for art products, the significant change of government policies from opposition to support in China played a major role in the process that not only recognized many artist clusters overnight but also stimulated a nation-wide building frenzy of cultural clusters.

2.3 Commercialization of artist clusters, after 2005:

After 2005, cultural and creative district/clusters became almost a panacea of economic development for all regions, large or small, urban or rural. All levels of governments, from town to central government, either actively invested in creating cultural districts directly or adopted very favorable policies to encourage developers to renovate existing industrial properties or to build art and creative districts/villages from scratch. Many developers got land for a significantly reduced price and/or tax exemption/reduction for

building cultural and creative districts, such as the Hai Shanghai cultural and artist district, Panjing Liaohu cultural industrial base in Liaoning, and Suzhou Zhouzhuang Artist Village.

In many organic clusters, while artists were celebrating government recognition and busy meeting with art dealers and galleries, commercialization was speeding up in their neighborhoods and elevating rental prices. Take 798 for an example: the rent has increased from about 0.6 yuan per sq. meter per day in 2000-2004 to 1.5 in 2005 and further increased to over 3 yuan in 2007 (Q. Cheng, 2007) an over five-fold increase in three years. Some developers, seeing how artists could make property value soar in 798, M50 and other artist clusters, added some artistic amenities to their real estate projects and then promoted the project as an artist cluster to stimulate sales and boost the price, such as SoHo Modern City in Beijing and Shanghe City in Chengdu. Some of the developers offered reduced or even free rent to some qualified artists for a couple of years to warm up the real estate project that they claimed to be an artist village/cluster. Shanghai's Da Dongfang (Great Eastern) artist village is a good example ("Asia's largest artist gathering place in Da Dongfang (Great Eastern) contemporary artist village completed in New Town, Shanghai ", 2009). This project is located far from central Shanghai. In order to attract buyer attention, the developer named this project Da Dongfang Artist Village and offered rent free apartments to artists for two years in exchange for two donated artworks to Da Dongfang art museum. As expected, this project attracted artists and media attention at the same time, quickly boosting sales and prices. Two years later, when we called Da Dongfang Village asking about the artists in their village, we were told that Da Dongfang was real estate that was for sale only and the office did not know anything or answer any questions about the artists in their "artist village".

After the spectacular 2008 Beijing Olympic Games, the economic crisis was like a bucket of ice water poured on the art and cultural fever in China. Unlike grocery businesses, art products are not part of people's daily needs, hence, the industry took a harder hit compared to many other economic sectors. Export of artworks plunged after 2008 and has not since recovered. Today, orders of art products are mainly from domestic demands compared with the decade before 2008 when most artworks and products were exported. Almost half of the businesses in 798 closed in 2009 leaving many unpaid rent bills. Other artist clusters experienced similar difficulties. Winter 2009 was long and cold for all artists and art related businesses, even artist villages including Songzhuang were no longer a safe harbor for young artists who could not sell their work or afford the cost of living in Songzhuang and had to move back to their hometown.

Fortunately, China's economy began to recover in late 2009, so artist clusters that survived the downturn rebounded. When the authors visited 798 and Songzhuang in 2010, most of the vacant spaces during 2009 were re-occupied and rent was up to 3 yuan for major road side locations. The number of artists in Songzhuang exceeded 3,000 and the Sunshine Museum, the largest art museum in China with over 20,000 sq. meter exhibition area, opened in Songzhuang. However, all levels of governments were more cautious on funding, designating, and issuing favorable policies toward cultural industry clusters after the economic crisis. Following the Ministry of Culture, Beijing, Shanghai, Shenzhen and some other cities all adapted new procedures to re-evaluate existing clusters and approve new applications for cultural industry based clusters so that only qualified cultural industrial clusters may receive government funding, tax exemptions or reductions, fee waivers and other favorable policies. As the government paid more attention on the money making potential of cultural industries, especially short term money making ability, grassroots artist clusters have fallen out of favor and some are facing serious challenges. Since the price of the land has skyrocketed nationwide and branding of artist clusters further raised land price, the government has become more interested in selling the land for a quick profit rather than patiently collecting a small amount of tax from painting and other sales while hoping that the cluster would one day bring big benefit to the region. As such, even high profile artist clusters are facing challenges.

Currently, it is clear that almost all artist clusters are commercialized to certain level no matter if they were created by grassroots artists, developers or governments in China. Although Chinese grassroots artist clusters have gone through the same life cycle as their Western counterparts from random gathering,

branding to commercialization, the development in China is not only a fast forwarded version but also unique in many ways.



Figure 2 Pace Beijing Gallery in 798 Art Zone (Photo taken by the first author)

3. Driving forces for the development of the artistic economy in China:

Although the creative avant-garde artists are not producing something that can be measured by productivity or efficiency like most other products in the world, they need to sell their artwork so they can pay their bills. In addition, the rent has been a key factor that either pulls in or pushes out artists. As previously discussed, market demand has been the most important driving force for the development of artist clusters. As a developing country, China's artistic economic development started and is stimulated by international and domestic demands for art and cultural products. The international demand includes art foundations and artwork collectors for high priced creative art works as well as low cost reproductions for the general market. Interestingly, both types of buyers reached Chinese artists at almost the same time in the late 1980s and early 90s. When foundations and art collectors/speculators bought avant-garde modern Chinese art for its potential value and the political, social and historical significance behind the artworks that challenged the authorities, and criticized China's communist ideology and socialist system, grassroots artist clusters such as Yuanmingyuan and 798 fostered and thrived. On the other hand, the international demand for decorative reproduction artworks was huge at the time about several million pieces annually, especially for oil painting reproductions from the U.S. and Western European countries. Due to the low labor cost and line painting method for massive reproduction, Wushipu Village in Xiamen, Fujian Province and Dafen Village in Shenzhen became the largest oil painting reproduction bases; Wushipu alone produced 1.2 million paintings or 18% of the world total in 2005 (Lin and Cai 2005).

Domestic demand started later when economic development, especially the real estate boom in the past two decades, raised the demand for artworks from almost zero in the early 1980s to more than half of the market share in 2011. These demands include high end traditional Chinese artwork, decorative paintings and sculptures for new hotels, office buildings, residential buildings, and numerous new squares or city centers. Along with economic development in China, collectable artwork prices have skyrocketed to double, triple or even more than what they had been a year ago. As speculators made a huge profit, many artists became rich instantly.

Although market forces have driven all of the artist clusters in the world to certain level of commercialization,

the commercial use of property in artist clusters differs from location to location. In Western countries, the majority of the past industrial properties were converted to loft apartments for middle or upper middle class renters, including those in artist clusters such as SoHo in New York. This has rarely been the case in China, probably because the demand for commercial and retail spaces is still growing and commercial properties generate more rental income. Further, the rapid increase of personal income in China has created a wealthy class and a fast growing middle class populated by a young generation whose demand for artwork and luxury products has fueled the swift commercialization in 798 and other artist clusters.

In addition to market force, government policies have significantly influenced or determined many aspects of social and economic development in China. As discussed above, the change of government policies has considerably accelerated the development of grassroots artist clusters even though they have received very little, if any, state direct investment compared with state created clusters. Therefore, we believe that the development of grassroots artist clusters has been mostly driven by market forces and demand particularly international demand in China.

Table 1. China Economic Development, 1980-2010

Indicator	1980	1990	2000	2010	2014
GDP per Capita (Yuan)	463	1,644	7,856	29,992	46,652
Total value of Imports and Exports (million US\$)	38,140	115,440	474,290	2,974,000	4,303,040
Actual Utilized Foreign Direct Investment (million US\$)	n.a.	3,487	40,715	105,740	119,600

Source: Department of Comprehensive Statistics of National Bureau of Statistics. 2010. China Compendium of Statistics 1949-2008. Beijing, China Statistics Press. National Bureau of Statistics. 2011, 2015. China Statistical Yearbook 2011, 2015. Beijing: China Statistics Press.

4. Conclusion:

Cultural industries are rapidly growing in China, as evidenced by the branding and commercialization of grassroots artist clusters in deserted loft factories and suburban villages in Beijing and other major cities. This phenomenon marks the entrance of major cities in China into a post-industrial era. From the avant-garde modern artists’ unauthorized and unnoticed gathering in suburban villages of Beijing in the early 1980s, grassroots artist clusters in China have advanced through major stages in the life cycle of artist clusters with a remarkable speed.

Based on our multiple field surveys in the past ten years and information from published materials and literature, this research has reviewed the development of China’s grassroots artist clusters in three stages: initial gathering, branding, and commercialization.

Although many similarities exist, the development of grassroots artist clusters in China differs in many ways during every stage of development from that in the advanced economies. Starting from the initial gathering stage, all of the earliest grassroots artist clusters in China emerged in suburban villages of major cities and were closed down by the local authorities. Though urban clusters in abandoned factory lofts did not exist until the early 2000s, they have taken center stage since their emergence. The branding process began organically and individually but recognition was wholesaled to many clusters when the state decided that cultural and creative industries would propel China’s economic growth from “Made in China” to “Created in China.” The commercialization process of urban grassroots clusters in China has taken a much shorter time and resulted in a commercial district with galleries, design and art stores, and retail stores instead of middle class residential apartments the way many clusters ended up in the West.

Amongst the major driving forces, the impact of globalization on Chinese grassroots artist clusters has been unprecedented. Through artwork orders and large galleries, foreign capital (including foundations, businesses and individuals) has deeply involved in as well as accelerated every stage of development. Although the development of grassroots artist clusters is driven predominately by market forces, Chinese government policies, particularly the change from opposition to support, have had very strong influences on the development of grassroots artist clusters. In light of the goal set by the Chinese government that China will become an innovation-oriented country in 2020 (Sun, 2012), state policy will likely continue to support the development of cultural and creative industries. How this will affect the development of grassroots artist clusters along with market and globalization forces is yet to be determined.

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