

Culture Governance and Local Politics in Taiwan and China: the Case of Taipei and Nanjing ¹

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Introduction

The purpose of this paper is to delve into the model of urban governance on culture conservation in China and Taiwan. The cases of Nanjing and Taipei are selected to demonstrate the formation of urban state entrepreneurialism, grass-roots conservation efforts, and their constraints. Promoting cultural and creative clusters has been regarded as a reflection of the recent trend of globalization in China and Taiwan. This paper aims to explain first how the local state in Nanjing transforms itself into an active market player to create niches of cultural conservation in the process of urban development. The case of Taipei will be utilized to demonstrate the community-based dynamics and the dilemma of a democratic society to strike a balance between market and culture conservation.

Most definitions of the cultural industries are based around a combination of five main criteria – creativity, intellectual property, symbolic meaning, use value and methods of production.² While manufacturing industries usually take advantage of cheap labor and land costs outside of cities, major clusters

¹ Working draft. Please do not circulate or cite.

² Susan Galloway and Stewart Dunlop, “A Critique Of Definitions Of The Cultural And Creative Industries In Public Policy,” *International Journal of Cultural Policy*, Vol. 13, No. 1 (2007), p. 19.

of cultural and creative industries, by contrast, are located in urban areas. Creative cities in the modern world are typically organized around production systems marked by shifting inter-firm networks and flexible labor markets of the sorts described above. These structures provide an essential framework for high levels of information generation and interchange and for frequent experimentation by individual firms in regard to industrial processes and products. The very fluidity of the economies of cities like these means that the firms and workers that comprise them come constantly into contact with one another in ways that help to unleash diverse innovative energies.³ In other words, a fresh state-business relationship will be established in the formation of cultural clusters.

This paper will focus on the role of the local state and local community to integrate urban entrepreneurialism with cultural conservation schemes. Two cases in Nanjing and one case in Taipei are introduced to juxtapose the similarities and differences of two ethnic Chinese cities. This paper will elaborate the interaction between market forces, local governments, and grass-root communities in the context of historical and institutional embeddedness.

State entrepreneurialism and local governance

The local state entrepreneurship is different from the theoretical tradition of local developmental state (LDS) and local state corporatism (LSC) in the manufacturing industry located in the country side. Local state entrepreneurship in the urban areas is closely linked with urban development,

³ Allen J. Scott, "Creative Cities: Conceptual Issues and Policy Questions," *Journal of Urban Affairs*, Vol. 28, No.1 (Jan 2006), p. 7.

real estate promoting, and various forms of alliance formation.

As Jane Duckett argues, while geared to the development of the local economy on a market basis, the LDS and LSC involve the local government as a whole facilitating the development of the local economy by providing supportive infrastructure and conditions for enterprises, whether state, collective or private. In other words, the LDS and LSC resemble a local version of the developmental state, and their motives are indirect, namely the tax revenue that local economic development brings or the successful promotion of the local economy more generally. This is very different from the entrepreneurial state's direct investment and involvement in risk-taking productive business to earn profit.⁴

In his studies on six major cities in China (Beijing, Shanghai, Guangzhou, Chongqing, Tianjin, and Zhengzhou), Cao reveals that China's economic growth can be conceptualized as a "property-led urban economic growth model".⁵ It is about town-scale or city-scale economic growth being led by land sales, property development and the formation of large housing estates, employment zones and urban districts. It gives local governments freedom to initiate growth even though no support from higher-level governments and funding agencies are available. The majority of local governments in the PRC have become more or less reliant on land sale receipts, taxes on development and transaction of property to finance massive infrastructure projects. As land sales revenues are extra-budgetary, those local governments that can sell

⁴ Jane Duckett, "Bureaucrats in Business, Chinese-Style: The Lessons of Market Reform and State Entrepreneurialism in the People's Republic of China," *World Development*, Vol. 29, No. 1 (2001), p. 30.

⁵ Albert J. Cao, "Developmental State, Property-led Growth and Property Investment Risks in China," *Journal of Property Investment and Finance*, Vol. 27, No. 2 (2009), p. 165.

more land at higher prices are more capable of investing in infrastructure and bringing about economic development. According to Cao, state agencies of many different kinds at different levels of the state system are directly involved in business and in a less coordinated and “bureaucratic” way in China.⁶

The property-led growth model of Chinese local states is also reflected in recent works of China’s urban transformation. As You-tian Hsing argues, the local state is a territorial project with physical, political-economic, and ideological implications of state power restructuring. Land is among the most concrete of all the “territorial concretes” in that it provides the foundation of local state territoriality. The process of local state-building and territorial control as are integral and defining elements of dynamics of the state. Urban territorialization is a social process that involves power and resistance. In China, this new urbanism triggered a large amount of protests and local resistances through which many local residences were reallocated elsewhere.⁷

Furthermore, space reconstructions and various image-making programs are undertaken to promote the city’s competitiveness. New growth machine, which contains especially the real estate sector, is formed to promote the city regeneration and re-orientation.⁸ As Wang and Leng indicate, HTIP as a territorial project through which both central and local states seek to promote economic growth by reorganizing the spatial structure so as to facilitate capital accumulation. A project of spatial reorganization is also an image-making

⁶ Ibid, p. 31.

⁷ You-tien Hsing, *The great urban transformation : politics of land and property in China* (Oxford : Oxford University Press, 2010).

⁸ John R. Logan and Harvey L. Molotch, *Urban fortunes : the political economy of place* (Berkeley: University of California Press, 1987). Fulong Wu, “Regional Development in China: State, Globalization, and Inequality,” *Progress in Human Geography*, Vol. 26 (2002), p.430-431. Bob Jessop and Ngai-Ling Sum, “An Entrepreneurial City in Action: Hong Kong’s Emerging Strategies in and for (Inter) Urban Competition,” *Urban Studies*, Vol.37, No. 12 (2000), p. 2287-2313.

venture. Leaders of a city government become entrepreneurs who engage in reorganizing the city's physical space as part of a global campaign to attract both foreign and domestic firms⁹.

Applying urban state entrepreneurialism and proper-led urban growth model to the management of cultural and recreation center could be found in academic studies on the case of Shanghai. For instance, Wu Fulong and He Shengjing adopt the case of Shanghai's Xintiandi (新天地) to demonstrate the process of alliance formation between local state and private developers. According to Wu and He, as a result of administrative decentralization, most of the land development income and relevant decision-making power belong to the local state. Boosting local economic growth, urban development, and raising local revenue become the urgent tasks of the local state. To create a favorable environment for attracting inward capital, and also to make its capability visible to the central state, the local state shows great zeal for city re-imagining through urban redevelopment. Property-led redevelopment is thus widely deployed as a development tactic.¹⁰

In the case study of Xintiandi, the authors find pro-growth coalitions between local government and developers. Despite its role as capital provider, the private sector is still regulated by the government due to its negligible influence on local governance. The government controls the direction and pace of urban redevelopment through policy intervention, financial leverages, and governance of land leasing. Property-led redevelopment is driven by

⁹ Jenn-hwan Wang and Tse-Kang Leng, "Production of Space and Space of Production: High Tech Industrial Parks in Beijing and Shanghai," *Cross Currents*, No. 1 (Dec 2011).

¹⁰ Shengjing He and Fulong Wu, "Property-Led Redevelopment in Post-Reform China: A Case Study of Xintiandi Redevelopment Project in Shanghai," *Journal of Urban Affairs*, Vol. 27, No. 1(2005), p. 5.

diverse motivations of different levels of the government, e.g. transforming urban land use functions, showing off the entrepreneurial capability of local government, and maximizing negotiated land benefits.¹¹

Jane Zheng's research on Shanghai reveals a strong revenue-oriented nature of local governments, highlighting the "entrepreneurial state" as an important dimension in their character: they transform spontaneously emerged urban cultural spaces into a new mechanism generating revenues for both urban growth and their own economic benefit. Local governments promote CCJQ (chuangyi chanye jiju qu, cluster of creative industries) development with place promotion strategies, and they are directly involved in CCJQ-related businesses as market players rather than as independent bodies that effectively control and regulate the CCJQ market through policies and regulations. Furthermore, the case of Shanghai reveals a "public-private" coalition as an important mechanism for local state participation.¹²

In many cases, in China, local governments have demonstrated a clear "entrepreneurial state" characteristic in their manner of pursuing both local urban growth and their own economic profits. The creative and cultural cluster has been a new powerful tool in generating revenues. The corresponding role of local governments is weak in terms of market regulation. However, they more actively participate in urban development as market players.¹³ According to Jane Zheng, factors such as politics and nationalism play minor roles in local Shanghai's state's attempts to create cultural and creative industries. The role of the local state is to form comprehensive alliances with various social

¹¹Ibid, , p. 11.

¹² JANE ZHENG, "The "Entrepreneurial State" In "Creative Industry Cluster" Development In Shanghai," *Journal of Urban Affairs*, Vol. 32, No.2 (May 2010), p. 143.

¹³ ZHENG, *ibid*, p. 164.

actors. These actors include foreign investors, domestic creative workers , and real estate developers. In other words, cultural and creative industries provide fresh “labels” for the local state to boost up real estate market in particular and urban development in general. ¹⁴

The following section will first demonstrate local state entrepreneurship of Nanjing to transfer culture preservation into lucrative culture business.

Governing the Cultural Conservation: Two Cases in Nanjing

Nanjing is different from an international city like Shanghai. The Xintiandi style of urban governance seems to be the model for Nanjing to learn, but these two cases differ in the degree of local state entrepreneurialism and capacities of globalization. However, being the capital city of China for many dynasties and the political center of the Nationalist government from 1928 to 1949, Nanjing is rich in historical sites, heritages, and memories. It is a reasonable choice for the Nanjing leadership to pick the cultural industry as the focus of urban development when the central government decides to promote cultural development as the strategic industry in the future.

Compared to more globalized areas such as Shanghai and Suzhou, Nanjing’s performance in manufacturing and service industries are relatively

¹⁴ JANE ZHENG, “The “Entrepreneurial State” In “Creative Industry Cluster” Development In Shanghai,” *Journal of Urban Affairs*, Vol. 32, No. 2 (May 2010), p. 143, 146.

weak. The cultural industry, under the policy of “creative Nanjing”, was selected by the Nanjing administration to emphasize its long-term connection with ancient and modern Chinese history. Centered around Nanjing, adjacent cities like Zhenjiang and Yangzhou are incorporated into the Greater Nanjing cultural area to enhance integrated capacities to promote cultural and creative industries. Coordination among these three local cities deserves further observation and analyses.

The cultural clusters in Nanjing are also closely related to local state’s efforts to boost up the real estate market. In terms of regulatory supports, the real estate companies are steps ahead of the local state regulations.

The following section will adopt two cases to demonstrate the operation of local state entrepreneurialism of local governance in Nanjing. The two cases –Renovating Yang Tingbao’s former residence (楊廷寶故居), and preserving Chengnan (城南)—show the similarities and differences of entrepreneurialism at different levels of urban governance. The analyses of the cases also indicate the weakness and problems of Nanjing’s governance of the booming cultural industry.

Local state incentives and preserving Yang Ting-bao residence

In the case of Nanjing’s governance to promote culture industries and clusters, the street level shoulders the responsibilities of renovation and transformation of historical sites. The Xinjiekou Jiedao Street Administration (新街口街道辦事處) recently undertook the transformation of Yang Tingbao’s residence into a new culture spot and cluster.

Beginning his early career as the major designer of governmental buildings in the Republican era of 1930s and 40s, Yang was one of the most renowned architects in China. The rejuvenation of Yang's residence is a reflection of bottom-up initiatives of the directors of Xinjiekou Street Administration. Considering the affinity of the School of Architecture of Dongnan University and dense cultural atmosphere, the **director** is very enthusiastic to form alliances with the University to establish salons and exhibition facilities after renovation. The long-term goal is to kick off the cluster of innovative designs around the Dongnan University / Chengxian Street areas, similar to the design cluster around Tongji University in Shanghai. The Street Administration hopes to attract around one million RMB to start the new project.

During our field works the director expressed his frustration with these bottom-up efforts to boost cultural cluster formation in the region.¹⁵ In theory, Yang's residence is an ideal location for rejuvenation. However, the Street Administration has encountered two major setbacks. First of all, the director has to deal with the concept of bureaucratic hierarchy embedded within the whole system. Yang's family members expressed their reluctance to cooperate because the low bureaucratic ranks of the Xinjiekou Street Administration do not match the status of their family. Secondly, the urban district administration adopts a passive attitude toward Xinjiekou's initiatives. Both Yang's residence and Tan Yankai's residence (譚延闓故居) next door are currently occupied by offspring of former high-ranking officials. Relocating them would invite unwelcome pressures and trouble, even though the neighborhood residents

¹⁵ Field works conducted in December, 2011 and November, 2012.

around the property support the projects of relocation. The district administration thus prefers a “wait and see” policy to keep the situation as it is. The current condition of Yang and Tan’s former residential complex, as we observed, is a fragmented property in poor condition of maintenance.

Clashes between market and culture conservation : the case of Chengnan

The Chengnan (South of the City) case demonstrates a more complicated governance model of entanglements among various levels of urban bureaucracies and business representation. Governing cultural industries and renovation projects in Chengnan reflects dilemmas and contradictions of local governance in Nanjing. Civil society has shown its ability to put pressures on the alliances of the urban state and business interests.

Chengnan is the major historical site in the southern part of Nanjing’s metropolitan area. Along the famous Qinhuai River (秦淮河), Chengnan was the center of handicraft manufacturing and cluster of cultural activities during the Ming and Qing Dynasties. The region was fortunate to escape the destruction of wars over the past two hundred years, and the basic structure remained unchanged until late 1970s. Since the 1980s, main buildings have been falling into states of disrepair. Migration of labor classes have changed the social and cultural structure of Chengnan. After the late 1990s, Chengnan has become a shoddy residential area with outdated infrastructure.

In early 2000s the Naging Metropolitan Government and Qinghuai District

Administration launched the rejuvenation plan of Chengnan to rebuild it into a cultural region with humanitarian characteristics. The salient characteristic of the Chengnan case is that the city and district government have become active players, and not just regulators, in the operation of a project of urban entrepreneurship.

In reality, the Qinghuai District faced a dilemma in the process of reconstruction. According to our interviews with district administrators, the comprehensive conservation of historical heritages, by transforming the whole region into what they call “a dead antique”, will certainly lead to a sharp decline in public finances.¹⁶ The introduction of business interests, on the other hand, will result in large-scale relocation and loss of historical flavor. Furthermore, the financial transfer of payments from the Nanjing city government, regarded as the compensation of cost of conservation, was not implemented as promised. The only way out for the Qinghuai district government is to play an active role in the process of urban entrepreneurship and urban redevelopment. The realization of these goals is to engage in urban reconstruction by way of allying with business interests, including real estate investments.

Unfortunately, the redevelopment of Chengnan soon became a negative example of rent-seeking state-business alliance and resistance of civil society. The focus of the controversy was in the western part of Chengnan, dubbed Xinanli (熙南里). Centered around the former residence of Ganxi (甘熙) of the Qing dynasty, Xinanli covers 168 thousand square meters of land. The project, beginning in the early 2000s, was blamed for notorious alliances of real estate developers and the brutal treatment towards residents facing relocation.

¹⁶ Interviews, December 2, 3, 2011.

The core actor in the Chengnan case is the Urban Construction Group. Both the metropolitan and district level organized the Urban Construction Group as a major platform of urban construction, real estate management, and financing. It is also a useful vehicle to ally with private real estate developers. In lots of cases, the urban construction group cooperates with firms, which are established by metropolitan, district, or even street-level administration themselves. In other words, around the Urban Construction Group, the urban administration of Nanjing has transformed itself into a money machine to accumulate capital from the lucrative real estate market. Labeling Chengnan as a new historical culture cluster or model district of cultural and creative industries will quickly boost up the value of real estate projects. In Nanjing, around seventy percent of public finance comes from the lease of lands. The district government is allowed to retain seventy percent of financial revenues from land-leasing schemes. Under such a system, it is a natural choice to “create” fresh pieces of land under the title of cultural industry. Demolition and relocation are necessary instruments to realize policy goals.

According to our interviews, the Xinanli case may involve contingency or even illegal activities of the urban state.¹⁷ The case is the result of a direct order from the highest level of the Nanjing city government. The project did not go through the regular approval process from the Urban Planning Bureau; there is no bidding process on the lease of the land; even the renovation of Ganxi residence was not approved by the State Administration of Culture Heritage. The rushed implementation of the project and strong intervention of the Nanjing leadership cast doubts that the process is free from corruption and

¹⁷ Interviews, December 4, 2011 and November 12, 14, 2012.

rent-seeking.

The harsh relocation process is the major controversy of the Xinanli project. The original plan was to “implant dentures” to replace collapsed buildings among existing historical sites, similar to the way dentures are inserted next to genuine teeth. Under the denture-implanting scheme, the original constellation of the region could be maintained and renovated at the same time. However, the Urban Construction Group, along with affiliated public and private developers, decided to transfer the surrounding areas of Ganxi residence into commercial districts and high-end villa-style residential areas. The new plan thus shifts the “denture-style renovation” into total demolition and reconstruction of the whole area. Furthermore, our interviewees indicate to us that the developers demolished buildings in better shape first, and left the semi-collapsed houses as a showcase to demonstrate the uselessness of the abandoned areas.¹⁸

The harsh process of demolition in Xinanli area stimulated unexpected resistance from the residents. Scholars as well as reporters exposed the problems of historical and cultural conservation in the region. An alliance of residents, scholars, mass media, and the cultural circle was soon formed to raise the cultural consciousness of the Chengnan area. Retired cadres and members of the CPPCC also joined the alliance. A petition was created to submit to the highest level of the bureaucracy. Major public cultural sectors in Nanjing were involved. The event also attracted nationwide mass media attention instead of being solely a story of local interest. Among them, the most active media were more liberal media outlets in southern China such as Nandu

¹⁸ Interviews and field observation, December 2011 and November 2012.

Zhoukan (南都周刊) and Nanfang Zhoumo (南方周末). Xinjingbao (新京報) in Beijing also had comprehensive coverage of the Chengnan case. Local Nanjing newspapers, by contrast, adopted more conservative policies in their reporting.

The petition finally got the attention of the central government. In 2006, Premier Wen Jiabao issued direct orders to review the Xinanli case and called for a stop to the large-scale demolition. New laws of cultural and historical site conservation were promulgated to avoid large-scale demolition without due process. However, demolition efforts continued regardless of Wen's orders. During our field research in Nanjing, we noticed that the excuses offered by the district government are that they "carry out the demolition according to the Enforcement Rules of the old/existing laws". New laws after Wen's orders were not realized until the following year. From the perspective of the local government, demolition of the area was legal. Utilizing the time lag of legal implementation, the district government demolished the properties in a very short period of time with impressive levels of efficiency.

Nevertheless, direct intervention from the top still has far-reaching impacts on Nanjing's governance of cultural industries and conservation. Even though the district government found the legal leeway in Xinanli, large-scale demolition elsewhere was stopped after Wen's order in 2006. The year 2006 has thus become a milestone for Nanjing's governance of the Xinanli case. Within Nanjing's bureaucracies, competing opinions still exist on the substantial steps to govern the Chengnan case. Our interview records show that the Urban Planning Board of Nanjing supports the denture-style conservation mentioned above. At the same time, it also focuses on the

rejuvenation of the area by introducing cultural and limited market factors. The Bureau of Cultural Conservation cares more about the quantitative numbers of historical buildings but pays less attention to the operation of the whole system. According to our interviews, the Urban Planning Board is sympathetic toward civil movement of Chengnan and has become an invincible ally of it.¹⁹ By contrast, the urban construction units at both the city and urban-level prefer the reconstruction and rebuilding of the whole area and transforming it into a culture and recreation center. Their efforts are buttressed by the urban re-development policies of the Nanjing city government. Equipped with capital and experiences of real estate manipulation by allying with developers, the urban construction group still plays a leading role in the bureaucracies.

Despite several rounds of resistance, grassroots civil society in the case of Xinanli plays a limited role. Major resistance is mobilized by “outsiders” who, while cultural activists, are not local Chengnan residents. For instance, Yaoyuan, a native Nanjinger and now a professor at Nanjing University, played an active role in raising consciousness on Chengnan when he was a graduate student at Beijing University. He successfully mobilized support from the cultural and intellectual circles in Beijing and Nanjing and promoted the petition to Wen. According to Yao, missing from such alliances is the collective actions of the local residents in Chengnan. On the one hand, local residents do not have institutionalized channels to take part in the decision-making process of cultural conservation, demolition, and relocation. Secondly, due to the fragmentation of property rights, residents in Chengnan have failed to form a common identity. Instead of indigenous residents, about half of the Chengnan

¹⁹ November 12-15, 2012.

residents are tenants who do not really “own” their houses. For those who have stayed in the old houses for generations, they refuse to accept the financial compensation scheme for demolition because it is much lower than the current market value. For those who are landlords and live elsewhere, they are happy to accept the deal of financial compensation as a revaluation of their properties. Divergence of opinion and interests in Chengnan deter the formation of cultural identity and we-group feelings.

Our interviewees indicate the dilemma of Nanjing as the ancient capital city for ten dynasties. In theory, a city rich in historical heritages is well qualified to become a city of cultural character. Such historical trajectory bestows upon Nanjing a unique “capital culture” (Ducheng wenhua), but downgrades the expansion of entrepreneurship at the same time. This capital culture promotes the ascendance of government officials, but isolates the government from grassroots dynamics at the same time. Compared to those of the booming cities of the Yangze River Delta area such as Suzhou, Wuxi and Changzhou, Nanjing’s bureaucratic flexibility and entrepreneurship are lagging behind. Furthermore, in contrast to an international metropolis like Shanghai, Nanjing is not able to attract global attention and capital inflows from international society. The Shanghai Xintiandi-style historical site with its exotic atmosphere is not easily copied in Nanjing. In the case of Xintiandi, 70 percent of the investments on surrounding real estate come from overseas, especially from Taiwan and Hong Kong. Nanjing’s attempts in labeling cultural and recreation centers as having a “Republican Atmosphere” also aim to bring in investments from overseas Chinese and Taiwanese, but substantial deals are still limited at the current stage.

Implications of the Nanjing case on local governance in China

The preceding pages introduce various levels of governance of Nanjing's cultural industry. Acting as a player instead of a regulator, the local state in Nanjing adjusts to the popular trend of cultural and creative industry development in China, and accommodates local interests by way of promoting entrepreneurialism. Governance of Nanjing's cultural industry is characterized by the organizational structure and bureaucratic networks with business interests.

One salient focus of the Nanjing case is the role played by state-owned enterprise groups in governing the cultural industry. In 2010, Nanjing City government formally established the Nanjing Cultural Industry Investment Holding Company (NCIHC). Tasked with integrating the mass media, performing arts, and other culture-related activities, NCIHC serves as a platform of financial management and alliance formation. The goal is to attract at least ten billion RMB to invest in major projects of historical preservation and emerging cultural businesses in Nanjing.²⁰ Furthermore, the mission of the NCIHC is to cooperate with other SOE groups, such as Nanjing Urban Construction and Investment Group, to develop a coordinative mechanism for governing culture-related industries.

Our interviewees informed us that such SOE groups provide lucrative channels for government officials to shift positions between bureaucracies and SOEs.²¹ For instance, when a bureau chief of the Nanjing City government

²⁰ http://gov.longhoo.net/2010-9/10/content_4071581.htm

²¹ Interviews, December 2011 and November 2012.

receives a transfer to become the CEO of one Nanjing SOE group, he or she will get a raise of more than 100 times his/her original salary. Moreover, there is no vertical or horizontal governmental supervision of these SOE groups. These groups intervene in practically all major aspects of urban development and reconstruction.

Since the cultural industry is the core target business picked by the Central government, establishing NCIHC has become a natural choice to echo Central policies and maximize profits by riding the tide. Moreover, other SOE groups also try to share a piece of the pie that is the emerging cultural industry. For instance, Nanjing Transportation and Communication Investment Holding Group (NTCIHG) controls 51% of the shares in Chuangyi Zhongyang (Creative Central Technical and Cultural Park 創意中央科技文化園), a new cultural and creative park near the Nanjing train station.

Governance of Nanjing's cultural industry also demonstrates a new type of interaction among SOE groups, local governments, and other social actors. Normally they transformed existing abandoned public properties, such as factories of light industries, into "high tech" or "culture" centers. These properties are located in strategic locations near the city center. Their common goal is to utilize the labeling as a useful tool for profit making. In addition to the active involvement in Chuangyi Zhongyang by NTCIHG, the management team is organized by Yinkun Real Estate Development Co. Yinkun forms a cooperative relationship with the Nanjing Association of Creative and Cultural Industries, a government-sponsored NGO. Yinkun provides the financial support, and local scholars serve as consultants. Hence an alliance among SOEs, real estate developers, NGOs and scholars is formed.

The profit-seeking alliances could be found in the cases of Xiaolinwei and Chengnan introduced above. Almost every governmental unit has its affiliated enterprises. The Urban Construction Group at each administrative level established companies to carry out construction projects in cultural centers and historical sites. Governments at the metropolitan, district, and even street level also set up various forms of companies under the label of cultural industry. The complicated networks of state-owned companies have extensive interaction with private real estate developers. In the beginning stage, governments depend on these private developers to get know-how and necessary capital. The government also provides preferential treatments to attract these private developers. Some of these developers are from overseas, especially Taiwan, Hong Kong, and Macau. As the market matures and land prices begin to rise, the more experienced local governments prefer to grant lands and preferential policies to their affiliated companies and get rid of private ones. This will start a new round of mistrust between the public and private sector.

The case of Chengnan shows the importance of civilian resistance toward the alliance between the local state and real estate developers. Similar cases could be found in ancient cities like Beijing. Due to the fact that most of the new cases in Shanghai's cultural and creative centers are formally public properties, civilian resistance is not a major concern. The Xintiandi project started before the rise of residence consciousness in the 1990s. The Chengnan-style governance involving large-scale relocation will certainly be repeated in Nanjing and elsewhere in China. Both the local state and civil society are learning from these traumatic experiences.

The case of Nanjing's cultural industry also demonstrates the importance of the "human factor" in Chinese urban governance. As indicated in the Xinjiekou case, active local cadres endeavor to follow the tide and introduce a market mechanism and entrepreneurship. Opinion leaders in the Chengnan case, including active scholars and the mass media, led the local resistance and shifted the ways the local government accommodates grassroots interests.

The recent activism and entrepreneurialism in cultural industries would not have been realized without the support of top political leaders in Nanjing. The factor of leadership may play a determinant role in the promotion of the cultural industry as one of the key industries in Nanjing. The leading figure of the leadership is Yang Weize, CCP party secretary of Nanjing. Figuring out the new niche for Nanjing's economic development and adhering to the Central policy have become major considerations for the leadership. Yang was deputy party secretary and mayor. He also served as the CEO of the Singaporean Industrial Park in Suzhou and performed impressively as the party secretary of Wuxi. Considering Yang's career background in the booming Yangze River Delta cities, introducing entrepreneurialism and integrating it with cultural and creative industries seems to be natural choice for Nanjing's leadership.

The Case of Taipei: grass-root empowerment and dilemma of market accommodation

In terms of culture conservation, the background of Taipei is similar to Nanjing in some aspects. Nanjing was the capital city of the Nationalist

government in China from 1927 to 1949. The Nationalist government undertook major development projects and urban re-zoning during the “Golden Decade” from 1927 to 1937 before the breakout of Sino-Japanese War. Taipei was under Japanese colonial rule from 1895 to 1945. The colonial government unfolded major projects of urban development and reconstruction of the city center. Major universities and colleges, as well as culture and residential areas around them, were formed during this period of time. Both Nanjing and Taipei experiences high-speed growth at the price of sacrificing contemporary historical heritages after economic take-off. In the case of Taipei, new projects to save existing Japanese colonial style houses were not realized until late 1990s. Before these new conservation projects, hundreds of old wooden houses were destroyed for the sake of constructing new residential apartments and commercial buildings.

In this section, the case of Taipei is selected to demonstrate a different type of bottom-up, community-based dynamics of culture governance. The case under study is the Chingtian (青田) Quarter residential neighborhood of the Da-an District located in the city center of Taipei. The Chingtian case is far from an ideal type of grass-root model of local governance. Compared to the Nanjing case, more social actors emerge to form various partnerships to promote their own goals. This section will also discuss the role of grass-root administration units, the borough (里 Li), and its interaction with market forces and partner social groups.

Bottom-up dynamics of the Chingtian Quarter and surrounding areas

The Chingtian Quarter has been reputed now as an upper-scale residential area with acultured atmosphere near major universities. During the Japanese colonial period from 1895 to 1945, this region had already been the major residential area for university professors and government officials. This type of living environment continued until late 1970s and early 1980s. According to various estimations, there were at least two thousand Japanese style wooden houses spreading around Zhongzheng (中正), Zhongshan (中山) and Da-an (大安) districts in Taipei in the 1970s.²² After 1980s, these wooden houses were either collapsed or demolished to build concrete apartment buildings. The Chingtian Quarter became a quiet, but outdated old residential area with lots of semi-collapsed or abandoned houses. The owners of these old houses, mainly the governmental branches, left them idle without substantial proposals for rejuvenation and renovation. However, the majority of other residents is the Chingtian Quarter remain upper-middle class, public servants, and university faculties.

The property rights of Chingtian are mainly private-owned compared to the case of Nanjing. However, National Taiwan University and National Taiwan Normal University, the two major public universities in the region, hold many big Japanese wooden houses. These houses have been used as the dormitories for faculties since 1950s. NTU and NTNU did not have substantial plans to reutilize these houses after the demise of previous residents. Other public sectors, such as Bank of Taiwan, Railroad Bureau, Forestry bureau, and

²² <http://www.taiwan-panorama.com/print.php?id=201240104036C.TXT&table=1>, April, 2012

Taiwan Tobacco and Wine Company, own various pieces of land and houses. Some properties were sold or transferred to private owners many years ago. Given all these setbacks, the central location and the accessibility to the university campuses elevate the real estate prices of the region, and attract investment from developers. Upper-scale apartment buildings mushroomed after 1980s. These modern buildings co-existed with empty houses, big trees, and quiet allies.

The controversies on preserving the Chingtian Quarter broke out in mid-2000s. In 2004, the National Property Bureau announced if the owner of the public branches did not propose new projects for revitalization, these lands will be confiscated and be re-distributed by the central government. This new policy led to the demolishment of many old houses and the introduction of real estate developers to build luxurious apartment. Thus the 2004 regulation was regarded as the death sentence for historical Japanese wooden houses²³. Since then, “saving” these remaining Japanese style wooden houses and neighborhoods have become major tasks of the “Chingtian Community Development Association” (CCDA). CCDA is an indigenous, autonomous organization supported by local residence of the Chingtian neighborhood. Finally, in 2007, Taipei City Government assigned the Chingtian neighborhood as “Special residential cluster of preservation”. Under the new regulations, land use and new development projects are subject to special restriction and supervision to preserve the cultural heritage of the district.²⁴

The most salient characteristics of the Chingtian compared to the Nanjing case is the involvement of the grass root participation and cooperative

²³ Interviews, March 15, 2012.

²⁴ Ibid.

attitude of the public sector, especially the universities. In order to preserve the Chingtian quarters, CCDA raises the local consciousness to preserve the visible and invisible heritages of the district. CCDA forms partnerships with grass root administrations, community college, National Taiwan University, and Taipower to organize activities of family events, local story telling, and courtyard cleaning . In addition to preserving old houses, other NGOs pay attention to urban ecological protections, especially numerous old trees on streets and within the houses. In the early stage, they encountered some resistances from residences if trees are growing within their private properties. Led by Taipei Wild Bird Association, together with National Taiwan University and local administration, the volunteer team drew a “tree map” and educated local residents by identifying specific species and the importance of preservation. They regard the trees as an important component of architecture and culture preservation of the Chingtian region.

Similar preservation case could be found in adjacent Lishui street allies, about two blocks from the Chingtian Quarter. Lishui Street is right opposite to the main gate of National Taiwan Normal University, parallel to the library walls of NTNU. Just like Chingtian Street, Lishui Street has high concentration of Japanese wooden houses. More than 80 percent of them were demolished in the past decades. One narrow alley, with a row of around 15 Japanese wooden houses owned by Forestry Bureau, became the focus of conservation. A rare Taiwan Cow-tail Fir survived in the courtyard of one of the houses. A grass-root association named after the Taiwan Cow-tai Fir was formed. The small ally soon attracted impressive attention as an ecological as well as culture preservation case. The Taiwan Cow-tai Fir Association launched community fairs, educational campaigns, and called attention to the local as

well as central government to preserve the whole region. The Forestry Bureau of Commission of Agriculture, the owner of the old Japanese houses, later on became a major sponsor of activities of the Association.²⁵

Weakness of the local state and dilemmas of market accommodation

Different from the case of Nanjing, Taipei city government does not play the role as an entrepreneur to serve as a player in the market. The Culture Bureau and Urban Development Bureau of Taipei serve only as rule makers and regulators. In many conservation projects, the Culture Bureau is the nominal host of the event. The grass root NGOs shoulder major responsibilities of implementation. These grass root organizations form partnership with the government, but do not have the duties to follow the policies like the Chinese GONGOs do.²⁶

In contrast to the passive role of Dongnan University in the case of former Yang Tingbao residence in Nanjing, universities play more active role to realize culture conservation and market enhancement. After reclaiming the property rights of a big wooden Japanese house located in No. 6, Lane 7, Chingtian Street, National Taiwan University faced a financial burden to renovate this newly assigned city historical heritage house. National Taiwan University decided to transfer it into a culture center to honor the previous resident Professor Ma Ting-ying of NTU. The new name of the house is “Chingtian 76”. The management of the house was outsourced to a foundation operated by

²⁵ Interview, October, 2012.

²⁶ Ibid

NTU alumni. Liang-Hsuan, a writer and son of Professor Ma, also a former resident of the house, serves as the leading figure of house guide team.

During our field trip to Chingtian 76, we found that the management team has carefully maintained the original interior settings.²⁷ One of the secret code of success of the “creative conservation” is the involvement of Professor Ma’s family members in the team. The house is now operating as a restaurant and tea house. The management team organizes a 90 minutes house tour every morning. Pre-registration is required. We notice that the tour guides are very professional and accessible. The management style of Chingtian 76 is very low profile, and less commercial oriented.

Before the rejuvenation of Chingtian 76, many wooden houses around it experienced similar situation: unclear property rights, shoddy condition, and lack of maintenance. The university and Professor Ma’s family help transfer the old house into a vibrant conservation case. Moreover, the renovation project wins supports from the neighborhoods. During the Japanese colonial era, professors at Imperial University of Taipei created a co-operative to build upper-scale housing clusters in the region. Chingtian 76 is one of these houses in the co-operative project of Japanese professors. The basic principle of renovating Chingtian 76 is to fix everything as it was. Our interviewees told us that neighborhood households, with similar design of architecture, provided supports of shared spare-parts such as window frames and door knobs to help return Chingtian 76 to the original face.²⁸ In some aspects, Chingtian 76 is not purely a commercial case. It is a culture project with supports from the local community as well as major educational units.

²⁷ Field researches conducted between Oct 15-20, 2012.

²⁸ Ibid

The case of Chingtian Quarter also has spill-over effects in preserving other wooden houses and previous home of famous scholars in surrounding regions. For instance, in the past few years, National Taiwan Normal University renovates the former residence like famous English literature professor Liang Shih-chiu. Former residence of history professor Shen Kang-bo of NTU was renovated and transferred into a culture salon of “Chingtian College”. Not every project follows the Chingtian 76 model of outsourcing management. But the creativeness of this unique project does serve as a catalyst for new concepts of preservation.

However, the rejuvenation project of the Chingtian Quarter still could not isolate itself from frictions between markets forces and culture preservation. Such frictions even led to the split among grass-root organizations. The success of Chingtian 76 attracts new projects of revitalizing old wooden houses. In 2007, the Taipei city government designated the Chingtian quarter as a special zone of traditional cluster preservation. 20 wooden houses became the city-level historical heritage building. CCDA , along with the Da-an community college, continue to push the preservation-centered projects and resist the penetration of too many coffee shops , tea houses, and restaurants into this region. In their reports on Chingtian College, the CCDA reiterates the culture and educational functions of preserving the former residence of Professor Shen Kang-bo. In our interviews, leading activists are against the ideas such as “culture industry” or “creative culture” to rebuild the Chingtian Quarter.²⁹

In contrast, according to our interviews, the attitude of the director of

²⁹ Reports of CCDA, October, 2013.

Longan borough is more complicated.³⁰ As indicated earlier, Longan borough is an active player in the various stages of revitalizing the Chingtian quarter. In the later stage, the director is gradually leaning toward the side of introducing market factors and real estate developments to raise the land value of the region. In our interviews, the director was very sensitive in discussing his interaction with the QCDA. In occasions of public hearing of releasing development regulations on the northern edge of Chingtian Quarter, serious confrontations broke out between Longan borough director and representatives from Da-an community college.

New institutional design invokes new rounds of tug of war within the grass root communities. Although many old houses are owned by public sectors in the Chingtian Quarter, the majority are still private properties. Many local residents and land owners oppose the new regulations to limit further development of the precious lands in the city center.³¹ Some community leaders have become the pioneers to request the revision of the constraint policies of the Taipei City government. The compromise was achieved in Oct, 2013 to release some restraints in the northern edge to allow projects of high-rise apartment buildings. Serious debates erupted between preservation groups and local borough leaders in the reviewing process.³²

The introduction of the market factor intensifies the tension between culture conservation and urban development. Furthermore, the state faces dilemmas in striking a balance between market mechanism and community cohesion. Opposite to the Chingtian quarter on the south side of the street,

³⁰ Interviews, Oct 20, 2013.

³¹ *Zhongguo Shibao*, October 18, 2011.

<http://house.chinatimes.com/content-indexNews-content.aspx?NewsID=24954> .

³² *Ziyu Shibao* , Oct 25, 2013.

close to the National Taiwan Normal University campus, is the famous night market of Longchuan street . Bistros, restaurants, and bars spread around the whole region. The Tourism bureau of the Ministry of Transportation tries to integrate , Yongkang Street (north of the NTNU campus) ,Chingtian Street and Longchuan Street into the “Spotlight project of KangChingLong(康青龍)” to boost up local tourism. Some local writers also promote this new idea to attract tourists. The KangChingLong district is also identified in the tourist brochure printed by the Bureau of Tourism.

However, the sprawl of Longchuan Street to neighborhood allies stimulates resistance from local residents. The “spotlight project” became the major target of attack. Residents around the Longchuan street allies resist the noise, smells, and smoke from restaurants and bars. Local residents argue that the “culture project” will downgrade the living quality and real estate market instead of lifting them. The conflict was soon escalated into direct confrontation of banner demonstrations and some physical contacts. Taipei city government was then forced to inspect whether these shops around the NTNU night market are illegally operated in the residential areas. Under the pressure of local communities, many restaurants and bars decided to leave and find other places for their businesses. The remaining shops also formed an organization to negotiate with the local community leaders. The main goal of the “Yellow Ribbon Movement” , organized by Guarding NTNU Business Circle Alliance, is to establish new channels of dialogues between the government, residents, and the business community. After several rounds of serious conflicts, the Bureau of Tourism finally canceled the Spotlight Project and returned its role as an arbitrator to regulate illegal shops and bars in the residential area.

Conclusion

To sum up, the Nanjing case reflects an officially led, urban economic growth model in China's local governance. Cultural conservation and cultural industry serve as fashionable labels to boost the real estate market in particular and urban development in general. Combining the efforts of land use and cultural rejuvenation, the "territorial concretes" do provide the foundation state territoriality. The cases of Xinjiekou and Chengnan are typical examples of grassroots attempts of urban territorialization.

The Nanjing case also provides an example of local state entrepreneurialism in two major aspects. First, the local state invests and becomes involved in a risk-taking productive business to earn a profit. Nanjing, like many other cities in China, restructures and reorganizes state-owned enterprise groups according to the market mechanism. This is not limited solely to cultural groups; other SOE groups invest heavily in real estate-related businesses as well. Projects of cultural industries attract multiple SOE groups to share a big piece of the pie by way of land manipulation.

Secondly, local state entrepreneurialism could also be found in the formation of pro-growth alliances among various level of bureaucracies, private developers, and urban construction groups. In the process of alliance formation, the local state is no longer a regulator and market promoter. Rather, it is a rule maker and active player in the market. In the case of Nanjing, foreign capital plays a more limited role in the alliance.

However, such efforts of urban territorialization involve power struggles and resistance as demonstrated in the Chengnan case. The Chengnan case may also serve as a catalyst to socialize the general public for the emergence of a new identity for Nanjing. Empowerment of the civil society depends on the rise of this new identity for the city and civil consciousness of we-group feelings. From this aspect, the case of Nanjing's cultural industry may serve as a primary step to understand the social dimension of the political economy of China's local governance.

There are basic differences between Nanjing and Taipei. The local government in Taipei lacks the leverage of space and land manipulation due to the private property rights. In contrast to the Nanjing case, local consciousness of local residents is the most salient characteristic of the Chinglian case in Taipei. Based on the rise of local consciousness after the 1990s, grass-root NGOs form various partnerships with major universities and public sectors to promote projects of rejuvenation old residential houses. These efforts are integrated with environmental protection, educational schemes, and cultural conservation.

However, the weakness or absence of local state entrepreneurship does not result in the total retreat of market factors of cultural conservation in Taipei. Famous for cultural atmosphere and amenities, the real estate prices of the Chinglian quarter rose sharply in the past few years. The market incentives change the perceptions of some grass-root local leaders and residents to resist the idea to keep Chinglian and surrounding areas as pure culture projects. In other words, the market factor leads to the split of the grass-root communities. In the case of Longchuan street, as discussed earlier, even leads to direct confrontation in the local community.

Nanjing and Taipei demonstrate two models of cultural governance. The Nanjing case reflects the predominance of local state entrepreneurship and the lack of grass-root empowerment to form autonomous dynamics of preservation. The Taipei case also shows the dilemma of accommodating market forces after the emergence of grass-root autonomy. Moreover, the Taipei case demonstrates the weakness of local government to strike a balance between market profits and culture conservation. Both China and Taiwan try to embrace the concept of “collaborative governance” to incorporate local associations and revive local economy. Given the fact that the terms “cultural conservation” and “culture governance” are still relatively new to China and Taiwan, comparative studies are necessary to learn existing models around the world and future prospects for fresh ways to balance globalization and localization.

