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## Cultural strategies in Shanghai: regenerating cosmopolitanism in an era of globalization

Weiping Wu

*Urban Studies and Geography, Virginia Commonwealth University, Richmond, VA 23284-2021, USA*

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Modern industrial development commenced in Shanghai in the late 19th century, with the incursion of Western settlements. Soon afterwards cultural activities associated with a modern industrial society made their appearance. While determined by economic forces, the formation of Shanghai's urban culture at the time involved the growth of both socioeconomic institutions and new forms of cultural activities in modern literature, print media, cinema, and theater. The city also obtained a kind of sophistication with a strong merchant character and commerce served as the primary motor of society. In effect, Shanghai was regarded as the epicenter of modern China's commercialism and gained the name of *Haipai* culture (the Shanghai school). Architecture and urban space that differ distinctly from traditional Chinese ones became an important part of this culture.

With a contrast of old and new, elite and ordinary, and Chinese and Western, urban culture in Shanghai was decisively cosmopolitan. To a large extent this stemmed from a local tradition of easy acceptance to outsiders, which formed as the city opened its door to foreigners and a great variety of migrants from other parts of China. During its golden age in the 1920s, with a population over 2 million, Shanghai was 'a meeting ground for people from all countries, a great and a unique city, one of the most remarkable in the world' (Pott, 1928: 1). Scholars have argued that it was precisely because of this heterodoxy that Shanghai rose above a country of vast conservatism and became a great, modern city (Lee, 1999; Lu, 1999a). Some even feel that modern China was made in Shanghai (Murphy, 1953).

After 1949, however, the city experienced more than 30 years of neglect and disinvestment. Tightly controlled by the central government, Shanghai was the single largest contributor of the country's revenue and served as a major pillar of the planned economy (Wu, 1999). Despite of its growing population, Shanghai was not able to upgrade its infrastructure and the city remained largely the same as in the 1940s. It was only after

the success of reforms in south China that Shanghai finally embarked on a rapid path of modernization in the late 1980s (Yusuf and Wu, 1997).

Today, after more than three decades of cultural drought, Shanghai's reserve of cultural heritages is still significant. Most apparent among them is the array of physical attributes, including the Bund, architectural landmarks, and streetscapes in the former concession areas (see Fig. 1). As the country gradually opens up to the world and undergoes market reforms, Shanghai is renewing its cosmopolitan reputation and transforming its physical environment. Cultural strategies become an integral part of the modernization drive Shanghai has launched, to recreate a sense of place and to put the city back on the map of great world cities.

With a permanent population of more than 13 million and land area of 6377 km<sup>2</sup> in the metropolitan area, Shanghai is the largest city in China (see Table 1). With a GDP of \$55 billion, it has a per capita income of \$4163 (current dollars in 2000), a highly diversified industrial base responsible for 5.5% of national industrial output, and an expanding services sector (*Business China*, 11 September 2000). The metropolitan area, governed by the Shanghai Municipal Government—equivalent to a provincial government because of Shanghai's special administrative status—consists of 16 urban districts (nine of them are located in the central city) and three suburban counties.

This paper intends to study the changing cultural map of Shanghai through exploring its historical undercurrent, commercial nature, and urban space. Three key questions motivate the paper and comprise of the main body: (1) What is the historical context for

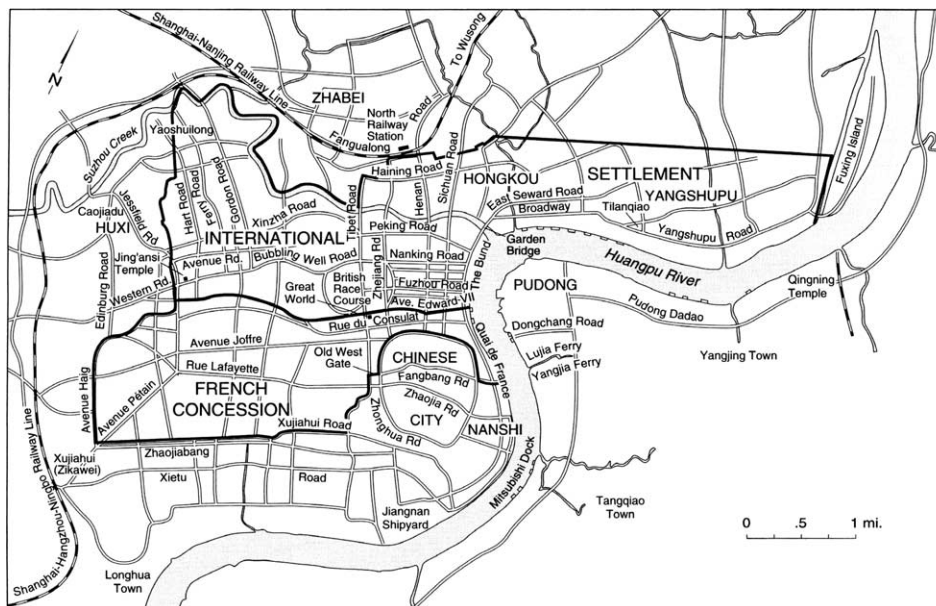


Fig. 1. Shanghai's city center and former concessions. Sources: Based on US Department of State Shanghai Map (1981) and Gamble (2003).

Table 1  
Indicators for Shanghai, 2000

<i>Resident population (millions)</i>	
1910	1.29
1950	4.98
1960	10.56
1970	10.73
1980	11.47
1990	12.83
2000	13.22 <sup>a</sup>
Population density (persons/km <sup>2</sup> )	2084
Annual natural growth rate (%)	– 1.9
Per capita income (US\$)	4163
Annual economic growth rate (%)	9.5
Unemployment (%)	3.5
Infant mortality (per thousand)	5.05

Sources: [Shanghai Statistical Bureau, 2001](#); Zhou, Y., 1980. *A Study of Population Change in Old Shanghai* (jiu shanghai renkou bianqian de yanjiu). People's Press, Shanghai.

<sup>a</sup> This population figure includes only registered permanent residents. An estimated 3.2 million temporary migrants, largely from rural China, also reside in Shanghai. In 1997, the city of Chongqing was designated as the fourth city with provincial status (Shanghai, Beijing and Tianjin had been the only three cities with such status). It is now considered to be the largest city in China measured by metropolitan population.

the formation of a cosmopolitan metropolis in cultural terms? (2) What are the current municipal strategies to regenerate this cosmopolitanism? In particular, how are the built environment and urban space reshaped in the process? (3) To what extent is the city's cultural climate conducive to artistic innovation?

Although it may refer to the whole of life of a social group, the term 'culture' in this paper takes the form of art, styles and attitudes ([Scott, 1997](#); [Murphy, 2001](#)). Here cultural development of a city entails the creation of cultural institutions, the formation of new cultural activities, the transformation of urban space as cultural milieu, and the growth of cultural industries. Chapter 1 offers a brief review of key concepts and arguments in the study of cultural development and strategies.

### Cultural strategies in an era of globalization

Scholars point to the rising importance of the cultural economy for cities in the era of globalization. There seems to be a convergence of cultural and economic development as the 'realm of human culture as a whole is increasingly subject to commodification' (Scott, 1997: 323). Local culture helps shape the nature of many urban economic activities and economic development becomes a dynamic element of a place's culture-generating capacity. Although it is difficult to pin down all the sectors in the cultural economy, they are generally engaged in the creation of marketable output whose psychological satisfaction is more important to the consumer than utilitarian purpose (Scott, 1997, 2000). As a result, the study of a city's cultural economy may target particular sectors of production, or cultural industries. The core of cultural industries includes a number of creative endeavors producing cultural products: music, motion pictures, television, art, design, books, new media, and architecture (Gibson *et al.*, 2001; Power, 2002).

Cultural strategies adopted by many cities around the world, particularly in the UK since the early 1980s, have embraced more issues than the singular focus on cultural industries. Often, the arts are incorporated into urban redevelopment. Bassett (cited in Murphy (2001)) identifies seven themes in these strategies: opening cultural institutions to wider public involvement, expanding support for community arts, building infrastructure for cultural production, supporting new technology sectors central to popular culture, promoting flagship projects, organizing high-profile events, and investing in public art and reviving public spaces.

There are at least three different types of cultural strategies, depending on the major intervention targets (Kim, 2001). People-oriented strategies emphasize human development, focusing on either principal producers of arts or cultural consumers. Cultural subsidies and funding for artistic activities can be targeted at producers, while cultural classes and workshops serve local consumers directly. Product-oriented strategies emphasize the industrial networks and institutions through which cultural workers are mobilized. They very much resemble industrial policies used in other sectors to encourage agglomeration, increase worker skills, and cultivate a productive social environment. Place-oriented strategies aim at attracting capital investment and enticing tourists. They often involve infrastructure and property development, the promotion of cultural events, and the building of cultural venues (e.g. museums, theaters, libraries). The actual implementation of these three types of strategies can and often do overlap one another.

Cultural strategies and policy have been pursued with a growing pace by many cities, which often combine different types of strategies. To make a successful cultural policy, some conditions need to be met (Watson, 2001). First is the championship by local officials, particularly those at the senior level. Second, there needs to be sufficient investment and revenue for new capital projects. Third, a coherent government structure needs to be in place to support cultural and creative industries. Last, a regulatory structure should ensure that policies are carried through and implemented properly.

Many global cities have capitalized the commercial value of cultural creativity. Several types of function are commonly associated with such cities. They include finance,

transnational corporate headquarter functions, global services, transport, information, a site for international conferences, exhibitions and cultural activities (Sassen, 1991; Friedmann, 1998; Brunn *et al.*, 2003). Governments across the world have begun to promote the advancement of their key metropolises into regional or global hubs by acquiring some or all of these functions. Shanghai, as an aspirant, has followed a similar path in preparing the city's pathway to a global city. This involves regenerating the cosmopolitanism it cultivated earlier in history.

### Shanghai's history of cultural development—commercialism and urban space

Shanghainese in the early 20th century were viewed as the most cosmopolitan people of China (Murphy, 1953; Wei, 1987; Lu, 1999a). They were linked with a kind of sophistication obtained only by living in a complex city with a strong merchant character. The incursion of western mercantilism into this semi-colonial city and the establishment of China's first modern institutions of higher learning helped make it the financial and cultural center of the Orient or the 'Paris of the East'. Ranked as the seventh largest city in the world in 1936, no Asian city from that period could 'match Shanghai's cosmopolitan and sophisticated reputation' (Yeung, 1996: 2). Shanghai also spearheaded the country's cultural life. For instance, China's film industry started there and in 1906 the first movie theater was opened. Many radical writers came to Shanghai and during the 1930s there was a flourishing school of literature in the city (Gamble, 2003).

Shanghai's modern culture showed a hybrid, commercial nature from the start. By instituting an education designed to promote the nation's cultural essence with foreign means, the new cultural and educational institutions straddled between conservative ideology of nationalism and pragmatic values of commercialism. This also reflected the simultaneous rise of political parties and a commercial elite at the time (Yeh, 1990). The construction of commercialism in Shanghai, some argue, marked the beginning of a modern era (Cochran, 1999). Consequently Shanghai culture or Haipai was regarded as just the helper of commerce in contrast to the more rigid, official Beijing culture (Lu, 1999b).

This hybrid culture and liberal tradition were in part attributable to the city's diverse demographic undercurrent. By the late 19th century, Shanghai was an exceptional Chinese city where natives welcomed sojourners (Johnson, 1995). This openness was indicated by a variety of dialects heard on the streets. Shanghai also offered artists the most stimulating environment in China to pursue their work. The city seemed most receptive to those who spoke a Western language. Despite the apparent importance of foreigners in Shanghai, the growth of the modern city lay essentially in its attraction for the Chinese as the overwhelming majority of Shanghai's residents (more than 70%) had been migrants from other parts of the country (Lu, 1999a; Gamble, 2003).

Sino-Western contact in no small way shaped modern Shanghai, in spite of the academic debate on whether foreign influence was decisive in the creation of commercialism during the earlier 20th century. Western imports punctuated the city's history of commercial development, while local adaptations gave them unique Shanghai style. Some scholars further argue that Western materialism and commercialism had a greater impact on transforming China than political and military interventions (Chan, 1999; Cochran, 1999). The typical response of Shanghai natives to material aspects of Western modernity followed 'a pattern of shock, wonder, admiration, and imitation' (Lee, 1999: 6). For many Chinese, Shanghai meant not only openness but also access to Western ideas. It was the link between the country and the world.

Western influence was particularly visible in Shanghai's architecture and urban space, especially in the concession areas. The Bund—the famous area along the west bank of the Huangpu River, housed over 100 financial institutions in neoclassical and Art Deco buildings (see Fig. 2). As the center of colonial power and finance, it blended the older British styles and subsequent, new American construction techniques. By the early 20th



Fig. 2. The pre-1949 Bund. Source: Zheng, Z., 1999. *One Hundred Years of Shanghai*. Xuelin Press, Shanghai.

century, high-rise buildings in Art Deco style resembling those in New York dotted the city and became symbols of wealth (Shanghai arguably has more Art Deco buildings than any other city in the world. See [Streshinsky \(2000\)](#)). A new height of urban development was achieved in the 1930s with the construction of more skyscrapers. Every country and every style was represented somewhere in Shanghai.

Immediately to the west of the Bund was the commercial center of the city—Nanjing Road, Shanghai's equivalent of New York's Fifth Avenue and later the number one street of China. In the early 20th century it witnessed the birth of department stores and other modern shops that introduced Chinese to not only new forms of consumption but also Western ideas and trends. The rapid growth of this 2-mile commercial core occurred after the introduction of Shanghai's first trolleys (see [Fig. 3](#)) and the area really took off after two department stores (Sincere and Wing On) opened around 1918. By 1920, Nanjing Road had become China's shopping mecca, with more than 300 commercial establishments ([Chan, 1999](#)). In the next decade or two, through promoting the idea of acquiring and consuming material goods, Nanjing Road's retail merchants helped creating and consolidating Shanghai's modern commercialism.

While Western buildings flanking the Bund and along the major thoroughfares dominated Shanghai's cityscape, most native residents including many artists and writers lived in a totally different world of alley compounds. Although a major international city and gateway to the world, Shanghai was a strange place where extraordinary wealth existed side by side with extreme poverty ([Lee, 1999](#); [Lu, 1999a](#)). The real urban culture was the interplay of the traditions and customs that thousands of rural migrants brought into the city with the modern, Western aspects of urban life. Therefore, cosmopolitanism in Shanghai was not merely cultural domination by foreigners but involved a great deal of local adaptation to enrich a new national culture ([Abbas, 2000](#)).





Fig. 3. Nanjing Road in the 1930s. *Source:* Cochran, 1999.

Other new forms of urban space came into being with commercial development and under Western influence, including cinemas, coffeehouses, theaters, dance halls, parks and racecourse (Lee, 1999; Lu, 1999a). These institutions were linked with leisure and entertainment and more accessible by native residents, while the high-rise buildings remained beyond the reach of the average Chinese. Together these places of leisure and entertainment, largely located in the foreign concessions, became the central sites of Shanghai's urban culture. Many of these imported new forms of urban space also were integrated with elements of Chinese design. Some traditional Chinese architecture even survived, as shown in the authentic Chinese structures and garden of the old city just a short distance south of the Bund.

In general, Shanghai represented a modern, secular culture, which stood for adaptability, popularity, and modernity. Developed under colonialism, its cosmopolitanism was particularly marked by openness toward divergent cultural experiences. The city was a heaven for radical publications, cultural expressions, and diverse ideas (Abbas, 2000; Gamble, 2003). In addition, the city embodied modern China's commercial development. The confluence of art and commerce in combination with the introduction of new art forms not only provided new creative outlets for artists and intellectuals; it also created jobs (Yatsko, 2001). Commerce and culture were no doubt intertwined, and commerce served as the primary motor of society. Consequently, Shanghai's urban space and cultural institutions reflected the city's commercial nature. Commercialism even penetrated the lives of ordinary people, whose pursuit of a better life through all means of commerce earned the city its fame as the land of opportunity (Lu, 1999b).



### New Shanghai's cultural strategies

For several years now, Shanghai has been proclaiming its intention to become an international cultural center, as part of its plan to become an international metropolis of the 21st century (Melvin, 2001). As one ambitious former Mayor Ju Huang has said, "Shanghai of the future must be a metropolis equal to New York or London" (cited in Gamble (2003: 10)). This future vision is no doubt a continuation of the city's legendary history. As such, the nostalgia for its past economic and cultural glory has been renewed with vengeance, coupled with the ambition to revive a cosmopolitan reputation that Shanghai acquired in its early 20th century golden age and had since lost.

Cultural strategies are an integral part of the city's modernization drive and a blend of product- and place-oriented approaches. Among them, the key approaches include development of cultural industries, the creation of new cultural venues, organization of cultural events, attraction of international investment, and the transformation of the built environment. Underlying the different approaches adopted by the city is the municipality's strong commitment to cultural regeneration by increasing investment and restructuring institutions.

#### 3.1. Developing cultural industries

During the early phase of its modernization program in the 1990s, Shanghai has recognized the necessity to link the economic and social benefits of cultural development. As a result, cultural industries are clearly identified as a key to cultural development. Shanghai authorities divide cultural industries into three types: manufacturing, retailing, and services (see Table 2 and Yin (2001)). Cultural manufacturing includes publishing, audio and visual production, printing, toys and musical instruments, sports and crafts products, motion pictures, and art creation. Cultural retail activities refer to outlets selling art products, print/audio/visual products, flora and fauna, sports and travel products, and antiques. Cultural services are defined as services offered by libraries and museums, television and radio stations, show business, theaters and entertainment places, sports

Table 2  
Overview of Shanghai's cultural industries, 1996–1998

Indicator	1996	1997	1998
Total output (Y1 000 000 000)	28.18	35.32	37.86
Value added (Y1 000 000 000)	12.31	14.88	15.90
As percent of cultural output	43.7	42.4	42.0
Growth rate (%)		17.7	7.1
As percent of municipal GDP	4.2	4.4	4.3
Wages as percent of value-added	61.2	63.9	64.8
Breakdown of value-added (%)	100.0	100.0	100.0
Cultural manufacturing	25.8	28.0	22.8
Cultural retailing	9.9	8.0	8.2
Cultural services	64.3	64.0	69.0

Source: Yin, 2001.

teams, tourist companies and sites, amusement and other parks, art and performance schools, and art and performance management companies.

The three pillars of cultural industries currently include television production and motion pictures, publishing and printing, and arts and entertainment (Yin, 2000). Their rise is based on several common features. They are all well endowed with investment and human resources. They also can derive large benefit from agglomeration economies and have promising market potentials. To sustain their growth and utilize their spillover effects, municipal authorities have implemented several new reforms. Personnel reform now links salaries with product sales, particularly in the motion picture industry. Through management reform, television companies now share the risks and returns of joint productions. More importantly, the ownership structure of cultural establishments has been diversified, allowing for share-holding companies with state, collective, and private partners.

In contrast to other major Chinese urban centers, Shanghai's recent cultural development shows some unique characteristics in its institutional structure. There is a strong emphasis on the scale and agglomeration economies of cultural industries, through the establishment of several large entities in audio and motion picture production, news media, publishing, and Internet services. But only a fraction of such economies has been fully exploited because of the persisting compartmentalization of industrial subsectors, a resilient legacy of a socialist planning system now being displaced piecemeal by the market system (Yusuf and Wu, 1997).

Shanghai's cultural industries, nevertheless, face a potentially rapid expansion. The market for cultural products and services appears to be the last untapped segment of China's consumer market and its potential is yet to be fully comprehended. Cultural industries also rely much heavily on human and knowledge capital. As educational levels rise, the pool of creative talent will increase for these industries. Shanghai is in the vanguard of change in a number of areas, but it needs to nurture an internationally competitive cultural economy by attracting investment and talent widely.

Shanghai's cultural industries also face challenges. First, the scale of cultural production and services is small and, as a result, they cannot compete with large international players. There is not yet a state or private company that can provide a multitude of cultural products or has alliance with other urban industries. Second, much of the market is domestic and no significant entry into the global market has been attempted. The future for cultural industries is likely to be globalization, just as the trend observed in other industrial sectors. For such global cities as Paris and New York, the success of their cultural economies also has relied on global consumption.

### *3.2. Creating the hardware and venues of culture*

In a manner typical of socialist cities, Shanghai's cultural renaissance begins with the building of big buildings and organization of big events. Compared to an annual amount of 1 billion yuan (about \$121 million) during 1990–1995, annual investment in cultural infrastructure has doubled between 1996 and 2000 (Yin, 2000). Today the city boasts a new art gallery, an elegant museum for antiquities (Fig. 4), a luminous \$150 million grand



Fig. 4. Shanghai Museum.

theater, a new expansive convention center (Fig. 5), and one of the largest libraries in the world (Yin, 2000; ‘Art Rivalry’, *Time International*, 10 April 2000).

The creation of new cultural venues is a major showcase of the city’s drive to become not only the best in China but also to compete to be among the best in the world. The new Shanghai museum is now considered the finest museum of Chinese art in the world. Every major school of Chinese art is shown with style and clarity (Yatsko, 2001). The new grand theater has put Shanghai on the international cultural map, making it more likely that world-class troupes will perform here. But at present it often plays half-empty for lack of interesting programming.

Hosting national, regional, and international cultural events has become an important instrument for the city to increase its visibility and influence. The Shanghai government during the 1990s has organized at least one international cultural festival per year, spotlighting painting, performing arts, movies, fashion, or television (Yatsko, 2001). For instance, in 1998 when Shanghai held its Seventh Television Festival (launched in 1986), more than 34 countries and regions participated with close to 900 entries. The Shanghai International Film Festival, found in 1993, has joined the rank of well-attended international film festivals. Since 1987, Shanghai also has hosted the International Arts Festival five times. In addition, the city has held an Asian Music Festival, International Broadcasting Festival, and a series of International Fashion Cultural Festivals (Yin, 2000).

Since the early 1990s, Shanghai’s has been actively promoting investment in services, with the backing of the central government. The traditional face of the city’s food markets and department stores is being altered by international companies. Deals jointly financed by funds from Hong Kong and Taiwan are helping Shanghai to rejuvenate its motion



Fig. 5. New convention center.

picture industry, which gave the city the title of “Hollywood of China” in the 1930s. Recently a powerful animation company has been set up, with dreams of becoming China’s Disney and subsequent creation of the nation’s first higher-learning animation program (‘China Sets Sights on Animation’, *Variety*, 3 January 2000).

Similarly, Shanghai has been eyed by the global advising industry as the most promising center of operation or as the emerging ‘Madison Avenue of Greater China’ (‘Shanghai Booms as Center of Advertising Influence’, *Advertising Age*, 27 October 1997). From an initial rush in 1995, the city has attracted such heavy weights as Saatchi and Saatchi, Ogilvy and Mather Worldwide, and MaCann–Erickson Worldwide. These international players value Shanghai’s numerous consumers, creative talent, reduced costs, and tradition as a fashion center. But they still face entry restrictions imposed by government regulations, which are likely to dissipate after China’s entry into the World Trade Organization.

### 3.3. Transforming the built environment

Since the late 1980s, Shanghai has been undergoing an accelerated process of urban development and reconstruction, thanks to investment from both the central government and foreign investors (Wu, 2000). The transformation of urban space embodies both preservation and creation. One of the first items on the city’s agenda is to revive and restore the mile-long Bund, along which about 250 buildings have recently been designated as historic. The wide waterfront area also has been designated



Fig. 6. The Bund today.

a 'Historical Protection Zone' and a special agency has been helping relocate government departments in the historic buildings (Streshinsky, 2000; Balderstone *et al.*, 2002). The old Shanghai Club, Cathay Hotel, Hong Kong and Shanghai Bank building, and other historic buildings of the early 20th century are being preserved. But the Bund's preservation really has less to do with restoring the buildings than it has to do with widening the street and becoming a new tourist attraction (see Fig. 6). It is motivated more by the vision of a new Shanghai to rival the old than simply nostalgia for the past glory. Through this promotion of the heritage industry, the government also asserts itself forcefully in the city's future development (Abbas, 2000).

In another effort to rejuvenate the city's commercial prominence, Shanghai is in search of the defining commercial street, an emblematic boulevard that boasts the best in fashion, food and culture (*Far Eastern Economic Review*, 13 September 2001). After studying the celebrated French thoroughfare Champs Elysées, London's Oxford Street and Tokyo's Ginza, the city is now redeveloping a core running 3 km along a fully pedestrianized Nanjing Road and connecting to the Bund (see Fig. 7).

Shanghai's commercial revival also is evidenced by the creation of a new central business district (CBD), across from the Bund and on the other side of the river. What Shanghai aims for is a CBD that can house a variety of business activities and, most importantly, financial and business services that are the backbone of other major world-class cities. After careful consideration, the city planners have selected Lujiazui, an area of 1.7 km<sup>2</sup> on the east bank of the Huangpu River and within the Pudong New Area.





Fig. 7. The new Nanjing Road.

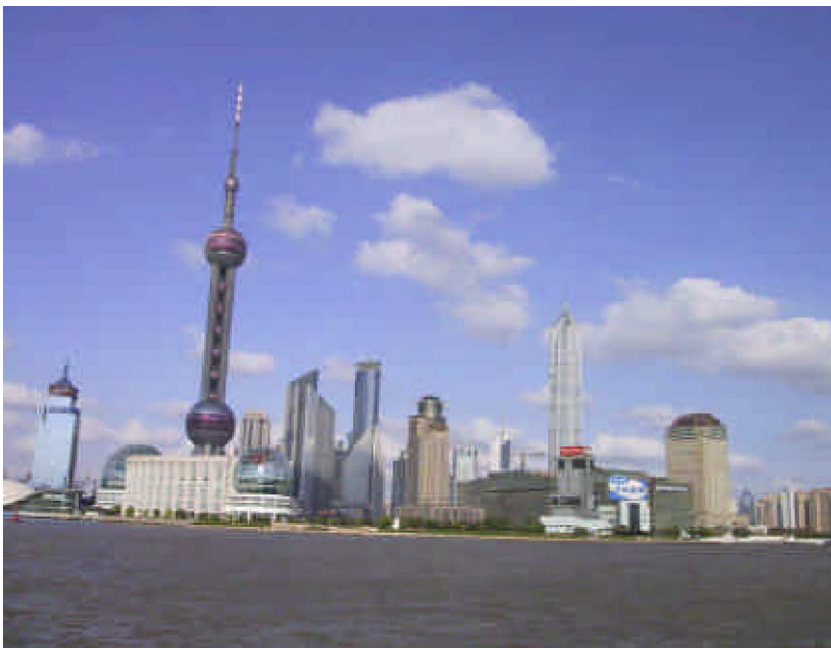


Fig. 8. New central business district in Pudong.



The building of Lujiazui CBD has been guided by the long-term ambitions of the city and facilitated by an international consultative planning process (Olds, 1997). A host of financial institutions, corporate headquarters, as well as commercial and cultural activities are being housed there. The sleek, ultra-modern new skyline emerging from this CBD bears a remarkable resemblance to that of Hong Kong (see Fig. 8).

These efforts are significant elements of Shanghai's new commercialism that resounds clearly with the city's reputation in the early 20th century. To many, Haipai culture has served as an expression of modernism in the past (Waara, 1999) and may continue to distinguish Shanghai from other Chinese cities. There is now a renewed sense of cultural identity in Shanghai and a growing realization of a deep and solid foundation of Shanghai culture, with a tradition of assimilating outside cultures with an open mind (Lee, 1999). Its acceptance of other cultures, particular Western ones, still outpaces most other Chinese cities, helping Shanghai quickly regain its reputation as modern and dynamic.

### Need for a conducive cultural climate

In contrast to the substantial investment into the hardware of culture, less has been done in the way of supporting the arts and artists themselves. Art activities in the city are overseen by the Shanghai Cultural Bureau, which is still imposing censorship repressive even by Chinese standards (Napack, 2001). For instance, until recently, official permits were rarely granted for rock concerts. There is also the de facto ban on covering alternative music in the local media, which operates under government auspices (Movius, 2001). A fledgling artists' community covering several blocks along the Suzhou creek, where old warehouse space has become home for artists and gallery owners, is being torn down to make way for a park and high-rise apartment buildings (Fackler, 2002). Clearly, this naturally evolving artistic enclave does not fit into the city's redevelopment plans and vision for a modern city.

Unlike the capital city Beijing, where ministries overseeing cultural activities are perhaps more preoccupied with running the country, Shanghai's cultural authorities keep a tight rein on the arts. They seem to play a more active guiding role than those in Beijing and local officials often use cultural institutions as vehicles for personal ego trips. The Bureau of Broadcasting, Film, and Television approves all documentaries and other film related activities. The Cultural Bureau reins over the performing arts, making sure to attend all rehearsals. Tensions between art and politics continue to plague the city and, at least for now, state-directed visions have the upper hand. As a result, there are fewer loopholes for artists to exploit and the city lacks the creative passions that fuel a underground culture in Beijing (Esaki-Smith, 2001).

By comparison, Beijing's universities and art schools attract the rougher edges of Chinese culture. In particular, painters have taken advantage of the looser political environment of the 1980s and formed artistic colonies in Beijing. Ironically, artists enjoy more freedom to create in the nation's political center than in its cosmopolitan commercial hub (Yatsko, 2001). This increasingly livelier creative atmosphere, coupled with a cheaper cost of living and more abundant foreign buyers, attracts even more artists to Beijing, generating a virtuous cycle. The congregation of talent ultimately makes it the country's artistic heart. Shanghai can barely compete.

Shanghai's lag behind Beijing in attracting a critical mass of artistic talent is partially attributable to the socialist legacy. After 1949, the central government has put the most important cultural institutions in the capital city and transferred considerable talent there from across the country (Yatsko, 2001). During the reform era, Beijing also has greater opportunities for international cultural exchange and houses a larger foreign community that serves as a market for Chinese and modern art.

Shanghai, therefore, is still a long distance away from reasserting its cultural prominence and is not the center of artistic innovation in China despite progress building cultural infrastructure. Censorship dampens the climate for artistic creativity not only in more traditional fields but also in more progressive arts. The dwindling interests in traditional Chinese arts partially stems from an emerging youth culture in the city. The new generation is more alert of cultural trends outside of China, as shown in the growing popularity of hip-hop music among Shanghai's youth. But Shanghai is not leading the way in pop arts either. For instance, in the 1990s, the city did not

Table 3  
Cultural institutions in Shanghai, 1990–2000

	1990	1995	1996	1997	1998	1999	2000
<i>Number of institutions</i>							
Arts	92	74	76	76	79	79	79
Historic preservation	18	23	24	23	23	23	21
Libraries	51	31	32	32	32	32	31
Mass culture	407	332	348	352	355	349	340
Art education	3	3	3	4	4	4	4
Others	31	54	46	32	61	60	52
Total	602	517	529	519	554	547	527
<i>Number of employees</i>							
Arts	6011	4532	4815	4574	4557	4270	4223
Historic preservation	667	768	1289	1218	1214	1266	1214
Libraries	1609	1686	1768	2288	2364	2377	2513
Mass culture	2574	2612	4389	4144	4316	4119	3874
Art education	353	370	376	393	400	416	458
Others	1606	1500	1291	1160	1452	1433	1249
Total	12 820	11 468	13 928	13 777	14 303	13 881	13 531

Source: Shanghai Statistical Bureau, 2001.

produce bands, singers, or other pop icons that captured nation-wide reputation (Yatsko, 2001).

Financing difficulties also may have cost the city the loss of artistic talent. As shown in Table 3, the number of employees in art institutions, as well as in institutions of mass culture, has declined steadily since 1996. Almost all theater companies are in financial crises and Chinese traditional theaters are having a particularly tough time.

Table 4  
Art troupes and performances in Shanghai, 1950–2000

	Troupes	Employees	Performances by troupes	Performance venues	Number of shows at venues	Specatators (thousands)
1950	–	–	–	209	53 360	24 190
1955	–	–	–	170	83 363	34 850
1960	77	–	65 913	89	42 622	37 050
1963	75	–	101 233	84	36 368	34 760
1970	15	–	458	–	–	–
1975	10	–	4034	–	–	–
1978	17	4245	6637	31	3636	6180
1980	48	6111	49 383	47	11 585	9640
1985	44	5606	34 353	52	9157	7080
1990	36	4216	21 259	49	6477	4590
1995	31	3156	10 228	43	6369	2860
2000	29	2713	13 016	44	4847	2620

– Data not available. Source: Shanghai Statistical Bureau, 2001.

For many of them, the more performances they put on, the more money they lose. At the root of the problem is financing. Theater performances were often used as a means of socialist education during the ‘good old days’ of the 1950s and 1960s when the popularity of theater was forced onto organized audiences (Jiang, 1994). Today, these audiences are no longer there. Such financial woes are plaguing many art troupes, and both their employees and audiences are in the decline (see Table 4). This missed opportunity highlights the lack of focus on human development in the city’s cultural strategies. Government funding for artistic and cultural activities is drying out at the same time as new, grandiose venues are being built. Some film professionals, for instance, are compelled to look abroad for finance and to attract co-productions financed through Hong Kong (Rosen, 2002).

## Conclusion

The modernization program Shanghai has embarked on since the 1980s involves regenerating a vibrant cosmopolitan culture formed in the early 20th century. Standing for adaptability, popularity, and modernity, this culture offered a contrast of old and new, elite and ordinary, and Chinese and Western. In particular, the city obtained a kind of sophistication with a strong merchant character and commerce served as the primary motor of society. The built environment clearly reflected the commercial nature and Western influence.

Today in an era of globalization, the regeneration of this cosmopolitanism takes on primarily place-based strategies aimed at recreating a sense of place, in combination with the cultivation of key cultural industries. To put itself back onto the map of great world cities, Shanghai has opened new cultural venues, promoted high-profile events, built infrastructure for attracting foreign investment, revived public and commercial spaces, and created a modern CBD. The transformation of the built environment and urban space is clearly a focus, involving both preservation and creation.

Cultural development now intrinsically links with commercialism, particularly for the younger generation, as rising income has fostered a consumer boom (Gamble, 2003). As Shanghai's cultural institutions and industries move steadily towards modernization and globalization, Western influence has begun to take hold again. In some ways, the state-directed vision of a cultural city also overwhelms Chinese traditionalism. Many old artistic and cultural forms are losing audience and slipping into obscurity. Even some city officials recognize that Shanghai's progress is all about commercialism and has less to do with history. Cultural diversity may have steadily deteriorated over time as early migrants become assimilated into the local culture and the new generation of urbanites is no longer tolerant of the millions of recent migrants.

To truly rejuvenate the cosmopolitan culture so prided by Shanghai natives in the earlier 20th century, the city faces a daunting task of blending Chinese and Western to create a new, unique identity and evolving beyond the commercial market dictated by non-Chinese tastes. Shanghai's reign as China's financial and commercial center, nevertheless, bodes well for the funding of cultural activities. For instance, much of the cash flow for the arts has come from a leading Shanghai businessman. With money to import top stars, Shanghai may have the potential to be an international arts capital as it boasts a functioning modern cultural production sector, the supporting networks and the necessary fund of skills. Also promising are the city's efforts to host cultural festivals and attract foreign names.

On the other hand, Shanghai must overcome its bureaucracy's effective control over creativity and its difficulties in retaining domestic talent. As the experience of its rival shows, a livelier creative atmosphere attracts more artists and generates a virtuous cycle. In nearly all places, as Florida (2002) asserts, creative people need a creative environment that encourages street-level and informal artistic expression and need diversity of gender, ethnicity and sexual orientation. Hence investment in the creative talent and liberalization of the cultural climate need to be a key element of Shanghai's future strategies, since creativity is a vital economic force in itself.

The importance of openness cannot be over-stated as Shanghai strives to become a regional or even global hub. Existing world cities draw upon a range of economic, geographical and institutional strengths, but in addition they rely upon the energies released by openness (Yusuf and Wu, 2002). Openness will provide the traffic in ideas needed to deepen Shanghai's cultural development, create the vibrant milieu to attract talented people, and give artists and alike the space to explore creative possibilities.



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