

CREATIVITY, GROWTH, NUDGE AND HAPPINESS: THE CASE OF SHANGHAI



**PAN JIN
PROFESSOR, DONGHUA UNIVERSITY**

&

**FRANCIS MUNIER
ASSOCIATE PROFESSOR,
UNIVERSITY OF STRASBOURG**

INTRODUCTION



- Florida R, Mellander C, & H. Qian (2012) "China's development disconnect" *Environment and Planning*, 44(3) 628 – 648
 - “(...) that *neither talent nor technology* is associated with the economic performance of Chinese regions”,
 - which suggests that China has to cope with many “*obstacles* in moving from its current industrial stage of development to a more *knowledge-based economy*”.

INTRODUCTION



- *A contrario*, the aim of this article consists to demonstrate that because of the **current focus on creativity**, and because of the **cultural specificities**
- China has some **assets leading to a knowledge-based and creativity-based society**

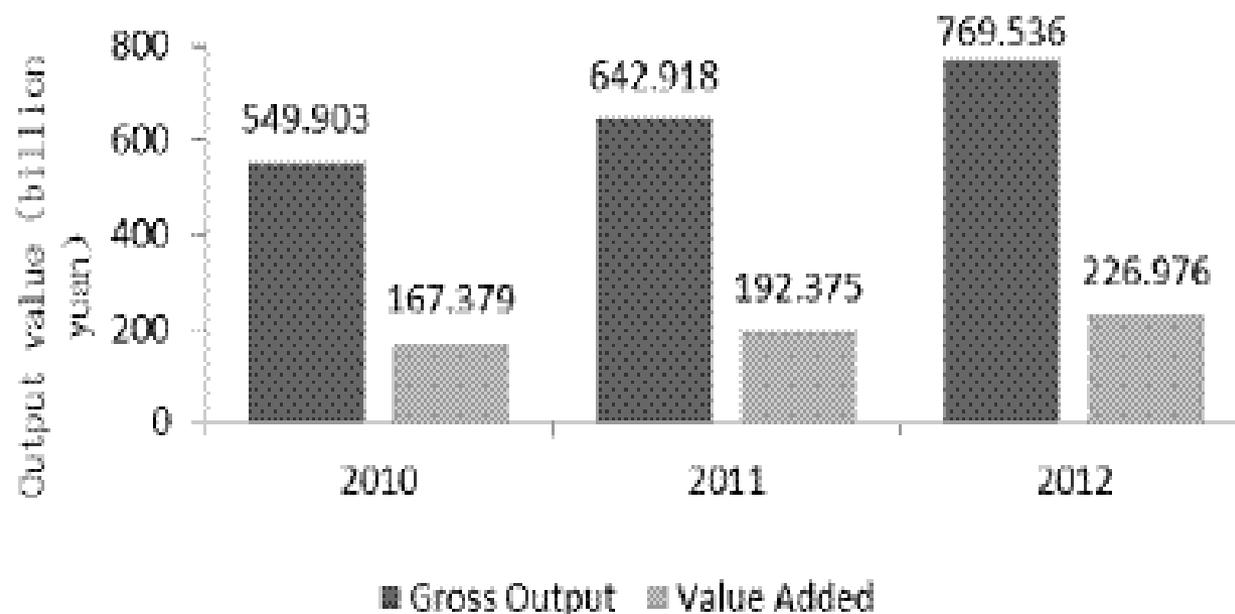
INTRODUCTION

- Why we choose Shanghai?
- The implementation process of creativity seems to be quite dynamic for this city (**rank of Fast Cities 2007**)
- Need to focus on creativity and well-being is now the new challenge (**World Bank (2012), *China 2030: Building a Modern, Harmonious, and Creative High-Income Society*, report**)



Table 1: Basic information of Shanghai creative industry

Year	Gross Output (Billion Yuan)	Value Added (Billion Yuan)	Growth Rate (%)	Contribution to GDP (%)	Number Of Employment
2010	549.903	167.379	15.6	14	1,089,400
2011	642.918	192.375	13	15.5	1,180,200
2012	769.536	226.976	10.8	20.2	1,291,600



Graph 1: Gross output and Value added of Shanghai creative industry from 2010 to 2012

INTRODUCTION



- Discontinue the historical model based on low labor costs and rather continue its shift towards creativity
- Is it the right road towards both a new line of attack to uphold the **quantitative growth and to improve the quality of life of citizens**
- and to reach a position as **“created in China” rather than “made in China”?**

INTRODUCTION

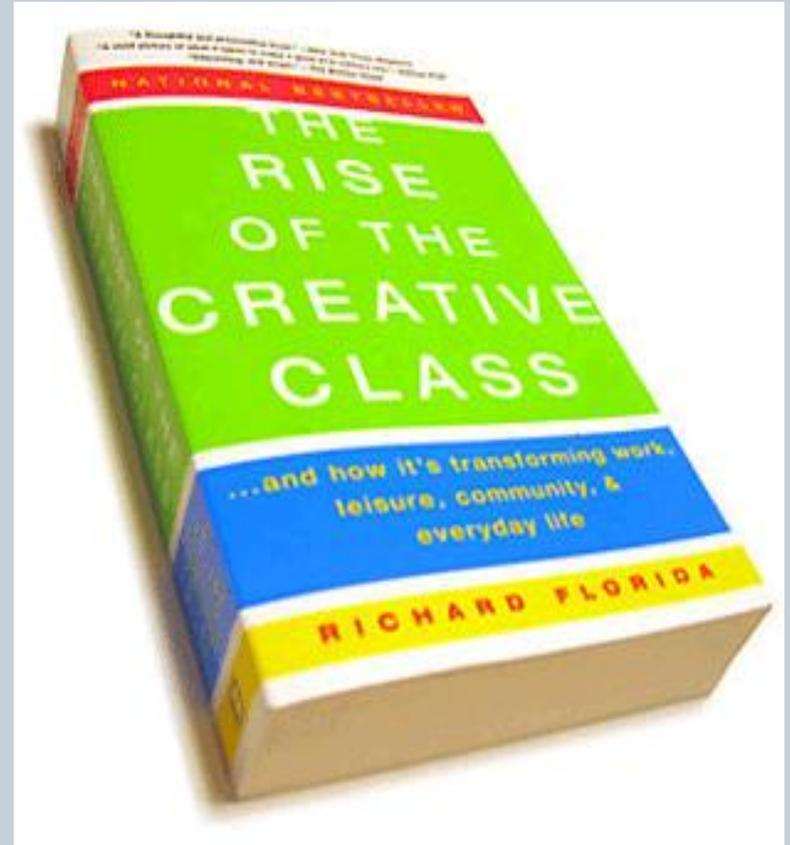


- Importance of creativity as a vector of both **quantitative and qualitative** economic growth.
- **Cultural difference** of Chinese society in terms of understanding and implementation of creativity strategy
- This cultural difference may appear as a **natural advantage** compared to the West habits

Creativity and the city

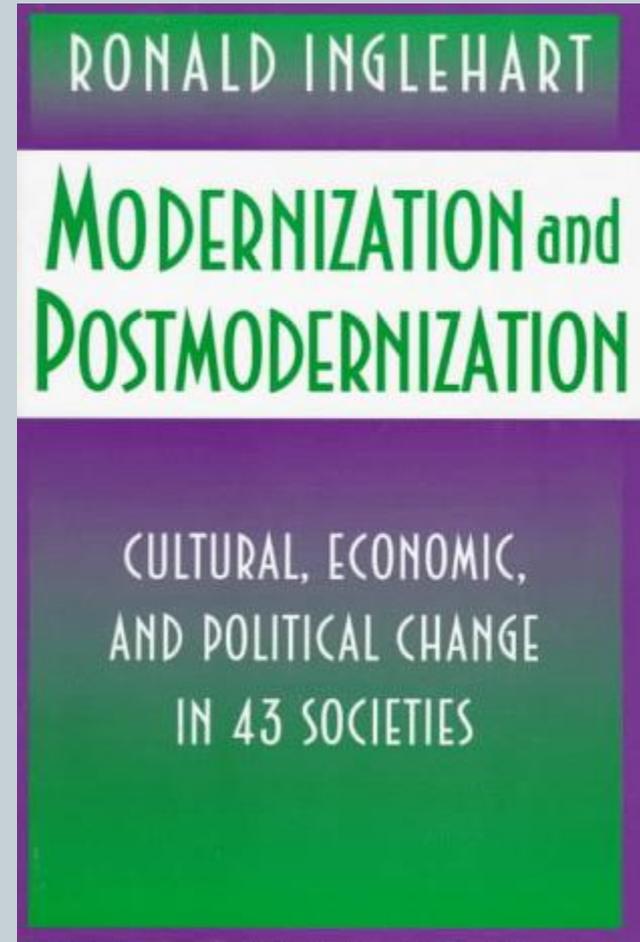


- Since the seminal work of Jacobs (1969) and Hall (1998) and those more provocative from Landry (2000) and Florida (2002), **creativity is increasingly accepted at the level of perimeter of the city.**
- City appears to be the ideal "space" for identifying and promoting creativity, and also for conducting *ad hoc* policies



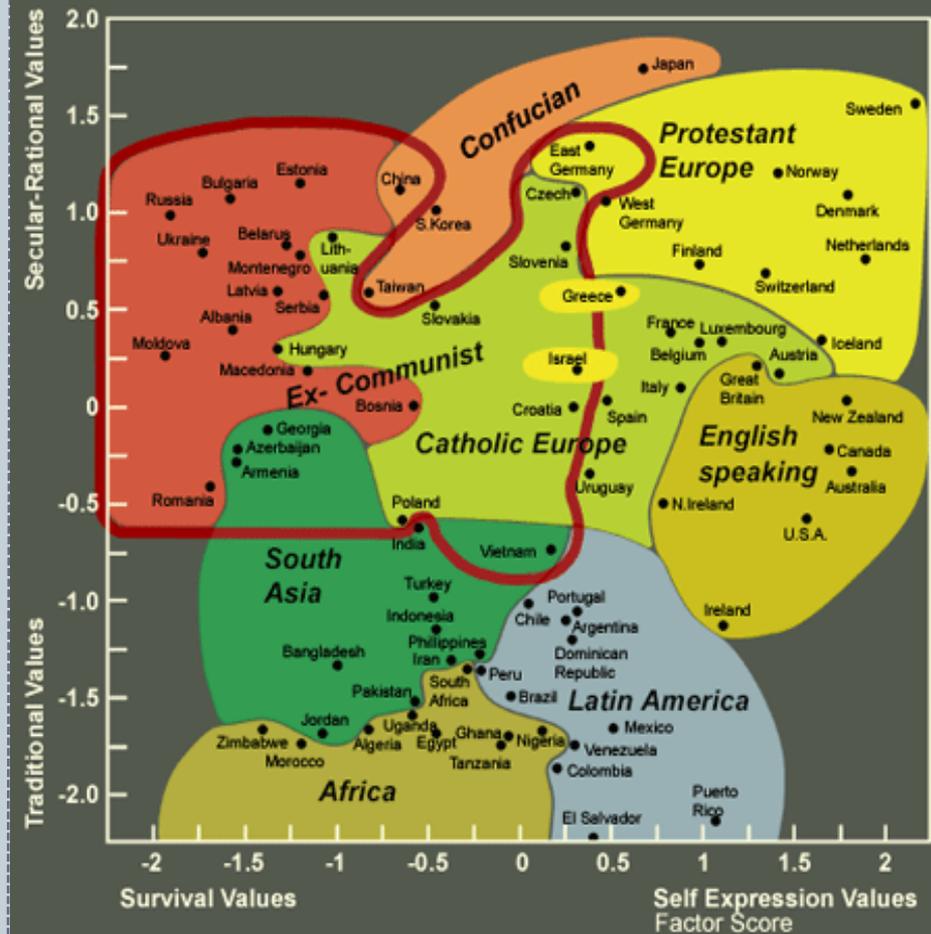
Creative Class - Values

- Florida (2002) : **creative class** is the focal node of the creative dynamics of cities.
- **Congruence between talent, technology and tolerance.**
- The so-called creative people are rather **well educated and graduates.**
- Tolerant behavior - the so-called postmodern values identified by Inglehart (1997).



Creative Class, Values and some Indexes

- Tolerant image of the city would be a key element for attracting creative class.
- Florida (2002) : "The Gay Index" and "The bohemian Index" as proxies indicators for attractiveness and creativity.



Creativity and the importance of the 'milieu'



- Interesting because they give an idea about the importance of the 'milieu' as catalyst for creativity.
- Consequently, technology and knowledge are necessary but not sufficient.
- The 'milieu' plays a key role in the implementation of a dynamic of creativity.

Creative Clusters

Cultural-Creative Clustering Strategy



- **Creative Clusters** (Flew, 2005)
- **Cultural-Creative Clustering Strategy** (Mommaas, 2009).
- Type of culture and the shape and history of institutions are central to the **understanding** and possible **replication** of these strategies clusters (Oakley, 2009; Pratt, 2009)
- in different civilization and in different cultural contexts (Tschang, 2009).

The issue of culture and civilization



- The **issue of culture and civilization** inherent of the ‘milieu’ is also recurrent within the topic of Creative Industries.
- “*Creative industries*” dates back to 1997/1998 in the UK when creative industries were defined as
 - ‘those activities which have their origin in **individual creativity**, skill and talent which have a potential for wealth and job creation through the generation and exploitation of intellectual property’”.

Creativity and the social network



- Beyond this very pragmatic definition, Chen (2012) also insists upon the **weight of culture in creativity**
- and the fact that creativity is produced, deployed, used and enjoyed differently in **today's postmodern societies.**
- One vector of the clustering process is precisely the **social network**

Trust, long-term...Guanxi

- The Cooperation between firms and individuals and institutions product **trust** and is based on, **promoting long-term decisions** and thereby overcome the contractual constraints of market which is more focusing on short-term.
- In this respect, we consider that **the concept of *Guanxi* is an undeniable cultural specific asset** that China can use with a real advantage.



關係

Hard and soft infrastructure



- Similarly, Landry (2000, p. 133) suggests that the creative environment is a combination of **hard infrastructure**, of network of institutions and districts which define the idiosyncrasy of a city, and also of **soft infrastructure**

Soft Infrastructure



- Soft Infrastructure :
- *“system of associative structures and social networks, connections and human interactions, that underpins and encourage the flow of ideas between individuals and institutions”*
- Potential vector of original creative process, especially in a city like Shanghai.

Soft infrastructures reflect of cultural assets



- **Soft infrastructures as cultural assets**
- **Differences between West and Chinese civilization** in order to understand that a pure replication of the concept of ‘creative industries’ as the foundations of creative city should not be appropriate (Wang, 2004).

“Creative Milieu” - *Guanxi*



- We analyze the **Soft Infrastructures** as keys elements of “Creative Milieu” in the case of Chinese Culture.
- For that, we introduce the concept of *Guanxi* to show the cultural advantage of Chinese society in managing **the dilemma of creative city**

Guanxi as a hyphen between soft and hard infrastructures of a creative city



- Cohendet *et al.* (2010) suggest that **three layers** could shape the **anatomy of a creative city**:
- **underground** which concern the level of individuals,
- **upper ground** as the level of formal firms and institutions,
- **middle ground** as the level of communities and the bridge between the under and upper ground

The dynamic of creativity in a city is “*the*” expression of the solution of dilemma



- The nature of the dynamic of creativity in a city is “*the*” expression of the solution of the dilemma
 - between the informal and free creativity of individuals (underground / soft infrastructures)
 - and the more formal and coerced behaviors of institutions (for instance municipalities, agencies, and government)
 - in the implementation of policies such as creative cluster strategies (upper ground / hard infrastructures).

Creative city as a form of duality where this dilemma is resolved



- A creative city could be than understood as a **form of duality where this dilemma is resolved and used as a force.**
- The role of a creative city is **not only to allocate resources according to the hard infrastructures logic,**
- but also to **initiate creativity** and creation of new knowledge **without too much constraints and pressures** at the underground and middle ground.

Expression of the dilemma



- The dilemma is precisely between **control** (hard infrastructure) *versus* **commitment** (soft infrastructure)
- and **stability** (hard infrastructure) *versus* **change** (soft infrastructure).
- Hard infrastructure is a **source of coherence and order**, but also a source of inertia if it seems too heavy and too much constrained.
- Soft infrastructure is a **source of creativity**, but it can also – when it is an extreme situation – involve the disappearance of the organizational structure, thus destroying all references and codes.

Guanxi could be the natural middle ground of creative city in China



- Agenda for creativity in Shanghai according to Chen (2012), **which is now to reinforce the soft infrastructures as the hard one is now quite important.**
- Related link between the two types of infrastructure could be a very specific social network: ***Guanxi as a community of knowledge*** (Munier & Huan, 2010).
- We suggest that ***Guanxi could be the natural middle ground of creative city*** in China (Soil of the Chinese culture (Fei, 1992))

Definition *Guanxi*



- Technically, *Guanxi* stands for any type of relationship
- *Guanxi* is than a social capital, an important resource that a person can use in order to find some best practices.
- *Guanxi* is also a set of assets, a hyphen between individuals and formal institutions (Xin & Pearce, 1996).

Definition *Guanxi*



- *Guanxi* can facilitate the **transfer of tacit knowledge**
- *Guanxi* can build up the **trust** that is necessary for someone who wants to share his experience (Levin & Cross, 2004).

Confucianism, copyright and creativity



- **Soft knowledge** is really central in knowledge and creative economy.
- In this respect, it seems that, according to traditional **Western approaches**, creativity is possible only if a cultural and political revolution will take place in China.
-
- Of course, **we do not adhere to this Manichean view.**

Confucianism, copyright and creativity

- The question of intellectual property in China should be understood in the spectrum of Confucianism.
- Confucianism culture, which is completely different from the west point of view about many things and understandings



Confucianism, copyright and creativity



- *“It has been argued that China’s Confucian traditions focused on the transmission or passing down of creative works for others to build on, rather than learning or creation as in individualized activity”*
- Montgomery L. & B.F. Fitzgerald (2006), “Copyright and the Creative Industries in China”, *International Journal of Cultural Studies*, Vol 9(3): 407-418.

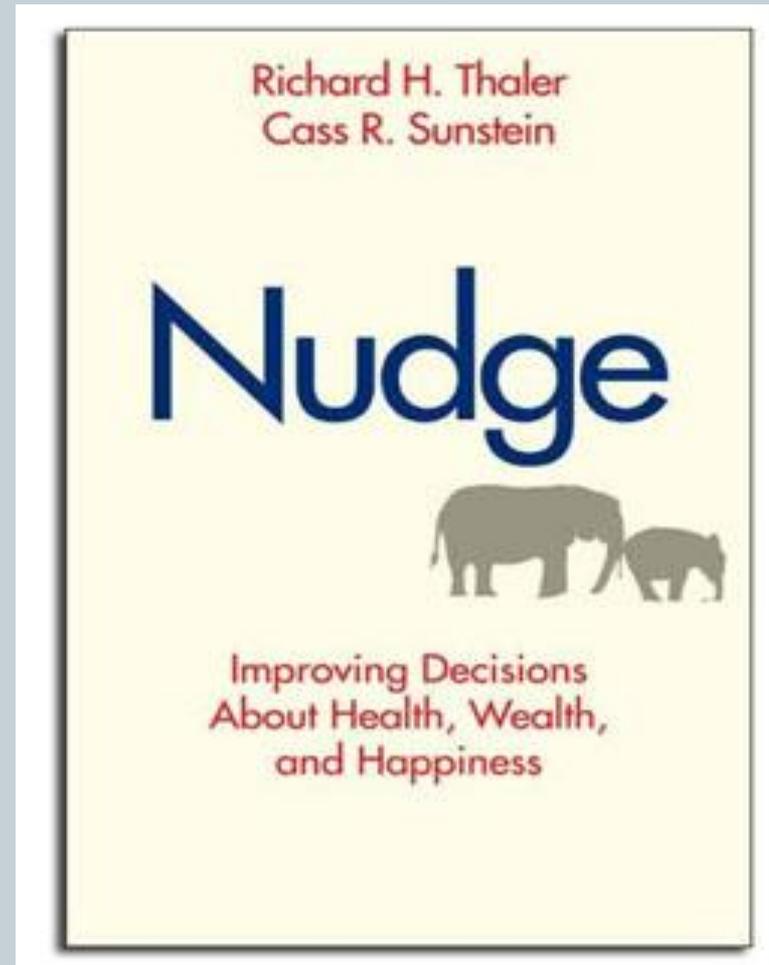
‘creative da-tong’ Liao (2006, p. 402)



- *“The phrase ‘creative da-tong’ incorporates **western reformist agendas with the current official Chinese agenda**. The Chinese term da-tong (...) can serve as a keyword that provides a further development goal, incorporating the current Chinese policy agenda of xiaokang [‘middle-class, well-off’] society, and also embodying the alternative notion of creative industries that builds on the concepts of **‘free culture’ (...)** and **creative labour**. ‘Creative da-tong’ describes a political and pragmatic coalition of creative labour (not yet intellectual propertized) with cultural industries (on the way to being disorganized and networked”.*

Nudging creativity in the city

- Thaler H.R. & C.R. Sunstein (2008, pp. 5-6) assert that nudge leads “*any aspect of the **choice architecture** that alters people’s behaviour in a predictable way **without forbidding any options or significantly changing their economic incentives** (...) to influence choices in a way that will make the chooser better off as judged by themselves”.*



Nudging creativity in the city



- Nudging creativity in the city seems to be the viable policy both to **keep and promote the dynamics of creativity at the underground** together with a capture at the upper ground
- Viable in the sense that nudge avoids the opposition between them.
- The government has to influence and **to promote Creative clusters without stifling the very creativity of creators.**

Nudging creativity in the city



- Nudge policy seems to be than the ‘smart’ policy because of low cost and also because it provides the freedom for creativity at the bottom-up process
- This is again a form of “*Dual-Track*” approach (Gang, 1994) that permits both market incentive and state intervention.

Nudging creativity in the city



- Nudge policy appears to be also very **useful** considering the very **specific role of *Guanxi* in Chinese society.**
- Include the aspect of **social pressures in the choice architecture.**
- Individuals consider how others perceive them; look at some people within the community when they have to cope with some difficulties; **search trust and use the inter-relational influences.**
- **Very close to *Guanxi***

Conclusion



- Idea that the economic model based on growth with low cost of labour is no longer viable and that it should go to the “made in china” to “created in china”
- Chinese culture seems to have a natural advantage based on the practice of *Guanxi*.
- This is similar to a community of knowledge and appears as the middle ground level of the anatomy of a creative city.

Conclusion



- Chinese culture allows also an adapted Nudge policy application.
-
- The outlook is to overcome the limitations of this article which is essentially programmatic.
- We try to provide empirical evidence to the conceptual foundations
- and a second perspective, we show that a conceptual link between the happiness of individuals within the city and the creativity that exists.

Thank you...hope still happy !

