

# *Marketization and Policy Support: Challenges and Countermeasures of Private Art Troupes Participating in Cultural Intermediary Platforms in China*

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**Abstract:** This study aims to explore the degree of participation of art troupes in China in international performing arts cultural intermediary platforms. Taking the Shanghai International Arts Festival as an example, it analysis the impact of factors such as government control, insufficient policy support, and limited market development on the development of private performing arts troupes. The study found that the government's strict control and political orientation of cultural activities have limited the creative freedom and market activities of private troupes, resulting in their low participation in cultural intermediary platforms. In addition, the government's inequality in fund and resource allocation, and the neglect of the marketization needs of the cultural industry further exacerbate the challenges of private troupes. The study proposes a series of countermeasures and suggestions for policy makers, hoping that these measures can stimulate the innovative vitality of private art troupes and enhance the vitality and international competitiveness of China's cultural market.

## **1. Introduction**

In this era of Internet development, technology and information advancement, the movement of talents, the production management of objects and even the exchange of art and culture have all entered the upsurge of "Globalization". The globalization of trade has also led to the globalization of art industry culture. In this free global market, culture and art have been regarded as consumable trade commodities, and competition has become the core feature of globalization, the key is how to improve self-competitiveness [1].

The performing arts, a vital sector of the cultural industry, not just facilitates cultural exchange, but also reflects a nation's cultural influence. Thus, creating and managing an international platform for performing arts can significantly contribute to a country's cultural growth.

The performance of Chinese private arts troupes in domestic and foreign cultural markets directly affects the international influence of Chinese culture. However, despite the great potential shown by private performing arts troupes in terms of innovation and diversity, they still face many

challenges when participating in China's cultural intermediary platform. These challenges not only come from their own strength and the issues of funds, resources and market positioning in the process of marketization, but also, in China, they especially face the challenge of insufficient support from government cultural policies.

This study focuses on the Shanghai International Arts Festival (SPAF), the sole international performing arts intermediary platform in China. In 2023, SPAF hosted 79 projects, including 45 from overseas and 34 from within the country. Interestingly, only one of the domestic projects was presented by a private art troupe. Despite the interest of many private art troupes in joining this cultural intermediary platform, they find it challenging to take part in SPAF.

This study focuses on the challenges faced by Chinese private art troupes at SPAF in terms of marketization and policy support from the perspective of government cultural policy, and discusses corresponding countermeasures.

## **2. Theoretical Framework and Related Concepts**

### **2.1. Theoretical Framework**

This study is based on the theoretical framework of "cultural intermediaries". Bourdieu offers a conceptual definition of cultural intermediaries as those involved in mediating between the production of cultural goods and the production of consumer tastes. Cultural intermediaries are defined by their role in mediating between production and consumption. They have a broadly pedagogic function, shaping the perceptions and preferences of consumers in order to mobilize their actions along desired routes. In this, they effect a "symbolic imposition" [2].

The largest art festival in the world - the Edinburgh Festival Fringe, can also be referred to as a cultural intermediary. Successfully hosting international arts festivals can boost the consumption of a city's entire cultural economy. The performance arts intermediary platform not only showcases performance arts, but also encompasses related industries such as peripheral cultural and creative products, and cultural consumption. As a result of the intense participation in the performance arts market, there is also an increase in demands for transportation, accommodation, and catering. The diverse benefits derived from arts festivals cannot be overlooked. This explains why many cities, when hosting performance arts festivals, involve not only the cultural arts department, but also the local tourism department, and engage in intensive urban marketing and cultural promotion, creating significant artistic tourism business opportunities [3].

By holding international arts festivals, performing arts workers can gain more performance opportunities and indirectly address the survival and employment challenges faced by arts workers [4]. Therefore, the performing arts intermediary platform is closely intertwined with the competitiveness of the entire city and even the country's performing arts, and is an important element of the cultural and creative industries.

In this study, the government is the maker of cultural policies, and the government and its subordinate organizations are the main executors of cultural policies. This study mainly explores the impact of cultural policies on private performing artists and institutions in cultural intermediary platforms.

### **2.2. The Performing Arts intermediary platform in China**

Currently, the main international performing arts festival held in China is the China Shanghai International Performing Arts Festival (SPAF).

The China Shanghai International Arts Festival is a significant international cultural event hosted by the Ministry of Culture of the People's Republic of China and organized by the Shanghai

Municipal People's Government [5].

### **2.3. Private Art Troupes in China**

In the Chinese culture industry, art troupes are largely categorized into state-owned and privately-owned entities. State-owned troupes, managed by the state, have roots going back to the early days of New China in 1949 during the planned economy period. These troupes carry the important task of preserving and developing traditional Chinese culture while promoting socialist thought.

On the other hand, privately-owned art troupes are set up and run through private funding. Their operations and growth are largely dictated by market trends. These troupes began to emerge around the onset of China's reform and opening up in 1978. With the progression of China's market economy, they have become a significant component of the country's culture and art industry in the 21st century. Some have evolved into influential art brands both locally and internationally, achieving high standards in artistic creation and business management.

## **3. Reasons for the Difficulties Faced by Private Art Troupes in Participating in Cultural Intermediary Platforms**

### **3.1. The government has tight control over cultural activities**

The government frequently supports artistic activities for political reasons. This support is intended to enhance the reputation of the nation. Government support in the artistic field aims to attract international attention and gain recognition for the country's cultural and artistic achievements by other nations. Art can play a significant role in diplomatic activities, presenting a unique image on the international stage [6].

Compared to other countries, China's unique strength in developing cultural intermediary platforms lies in its political environment. Currently, China's cultural industry is still in its early stages, and as the social economy grows, the demand for cultural products is increasing. In China, one of the main factors limiting the development of the performing arts industry is the government's cultural policies. The excessive government intervention and strict regulation severely restrict the freedom and scale of development for the cultural and artistic industry, which ideally should remain apolitical [7].

China's government exerts control over cultural activities, which can be seen in the creation and management of cultural intermediary platforms. This is particularly evident in international events such as SPAF. The assembly of the SPAF Organizing Committee underscores the government's dominant role in cultural affairs. As per the available information, 22 out of 23 key leaders of the SPAF are from different government departments. The remaining leader is the president of the Shanghai International Arts Festival Center, who is also appointed by a government agency. This structure illustrates the government's thorough influence over the art festival and a significant political slant in cultural activities.

Fang Shizhong, from the Shanghai Municipal Administration of Culture and Tourism, emphasized the importance of fostering exchanges and mutual learning of civilizations, stating: "Our mission is to enhance the organization of festivals, bolster cultural confidence, and self-improvement. We plan to introduce performances from top international troupes and plays. Our focus is to utilize platforms such as performance trade fairs and mutual culture weeks... This approach will effectively promote traditional Chinese culture, showcase contemporary Chinese art creations, support exchanges and mutual learning of Chinese and foreign civilizations, and ultimately boost the influence of Chinese civilization and the soft power of Shanghai city." [8]

Through the structure of the organizing committee's leadership and statements from government officials, it's evident that the Shanghai International Art Festival is a government-led event. Its goal is to promote politics and elevate the stature of Chinese national art.

As the world's largest cultural intermediary platform, the Edinburgh Fringe Festival follows the principle of no selection process, just freedom, allowing performers to fully showcase their artistic talents on stage. This approach provides artists with ample opportunities to participate in market competition, unlike the Edinburgh International Arts Festival which has selection criteria. The Edinburgh Fringe Festival provides a variety of benefits for all stakeholders.

The platform not only helps the government promote the city's aesthetics, but also caters to the needs of audiences interested in attending cultural and artistic performance events. It provides performance art workers with opportunities to be discovered by art agents from around the world and to create future performance opportunities.

What is even more important is that this entirely "bottom-up" platform has disrupted the monopoly of a select few media or business individuals on commercial platforms, and has created a stage where performers who are talented and courageous enough to showcase their abilities can demonstrate their strengths. Essentially, the value produced by cultural intermediary platforms is multifaceted, and artistic, social, educational, and economic values can all be achieved simultaneously in an international art performance event [9].

While the SPAF benefits from significant government support, it's important to note that this support often translates into performances predominantly by state-owned art troupes. This unfortunately doesn't offer an equitable platform for private troupes to demonstrate their talent.

China's cultural system reform is indicative of a significant shift in the government's ideological approach. However, the lingering influences of the planned economy framework still pose considerable constraints. This is evident in the belief that state-owned art troupes have a pivotal role in socialist ideological construction, which can lead to stagnation and weak policy promotion. The cultural market concept is not strong enough, and the government's administrative monopoly results in its financial monopolistic operation. This creates disarray in the relationship between the government and cultural units, hindering the development momentum of cultural enterprises and making it challenging for cultural operators to fully emerge as market entities [10].

### **3.2. The government lacks industrialization awareness**

The influence of government on cultural activities extends beyond the organizational structure to the guidance and oversight of art festival content. In China, the government's ideological awareness and policy direction significantly shape the cultural industry's trajectory. Especially in the field of performing arts, government policies often emphasize the political and social functions of culture, while paying insufficient attention to the commercial potential and market orientation of the cultural industry.

In the official document for the application requirements of the SPAF, there are no specific rules about the nature of the art troupes, that is, both state-owned and private art troupes can apply. However, the performing projects and commissioned projects have the following application requirements:

“Artistic works that showcase Chinese culture and the achievements of the "Belt and Road" initiative, convey contemporary Chinese values.”

“Artistic works propagate the spirit of the party's 20th Congress, focusing on social development concerns and important time nodes during the "14th Five-Year Plan"; reflect the Chinese nation's efforts to realize the dream of great rejuvenation, forge ahead in the new era, and embark on a new journey; highlight the core values of socialism, and inspire people to persist in the path of socialism

with Chinese characteristics.”

“Artistic works highlight the characteristics of "red culture, Jiangnan culture, and Shanghai-style culture", reflect the spirit of Shanghai city, portray the style of famous people, famous families, and famous works in different historical periods in Shanghai, and works that reflect the city's historical context and emotional temperature.”[11]

The application requirements for SPAF emphasize the need for program creation to have political consciousness, indicating that the government hopes to promote specific values and ideologies through the festival. This political orientation may lead the festival to favor programs that reflect the national image and political will in its selection, rather than purely based on artistic value or market demand. This is clearly reflected in the domestic programs that have been selected in the past, which often have obvious symbols of Chinese traditional culture or praise for the current era and political achievements.

The government emphasizes the political and social functions of culture in the formulation of cultural policies, which leads to restrictions on the creative freedom and market activities of private art troupes. For example, the policy requires that artworks must conform to the core values of socialism, which restricts the creative space of artists and requires private groups to find a balance between political sensitivity and artistic expression when creating.

The ideological and political consciousness emphasized by the government in cultural policies often conflicts with the market demands of the cultural industry.

The government also emphasizes macro-control of the cultural industry in policy making. This means that the government will guide the development direction of the cultural industry through various means, such as financial support, tax incentives, market access restrictions, etc.

Although the government's control and censorship of cultural activities have ensured the orthodoxy and stability of culture to a certain extent, it may also hinder the marketization and internationalization process of cultural activities. This macro-control to a certain extent restricts the autonomy and innovation space of private art troupes, making it difficult for them to fully exert their potential in cultural innovation and international exchanges, because they need to create and operate within the framework set by the government, thus affecting their competitiveness in the cultural market. In order to promote the participation and development of private troupes, the government needs to provide a more fair and open policy environment for private troupes while maintaining cultural guidance.

The works that the government wants to output culturally may not necessarily meet the demands of the international market.

The artistic works of state-owned art troupes chosen by the government, to a large extent, are more accurately described as "given out" rather than "going out", and they are often not what the international market needs. China has privately-owned art troupes that are well-produced and have an international reputation. The works of these groups often more closely align with the diverse needs of the international market. However, due to policy constraints, these groups' participation in international cultural exchanges is hindered, affecting the international dissemination of culture that truly represents China [12].

### **3.3. The government's distribution of funds and resources to private arts troupes is unequal**

Throughout history, the Chinese government has consistently shown a preference for supporting state-owned arts troupes in its cultural policies. However, policies related to the development of private art troupes have been insufficient, resulting in an imbalanced industry structure. The government's main policy encouraging the growth of private art troupes was outlined in the 2005 release of the "Opinions on Encouraging the Development of Private Art Troupes" [13]. These

"Opinions" allow private art troupes to register as various types of enterprises or social organizations, such as "sole proprietorship enterprises," "limited liability companies," or "non-enterprise entities," thereby granting them legal recognition. Although the government has also initiated cultural fund projects to provide financial support for private art troupes, the opportunities for these troupes to apply for such funding are limited, leaving the majority of them struggling to survive.

Although the government has begun to pay attention to the development of the cultural industry in recent years, and has issued a series of policies to support private art troupes, these policies still have shortcomings in the implementation process. The government's macro-control of the cultural industry, such as capital allocation, tax incentives, market access, etc., often tends to support state-owned art troupes, leading to uneven distribution of resources.

Private art troupes frequently face challenging application and selection procedures to secure funding. Unfortunately, these funds often represent a mere fraction of what's required to operate a performance project. This situation hampers the ability of private art troupes to engage in healthy market competition over the long term [14].

Private art groups, even with their exceptional creativity and craftsmanship, often find the high costs of performance a barrier to entering the international market. Currently, there are limited funding sources for international tour subsidies, with the National Art Fund and the Shanghai Cultural Development Fund being the primary channels. However, historical funding results have shown that private groups face challenges in securing these funds. Therefore, diversifying funding application channels could crucially stimulate the enthusiasm of private performing arts groups [15].

## **4. Recommendations**

### **4.1. Governments should change their mindset and reduce their intervention in cultural affairs**

The researcher suggests that governments should adopt market-oriented thinking, respect market laws, and minimize their intervention in cultural intermediary platforms. By implementing policies that are fair, just, and straightforward, they can foster the development of these platforms and encourage more participation from private art troupes. Additionally, it's recommended that governments lessen the influence of political thinking on artistic creation to cultivate a more conducive environment for the thriving growth of art.

Governments should leverage their existing strengths to establish robust platforms for international cultural exchange. This can be achieved by increasing cultural exchange programs and encouraging outstanding private art troupes to expand overseas, thereby entering the international market. Such measures aim to compensate for the constraints of government-led cultural trades and enrich our global cultural exchanges.

### **4.2. Governments should establish an effective cultural intermediary by holding a fringe arts festival**

To achieve market-oriented development, governments need to establish a fair competitive market environment. This includes ensuring that all art troupes, regardless of their ownership characteristics, can have equal opportunities in the market, protect the interests of emerging and small art troupes [16].

The researcher believes that the Shanghai International Art Festival can refer to the model of the Edinburgh Festival and the Edinburgh Fringe Festival held at the same time. The art festival can fulfill the political tasks required by the government, while the fringe festival allows the private

stakeholders to participate freely. The program selection for the fringe festival should be relaxed, with an increase in the number of programs and performance time. In particular, it should open its doors to outstanding private art troupes and establish an industry chain through the fringe festival, driving the common development of the cultural industry in the upstream, midstream, and downstream sectors.

### 4.3. Governments should increase the subsidy for private art troupes

Heilbrun and Gray also argue that the production of art brings about various "external benefits," such as national identity, reputation, educational contributions, and social upliftment. However, these external benefits persist over time. In certain situations, art troupes may not receive sufficient rewards due to limited public participation or sponsorship, leading to a phenomenon known as "market failure." In these situations, it's essential for the government to step in. The nation has a responsibility to ensure that performers are compensated for the additional value they provide to our society [17].

The researcher suggests that SPAF could potentially establish amicable collaborations with certain foundations to open a "green application channel". Paying representatives of the art festival trade fair could secure the eligibility for funding applications in advance. This move could assist private art troupes to broaden their funding avenues and more effectively penetrate the international market. Consequently, this could contribute to the enhancement of our country's performing arts industry and amplify the global impact of Chinese culture.

## 5. Conclusion

In today's global landscape, the competition for discourse power among nations highlights the significance of contemporary world culture. Many countries recognize the importance of actively promoting the international exchange and trade of their own culture. To successfully engage in cultural exchange with other countries, governments play a fundamental role, while also relying on the collaboration and coordination of various civil resources.

The Shanghai International Arts Festival, as the only international performing arts festival in China, serves as a crucial cultural intermediary platform for art institutions to participate in international exchange. While it still has room for growth to reach the level of the most influential international performing arts platforms, it has already made a significant contribution to promoting the dissemination and trade of Chinese culture abroad.

If Chinese cultural intermediaries can provide more opportunities and support for private stakeholders, allowing these private performing arts groups, theaters, and arts agencies to participate deeply and fully play their roles, it can further improve the effectiveness of Chinese cultural intermediaries, enhance the survival rate of private stakeholders, and stimulate industry vitality.

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