

Capital Games: Creativity, Commerce, and Control in China's Videogame Clusters

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INTRODUCTION

Can state support effectively enable video game development? Unravelling the paradox of China's state sponsored creative clusters, this paper examines how policy, capital, and urban planning have built industries of enormous scale, but how these same forces have trapped cultural production into narrow, profit-centric pathways. This raises larger questions beyond China at the intersection of culture, commerce, and governance. This paper interrogates the question: Can top-down systems ever really nurture creativity, or do they inevitably push cultural industries toward safer, more marketable, and often more exploitative forms?

Since the late 1990s, China's manufacturing-driven economy has pivoted toward innovation and creativity, with games positioned as both a cultural industry and a site of digital growth. This shift, a key part of China's "Digital Great Leap Forward" (Yu, 2017), reflects how the country has tied economic development to creative technology through canny central planning. But unlike other parts of the world, where creative clusters and indie scenes have emerged from the ground up, China's digital development hubs and the game companies they house, have largely arisen via through top-down state policies and planning, manifesting in the form of special economic zones and technology and innovation precincts (Keane, 2009; Fung & Erni, 2013).

Within these digital development geographies, large companies have thrived (Zhan, Wang & Bi, 2024). However smaller studios and experimental ventures have tended struggle. High rents, heavy bureaucracy, and the prioritisation of financial return over creative risk mean that independent designers are squeezed out. Incubators and accelerators—celebrated in policies like "Mass Entrepreneurship and Innovation" and "Internet Plus"—aim to nurture creativity, yet in practice, they tend to push studios to pursue safe, marketable ideas that place profit over originality (White & Xu, 2012; Huang, 2022).

This environment has had a direct impact on the kinds of games being made. Faced with constant financial pressure and fierce competition, many studios turn to formulaic approaches over experimentation. Innovation gives ways to imitation and developers fall back on aggressive monetisation techniques, such as gambling-style mechanics, loot boxes and microtransactions (Cheung & Fung, 2016; Xiao 2022). The resulting financially driven games previously termed as "Chinese Style Online Games" (Chew 2019) and "Capital Games" (Davies 2024) generate short-term revenue but at the cost of cultural depth, and creative expression.

Paradoxically, while these profit-driven design models have sometimes proven wildly successful, they have also prompted the state to introduce strict regulatory measures. Otherwise put, China's top-down development ecology simultaneously enables and constrains. It fuels rapid economic growth and global leadership in online gaming, but it also radically undermines the very creativity it works to support (Davies, 2025). Moreover, the same regulations apply equally to experimental and

commercial games, meaning that genuine creative projects face the same long approval process as predatory commercial titles.

Drawing on cultural policy research, industry studies, and examples from the Chinese game development ecology, this paper argues that while China's model has created a booming videogame sector, this success has occurred at the expense of originality and community-based creativity. This Chinese case study highlights the drawbacks of trying to manage innovation and creativity from above, while also echoing broader ideas of videogames as cultural and creative practice that require recognition and support beyond commercial frameworks (Keogh 2023).

BIO

Hugh Davies is a researcher of the social, cultural, and political dimensions of games and play. With a history of leadership roles in media production, arts management and museum consultancy, Davies brings his extensive knowledge and experience into tertiary education contexts. In addition to university lecturing internationally, he has co-authored two books: *Understanding Games and Game Cultures* (2021) and *Exploring Minecraft, Ethnographies of Play* (2020). He lectures at RMIT in Melbourne and is president of the Chinese Digital Games Research Association (CDiGRA).

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