

Policy empowerment and space activation: a blockchain-driven path to community-based activation of folk intangible cultural heritage—An interpretation and pathway design of the "bazaar/performance market" mechanism based on Foucault's critique of power

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Abstract. Against the backdrop of China's current realities—namely the supply of community physical infrastructure, the orientation of cultural and creative economic policies, and the persistently high vacancy rates of community-use spaces—this study focuses on the core profit logic and practical feasibility of implementing folk Intangible Cultural Heritage (ICH) within community settings. Integrating local and nationally representative ICH resources such as Jinzhou paper-cutting and Jingdezhen ceramics, together with four UNESCO-recognized elements—Kunqu Opera, the Twenty-Four Solar Terms, traditional Chinese tea-making techniques, and Guqin music—the study takes multi-city practices in Jinzhou, Beijing, and Chengdu as empirical samples. Employing a mixed-methods approach that combines policy analysis, multiple case studies, spatial assessment, and quantitative statistical analysis, the research systematically examines the three-dimensional advantages of "policy–resources–demand" and the logic of blockchain-enabled empowerment. The findings indicate that without sustainable profit support, community-based cultural economies cannot be effectively realized or maintained. The establishment of a closed-loop industrial chain integrating "cultural institutions + market-oriented operations + industry–academia–research collaboration," together with blockchain functions such as value attribution and process traceability, constitutes the key to overcoming implementation barriers and bottlenecks in scalable replication. Accordingly, this study proposes an integrated six-dimensional implementation framework—"policy guidance, spatial activation, multi-stakeholder collaboration, resource integration, blockchain empowerment, and closed-loop industrial development"—to provide theoretical support and practical reference for the living transmission of intangible cultural heritage and the revitalization of grassroots cultural economies.

Keywords: folk intangible cultural heritage, community implementation, cultural economy blockchain, profit support, scalable replication, UNESCO intangible cultural heritage, mixed-methods research

1. Introduction

From the perspective of Foucault's critique of power, power is not concentrated in a single sovereign subject; rather, it permeates every seemingly neutral link through the production of knowledge and institutional procedures. Related studies drawing on Foucault's "power/knowledge" framework have pointed out that intangible cultural heritage becomes a governable object through mechanisms that render it concrete—specifically, by transforming practices that originally circulate within everyday life into objects of governance via listing, archiving, statistical aggregation, and cartographic representation. Such practices authorize a particular "will to truth," thereby reinforcing the central position of technocratic systems. Smith argues that when declarations asserting the need to protect cultural heritage are repeatedly reiterated, archives and inventories are gradually naturalized as the primary mechanisms of protection. Governance actors employ them as means of preservation, ostensibly safeguarding tradition, while simultaneously depriving actual practitioners of agency within the knowledge chain and leaving greater room for institutional and technical experts to exercise control [1]. More fundamentally, this discourse produces a scarcity of legitimate speaking subjects: interpretive authority is typically retained by a limited number of institutional actors and experts. As a result, intangible cultural heritage becomes increasingly concentrated at the institutional level and, paradoxically, grows more distant from the lived contexts in which it is enacted. From this vantage point, contemporary intangible cultural heritage in China is required by governance regimes to enter modern markets and modern life as a form of property, while at the same time being compelled to submit to the discipline imposed by modern power through classification, standardization, certification, and indicator-based assessment.

2. Core concepts and analytical framework

Within the contemporary Chinese cultural economy, the repeated tendency for traditional cultural heritage initiatives to be implemented at the community level in a highly formalized, templated, and short-cycle manner cannot be attributed solely to deficiencies in operational capacity or capital allocation. Rather, it is more accurately understood as a structural outcome jointly shaped by institutional arrangements and the specific configuration of the Chinese market. China's current market system is not a spontaneously generated order, but a consciously constructed institutional form in which the central government is regarded as a key actor in defining the basic structure of the market as well as the rules and processes of competition. Government-led macro-level planning and the decisive role of market mechanisms in resource allocation operate in tandem. The state does not merely intervene in the market; at a more fundamental level, it actively shapes the rules and procedures of market competition, enabling markets to function in a predictable manner. Moreover, within the socialist macroeconomic framework, the market is not the sole determining force. Its "decisive role" is largely confined to micro-level resource allocation, while macro-level coordination relies primarily on governmental decision-making. This implies that at the macro level, market institutions are constituted by rules, property regimes, competitive order, and state power as their institutional foundation, with governmental authority functioning not as an external variable but as an integral component of the system itself. Once cultural heritage is incorporated into the cultural economy, it does not encounter a neutral market environment; rather, it enters a market saturated with policy objectives, rule design, and third-party coercive forces, including approval procedures, certification systems, project-based governance, regulatory mechanisms, and resource allocation logics. Official narratives of "protection" and "transmission" not only provide resources but also define what qualifies as tradition, who holds interpretive authority, which modes of presentation are legitimate, and where the acceptable boundaries of transformation lie. Here, power does not

manifest primarily through overt coercion, but through professionalization, standardization, and projectization. In order to secure legitimacy and access to resources, cultural practices must repeatedly justify themselves, and such justification is typically grounded in outcomes that are quantifiable, displayable, and replicable. As a consequence, vitality gives way to auditability, complex contextual relations yield to standardized procedures, and tradition gradually loses the situational structures upon which it depends as it is transformed into a governable object. The underlying problem arises precisely because cultural heritage is embedded within a power-knowledge apparatus oriented toward manageability—an apparatus that is inherently inclined to compress processes into outcomes, relationships into indicators, and differences into paradigms.

For these reasons, traditional Chinese cultural heritage is prone to losing its vitality during processes of marketization within the Chinese market context. Tourism research by Pfeffer and Salancik directly points out that transforming intangible cultural heritage into tourism products is inherently difficult, as many forms of intangible culture are highly dependent on specific communities and contexts; when performance-based heritage is delivered to tourists in standardized forms, its authenticity and integrity may be diminished [2]. The same line of research also demonstrates how festivals and experiential formats become key market interfaces for intangible heritage: destinations mobilize heritage as a resource for differentiation, use affective experiences as promotional tools to attract visitors, and convert intangible heritage into consumable experiences through curatorial staging. UNESCO's accounts add a further critical dimension: the continuity of social practices, rituals, and festive events is often highly dependent on socioeconomic conditions, involving high costs and potential unsustainability during periods of economic downturn [3]. At the same time, ensuring continuity may require legal and formal measures to safeguard communities' rights of access to sacred spaces, key objects, and essential resources. This indicates that while cultural tourism can generate revenue and visibility, it may also push intangible heritage into short-cycle rhythms—from peak seasons to off-seasons, from events to evaluations—and render the heritage's own core rights—such as the right to enter the market, to define its market attributes, and to practice—among the most vulnerable elements in the process of marketization.

As one of the traditional forms of cultural heritage, the bazaar (bazaar) represents a low-threshold, multi-actor, and highly interactive exchange ecology. It tolerates disorder and variation, with order emerging from bargaining, reputation networks, and trust formed through repeated interactions. Value is generated relationally rather than being predetermined by standards. Within traditional market economies, the bazaar possesses the attributes of a performative market. A performative market first and foremost translates uniqueness from an abstract concept into perceptible experiential evidence. For many forms of cultural heritage, core value does not reside in objects themselves, but in processes, rhythms, ritual orders, embodied skills, and on-site relationships. Centered on dynamic attraction, performative markets naturally foreground process, with audiences consuming not only outcomes but also modes of occurrence. Once the mode of occurrence itself becomes part of the commodity, uniqueness no longer depends on manuals or expert discourse for validation, but is demonstrated through the irreplaceability of the live. Moreover, the contextual elements that constitute cultural heritage are actively preserved and reinforced by performative markets, because they directly determine experiential intensity and willingness to pay. In this respect, the bazaar's logic of dynamic attraction is structurally aligned with that of the performative market. Performative markets are typically space-intensive and organization-intensive formats, placing high demands on location, pedestrian flow, time windows, circulation routes, and scenography. In recent years, the logic governing urban commercial space has increasingly emphasized predictable floor efficiency and controllable foot traffic, favoring standardized brands or more stable business mixes. As a result, spaces available for performative activities characterized by higher uncertainty have diminished, costs have risen, and bargaining positions have weakened. Simultaneously,

performative markets are highly sensitive to risks related to safety, order, noise, fire control, and public opinion. As regulatory regimes tighten, compliance costs and uncertainties for organizers increase, leading them to proactively reduce the density of highly interactive, high-gathering activities and shift toward more "static and controllable" forms of display or retail. The original strengths of performative markets lie in on-site generation, open interaction, variation, and uncertainty. Yet governance systems are more inclined to reward outcomes that are quantifiable, replicable, and verifiable. Performance, which should serve local relationships and process-based experience, increasingly resembles a task-oriented form, with content and circulation routes reduced to standardized answers. A characteristic form of degradation emerges: performance remains, but its core no longer lies in collective on-site generation; instead, it is oriented toward presentable results for superiors and disseminable fragments for platforms. The decline of performative markets does not stem from insufficient audience scale, but from the homogenization of their formal effects. Within China's current market structure, the dynamic attraction of performative markets remains effective, yet it is increasingly reshaped by platformized attention mechanisms and institutionalized controllability. Performance shifts from value generated on-site to disseminable fragments and auditable outputs; scarcity is consumed through templating, while costs fail to decline accordingly, resulting in an overall condition of contraction and fatigue. When the demands of performative markets overwhelm the flexibility required by bazaar ecologies, traditional culture slides from lived practice into display projects, from local variation into unified templates, and from community relations into consumable symbols—ultimately producing the paradox of being protected yet no longer alive.

3. Analysis of the current situation and challenges in community contexts

Decontextualization represents the most concentrated manifestation of this paradox in the productization of traditional cultural heritage within the Chinese market. Traditional cultural heritage is profoundly context-dependent: locality, rhythm, ritual order, lineages of transmission, and community relations together constitute its system of meaning. When implementation objectives are defined in terms of visibility, communicability, and replicability, context is compressed into marketing narratives, complex processes are segmented into filmable procedures, and cultural practice is transformed from a relational process into an objectified product. While dissemination efficiency is enhanced, the ecological depth of the practice is correspondingly weakened. Decontextualization is a mode of knowledge production driven by governability. Once intangible cultural heritage is incorporated into China's modern market governance system, it is rewritten as an object that can be known and managed through procedures such as listing, archiving, statistical aggregation, and mapping. In this way, an objectifying order is established, and specific interpretations are institutionalized as universally valid truth mechanisms through cataloging and documentation. In Foucauldian terms, this constitutes an authorized "will to truth" that reinforces the central position of technocratic systems in knowledge production and dissemination. This will to truth does not merely describe; it repeatedly solidifies intangible and fragile narratives as legitimate grounds for governance intervention, naturalizing inventories and archives as the primary pathways of protection. At the same time, in the name of collective memory, it deprives actual practitioners of agency within the knowledge chain, reserving space for institutional and technical experts to exercise control. When data collection and evaluation methods are required to conform to specific normative guidelines, pathways that fail to meet these standards are excluded. The standardized discourse that emerges inevitably marginalizes alternative modes of knowing and practice, ultimately compressing difference into replicable "best practices" and reducing complex contexts to comparable, auditable, and portable templates. Within this structure, the context-dependence of traditional cultural heritage is systematically eroded.

Although locality, rhythm, ritual order, lineages of transmission, and community relations jointly constitute its meaning system, once implementation goals prioritize display, dissemination, and replication, context is reduced to selling points, complex processes are broken down into filmable sequences, and cultural practice shifts from a relational process to an objectified product. Research on tourism and eventization directly indicates that transforming intangible cultural heritage into tourism products is inherently challenging, as intangible culture often belongs to specific communities and is difficult to embed within commercial tourism markets. Once delivered to tourists in standardized forms, the authenticity and integrity of performance-based heritage are likely to be compromised. The same body of research further reveals a performative and curatorial mode of production: through material and communicative staging, cultural experiences are shaped into consumable experiencescapes, whereby festivals originally initiated by communities are transformed into events jointly participated in by locals and tourists, and, under the impetus of tourism activities, traditional performing arts undergo commercialization. Notably, the literature also emphasizes that cultural space is regarded as an essential component alongside the five domains of intangible cultural heritage, yet it has not received adequate institutional recognition. This means that the places, relationships, and embodied structures upon which intangible cultural heritage depends are more readily weakened at the interface between governance and markets, thereby further intensifying the tendency toward decontextualization.

4. Mechanisms and case-based validation of blockchain empowerment in community settings

Building upon the process of decontextualization discussed above, IP-ization further transforms the mode of existence of traditional cultural heritage. It is not a neutral form of packaging, but rather a restructuring of rights premised on assignability, licensability, exclusivity, and replicability. Authorization requires definition; definition drives standardization; and standardization, in turn, demands decontextualization. As a result, traditional cultural heritage is rewritten—largely in the absence of its own subjective will—into assets that can be possessed and allocated, while local variants and multiple lineages of transmission are treated as risks rather than values within an assetization logic [4]. Accompanying this transformation is a meritocratic mechanism of resource allocation. Platform rankings, sales volumes, ratings, certification levels, and project performance metrics together constitute comparable scales along which resources are distributed. Actors, in order to gain access to resources, adapt themselves to these scales and internalize external evaluations as standards of self-discipline. Innovation is guided along a single trajectory, content rapidly homogenizes, and formalization ceases to be an incidental outcome of individual choice, instead becoming a structural consequence of indicator-based allocation continuously shaping behavior. As a result, the ecosystem of versions converges: local variants disappear or are marginalized. Living intangible cultural heritage originally allowed differentiated practices to emerge across villages, lineages, and uses; yet when processes and representations are unified for ease of dissemination, instruction, licensing, or evaluation, variants are labeled "non-standard" and gradually eliminated. The same craft increasingly resembles a single template across different regions—oral differences may persist, but differences in practice steadily diminish.

Accordingly, avoiding the implicit power relations and mechanisms of control embedded in traditional cultural heritage under marketization does not entail rejecting the market itself. Rather, it requires redesigning power distribution within the market—shifting from centralized authorization and single-indicator dominance toward polycentric negotiation and multidimensional value structures—so that the market functions as an institutional arrangement that preserves difference and variation, rather than as an extractive channel of assetization. Returning to the platform's point of origin may be understood as reconstructing a market structure

closer to that of the bazar. The focus is not on intensifying zero-sum, inward-looking competition, but on restoring low-threshold entry, multi-actor participation, and negotiable conditions of access; weakening the dominance of single rankings and blockbuster logics; increasing the visibility of diversity through multi-tagging, multiple entry points, and exploratory distribution; and re-embedding contextual information—such as lineage, use, variants, locality, and modes of transmission—into transaction interfaces. In this way, transactions occur not only at the level of commodities, but also at the level of knowledge and relational commitments. Complementing this approach is an alternative to rigid IP enclosures. Rejecting IP-ization centered on strong exclusivity does not imply rejecting commodification; rather, it entails shifting toward institutional arrangements based on weak exclusivity and benefit return mechanisms. Such arrangements protect the labor of practitioners through rights attribution while reducing the payoff from imitation; balance openness and revenue through tiered licensing across different contexts; and safeguard community interests through return mechanisms, ensuring that commodification becomes a process of shared benefit rather than extraction.

Within this framework, policy and space should not be understood as instruments for turning intangible cultural heritage into marketized projects, but as forms of institutional infrastructure that sustain the living reproduction of cultural heritage. The core task is to address two types of constraints simultaneously [5]. The first concerns physical and organizational constraints at the community level, including shortages of venues, inefficient use of idle spaces, and excessively high entry barriers. The second involves sustainability constraints at the level of the cultural economy: without stable profit support, implementations dependent on subsidies are difficult to sustain and ultimately decline within short-cycle, project-based rhythms. Existing evidence indicates that while urban communities in China generally have relatively sufficient hardware provision, vacancy rates of community-use spaces remain high—reaching 20–30% in some areas. This provides tangible carriers for intangible cultural heritage to enter communities at lower cost, but also suggests that policy objectives should go beyond simply activating space. Instead, space must be transformed into practice fields capable of accommodating multi-actor collaboration, repeated occurrence, and sustainable operation, enabling intangible cultural heritage to recover its vitality through everyday continuity and long-term stability [6]. Correspondingly, the effectiveness of policy instruments such as subsidies and tax incentives should not be evaluated solely by the number of "auditable outputs," but rather by whether they reduce the cost of experimentation, extend the temporal stability of practice, and enable the coexistence of multiple versions. Only when continuity becomes possible can intangible cultural heritage avoid being compressed into one-off performances or replicable templates.

Furthermore, to avoid the dual pressures exerted by performative traffic on community implementation, market operations must shift from a single-event logic to a closed-loop industrial chain logic. By integrating teaching, experiential activities, R&D, and sales into a unified cycle that aligns cash flow, learning mechanisms, and product iteration, organizations can maintain basic resilience amid seasonal fluctuations and external demand uncertainty. Existing case materials already reveal observable operational profiles: in Jinzhou, localized intangible heritage initiatives rely on low-cost spatial renovation and accessible experiences to achieve initial profitability; in Beijing, the introduction of UNESCO-listed heritage tends toward high-end immersive experiences and customized instruction; in Chengdu, diverse thematic activities and cultural-creative markets generate high foot traffic. These differences demonstrate that "replicability" should not be equated with copying a single template, but rather with enabling different cities and communities to develop distinct product combinations and service intensities based on variations in audience structure and resource endowments, while maintaining a minimum protection threshold for key contextual elements and transmission structures [7]. At the same time, the materials also identify typical vulnerabilities in implementation. Many

projects rely heavily on experiential teaching and cultural-creative sales, resulting in pronounced product homogenization and seasonal downturns. Insufficient copyright protection directly weakens practitioners' incentives for innovation; inefficient resource integration hampers cross-project linkage and scaling; and technological applications remain limited and superficial, often confined to basic traceability, failing to effectively support collaboration and distribution. Consequently, disputes and exit risks become commonplace. Together, these issues point to a clear conclusion: if community implementation is to avoid formalization and short-cycle decline, sustainable operational structures must be regarded as an integral component of protection mechanisms, rather than as an auxiliary element external to culture.

In this sense, the role of blockchain should not be reduced to merely affixing a technological label to intangible cultural heritage. Instead, it should be positioned as a market-institutional tool for reducing transaction costs and reshaping collaborative relations. The pathway proposed in the materials is to build an intangible heritage value management system based on consortium blockchains, structured around value attribution, process traceability, and benefit sharing, and to use smart contracts to transform distribution rules from personalized negotiation into executable and transparent mechanisms, thereby reducing disputes caused by information asymmetry and settlement delays. The key is not to push intangible cultural heritage toward strong assetization, but to confine "attribution" to the protection of transmission labor and original outcomes, to confine "traceability" to tools for enhancing trust and repeat purchases, and to confine "distribution" to infrastructure that sustains multi-actor collaboration. The Jinzhou paper-cutting case illustrates that after introducing blockchain and integrating inheritors, suppliers, and cultural-creative enterprises, the project achieved increased profitability and repeat purchases through copyright attribution, process traceability, and smart contract-based revenue sharing, and subsequently began expanding into multiple communities. Such evidence supports the practical utility of blockchain in reducing rights protection costs, enhancing consumer trust, and shortening distribution cycles. Equally important is the staged implementation pathway proposed in the materials: first realizing attribution and traceability, then deploying smart contract-based distribution, and finally connecting to broader market channels. This gradual progression enhances organizational collaboration efficiency and provides institutional support for long-term operation, without sacrificing local embeddedness or the ecology of variants.

5. Conclusion

Accordingly, in pursuing the normative objectives of "policy empowerment and spatial activation," a more viable implementation logic lies in treating policy, space, collaboration, resources, technology, and the closed-loop industrial chain as an interdependent and mutually constraining system. Policy provides safeguards for entry and experimentation; space offers the physical substrate for continuous practice; multi-actor collaboration supplies the organizational structure for the social reproduction of intangible cultural heritage within communities; resource integration creates combinatory possibilities for cross-project linkage and product innovation; blockchain delivers low-friction institutional tools for attribution, trust-building, and distribution; and the closed-loop industrial chain furnishes the cash-flow foundation necessary for profit support and long-term investment. This study synthesizes these elements into a six-in-one framework of "policy guidance, spatial activation, multi-stakeholder collaboration, resource integration, blockchain empowerment, and closed-loop industrial development." The core value of this framework does not lie in reproducing a more refined template, but in providing stable conditions for the survival of difference and variation. It enables intangible cultural heritage to occur continuously and renew itself within a polycentric,

negotiated structure closer to that of the bazar, thereby allowing profit to function as a necessary condition for ecological sustainability rather than as a driver of accelerated alienation.

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