

## Research on the Relationship Between Ancient Commercial Culture and Modern Urban Development in Shaoxing Water Town Historical District

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### Abstract

This study investigates the interplay between the historical commercial culture of Shaoxing's water towns and contemporary urban development. By comparing the developmental trajectories of Shaoxing water towns with other ancient Chinese commercial hubs, the paper elucidates the impact of Shaoxing's distinct commercial culture on the evolution of its urban structure and cultural landscape. The findings indicate that traditional commercial activities in Shaoxing's water towns not only sustain the local economy but also inject fresh momentum into modern urban development by fostering cultural tourism. Additionally, the study underscores the need for policymakers to balance heritage conservation with urban modernization demands and proposes targeted policy recommendations to harmonize cultural heritage preservation and economic progress. Through comprehensive community and stakeholder engagement, the research deepens the understanding of the interaction between commercial culture and urban development. The results offer valuable insights for urban planners, cultural heritage preservationists, and policymakers, highlighting the synergies between cultural heritage conservation and economic development and providing lessons applicable to other cities with rich historical commercial cultures.

**Keywords:** Ancient Commercial Culture; Historic District; Urban Development; Shaoxing; Commercial Culture.

## Introduction

Shaoxing, situated in the north-central part of Zhejiang Province (Fang & Li, 2023; Wang, Zhang, & Peng, 2023), China, is an ancient city renowned for its extensive history and rich cultural heritage. Established over 2,500 years ago, Shaoxing's historical development is noteworthy. In 490 BC, King Goujian of Yue utilized the geographical advantages of hills and plains to found a city, with the prominent hill Fushan marking the establishment of Yuezi City, known today as the Yuezi City Historic District (Wang, Zhang, & Xi, 2022; Yu et al., 2022; Zhou et al., 2023). During the Southern Song Dynasty, Shaoxing achieved its pinnacle, emerging as a pivotal national hub for politics, economy, culture, and water transportation. Following its decline in status after the Song Dynasty, the city retained significance, adapting through various administrative transitions.

Throughout history, Shaoxing's urban scale has been remarkable. It has been celebrated as a prominent settlement since the Eastern Jin Dynasty and acknowledged as the foremost city among the seven states of Eastern Zhejiang during the Tang Dynasty (Li et al., 2023; Shao, Wen, & White, 2022; Wa, 2023). During the Southern Song Dynasty, it ranked among the world's most significant towns, alongside Jinling. Despite these accolades, the city's area remained confined within 8.32 square kilometres, delineated by its protective moat.

In terms of urban planning, Shaoxing adhered to the principles of "building cities and dividing residential areas," ensuring a scientifically chosen and logically arranged layout. This approach considered factors such as defence, safety, external traffic, and the needs of urban residents for production and daily life (Fang, 2023).

Regarding urban construction, since King Goujian established the initial small city and the larger Shanyin City, there have been ongoing developments within the city walls. During the Sui Dynasty, Luocheng was constructed, followed by the building of Zicheng in the Northern Song Dynasty. The city further expanded in the Southern Song Dynasty (Yang & Xu, 2023). Throughout the Yuan, Ming, and Qing Dynasties, continuous efforts were made to repair the city walls and construct related facilities.

The city's distinctive characteristics are prominently displayed throughout its history. Beginning from the Eastern Han Dynasty, the development of waterways, bridges, and markets, including the construction of Jianhu Lake, shaped Shaoxing into a distinct water town (Ge, 2022; Xu & Sun, 2021). Remarkably, over 2,500 years, Shaoxing has persistently enhanced its urban infrastructure while preserving its original location and overall urban layout.

As one of the earliest designated national historical and cultural cities, Shaoxing boasts a wealth of cultural and historical landmarks. These encompass two nationally recognized historical and cultural towns, one national historical and cultural village, three provincial historical and cultural towns, 13 traditional Chinese cultural villages, and over 100 other traditional villages. The city also hosts a segment of the Grand Canal of China, a UNESCO World Cultural Heritage site (Yu, 2023). Shaoxing is home to 395 national, provincial, and municipal heritage sites and 339 intangible cultural heritage items. Its historical and cultural legacy includes renowned residences, traditional mansions, temples, bridges, and other structures, many of which date back to the Ming and Qing Dynasties. Notably, these buildings, particularly the famous residences, traditional mansions, and temples, epitomize the architectural style of Shaoxing's historical streets.

Throughout its extensive history, Shaoxing has witnessed the flourishing of its water town culture (Escate, Hoogesteger, & Boelens, 2022). The intricate ancient waterway system not only facilitated transportation and economic exchange but also nurtured a distinct water-based culture. The history of Shaoxing's water towns is intricately intertwined with its commercial culture (Mallik & Chhatar, 2021; Mishra & Saxena, 2024). Shaoxing emerged as a vital commercial centre in antiquity, thanks to its exceptional water transport infrastructure. The convenient waterways positioned Shaoxing as a crucial junction in north-south trade routes, drawing merchants from diverse regions and fostering the exchange of goods and commercial practices (Lamadrid & Rivera, 2023).

Commercial activities fostered a flourishing urban landscape within Shaoxing's water town, characterized by bustling markets and vibrant merchant activity. This

economic prosperity significantly influenced the lifestyle and cultural identity of Shaoxing (Chabrowski, 2022a; Hu, 2023). The vibrant commercial culture manifested in the exchange of goods, architectural influences, literature, and the arts. The affluence of merchants and the convergence of diverse cultures made Shaoxing's water town a sought-after city in ancient times (Chabrowski, 2022b). However, with the passage of time and the rapid pace of modern urbanization, traditional elements of Shaoxing's water town are undergoing profound transformations. Contemporary urban development, marked by industrialization and commercial expansion, poses considerable challenges to many historic districts and structures (Fang, 2023; Lu, 2023; Wang, 2022). Some ancient buildings have been demolished to accommodate urban growth, while traditional waterways have been filled, altering the city's landscape.

This evolution is an inherent facet of development and a significant challenge posed by urbanization (Li et al., 2022; Liu et al., 2022). The establishment of contemporary cities necessitates additional land and enhanced transportation infrastructures, resulting in alterations to the traditional layout of water towns. Several ancient historical districts, formerly vibrant commercial hubs, have experienced a gradual decline in activity. Traditional handicrafts and small workshops have been supplanted by large-scale industrial facilities, affecting the distinctive cultural fabric of Shaoxing's water town (Wu, Zhu, & Zheng, 2022; Yu et al., 2023). Nevertheless, modern urbanization also presents new opportunities for development in Shaoxing (Yang, Zang, & Chen, 2022). Revisions in urban planning have facilitated the conservation and revitalization of several traditional historical districts, drawing increased numbers of tourists and cultural enthusiasts (Jiang et al., 2022; Ma & Wang, 2022). While traditional handicrafts have faced challenges, the urban development process has also spurred the emergence of new industries and creative sectors. By integrating modern urban elements with traditional water town characteristics, Shaoxing can preserve its cultural heritage while embracing fresh avenues for development (Yadav et al., 2022).

The core objective of this study is to thoroughly investigate and comprehend the commercial culture within Shaoxing's water town historic district, including its

historical origins and evolution, while emphasizing the cultural and economic importance of commercial activities in this area. Moreover, by examining the influence of modern urbanization on Shaoxing's water town historic district, the study elucidates the ways in which urban development impacts traditional commercial culture. This inquiry encompasses various dimensions, including urban planning, land utilization, and the preservation of cultural heritage. Furthermore, this research contributes insights and lessons for other cities sharing similar historical and cultural attributes, serving as a valuable reference for their own developmental strategies.

## **Commercial Culture in the Shaoxing Water Town Historical District**

### **Formation and Development of Ancient Commercial Activities**

With its rich historical background, Shaoxing has engaged in commercial activities since ancient times. Situated at the junction of the Yangtze and Qiantang rivers, Shaoxing developed a distinctive water transportation network. This geographical advantage positioned Shaoxing as a pivotal hub in north-south trade routes, facilitating robust commercial interactions.

During the Spring and Autumn period, the Yue kingdom established its capital, with King Goujian's small city serving as the political and military centre, and the larger city as the focal point for production and economic activities. The city's geographical layout, characterized by hills meeting plains, featured higher elevations in the south and lower elevations in the north. Fushan, located in the southern part of the small city and occupying nearly one-third of its area, provided an ideal environment for settlement and development. The south-eastern foothills of Fushan, with their elevated and dry terrain abundant in forest resources, were particularly suitable for habitation and housed the early palaces of the Yue kingdom, which fulfilled administrative functions for the city. In contrast, the larger city, influenced by its topography, had residential areas situated in the higher and drier southern regions, while public buildings such as markets and workshops were located in the lower northern areas. Water from the southern regions initially passed through residential

zones for domestic purposes before flowing downstream to support production activities.

Shaoxing's urban morphology underwent significant changes from the Spring and Autumn period through the Qing Dynasty. The city experienced expansion during the Sui and Tang periods, followed by the removal of inner-city walls in the Song and Yuan periods. The architectural layout evolved from an early ward system to open street blocks, and the ceremonial urban model transitioned from an east-west division to a nested pattern oriented north to south. Despite these changes, aside from commercial areas, the spatial arrangement of the ancient town largely remained unchanged. The original small city area persisted as the political centre housing government offices, while the southern section, characterized by higher terrain and upstream river networks, developed into a concentrated zone for official residences. In the north-eastern part, near Jieshan, numerous workshops emerged, forming the city's primary area for public activities, as illustrated in [Figure 1](#).

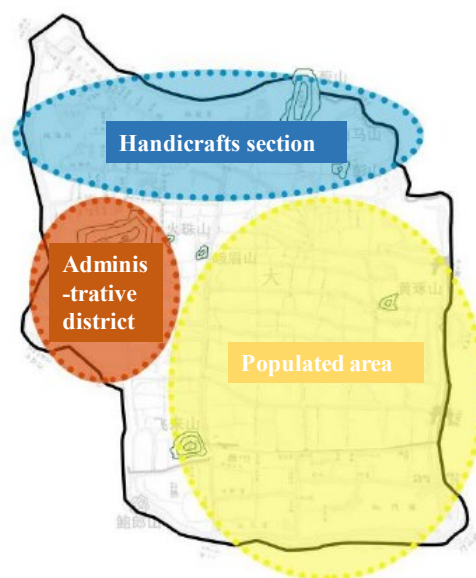


Figure 1: Schematic Diagram of the Spatial Layout of the Ancient City.

### Expansion of Commercial Spaces in Shaoxing Water Town Historical District

The inevitability of changes in commercial spaces arises from the natural economic progression of human society. However, the trajectory and pattern of such

changes within Shaoxing's ancient city are intricately tied to the evolution of its dike-pond system. As previously mentioned, the primary functions of the city's water system included supplying water for both production and daily life, as well as facilitating internal transportation. The transportation capacity of the dike-pond system, which heavily relied on ancient China's canal transport, played a crucial role in shaping commercial development. The organization of waterways within Shaoxing's ancient city was closely integrated with its water town configuration, particularly affecting commercial growth in the hills-meeting-plain area and surrounding regions. The arrangement of the city's water system directly influenced the placement of markets within the town and facilitated the establishment of commercial centres.

During the Qin and Han Dynasties through the Six Dynasties period, the construction of Jianhu Lake and the Xixing Canal significantly enhanced Shaoxing's water and land transportation infrastructure. The establishment of Jianhu Lake led to an expansion of arable land on the plain, resulting in increased productivity and the growth of agricultural and handicraft output. Beyond meeting local needs, surplus products were transformed into commodities for external trade. Jianhu Lake and the Xixing Canal facilitated transportation between urban and rural areas on the plain, connecting Shaoxing to the Central Plains region through the Taihu Lake basin in the northwest. This infrastructure provided substantial support for the development of commodity transit and trade. The city's "well-side markets" gradually evolved into extensive markets with numerous shops and mansions. Due to ceremonial constraints, markets in the state city were exclusively established along the Fuhao River in the central part of the ancient city.

During the Sui and Tang Dynasties, Shaoxing's water transportation network expanded extensively, facilitating increased commodity exchange and trade. The existing two markets within the city proved inadequate to meet growing commercial demands, prompting the development of "suburban markets" at the city gates. These markets relied on both water and land transportation routes near the city gates, giving rise to bustling commercial streets. This development spurred the construction of docks, warehouses, hotels, and other ancillary buildings. The spatial expansion of the

ancient city extended outward along waterway transport routes, enlarging the urban footprint and enhancing connectivity between the state city and rural settlements.

By the end of the Tang Dynasty and the beginning of the Song Dynasty, the ward system started to dissolve, and the establishment of markets within the city broke through previous constraints, expanding both within and outside the city walls, as depicted in [Figure 2](#). The city and its nearby suburbs hosted over twenty markets, fostering close economic connections between urban and rural areas. Urban space extended beyond the city walls into the suburbs, facilitated by commercial transportation networks via waterways and land routes. The suburban villages underwent urbanization, gradually integrating into the city's fabric as an essential component. The Xixing Canal, serving as a primary transportation artery, played a pivotal role in relocating the commercial centre of the ancient city. The original market site near Qingdao Bridge in the middle segment of the Fuhao River, situated roughly at the geometric centre of the city, and the junction at Dajiang Bridge along the Daluhe River, within the inner-city section of the Xixing Canal, emerged as bustling commercial areas. Along this axis, eight markets were strategically distributed, surrounded by commercial establishments, post stations, temples, and observatories. This area became the vibrant heart of Shaoxing city, attracting officials, residents, and merchants alike. In addition to these fixed markets, periodic markets also thrived according to local customs, such as the Lantern Festival market at Kaiyuan Temple. Here, a diverse array of goods including jade, silk, pearls, rhinoceros horn, fragrances, precious medicines, embroidered fabrics, and lacquered rattanware were showcased, captivating visitors with their splendour. Calligraphy, renowned paintings, bells, ceremonial vessels, and other curiosities were occasionally traded, adding to the grandeur and liveliness of these market events. Transportation hubs such as the "Siming boats and rafts gathering place" and expansive bridge and canal intersections also spontaneously evolved into bustling markets due to the exchange of goods. For instance, the area between Dongshuang Bridge and Guangning Bridge, linking the land gates of Lumen and Wuyunmen and the water gate of Dusi Gate, thrived due to the transit of merchants via both water and land routes. Docks, shops, taverns, and teahouses clustered in this locale, establishing it as a primary hub for citizen activities.



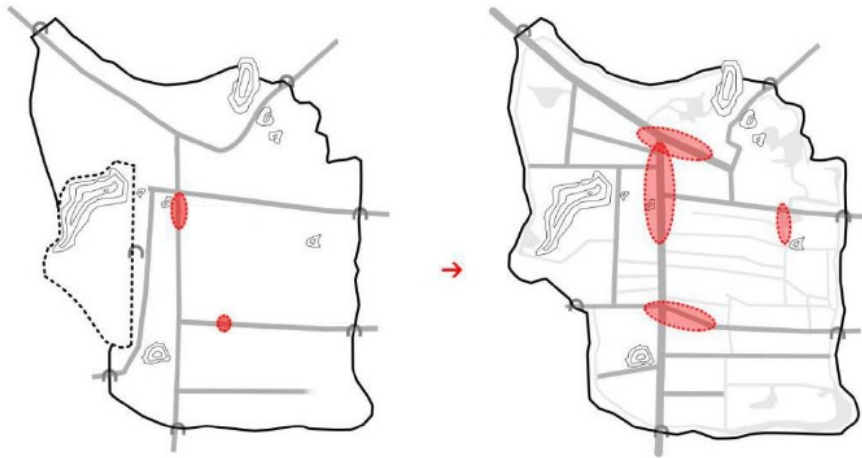


Figure 2: Changes in Commercial Space Layout in the Old City.

### **Spatial Layout of Commercial Cultural Spaces in Shaoxing Water Town Historical District**

The planning and design of commercial zones play a crucial role in the urban development strategy of Shaoxing Water Town. Emphasizing the preservation and transmission of its historical culture, Shaoxing aims to integrate traditional architectural styles with contemporary commercial requirements in commercial area planning. The objective is to foster modern commerce while preserving the distinctive historical ambiance of the water town.

In the design of commercial areas, architectural styles frequently uphold the traditions of the historic district. The preservation and refurbishment of old buildings to harmonize with modern commercial architecture highlight the artistic value of history and enhance the appeal of commercial zones. Furthermore, road planning in commercial districts focuses on maintaining the layout of historic streets and alleys, imbuing them with a profound sense of historical significance. Presently, Shaoxing's historical districts are predominantly categorized into three types, as illustrated in [Figure 3](#).

The first type is the linear district, organized around a river in a "linear" configuration. Commercial streets are situated on both sides of the river, creating a market environment along the riverbanks. This layout is exemplified by Anchang

Ancient Town, which features a central street-river stretching over 1700 meters in length and 8 to 16 meters in width, spanning the entire town. Flanking the river are two pedestrian streets, each 3 to 5 meters wide, extending from Qingdun Bridge in the west to Gao Bridge in the east, known locally as the "Three Li Long Street." The district extends predominantly along the east-west axis of the street-river, with limited expansion north-south. Buildings along the river and streets do not form a secondary layer of parallel commercial streets or separate clusters of buildings. This layout, characterized as a "single district" or "single street district," results in a distinct contrast between the elongated east-west orientation and the more constrained north-south dimension of Anchang, giving the district a linear, crescent moon-like distribution.

The second type is the T-shaped (T-junction) harbour district, characterized by two intersecting rivers forming a T-shape, with the main streets arranged accordingly. Dongpu Ancient Town serves as an example of this layout, with Dongpu Old Street situated at the heart of the original Dongpu Town, centred around the T-shaped confluence of the Jiehe River and Miaoqiao River. The Jiehe River runs east-west for approximately 600 meters, while the north-south Miaoqiao River spans about 200 meters, with main river channels typically around 10 meters wide. Main streets align along these rivers, typically measuring 3 to 5 meters in width. Despite the significant length disparity between the Jiehe River and the Miaoqiao River, and despite buildings being predominantly situated along these rivers, the district's layout extends in all four directions from the intersection of the two rivers. However, the overall district maintains a predominant east-west orientation. Tributaries branch off from the main rivers to facilitate water utilization and transportation for local residents.

The third type is the cross-harbour-shaped market town, which revolves around two intersecting rivers forming a cross shape, fostering a vibrant market connected by bridges and streets. The bustling market areas at the four corners of the cross harbour are locally known as 'four mouths,' a characteristic seen in Keqiao Ancient Town. Keqiao Ancient Town developed at the confluence of the east-west Zhejiang East Canal and the north-south flowing Ke River, with buildings lining these waterways. As a result, the town's spatial layout resembles a cross shape, exhibiting

relatively balanced development in both east-west and north-south directions, giving it an overall square-like appearance. The town is divided into four quadrants by the intersecting rivers. Yongfeng Bridge, situated in the historical district, serves as the focal point of the old city, with well-preserved buildings lining the riverbanks. However, many residential structures within the district have been replaced by modern architecture over time.

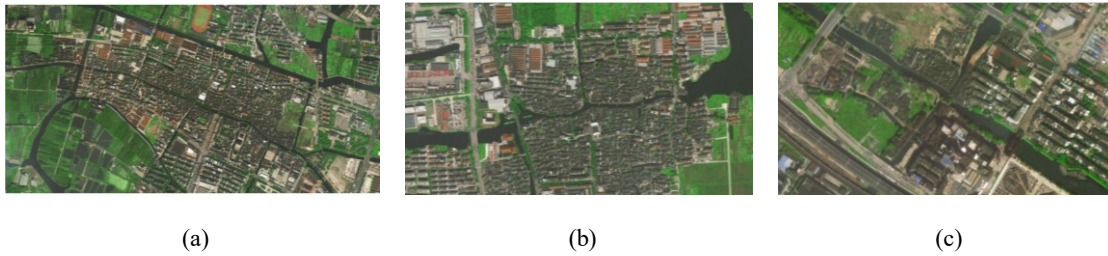


Figure 3: Three Shaoxing Waterfront Historic District Types.

### Integration of Culture and Commerce

In Shaoxing Water Town, commercial areas place a strong emphasis on integrating culture and commerce. This integration is evident in the architectural style and the diversity of commercial activities. Merchants in these areas offer products and services that encapsulate the distinctive cultural essence of the water town, as depicted in [Figure 4](#).

This paper provides a detailed comparative analysis of Shaoxing Water Town and Wuzhen, highlighting the enduring influence of their commercial cultures on contemporary urban development. While both are renowned for their water town characteristics, Shaoxing Water Town boasts a longer history of commercial activities, profoundly shaping modern urban structures and cultural landscapes. In contrast, Wuzhen is celebrated for its well-preserved ancient architecture and transformation into a prominent tourist destination. Both Shaoxing Water Town and Wuzhen encounter the challenge of balancing tradition with modernization. Shaoxing actively integrates modern elements while preserving the cultural heritage of its ancient towns through initiatives like cultural festivals and commercial activities aimed at attracting tourists and fostering economic growth. Wuzhen, meanwhile, emphasizes cultural

tourism and high-tech exhibitions, such as the Wuzhen Internet Conference, establishing itself as a modern showcase town with international appeal while retaining its traditional charm. The development strategies of these two locales reflect varying degrees of community and stakeholder involvement. Shaoxing Water Town prioritizes community engagement and the welfare of residents in its tourism and commercial endeavours. Conversely, Wuzhen strives to cultivate an internationalized image as a destination, occasionally potentially conflicting with local community interests. Wuzhen's commercial achievements highlight an effective approach to commercializing cultural heritage. In contrast, Shaoxing Water Town places greater emphasis on the preservation of cultural heritage and sustainable growth. This distinction underscores differing strategies and outcomes regarding heritage conservation and commercial development between the two locations.

The integration of culture and commerce is evident in the cultural activities and artistic performances held in commercial areas. Shaoxing Water Town's commercial zones regularly host traditional cultural events such as water town art exhibitions and displays of traditional handicrafts, drawing large numbers of tourists and culture enthusiasts. Additionally, these commercial districts often include public cultural spaces dedicated to artistic performances, calligraphy exhibitions, and various other activities, offering local residents venues for cultural enrichment and leisure pursuits.



Figure 4: Integration of Shaoxing Water Town Culture and Commerce.

Moreover, the catering industry within the commercial areas exemplifies the seamless integration of culture and commerce. Shaoxing Water Town is celebrated for

its distinctive culinary culture, with restaurants in the commercial districts frequently showcasing authentic local specialties. Through the preservation and innovation of culinary traditions, visitors can indulge in delicious cuisine while immersing themselves in the unique cultural ambiance of the water town.

In summary, the architectural style of Shaoxing Water Town's historic district and the planning and design of its commercial areas demonstrate a commitment to respecting and safeguarding traditional culture. They also achieve a seamless integration of culture and commerce within contemporary business development. This integration not only enhances the commercial viability of these areas but also contributes significantly to the preservation of the water town's cultural heritage and the shaping of its urban identity. Looking ahead to future urban planning and development, this integrated model stands as a valuable reference for other historical and cultural cities, aiming to achieve a balanced coexistence of economic growth and cultural heritage preservation.

## **The Relationship Between Ancient Commercial Culture and Modern Urban Development**

### **The Continuation and Inheritance of Ancient Commercial Culture in the Water Town Historical District**

The ancient commercial culture of Shaoxing Water Town, integral to its urban development, has profoundly influenced modern urban growth. Preserved and continued within the Water Town historical district, this ancient commercial culture constitutes a unique and enduring urban cultural heritage. Its legacy serves as a foundational element shaping the city's contemporary identity and contributing to its distinctive urban fabric.

The inheritance of ancient commercial culture in the historical district is prominently displayed through its architectural style and urban layout. The Water Town historical district preserves numerous ancient buildings that embody the characteristics of ancient commercial culture, including water walls, stone bridges,

and pavilions. These structures serve as historical legacies and tangible representations of ancient commercial practices. Through restoration and conservation efforts, these buildings have become distinctive attractions within the historical district, attracting a large number of tourists and culture enthusiasts. This revitalization effort plays a crucial role in preserving and promoting the ancient commercial culture of the Water Town historic district, as depicted in [Figure 5](#).

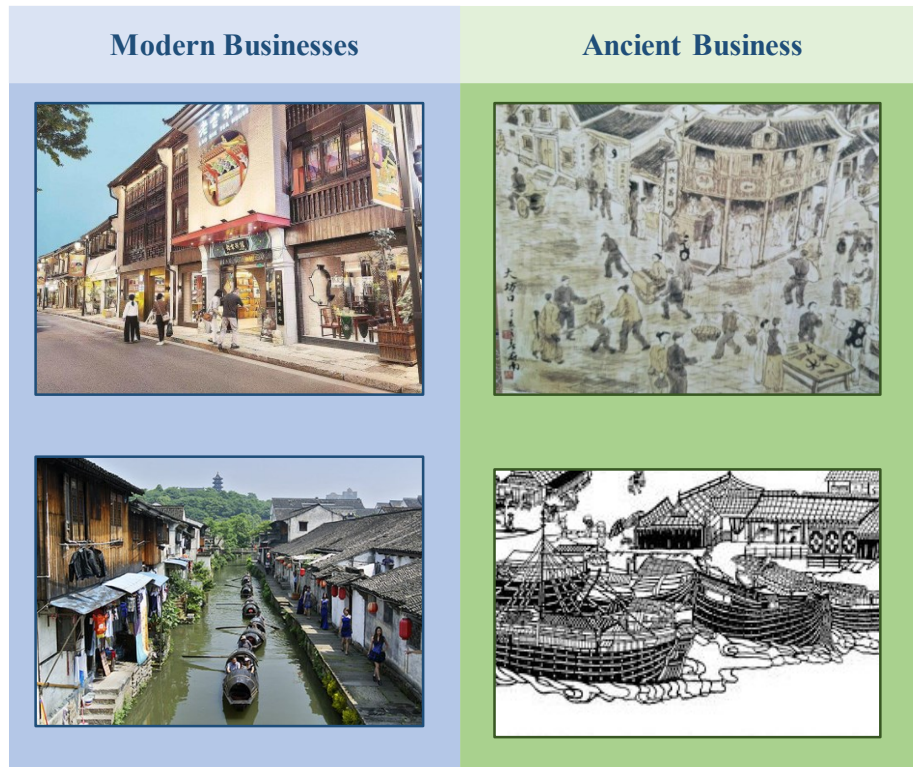


Figure 5: Inheritance of Ancient Commercial Culture in Shaoxing Water Village.

The continuation of ancient commercial culture in the Water Town historical district is evident through the ongoing development of commercial activities. While modern forms of commerce have evolved significantly, traditional handicrafts and ancient commercial models persist in the historic district. Industries such as silk production and tea processing remain vital, meeting market demands while preserving the town's ancient commercial expertise. Furthermore, snack stalls and handicraft shops within the historical district uphold the distinctive traits of ancient commercial culture, drawing both visitors and local residents for authentic experiences and shopping opportunities.

The inheritance of ancient commercial culture is also evident in the cultural activities and festivals held within the commercial areas. The historical district regularly hosts traditional cultural festivals, including costume parades, exhibitions of conventional handicrafts, and art exhibitions showcasing water town heritage. These events vividly display ancient commercial culture, attracting tourists and fostering a deeper connection among residents with their city's history. Such cultural initiatives play a crucial role in supporting and promoting cultural heritage within the Water Town historic district.

Furthermore, the continuation of ancient commercial culture in the Water Town historical district is also demonstrated through the social role of merchants. Several family-run traditional businesses have been preserved and handed down through generations within the historical district. These merchants serve as business operators and essential community members, actively participating in urban community development and philanthropic activities. Their role exemplifies a blend of cultural ambassadorship and social leadership, contributing significantly to the preservation and promotion of the district's cultural heritage.

Overall, the continuation and inheritance of ancient commercial culture in the Water Town historic district represent a legacy deeply rooted in history and urban tradition. Beyond its role as a mere commercial area, the district embodies a cityscape replete with cultural richness and historical significance. This heritage provides a unique resource for modern urban development and forms a robust foundation for the sustainable growth of the Water Town historic district. In urban planning and development, preserving and transmitting ancient commercial culture not only enhances the city's identity but also enriches residents' cultural experiences. By adeptly blending tradition with modernity, the Water Town historical district can preserve its cultural essence while fostering economic prosperity and societal advancement.

### **Functional Changes of Ancient Historical Districts in Modern Cities**

As cities progress and societies evolve, the roles of historical districts as urban cultural heritage sites undergo significant transformations. Once vibrant commercial

hubs in ancient times, these districts now serve as modern centres of culture and tourism, reflecting shifts in urban history, culture, and development. The evolution of historical city districts can be categorized into four key aspects: the decline and adaptation of commercial centres, the preservation and promotion of cultural heritage, the emergence as tourism destinations and experiential hotspots, and the growth of arts and entrepreneurial industries.

Historically, these districts have been pivotal commercial centres bustling with trade and commerce. However, as modern cities and transportation networks have developed, commercial activities gradually relocated to other urban areas. Traditional handicrafts and small-scale trade gave way to modern commercial models, diminishing the commercial role of ancient historical districts. In response, there has been a heightened emphasis on preserving their historical and cultural significance. Governments and social organizations have focused on restoring historical buildings and safeguarding traditional handicrafts, thereby transforming these districts into cultural treasures. They now stand as symbols of urban cultural heritage, drawing countless tourists and culture enthusiasts alike.

Modern interest in history is increasingly centred around immersive experiences and active engagement. Ancient historical districts respond to this trend by establishing themed cultural streets and hosting traditional festivals, enticing visitors to explore old architecture, traditional crafts, and unique cultural atmospheres. As a result, these districts have evolved into vibrant tourism hotspots, injecting fresh economic vitality into their respective cities.

As urban functions diversify, historical districts are increasingly becoming incubators for arts and creative industries. Repurposed old buildings now serve as art studios and creative design centres, drawing young artists and creators. The rich cultural heritage of these districts serves as a wellspring of inspiration and resources for the creative industry, blending modern innovation with historical charm. Moreover, some historical districts are transitioning into community-centric areas within modern cities. Governments and community organizations enhance infrastructure and provide public services to attract residents. The traditional



architecture and cultural ambiance of these districts offer residents a distinctive living environment, promoting community interaction and collaborative activities.

### Interaction of Culture and Economy in Urban Development

In the process of urban development and evolution, there exists a reciprocal influence and interplay between culture and economy. Ancient commercial culture, integral to urban life, has exerted significant influence on the contemporary urban economy. The trend analysis depicted in Figure 6, illustrating the GDP and per capita GDP of Shaoxing Water Town from 2018 to 2023, underscores the upward trajectory of the district's economic indicators, highlighting the profound impact of its ancient commercial heritage on economic dynamics. Concurrently, the ongoing urbanization process is reshaping the landscape of ancient commercial culture. This study aims to investigate both the influence of ancient commercial culture on the modern urban economy and the transformative effects of urbanization on this historical cultural legacy.

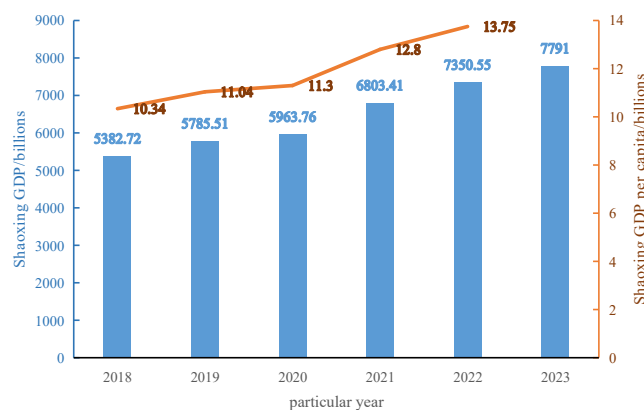


Figure 6: Trend of GDP and GDP Per Capita in Shaoxing Water Towns.

In the course of urban evolution, culture and economy have consistently intertwined and mutually influenced each other. Ancient commercial culture, integral to urban life, has significantly shaped modern urban economies. Concurrently, urbanization has been transforming the essence of ancient commercial culture. This section explores both the influence of ancient commercial culture on contemporary urban economies and the ramifications of urbanization on this historical cultural phenomenon.

### *Influence of Ancient Commercial Culture on Modern Urban Economy*

This subsection will delineate the origins and flourishing of economic activities, the organizational dynamics of commerce via guilds, the transmission of commercial expertise and culture, and the societal obligations of merchants, divided into four thematic parts.

Ancient commercial culture played a crucial role in stimulating economic growth during the city's inception. As urbanization advanced, commercial culture emerged as the cornerstone of the urban economy, fuelling prosperity through trade and craftsmanship. Leveraging distinctive water transport systems, water towns such as Shaoxing evolved into pivotal centres for north-south trade, thereby generating economic significance through their commercial practices.

The organizational exploration within ancient commercial culture commenced early, marked by the establishment of guilds and other structured forms that facilitated systematic business activities. These entities actively fostered collaboration and trade, significantly influencing the organized and expansive operations within urban economies. This structured approach to commerce offers valuable insights and serves as a reference point for modern urban enterprise organizations.

Ancient commercial culture placed significant emphasis on the inheritance of skills, a tradition that persists in certain handicrafts and artistic industries. For example, Shaoxing Water Town's renown for its silk and tea industries has seen these traditions carried forward and developed into modern times. The preservation of these handicraft skills not only conserves ancient cultural practices but also supplies valuable material for contemporary cultural innovation.

Ancient merchants frequently undertook social responsibilities extending beyond their commercial endeavours. Successful merchants contributed to society through educational endowments, water conservation initiatives, and other philanthropic efforts. This tradition of social responsibility within merchant culture persists in modern times, where enterprises engage in philanthropic activities and community development, embodying the concept of corporate social responsibility.

### *Impact of Urbanization on Ancient Commercial Culture*

Table 1 illustrates the primary manifestations of urbanization's influence on ancient commercial culture.

Table 1: Impact of Urbanization on Ancient Commercial Culture.

<b>Affect</b>	<b>Concrete Expression</b>
Functional changes in commercial areas	Diminished influence of ancient commercial culture in business regions
Adaptation of architectural styles and urban planning	The business model has also undergone a fundamental change
Diversity of cultural activities	Urbanization promotes diversity of cultural activities
Touristization of commercial culture	The rise of cultural and creative industries has injected new economic vitality into the city.

Urbanization has led to significant changes in the location and role of commercial centres. Traditional historical commercial districts have seen a decline in their distinctive economic prominence as urbanization has spread commercial activities to other urban areas, thereby diminishing the influence of ancient commercial culture in these districts. Additionally, urbanization often involves modifications in architectural styles and urban planning. In certain cities, ancient historic neighbourhoods have been redeveloped to accommodate modern transportation and commercial requirements, occasionally replacing traditional architectural styles with contemporary buildings. This transformation alters the representation of ancient commercial culture within urban environments.

In the course of urbanization, there has been a fundamental transformation in business models. Modern commercial practices have supplanted traditional handicrafts and small-scale commerce, with e-commerce and large shopping centres emerging as dominant forces. This shift has made some traditional economic facets of ancient commercial culture incompatible with contemporary urban commercial environments. Despite urbanization diminishing the economic role of ancient commercial culture, it has fostered diversity in cultural activities. Historical districts often serve as venues for cultural and artistic events, hosting performances and

traditional festivals that infuse the city with new cultural vitality. As urbanization advances, historical districts have increasingly become popular tourist destinations. Governments and community organizations attract tourists through thematic cultural districts and guided tours, thereby revitalizing historical districts economically and extending the influence of ancient commercial culture in tourism.

### *New Interaction Model Between Culture and Economy*

In contemporary urbanization, the dynamic interaction between culture and economy has evolved beyond mere unilateral influence. The emergence of cultural and creative industries has injected fresh economic vigour into cities. The distinctive cultural assets found in historical districts serve as abundant resources for these industries, establishing new focal points for economic growth within urban areas. In certain cities, urban planning strategies prioritize the preservation and continuation of historical culture by integrating traditional elements into modern architectural designs and adapting old structures to accommodate modern functions. This approach achieves a harmonious synthesis of historical heritage and contemporary economic activities. Such blending of past and present paradigms in urban planning contributes to cities presenting a more diverse and dynamic urban landscape.

During urbanization, a notable trend emerges in community co-creation. Certain historical districts evolve into community hubs where community and commerce synergistically develop. Residents actively engage in preserving historical culture and organizing commercial activities, thereby promoting harmonious community development and enhancing social vitality within these historical areas. Concurrently, the digital economy's advancement facilitates the dissemination and presentation of historical cultures through digital platforms. Virtual reality and digital guides enable novel expressions of historical culture in the digital era, opening new avenues for the preservation and innovation of urban heritage.

## Challenges and Opportunities in Modern Urban Development

### Protecting Cultural Heritage of Water Town Historical Districts in Urban Development

In the context of contemporary urban development, water town historical districts represent invaluable cultural heritage, presenting both opportunities and challenges. Striking a balance between conservation and development, while safeguarding their cultural legacy, poses a significant concern. The proposed solution by the authors is outlined in [Table 2](#).

Table 2. Cultural Heritage Strategies for the Preservation of Waterfront Historic Districts.

Strategies	Concrete Expression
Development of conservation policy and planning	Formulate clear conservation policies and plans to ensure that the cultural heritage of the Waterfront Historic District is properly protected
Strengthening the protection of cultural relics	Restoration and preservation of important cultural relics in the Waterfront Historic District
Expanding Cultural Education and Heritage	Popularize the knowledge of the history and culture of the water township to the residents through schools, communities, etc.
Guiding rational tourism development	Guiding tourists to visit in an orderly manner through a rational approach to tourism development.

Governments must devise coherent policies and strategies to effectively safeguard the cultural heritage of water town historical districts. This entails implementing measures to refurbish ancient structures, sustain traditional crafts, and endorse historical and cultural festivities. Reinforcing heritage conservation efforts, safeguarding pivotal relics within historic precincts, and instituting or enhancing heritage management entities are essential to secure the enduring preservation of artefacts in these districts. Engaging in cultural educational initiatives and disseminating historical and cultural insights through educational institutions and local communities fosters a deeper connection and appreciation for the historical districts among residents. Promoting the continuity of traditional crafts ensures their preservation and adaptation in contemporary contexts. In the context of safeguarding

historical districts, it is imperative to manage tourism development methodically. This involves establishing visitor centres, designing guided tour routes, and regulating visitor numbers to mitigate undue strain on these heritage sites. Implementing standards for building maintenance governs the restoration and redevelopment of structures within historical districts, thereby preserving their authentic architectural integrity, curbing excessive commercial alterations, and safeguarding the overarching cultural ambiance of these historic locales.

Government departments should develop and implement a comprehensive framework of policies aimed at safeguarding cultural heritage. These policies should carefully consider the distinctiveness of historic sites and the urban development imperatives to ensure a balanced approach. For instance, introducing tax incentives, financial subsidies, and technical assistance for the conservation of historical structures could encourage private and corporate engagement in preservation efforts. Policymakers ought to advocate for a development paradigm centred on cultural tourism while prioritizing the quality of life and economic welfare of local residents. This could involve initiatives such as community development grants, infrastructure enhancements, and support programs for small-scale enterprises, ensuring that the benefits of tourism extend to residents. Additionally, establishing a dynamic management team comprising experts, scholars, community representatives, and governmental officials would be advisable to oversee and assess the efficacy of cultural heritage protection policies. Regular feedback and adjustments would help maintain policy relevance amidst evolving socio-economic conditions and community aspirations.

### **Formulating Policies and Plans for Sustainable Development of Water Town Historical Districts**

Enhancing the distinctive appeal of Water Town historical districts as a prominent city landmark necessitates the formulation of policies and strategies aimed at ensuring their sustainable development, as illustrated in [Figure 7](#).

Developing a comprehensive tourism development strategy delineates the role and trajectory of water town historic districts within the tourism sector. This strategy encompasses enhancing attractions, innovating tourism products, and elevating tourist services to establish the district as a compelling destination. With governmental guidance and backing, the cultural and creative industries in Water Town historical districts are fostered. Initiatives include establishing cultural and innovation hubs and providing entrepreneurial support, thereby invigorating creative endeavours and enriching the district's cultural landscape. Leveraging modern technologies like digital platforms, virtual reality, and interactive exhibitions expands the cultural presentation of Water Town historical districts to wider audiences, enhancing their appeal and attracting increased visitors and investments. Capitalizing on the distinctive industries of water town historic districts, such as traditional crafts and local cuisine, through branding and market promotion amplifies their influence within the city, creating a distinct water town brand. Promoting the urban image of water town historical districts via cultural festivals, art exhibitions, and media campaigns highlights their unique allure, garnering greater recognition and engagement.

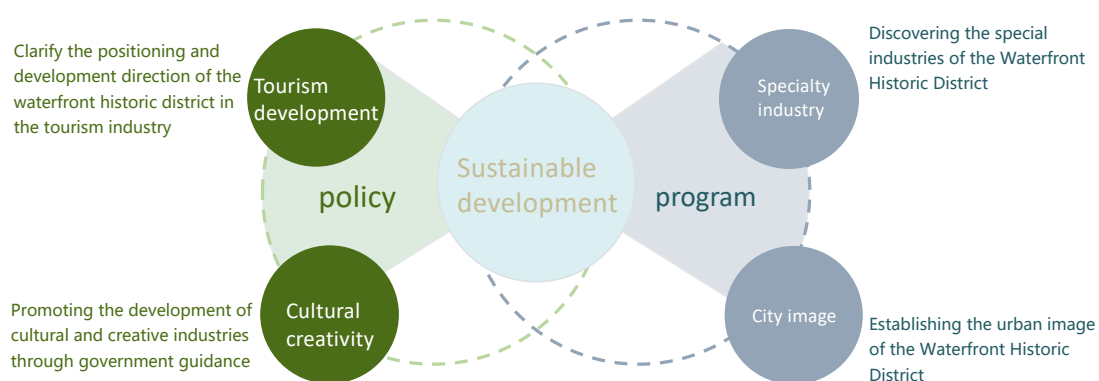


Figure 7: Promoting Sustainable Development of Waterfront Historic Districts.

## Utilizing Ancient Commercial Culture to Attract Tourists and Boost Regional Economic Development

Cultural tourism represents a pivotal focus in contemporary urban development, with ancient commercial culture standing out as a distinctive resource

within water town historical districts. Effectively harnessing ancient commercial culture to attract tourists and stimulate regional economic growth demands careful deliberation and implementation, as depicted in [Figure 8](#).

Creating a distinctive cultural tourism brand in Water Town historical districts involves integrating their cultural resources through cultural and artistic festivals, trade exhibitions, and displays of traditional handicrafts. This initiative aims to craft a unique cultural tourism experience. Developing diverse tourism routes and packages tailored to the characteristics of Water Town historical districts includes guided tours of historic buildings, opportunities for experiencing traditional handicrafts, and sampling local cuisine, thereby offering a range of tourism options.

Expanding the appeal of Water Town historical districts through extensive promotion involves leveraging internet platforms, social media, and travel programs to enhance the district's visibility and attract a larger visitor base. Enhancing tourism infrastructure, including transportation access, lodging options, and guided services, aims to better cater to tourist needs and support sustainable tourism growth. Collaboration between Water Town historical districts and neighbouring tourist attractions can create synergies. Initiatives such as combined ticketing and joint promotional efforts extend tourists' stays in the region, fostering collective regional tourism development.

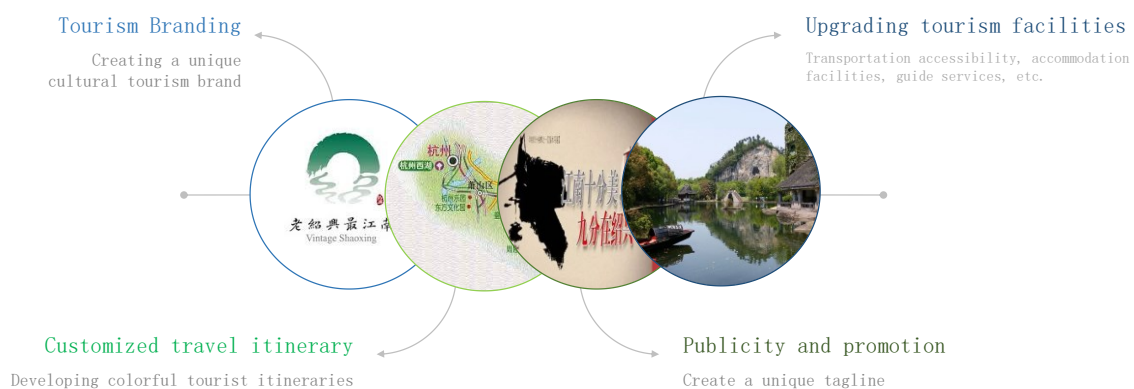


Figure 8: Full Utilization of Ancient Commercial Culture.

The majority of residents prioritize the conservation of their cultural heritage and traditional lifestyles, whereas business proprietors advocate for development strategies



that promise economic advantages. Community engagement holds pivotal significance in safeguarding cultural heritage and shaping urban development initiatives. Insights gleaned from community workshops and public forums enhance the societal acceptance of projects, offering invaluable local perspectives that inform policy makers and planners in crafting responsive decisions tailored to local contexts. Despite adding intricacy to decision-making processes, community involvement also introduces opportunities, including bolstering transparency, fostering public trust in initiatives, and innovatively addressing development challenges through community-led solutions.

### **Conclusion**

Through a comprehensive examination of the interplay between ancient commercial culture in water town historical districts and contemporary urban development, this study illustrates how these areas adeptly balance tradition and modernity amidst their challenges and opportunities. It underscores the profound commercial heritage of these districts and its role in shaping the evolution of modern cities. The longstanding commercial traditions in water town historical districts laid foundational groundwork for urban formation. As urbanization progresses, historical districts have adapted to meet modern societal demands. Overall, the ancient commercial culture of Shaoxing Water Town historical districts is intricately linked with contemporary urban development, mutually enhancing each other. By preserving traditional cultural traits and implementing effective development and conservation measures, these districts continue to thrive within modern cities, imbuing them with distinctive historical and cultural allure. This study has yielded insights into the relationship between historical commercial culture and modern urban development in Shaoxing's water towns. However, several limitations should be noted: despite efforts to gather comprehensive historical and contemporary data, gaps in historical records may have impacted the depth of analysis. Additionally, challenges in accessing recent urban development data may have constrained the study's ability to explore current trends thoroughly.

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