

**CREATIVITY, CLUSTERS AND FINE-GRAIN
NETWORKS: AN INVESTIGATION OF
CULTURE-LED URBAN REGENERATION IN
AUSTRALIA AND CHINA**

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Keywords

Culture-led urban regeneration
Creative cities
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Creative ecosystem
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Creative milieu
Fine-grain
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New media
Shenzhen
Soft infrastructure
Sydney
Urban policies

Abstract

The significance of creative industry clusters is well recognised in culture-led urban regeneration and in the development of cultural quarters over the last twenty years. The benefits of establishing and supporting these clusters are evident, ranging from the achievement of economic return to the improvement of social and environmental conditions. This urban phenomenon is also seen as the key drive behind the prevalence of a ‘creative economy’ and the cradle for the development of creative industries.

In fact, the formation of creative clusters largely draws upon the wider urban ecosystem that supplies resources, energy and inspiration. The interrelationship between creative clusters and wider urban, national and international networks has been examined in recent literature (Bain 2013; Gibson et al. 2012; Brennan-Horley and Gibson 2009; Brennan-Horley et al. 2010). These studies also question the geographical confinement of a local cluster, and underscore the socio-technical operation of clusters. The traditional view of urban planning is that clusters are confined to a geographical boundary and are only connected by ‘hard infrastructure’, the physical components of interrelated systems. This perspective seems to be challenged by the concept of ‘soft infrastructure’ that leads to the superposition of sophisticated communications, programs and activities over the physical network. In order to dissolve the spatial limitation, it is crucial to understand the underlying forces that generate creativity and urban culture.

In parallel with an ARC Linkage project this research scrutinises the concept of ‘soft infrastructure’ and its implications for creative clusters in Australian and Chinese cities. The investigation has been carried out to find out the parameters that are crucial to the fine grain activities of creative clusters, including learning and innovation effects, cross-trading, skills sharing, place-making and so on. In this thesis I explore the question of how these underlying parameters can be conceptualised, evaluated, planned, designed and facilitated.

Extensive field research has been conducted on creative clusters in Australian and Chinese cities, followed by an in-depth comparative analysis of selected cases in

Sydney and Shenzhen, China. The qualitative and quantitative examination is based on a comprehensive understanding of regional, city and local conditions with a consideration of the interrelationship between the clusters and the broader creative ecosystem. In particular, this research investigates the application of new communication technology in both cities and its influence on the formation of creative clusters, fine grain entrepreneurship and urban networks. It aims to generate a set of sustainable models for culture-led urban regeneration.

From what I have found in Surry Hills, the rationales for promoting the suburb as a growing creative hub are not evident in the maps and statistics provided by the City of Sydney. The elements that make up Surry Hills as a creative milieu always have a certain relation to the sensory feeling of the local urban qualities, such as architectural text, memories and communal sense, which have been gradually damaged by the gentrification process. Because of the disappearance of local cultural producers, its ‘funky’ status turns to rely on the popularity of the area’s nightclubs, venues, design stores and recent emergence of small bars that attract cultural tourists and nonlocal consumers. Therefore, the provision of soft infrastructure and new public interventions for small-scale art and cultural practices, such as new workspaces and innovative urban policies at all governmental levels, is vital to the sustainability of cultural vibrancy in the area and urban creative regeneration in the similar suburbs across the metropolitan area.

Compared to other Chinese cities, open atmosphere and tolerance for innovative ideas in Shenzhen offers opportunities to small-scale creative businesses. The city’s unique developmental path and its youthful, entrepreneurial orientation provides a context in which the local government and developer rethink the ways that OCT-LOFT operates. The new urban dynamics of small and medium creative activities largely contributes to the success of OCT-LOFT. However, this creative cluster is only one small part of a larger development and the generation of a creative ‘buzz’ feeds directly into the surrounding land value. This model may be detrimental to the area’s spatial and social connections with any wider urban communities and causes a perceived isolation. (O’Connor and Liu 2014) In order to apply this model outside this specific circumstance, there is also a need for an open and inclusive cooperation framework in urban policies to adopt creative regeneration discourses.

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List of Abbreviations

APAI	Australian Postgraduate Award Industry
ARC	Australian Research Council
CCIs	Cultural and Creative Industries
CIs	Creative Industries
CoS	City of Sydney
DCMS	Department of Culture Media and Sport
DEWRSB	Federal Department of Employment, Workplace Relations and Small Business
GIS	Geographic Information System
ICT	Information and Communications Technologies
OCT-LOFT	Overseas China Town Loft
QUT	Queensland University of Technology
QSS	Queen Street Studio
SEZ	Special Economic Zone

Statement of Original Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.

Signature: _____

Date: _____

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Chapter 1: Introduction

The notion of ‘cluster’ has been an increasingly important one for academics and policy makers working on urban and regional development in the last thirty years or so. Michael Porter is usually cited as having revived the concept, linking it directly to strategic policy attempts to enhance the competitiveness of cities and regions (Porter 1998a; 1998b; Gordon and McCann 2000; Martin and Sunley 2003; Wolff and Gertler 2004; Turok 2003). As the American economist says, “The enduring competitive advantages in a global economy are often heavily localised, arising from concentrations of highly specialised skills and knowledge, institutions, rivalry, related businesses, and sophisticated customers” (Porter 1998b, 90).

Over the last two decades the idea of ‘cluster’ has been shifted to the notion of ‘creative cluster’ which can be described using much of the same policy language but which refers more directly to geographical concentrations of ‘creative industries’. We can initially define creative clusters as geographic concentrations of creative industry activities which act to “pool together resources into networks and partnerships to cross-stimulate activities, boost creativity and realise economies of scale” (UNESCO 2006). In this regard, we can also primarily define the creative industries as various creative activities that generate knowledge and information (Landry 2000).

More recently, the rise to prominence of ‘creative cities’ (Landry 2000), ‘creative class’ (Florida 2003) and ‘creative industries’ (Hartley 2005) has led to an increasing interest in creative clusters and to their deliberate creation by governments or developers. Refurbished or newly built clusters are seen to encourage the employment and innovation claimed for the creative industries and at the same time they are seen to have a regenerative or transformative effect on city image. The benefits of establishing and supporting these creative clusters are evident, ranging from wealth creation to the improvement of social connectivity and liveability. These urban conglomerations are also seen as a key contribution to the emergence of ‘creative economy’.

As an architect and urban designer, I have noticed this trend of ‘culture-led urban regeneration’ at my previous workplaces in Australia and China. I have also noted that urban planning decision-makers are facing some important challenges in the process of pursuing the benefits of clustering activities. Firstly, the establishment of creative clusters, often associated with building-oriented planning initiatives, has tended to become overly focused on ‘hard infrastructure’ and the pursuit of economic benefits, while the interrelationship between clusters, users and cities is left unquestioned. This trend causes a disconnection from the wider urban ecosystem and an isolation from suppliers of specialised services, knowledge and information. The assumed role of creative clusters as an incubator has been diminished. Instead they become mono-functional urban areas rather than creative spaces that continuously offer new ideas, culture and innovation. This situation has been investigated in recent research which also provides statistical evidence. For example, O’Connor and Gu (2011), by using the GIS mapping technique, have revealed that many planned clusters in Shanghai underperform, observing a disjunction between the official clusters and the cultural activities organised by creative entrepreneurs.

Secondly, areas that have attracted creative activities, often located in inner-city suburbs or old industrial zones, have witnessed a subsequent displacement of small-scale arts and creative industries. This is often driven by urban interests from more powerful public and private sectors, such as city image enhancement and real estate development. In the Western world (including Australia), the urban gentrification process disperses creative activities amongst the more affordable outer suburban areas, while inner-city areas are occupied by a more economically homogeneous community. In China, the course of replacement is often more brutally executed by completely demolishing and rebuilding. This displacement leads to a spatial redistribution of cultural activities and a reduction or disappearance of the diversity, vitality and sense of place already generated in those areas.

The decentralisation or de-clustering of creative activities is even possible with the advanced development of digital technologies. Some of the claims surrounding the rise of information and communications technologies (especially the Internet and web 2.0 forms) have suggested that physical proximity and concentration are no longer essential to dense interaction and social networking. Working at a suburban home far from urban density also becomes possible as soon as an Internet connection

is provided. It does not seem necessary to choose specific sites for interaction and information exchange when social media technologies open up new ways of accessing the social interactivity of the city. According to Bain (2013), suburbs can be incubators of creativity, and the innovative culture is not a solely urban phenomenon. Gibson et al. (2012) also find out that the arts and bohemian creative activities are geographically located not only in the inner-city but in suburbs. The decentralization of small-scale cultural infrastructure provision is significant for local cultural networks and vitality. Moreover, the creative consumption pattern also becomes dispersive and individualised (Turok 2003) due to well-developed Internet technologies, wireless applications and personal media devices. This shift challenges the view that physical places are the only channel for exchanging goods and information. Therefore, it does not seem necessary for cultural consumers to still go to specific places in order to access creative products when digital devices offer a more personalised experience and convenience.

The above outlines some preliminary challenges to the concept of ‘creative clusters’. Therefore,

Are creative clusters still important to cities? Does clustering still provide specific urban qualities? What can the physical and/or virtual interventions and the new types of creative spaces offer to deal with these challenges? Will this be different in Western and Chinese contexts?

This research appears rather significant in the context of local governments using culture-led urban regeneration as a planned process in order to promote the ideas of ‘creative economy’ or ‘creative cities’. It offers a ‘real-time’ review of clustering theories in response to the problems that urban policymakers and cultural planners are facing. The research outcomes, therefore, aim to propose recommendations for maintaining or creating cultural and economic sustainability in the process of urban renewal.

This PhD study runs parallel with an ARC Linkage project that examines creative clusters in Australian and Chinese cities. In particular the project scrutinises the concept of ‘soft infrastructure’ and its implication for the design and management of creative clusters. The Linkage project suggests that creation or re-creation of the

clustering concept requires a better understanding of the complexity of ‘soft infrastructure’. Without the understanding of this fundamental system, the productivity of creative clusters is questionable. In this thesis I propose to explore the ways in which ‘soft infrastructure’ is being conceptualised, evaluated, planned, designed and facilitated in relation to designing and managing creative clusters. Therefore, one of the outcomes of this study is to clarify the conceptualisation of ‘soft infrastructure’, which is crucial to the success of creative clusters where the Linkage Project team find learning and innovation effects, cross-trading, skills sharing and place-making.

This PhD study also conducts extensive fieldwork within creative clusters in Australian and Chinese cities, and selects two case studies respectively in Sydney and Shenzhen for an in-depth comparative analysis. The case studies represent two completely different cluster models: one is mostly formed by spontaneous activities and informal social networking in conjunction with collective maintenance and support from the local government; the other is established in a top-down way by the ‘growth coalition’ of the municipal government and developer with a centralised management of the creative activities within the cluster area. The research is qualitative and quantitative, and is built on multiple levels of investigation into the interrelationship between the selected clusters and the broader creative ecosystem.

In particular, this research looks into the new physical and digital interventions used in both cities and their impact on social networks and the interactivity of the selected creative clusters. A review of the literature has shown that there is increasing interest among local governments in promoting the cultural and creative industries as an advanced business sector and in integrating CIs into regional, national or even international economic agendas. However, the role of small-scale arts and creative industries is often overlooked in urban policies for creative clusters. This thesis thus investigates the significance of fine-grain activities within culture-led urban regeneration, and how creative interventions facilitate the integration of the local economy, creative spaces and locally embedded networks that provide social cohesion and cultural vitality.

Chapter 2 traces a brief introduction to the history of creative industries and the specific structure of this sector. This chapter outlines the characters of the sector involved, including fine-grain arts and cultural practices and associated innovative

activities, which are key elements to the sustainability of creative economy and cultural tourism. I argue that being small in size has advantages in responding to the local marketplace quickly and flexibly. Moreover, the innovation process is formed by interaction between multiple actors and organisations. In particular it is the layers of creative networks that are embedded in localities, and facilitated by entrepreneurial motives and intermediaries, while new media and associated applications offer a new horizon to knowledge and information exchange.

Chapter 3 explores the theories around “creative clusters” and attempts to set up a conceptual framework for this notion. This chapter enquires into the concept of “cluster” and looks into the interrelationship between the ideas of clustering, place and space in association with the theories of “creative industries” and “creative cities”. It then presents the idea of “creative milieu”. These place theories are particularly associated with local histories, cultures or so-called spirits, while the spatial interpretation of “cluster” is normally related to particular qualities of cities, especially for those areas which are geographically located in the old urban districts at the city fringe with preserved architectural characters that create alternative aesthetics and a neo-bohemian atmosphere through culture-led urban regeneration. I also argue that crucial to the success of ‘creative milieu’ is the performance of soft infrastructure at a more localised level and the dynamics of small-scale creative activities. This chapter, therefore, discusses the dimensions of place and space in relation to clustering activities, fine-grain urban networks, as well as the complex process of social, economic and cultural agglomeration in relation to the various theoretical claims of creative clusters.

Chapter 4 outlines the challenges and possibilities of new culture-led urban developments. While various urban regulations have been planned out to encourage small-scale creative activities, the deconstruction of the clustering effect is still caused by gentrification. The physical clusters also seem to be challenged by the emergence of digital networks, along with the growing favour for suburban development. This claim may be exaggerated, because the clustering in inner cities offers unique urban experiences. I assume that the effects of physical proximity are still significant to the city environment, and their coexistence with virtual networks does not seem contradictory according to the literature. Moreover, this chapter reviews the literature of digital and face-to-face interactions on complementarities,

urban informatics and new kinds of workspaces. These propositions outline the contemporary challenges with a focus on how creative spaces might be provided and encouraged by local policy makers. The understanding of these creative interventions is beneficial to the export of the creative cities model, especially when the planning of creative clusters becomes central to policy making in China and globally.

Chapter 5 describes the approach adopted by this study in order to examine the research questions. This research is designed with the expectation of verifying clustering theories in Australian and Chinese contexts and of collecting empirical information on differences and similarities. The comparative approach employed in this study includes the selected case studies of Surry Hills in Sydney and OCT-LOFT in Shenzhen. These two cases represent the central point of their respective cities' creative buzz. A comparative study on them generates the generalities, the differences and the important insights into clustering theories in both Western and Chinese contexts, as well as bridging a possible knowledge transfer between them. The methodology design is to combine qualitative enquiries with quantitative examination. The quantitative research is carried out through a desktop literature review on the prior development of theoretical propositions, and is complemented by multiple sources of evidence, including the collection of statistical data from publications and research partners. The qualitative research will mainly use the 'case studies' as well as the ethnographical method to investigate the clustering phenomena through fieldwork, participant observation, semi-structured interviews and comparative analysis.

Chapter 6 begins with an introduction to Sydney's urban history that illustrates the evolution of land pattern and local culture. I argue that the emergence of the area as a 'creative hub' is not accidental, but closely associated with the historical elements, memories, social energy and especially the changing of urban regulations. It then looks into the recent development of a creative industries cluster in Surry Hills and the surrounding area and discusses how the area has been transformed from a run-down working class' suburb, to a cluster for varied creative venues, and to middleclass residences. Therefore, this chapter particularly examines how the urban policies and planning strategies have a particular influence on small-scale local creative activities so that they can be maintained in the area.

In detail, Chapter 7 discusses the spatial characteristics, the floor space issue, the regulations and the specific policy for the area. This chapter also investigates some of the exemplar businesses in the area in terms of the difficulties they face in inner city areas, how they respond to the dynamics of a creative ecosystem and how urban policies support their creative activities. In particular, it examines the potential soft infrastructure interventions, including new media applications, that interconnect the wider creative milieu and addresses the importance of physical and virtual interaction and social networking within the local community.

Chapter 8 introduces Shenzhen as a Special Economic Zone by briefly reviewing in retrospect the fast-growing history of Shenzhen. Although the city is still perceived as a ‘cultural desert’, there are urban qualities that show there is the potential to create a new urban culture in Shenzhen. These qualities are reviewed here with a view to understanding how creativity can grow in parallel with what could be seen as an economic miracle. This chapter thus looks at how the city has generated an urban spirit through its rapid urbanisation, benefitting the emergence of its creative industries. It also discusses the strengths and drawbacks of urban policies that were made to promote the new creative sector.

Chapter 9 attempts to outline the context for the formation of OCT-LOFT in relation to the Shenzhen municipal government’s resolution to transform the economy from manufacturing industries to more innovative industries in which creative and cultural industries play a crucial role by following a wide adoption of the Western concept of “creative economy”. I try to discuss how the urban cultural and planning policies are involved in shaping the creative clusters in Shenzhen, with an emphasis on large companies rather than small and medium-sized enterprises, although the existence of fine grain activities and associated interdependent relationships largely contributes to local dynamics and creative atmosphere. The social and cultural performance of the OCT-LOFT case will also be evaluated in detail.

In Chapter 10 I summarise a couple of principles distilled from the previous discussion on two case studies, which include the investigation of interrelationship with wider urban topology, the understanding of local context, the critical analysis of clustering models and the notion of urban interface. Then the chapter stresses the important role of creative clusters to connect the creative economy to a locality, and

the fact that the gathering of creativity and innovation is actually characterised by small-scale businesses and fine grain activities. The comparative studies also generate specific knowledge transfer from the West to China in terms of the creative clusters development. Finally, I argue that the future development of creative clusters should be connected to everyday life, and become part of the network of public realms that provides the city with urban qualities and creative production, as well as being a kind of media to connect people to locality.

Chapter 2: A Short Introduction to Creative Industries

The term creative industries often refers to economic activities that are associated with the generation of knowledge through creativity and innovation. Although it has been used in a number of different contexts, the worldwide agenda of creative industries was influenced by the ‘Mapping Document’ (DCMS 1998) of the 1998 Department of Culture, Media and Sport, which states:

The creative industries are those industries that are based on individual creativity, skill and talent. They are also those that have the potential to create wealth and jobs through developing intellectual property.

Following this guiding definition, there have been various suggestions as to what activities should be included in the concept of creative industries (O’Connor 2010a). In relation to the topic of creative clusters, this chapter primarily discusses those practices that are meant to be produced or consumed in a particular place and moment. These localised activities are very distinct from those relatively placeless industries that are open to mass production and distribution.

2.1 CHARACTERS OF CREATIVE INDUSTRIES

O’Connor (2010a) argues that a decline in mass production and a rise in cultural consumption see the emergence of new creative economies, which are characterised by small-scale arts and cultural activities and associated risk-taking, creativity and constant innovation. Freelancers and small businesses contribute to the localised creative buzz by being actively involved with local places and informal networks. They take the resources provided by local communities and supply locally produced products in exchange. Unlike large corporations, their activities appear to be informal, interdependent, lower paid and interwoven with local places where cultural production and consumption sometimes coexist. Creative workers who may operate simultaneously in multiple roles and jobs are particularly concerned about the originality, quality and uniqueness of creative products, which sometimes

requires diversely skilled input (Cave 2000). These independent producers and entrepreneurs not only produce new models for “cultural economies”, but they also use their knowledge and their cultural and commercial success to create a new cultural identity, constructing a sustainable, conducive and creative ecosystem. The diversity, personality and individuality of this ecosystem also attract cultural tourists and fit their unique consumer tastes. I have seen this trend in both of the case studies addressed here. The business model of creative industries is often linked to the interactive network of freelancers or small businesses through which the inherent riskiness of their businesses is managed (Shorthose 2004). The strong connection among these freelancers and small businesses is reflected in various formal and informal business associations which advocate for independent businesses and make a significant contribution to the local economy and urban dynamics.

While ‘small business’ is not clearly defined in the context of Chinese policy language, the Australian Government (2012) quantitatively classifies a small business under the Fair Work Act of 2009 as one with fewer than 15 employees. Although it is also classified based on other types of criteria, such as sales, assets or net profits, this standard of business size in Australia restricts employee numbers to a greater extent than in other western countries, such as the European Union which requires fewer than 50 employees and America which requires no more than 500 employees. Being small in size means starting up at a low cost, reducing risks, responding to the marketplace quickly and sometimes maintaining intimate relationships with customers and clients. Small business owners also have the independence and the freedom to make decisions and take financial rewards in order to get away from the inflexibility of the 9-5 job and the suit culture.

Creative industries are also engaged with local communities through localised marketing techniques such as networking, word of mouth and customer referrals. This communicative model maintains the intimate relationships between creative producers and consumers, because the customers’ reaction to a creative product is always unpredictable (Cave 2000). The rise of the Internet has made business operation even easier and more affordable, and potentially expands the range of its audience. Both of the case studies here show that creating a business website, using social media and frequently updating a blog are widely adopted by creatives as ways of gaining significant marketing exposure and of maintaining loyal customers

because of the relational nature, immediacy and efficiency that new media offers. The management of small creative businesses is sometimes not governed directly by formal institutional agencies, but via a network of alternative policies, nongovernmental organisations (NGO), independent institutes and associations or other private companies that emphasise a participatory management model and coordination.

In fact, the creative industries is a growing sector embedded in various economic forms and political contexts. It is seen as a key component in a new economy that perhaps drives culture-led urban regeneration and generates cultural tourism. However, there is a paradox which leads to a displacement of diverse creative culture by prevailing corporative or international chain stores. On the one hand, state and local governments are trying to provide benefits to creative industries through varied subsidies and support programs, after realising that small creative businesses are fragile and rely heavily on short term contracts and flexible work. There is also a general concern with resolving excessive governmental red tape and the lack of policies for the small business sector to help it “*address structural sectoral questions – value-chains, missing skills and professions, access to space and technology, development of an entry into new markets, linkage to the manufacturing/material sectors – and more seriously, to do anything about it when it [does] identify problems*” (O’Connor 2010a, 52). On the other hand, the disappearance of the creative buzz, especially among small-scale arts and cultural activities in cities, becomes seemingly unavoidable, and is sometimes forced by the more powerful actors of “growth coalition”.

2.2 DYNAMICS OF CREATIVE NETWORKS AND ENTREPRENEURSHIP

The nature of creative industries is often related to knowledge-based innovation which is generated through a complex process involving a range of urban parameters, including but not limited to governance, social network, amenities and diversity. The understanding of innovation has changed from a “linear” or top-down model to “a complex and interactive process with many feedback loops between multiple actors and organisations” (Massey, Quintas and Wield 1992). This shift has led to a greater awareness of the complexity and uncertainty inherent in the process

of innovation and in turn has led to a variety of strategies aimed at managing this process (Nowotny 2006). As Castells (1996, 5) claims, “*...many factors, including individual inventiveness and entrepreneurialism, intervene in the process of scientific discovery, technical innovation and social applications, so that the final outcome depends on a complex pattern of interaction*”. In response, the setting for creative industries is expected to address this transformation: the building design is expected to reshape the patterns of social interaction between actors (Gieryn 2002; Allen and Henn 2007). As Scott (2006, 3) describes, the “creative field” is “represented by sets of industrial activities and related social phenomena forming geographically-differentiated webs of interaction giving rise to diverse entrepreneurial and innovative outcomes”.

Moreover, interactions often travel beyond the locality and communicate with other parts of the city (Secord 2004). As a result, virtual networks emerge as the way to support this knowledge transaction and dynamic interaction, as well as to enable user-to-user interactivity and interactivity between user and information. Compared to a linear or ‘one-to-many’ communication model, new media offers the possibility of individuation media or a ‘many-to-many’ web of networks. This change has largely increased the volume of communication and it is in a continuous process of modification, being constantly redefined by interactions between users, emerging technologies and cultural changes. Recent studies have shown that small-scale arts and cultural activities are networked across all parts of the city by using GIS mapping techniques (Gibson et al. 2012; Brennan-Horley and Gibson 2009; Brennan-Horley et al. 2010).

As one of the key elements that contributes to creativity and innovation, social networking is seemingly crucial for the sustainability of creative industries and the formation of creative clusters. Networks around creative individuals and within firms and organisations facilitate knowledge and information exchange, produce creative energy, and support professional development. The availability of these networks forms a platform for creative workers to seek continual employment and new collaboration opportunities (Coe 2000), also tying creatives into an integrated, resilient and sustainable community. In addition, networks are multiple, interwoven, and embedded in various geographical scales (Coe 2000; Brown & Keast 2003). Felton, Graham and Collis (2010) identify three kinds of networks within the

community of creative industries: relationships with peers in the same industry, associations with professional and business developments, and communication with clients. All of these form a dynamic clustering of creative networks hovering over localities. In addition to those intentional or formal types of communication, informal networking also exists at the places where people bump into, interact with and even confront one another. It is only through such an interwoven web of formal and informal communications that we can share symbolic value, local embeddedness and tacit knowledge, which are seen as key factors in the development of creative industries (Kong 2005).

Geographical and spatial proximity is seen to generate certain clusters of creative networks, characterised as an “unstable, finely grained, frequent and mediated face-to-face contact” (Scott 2001). Venues or ‘hubs’, a kind of place where interpersonal communication among cultural entrepreneurs, is paramount for the social dimension of networking in which information and tacit knowledge is shared, and relationship building is developed through personal contacts (Gertler 1995). These fine-grained activities work interdependently with the creative ambience and image, and the physical place functions both as an informal, lifestyle environment and as a “brand” that generates trust and new business opportunities (Mommaas 2004). Through the effective exchange and transmission of personal encounters, creative professions develop their own vocabularies and practices (O’Connor 2004; 2010a) which are regarded as the origin of creativity and innovation. In inner city areas such exchanges often occur in local service-oriented amenities such as cafés, restaurants and galleries, and at professional networking events (Felton, Graham and Collis 2010).

Creative networks are also facilitated by intermediaries, with their critical involvement in the production and consumption of creative goods and services, and the realisation of entrepreneurial motives. Fleming (2004, 96) defines the role of creative intermediaries as one which “provide[s] a flexible service responsive to the changing needs of a transforming sector; to keep in touch with the sector and work within it to nurture those networks, harden those clusters, bridge gaps in those supply chains, and make the cultural quarter work.” Mostly importantly, they are always linked to the creative entrepreneurs who are seen as the risk-taking individuals

possessing “remarkable skills and cognitive capacity” (Scott 2006b, 4). Creative intermediaries and entrepreneurs are both quite social, as Scott (2006b, 4) defines:

The entrepreneur is not just a lonely individual pursuing a personal vision, but also a social agent situated within a wider system of production that can be represented as an actual and latent grid of interactions and opportunities in organizational and geographical space. The grid is composed of more or less densely developed backward, forward, and lateral commercial linkages together with social relationships through which critical information flows continually about business opportunities, resource availability, labor market conditions, and so on.

Therefore, to work with creative entrepreneurs one requires a wide range of skills and local knowledge that can facilitate the sophisticated process of economic production and reproduction. The intermediaries are linked in-between the entrepreneurs and consumers, servicing and supporting them through their extensive networks. Moreover, they are very place-bound, because “without a highly detailed map of the creative economies and cultural histories of the local, an intermediary will lack the knowledge to act appropriately and will be detached from the personal and structural issues that so inform the identities and development processes of the sector” (Fleming 2004, 99). Without doubt, the development of technologies has also expanded the ways in which intermediaries can link between the different stakeholders via new digital media.

In the Sydney and Shenzhen case studies, I find out that the associations and business organisations play a significant role in the generation of local creative clusters, such as the Small bar Association in Sydney and the Graphic Designer Association in Shenzhen. These social groups are sometimes loosely or informally united, but they contribute significantly to the creative ecosystem through matchmaking events, project collaboration and mutual support. Their presence in the local area increases opportunities for members to interact and create new potentials. These interrelationships can also exist online, organised and managed by digital platforms. Thus the multiple layers of networks superposed in a specific context intersect to construct local dynamics and sustainability.

Chapter 3: Clustering, Place and Space

Over the past few decades, cities and urban areas have experienced dramatic transformation, led by the pursuit of financial status (or global city ranking) and cultural branding. These twin goals change the cityscape visually: high-rises are erected to accommodate globalised financial services and free-standing landmarks are built to provide various urban brandings, perhaps with an implication of cultural concerns. In this context, the establishment of creative clusters is regarded as a synthetic production of culture and economy that renews old urban quarters into new bohemian landscapes or containers for creative industries. This thesis later presents two selected case studies of creative clusters: Surry Hills in Sydney and the OCT-LOFT in Shenzhen. They are both perceived as successful ‘creative hubs’ of their home cities. Their similarities may frame a general understanding of creative clusters and the related issues, while their differences and the various debates around them as revealed through the literature review and comparative studies may possibly also provide insight into their respective political, cultural and social contexts.

This chapter explores the theories around creative clusters through an in-depth investigation of the issues engaged with in the case studies and the previous attempts to set up a conceptual framework for the notion. The chapter begins in Section 3.1 with an inquiry into the concept of ‘cluster’. I look into the interrelationship between the ideas of clustering, place and space in association with the theories of ‘creative industries’ and ‘creative cities’, and then present the idea of ‘creative milieu’. Section 3.2 is a description of the geographical attributes of creative clusters that will be discussed in this thesis. Although the case studies represent two scenarios in very different political, economic, social and cultural contexts, both of them are geographically located in the old urban districts at the city fringe with the preserved architectural characters that create alternative aesthetics and ‘bohemian’ atmosphere through culture-led urban regeneration. This section also revisits a series of spatial theories that examine architectural, historical, cultural and social qualities embedded in place. Particularly in Section 3.3, I argue for the importance of establishing soft infrastructure in the interests of improving the urban qualities of creative clusters. This chapter, therefore, discusses the dimensions of place and space in relation to

clustering activities and urban qualities, as well as the complex concept of social, economic and cultural dimensions beyond architectural surfaces. This provides a theoretical background for the more detailed investigation in the case studies.

3.1 FROM ‘CLUSTERS’ TO ‘CREATIVE MILIEU’

Michael Porter is often cited in the theory of clustering and its interconnection with the regional, national and global economy. In his view, clusters are defined as “geographic concentrations” of interconnected “highly specialised skills and knowledge, institutions, rivalry, related business, and sophisticated customers” (Porter, 1998b). He argues that strong inter-firm and institutional links led by clustering effects play a significant role in the facilitation of innovation, productivity, international competitiveness and economic growth. This clustering theory is deeply based on some successful examples that have been developed since the mid-twentieth century. One of them is Silicon Valley in California where the clustering of the world’s largest technology corporations (www.siliconvalley.com accessed on 21st April, 2012) shapes a concentrated hub for high-tech research, innovation and development. As evidence of Porter’s summarisation, the formation of Silicon Valley is tightly linked with the entire region and especially the nearby higher education institutes, such as Stanford University (Markoff 2009; O’Mara 2011).

The miracle of Silicon Valley has attracted investors and planning decision-makers from around the world to the idea of replicating their successes, including the use of architectural appearances, street layout and amenities. Through such imitation, they hope to achieve the same success in their own cities. However, although many “self-contained and verdant” industrial parks are developed with the common ambition of making high-tech capital to generate employment, wealth and reputation, a similar level of success is rarely achieved (O’Mara 2011). The developments consequently turn into isolated and mono-functional office areas, heavily dependent on private cars, and with an over-expectation of their economic importance.

Successful industrial or scientific parks which are a geographical concentration of developments in their specific industries, such as Silicon Valley for the high-tech or Hollywood for filming, along with their mimicries, are very different from the creative clusters in Surry Hills and OCT-LOFT which I will discuss in this thesis.

Although the notion of creative cluster sometimes uses similar policy language, it refers more directly to the geographical clustering of creative industries, which are characterised by a variety of small businesses, a high degree of individual skill, flexible labour markets (O'Connor 2010a), and new forms of youth culture ranging from the indie music scene and the area of new media and digital creations to the cross-disciplinary collaboration between arts, fashion, architecture and design. All these features are very different from those industrial parks with large corporations and big capitals. Moreover, the emergence of creative clustering activities is associated with the backdrop of postmodern transformations that include:

post-war changes in communication and education, the more complex and local specific blending of culture and commerce, the mixed composition of artistic and entertainment elements, the labyrinthine mingling of global, large-scale and local, small-scale cultural enterprises, the shifting composition of the cultural field and the related changing notions of artistic excellence, expressive autonomy, creative innovation or cultural progress. (Mommaas 2004, 509)

What is similar between the creative clusters of Surry Hills/ OCT-LOFT and those of the industrial parks is the experience of drawing the attention of planning decision-makers. The rise of creative industries has urged decision-makers to apply the concept of clustering to culture-led urban regeneration. In the case of Surry Hills, the new policies and strategies are set for creative activities that are already generated as a way to brand and promote the area as a cultural tourist destination, while the cultural revitalisation at OCT-LOFT has been managed from scratch according to a completely centralised model. The formation of creative clusters in either of these two examples becomes a heavily planned process, as local governments deliberately bring together the arts and creative industries in certain urban areas, use creative clustering as a key policy concept to promote urban regeneration, revitalise urban space and deliver sector support strategies (Hutton 2009; O'Connor and Gu 2010). These areas of innovative, “edgy” cultural production and consumption are recognized as crucial cultural and economic assets for cities and a key element of their global profile.

Varied typologies or definitions can be applied to the selected creative clusters, such as “creative quarter” for OCT-LOFT that groups together a few cultural institutions and facilities with a range of designer offices, smaller leisure and retail

facilities, and “innovative milieu” for Surry Hills, which is a more spatially diffuse area converted for cultural consumption and production. Due to the complexity of economic, political and social contexts, clusters are difficult to classify or define within a clear set of typologies, but Mommaas (2004) suggests some dimensions that structure a fundamental understanding of them, including the interrelation between leisure and cultural elements, the level of involvement with different cultural functions, the model of organisation and management, the level of public and private partnership and “openness”, the balance between “top-down” and “bottom-up” developmental processes and the spatial relationship with the city. These parameters see creative clusters as a “highly eclectic composition”, but the attempts to define creative clusters still cause confusion and contradiction in policy making (O’Connor and Gu 2012).

The cluster at Surry Hills, which attracts a lot of creative activities in either working-class terraces or former industrial complexes, has been working in association with building-based urban regeneration initiatives. The area, however, has witnessed a subsequent displacement of small-scale arts and creative industries, with a reduction of that diversity, vitality and sense of place crucial to its innovative cultural and economic capacity, which I will discuss later. The cluster at OCT-LOFT was developed from scratch by the collaboration of the Shenzhen municipal government and a state-owned developer, and is also experiencing the skyrocketed real estate prices and redevelopment threats that exclude young start-ups and practitioners. These issues, interwoven with the uneven distribution of the arts and creative industries between and within cities, construct the general problems that creative clusters face.

Nevertheless, these different types of creative clusters have shown some common benefits that are provided by the built form and location of the cluster, that is having work, retail and residential space in physical proximity, providing architectural ‘texture’ and identity, and making it accessible to the target audience and market. Scott (2006b) claims that clustering has three beneficial effects: reduction of transaction costs, facilitation of capital and information circulation, and enhancement of localised communication modes. Although definitions of creative cluster types vary, the key aims that forms the notion of a creative cluster is revealed in the literature. First of all, clustering generates spatial agglomeration and physical

proximity which is expected to increase opportunities for social interaction, trust, learning experiences, inspiration, collaboration and competition. Local intimacy provides efficiency in knowledge creation and collective learning, and has a positive effect on producing originality and sharing resources. Secondly, the expectation of clustering activities and associated dense networks is to contribute to the place's vitality, creative productivity and innovation through the "on-going 'culturalisation' of the economy and the establishment of a 'weightless' economy of communication of information" (Mommaas 2004). Moreover, the aggregation of creative business is anticipated to have links with local economic development, as well as to attract and maintain talent and investment that facilitates growth (Turok 2003). Lastly, if they succeed with the above targets, the clusters may come to function as a brand or an identity with a symbolic value that can benefit everyone related to it. This urban cultural arena also encourages cultural diversity and cultural democracy which is inclusive even of marginalised youth and nonmainstream culture (Mommaas 2004).

The above targets paint an ideal image of creative clusters. It echoes Landry's vision (2000, 133) of "creative milieu", which is

a place – either a cluster of buildings, a part of a city as a whole or a region – that contains the necessary preconditions in terms of 'hard' and 'soft' infrastructure to generate a flow of ideas and inventions. Such a milieu is a physical setting where a critical mass of entrepreneurs, intellectuals, social activists, artists, administrators, power brokers or students can operate in an open-minded, cosmopolitan context and where face to face interaction creates new ideas, artefacts, products, services and institutions and as a consequence contributes to economic success.

The interactivity of "creative milieu" forms effective socio-cultural institutions in specific localities and spatial conditions which are characterised by high levels of trust and norms of reciprocity among local actors. The associated activities are embedded in processes of cultural learning, experimentation and information exchange, and are deeply implicated in the physical and symbolic dimensions of place and space (O'Connor 2004; Pratt 2004; Scott 2007). Inter-firm networks as well as formal and informal associations co-constitute the foundation of this "innovation milieu", connecting creative industries with local places, other parts of

the city and even non-creatives. The notion of “creative milieu” upgrades the interpretation of creative clusters to a complex articulation of cultural, social, economic and spatial qualities (Pratt 2004; O’Connor 2010b). These qualities then lead to the sustainability of creative clusters which makes them healthy, innovative and competitive.

The concept of “innovative milieu” or “creative cluster” is closely associated with the various interactive and network effects of physical proximity. However, Boschma (2005) argues that the place-based creative inspiration should be enhanced by a wide range of knowledge that drives innovation, and the geographical proximity should be complemented by other dimensions of proximity: cognitive, organizational, social and institutional. The creative production system has shifted from interactions between different sites to a focus on interrelations with clients, as well as firm routines and competences (Sunley et al. 2008). Therefore, in order to evaluate the performance of creative clusters, it is necessary to understand the complexity of individualised networks and clustering of networks within and beyond locality (Wellman 2001; Van Heur 2009), especially those involved in the creative production system (Pratt 2005; Storper and Scott 2009).

3.2 GEOGRAPHICAL AND SPATIAL ATTRIBUTES: TRANSFORMATION OF INNER-CITY URBAN LANDSCAPE

Geographically, Surry Hills and OCT-LOFT are both located near city centres or metropolitan cores in which wealth, innovation and culture is generated. Partly because of this, more attention should be paid to the spatial attributes of creative clusters in relation to their site specificity. Historically, the density, diversity and complex environment of city life has always drawn attention away from urban researchers. In the article ‘Urbanism as a Way of Life’, Wirth (1938) claims that “the social and economic clustering” led to “a completely new way of life”, after observing the dramatic urban transformation and emergence of individualism in the early 1900s. The metropolis can become a concentrated area that brings heterogeneity and density together. It is a powerhouse of innovation closely linked to the spatial and social condition of the city, where the dynamics of small-scale businesses make urban life diverse, but also chaotic and “inefficient” (Jacobs 1969). Rather than “a mere collection of ‘urban villages’ or ‘isolated enclaves’”, the city is

made of diversity, interaction and even confrontation (De Waal 2008). This has been the vision of urbanists and planners who seek to configure cities. Throughout her book *The Death and Life of Great American Cities*, Jacobs (1961) describes the sense of community constructed by continuous social interaction and information exchange as significant in postmodern cities. In her view, “the trust of a city street is formed over time from many, many little public sidewalk contacts”.

Contemporary urbanism provides a backdrop for the burgeoning number of creative cities across the globe in the last few decades in which creative (or cultural) industries have been promoted by city officials (Hall 2000; Landry 2000; Florida 2005) as magnets to attract highly educated, skilled and mobile labours (Florida 2003). The creative sector is seen as a significant source of employment, wealth creation, economic diversity and innovation. It also contributes to social connectivity, liveability and a sense of place, and creates urban identity and branding images. Accordingly, urban policies have been set up to support the cultural economy with a focus on place and human capital (Florida 2003, 2005; Markusen and Schrock 2006; Scott 2006a). More importantly, the new cultural economy in close relation to situation and site emerges out of its geographical context and follows the peculiar trajectory of the city (Barnes and Hutton 2009).

The new creative city program is largely enforced around the metropolitan core, especially in older ex-industrial, inner-city areas nearby historic cores or city centres where the complex processes of transformation and urban generation (Bell and Jayne 2004; Lehtovuori and Havik 2009) led by the promotion of a new “creative economy” distinguishes that area from the CBD’s dominant “office economy” (Hutton 2006). This geographical and spatial attribute is reflected in both examples of Surry Hills and OCT-LOFT. In contrast to the conventional spatial hierarchy of the city core where the major museums, galleries and established cultural facilities are situated to entertain the flow of cultural tourists, these new creative activities are located at the “underused” margins of the city where there is the preservation of “an alternative, bohemian atmosphere” (Mommaas 2004). The ubiquitous creative city program also facilitates the shift toward the post-industrial city with its unstable, complex and illegible spatial and cultural hierarchies (Holt 1997) with new socioeconomic features, that is “the restructuring of the space-economy of the metropolitan core, localised regeneration effects, regional growth impacts, export-base implications and

connections with larger generative processes of urban change and transformation” (Hutton 2004). In response to these changes, Hutton (2006) notes that new spatial attributes in the inner-city transformation include “the marked complexity of contemporary industrial production systems”, “the reterritorialisation of urban space” and “the reconstruction of inner-city landscapes, sites and buildings”.

The transformation at Surry Hills and OCT-LOFT is related to the adaptive refurbishment of heritage districts or old, derelict industrial sites; it is a new trend for creative clusters to recycle previous urban infrastructure including “old warehouses, harbour areas, factory complexes, schools, monasteries, gasworks, military garrisons and working-class quarters” (Mommaas 2004). The ambience of these areas attracts creative professions and largely facilitates the formation of a creative ecosystem in which the complex co-dependence of large and small, profit and not-for-profit creative businesses and practitioners along with a range of public, private and “third sector” institutions and agencies can exist (O’Connor 2004; Pratt 2004). These emerging creative hubs crucially involve a complex mix of cultural and economic dynamics, and are strongly tied to the symbolic texture of the built environment (Hutton 2006; Shorthose 2004) as well as the wider socio-cultural dimensions of place (Drake 2003; Lloyd 2006). The reasons that these areas are chosen by creatives are quite complex. We cannot simply define them as the search for cheap and spacious workplaces, because at a later date the new generation of creative professions and associated leisure and cultural consumption activities move in not for the moderate prices, but for the unique qualities that these areas offer.

The quality and atmosphere of the built environment and the symbolic value of a place is also considered as the important “soft” elements that continuously attract creatives because of the diminishing role of “hard” clustering factors, such as “the availability of raw materials and cheap space” and the accessibility to varied infrastructure (Hutton 2006, Mommaas 2004). The look and feel of a spatial environment contributes to the innovation, creation and knowledge production process. This more or less originated from Soja’s idea of the “industry-shaping power of spatiality” (2000, 166) that refers to “the importance of space and site in the formation of distinctive new industrial complexes within regional and urban space” (Hutton 2006, 1821). As Scott (1999) argues, place, community and cultural economies are always interrelated to form a comfortable and productive environment.

Hutton (2006, 1822) proposes four parameters that constitute the notion of the “industry-shaping power of spatiality”: the “boundedness” that conveys a sense of place, the “nature of landscape and urban-design features” that facilitates the exchange of knowledge, “building types” that are adaptable for flexible uses, and the “resonance of specific landmarks, institutions, and structures” that “embodies historical associations and references integral to the uniqueness of inner-city places, reinforcing a sense of the local...”. This coincides with the attributes of ‘postmodern townscapes’ described by Relph (1987, 242-250), which include the ‘quaint space’, textured façades, stylishness, reconnection with the local and pedestrian-automobile split. In fact, the development of creative industries influences places mutually. On one hand, the elements of locality are important for generating the clusters. On the other hand, the clustering of creative industries drives the regeneration of the places, facilitates local economic development and improves architectural quality and the built environment.

Refurbished or newly built clusters are also expected to have a regenerative or transformative effect on social connectivity and liveability. The evaluation of the creative city and its sustainability largely depends on the social and cultural indicators (Landry 2000; Kong 2009) of a place. The social production is intimately connected to the design of a built environment, its spatial relations, or the idea of “place” in the literature (Gottdiener 1985). Relevant theories are often based on Lefebvre’s claim of “space as a social construction” (1974) that links social dimensions to “concrete, material space”. In the book *Buildings and Power: Freedom and Control in the Origin of Modern Building Types*, Markus (1994) explains sophisticated social relations produced in the evolution of building typologies. This is much influenced by Frankl’s (1968, 159) description of “a building as a theatre of human activity”. In this regard, urban spaces in clusters can be seen as an accumulation of various human activities.

The built form and “place” therefore has a unique social purpose for clustering activities. Markus (1994, 27) points out “there is no other class of object which through the production of material forms purposefully organises space and people in space”. Other concepts draw attention in the literature to the symbolic capital embedded in the built environment. Bourdieu (1984) uses the idea of “habitus” to explain the reasons that “a set of socialised dispositions predispose people to feel

more comfortable in certain environments than other others. Factors such as ambience, décor and style of venue convey symbolic meaning and may function as barriers or enablers to participation". With regard to creative clusters, the symbolic value of creative industries is embedded in place identification and local knowledge (Zukin 1995; O'Connor 2004). As Zukin (1995) claims, the link between economic cultural markets and "place" is established "symbolically and materially, through the production, distribution and consumption of place based products". The "power of place" is reasserted through the effects of clustering and the assessorial placed-based activities and events.

3.3 PLANNING SOFT INFRASTRUCTURE TO CREATE FUNDAMENTAL URBAN QUALITY

The improvement of urban qualities in creative clusters is crucial to their resilience and sustainability. However, the understanding of clustering qualities is sometimes not comprehensive. In many cases, public policies, strategies or interventions for the support of clustering activities tend to focus on either supportive initiatives for hard infrastructure or place branding and marketing approaches, without having the integrated institutional system required for enhancing the economic, cultural and social qualities of clusters. As a result, the clusters function merely as attractions for cultural tourists or for established creative professions rather than as a creative milieu for everyone. This then demands a system of practical interventions and creative strategies to resolve the issues. Foord (2008, 97-98) summarises some of the key interventional approaches, such as strategies to deal with property issues, advisory consultancy for business development and network building, public subsidies and financial support to creative business and entrepreneurs, as well as improvements of physical and ICT infrastructure.

Crucial to all these approaches is an understanding of soft infrastructure within which the learning and innovation effects, the cross-trading, the skills sharing and the place-making claimed for clusters can take place. The notion addresses cultural norms and social relationships as a kind of infrastructure that nurtures innovation and creativity. Unlike hard infrastructure, the essence of soft infrastructure is the delivery of specialised services to people, which needs highly developed systems and large specialised facilities or institutions. As Landry (2000, 13) defines,

'Soft' infrastructure is the system of associative structures and social networks, connections and human interactions that underpins and encourages the flow of interactions, that underpins and encourages the flow of ideas between individuals and institutions. This occurs either face to face or through information technology that enables wider networks of communication to develop, and so helps the trade of goods and services.

Within the complex urban field emerging from the dynamics of property markets, planning regulations, services and a transformative environment, an integrated soft infrastructure system require new kinds of knowledge, skills, initiative and organizational flexibility. This constitutes the fundamental core of soft infrastructure for designing creative clusters in conjunction with other forms of intervention, such as locally embedded virtual networks, professional training, public domain improvements and event programs. The clustering of creative industries is not separated from the wider economic and social environment, but is closely associated with other sectors. Therefore, soft infrastructure plays a crucial role in building a creative ecosystem that is resilient, inclusive and supportive. Furthermore, the scope of establishing an integrated soft infrastructure system is extended to wider planning and regulatory initiatives including licensing, property trusts, micro-finance and smart building codes, as well as partnerships with a range of other agencies and stakeholders. All of these construct a holistic set of support for the resilience and sustainability of creative clusters.

Chapter 4: Challenges and Possibilities of Creative Clusters

The discussion in Chapter 3 addresses the fact that creative clusters are place-specific, or are at least dependant on the uniqueness of spatial qualities. However, while interest is growing in exploring the clustering of arts and creative industries as a catalyst in the contemporary processes of social and cultural transformation, the sustainability of creative clusters development and even the intimacy between clustering activities and places are facing certain challenges. The vitality of urban spaces is jeopardised by the process of gentrification or new developments in the guise of “culture-led urban regeneration”. Well-developed digital technologies and media applications, which offer new opportunities for maintaining social relationships, give rise to the possibility of creative suburbs that appear to abandon the urban qualities that are embedded in proximity and provided by clustering. More and more arts and cultural practices are moving from inner cities out toward suburbia or rural areas. Thus the connection between creative activities and locality which creatives used to rely upon for cultural and social production seems to be undermined by an imbalanced geographical distribution, social inequity and homogeneity of cultural identities.

While de-clustering factors challenge place-based activities, inner-city areas still offer unique qualities that attract arts and cultural practices. These qualities are revealed, enhanced and capitalised upon by the complementarity of digital and face-to-face interaction, especially in the age when interconnectivity between physical and virtual networks becomes ubiquitous and pervasive in our daily lives. The popularity of urban informatics has implications on the way in which we design and manage creative clusters. Furthermore, the new pattern of creative production, consumption and communication facilitates the emergence of new kinds of workspaces, which then provide opportunities to establish new dynamics within creative clusters.

Therefore, this chapter sets out the contemporary challenges with a focus on how creative spaces might be provided and encouraged by local policy makers and creative intermediaries. These possible interventions, firstly, are employed to

maintain diverse and fine-grain activities and to protect this vitality from profit-driven redevelopment projects; secondly, they offer spatial and experiential qualities that are interwoven with the new dynamics of the creative milieu; thirdly, they aim to establish soft infrastructure that facilitates new dimensions of creative clusters.

4.1 WHERE IS THE PLACE FOR EVERYONE?

Culture and Place have a very intimate and sensitive relationship. Culture can revitalise a place, but it also can also vacate a place without the appropriate planning and management. Many urban areas that have attracted creative activities have witnessed an exclusion of small-scale arts and creative industries as well as subculture activities by the influx of middle or higher classes and a consumption-oriented culture. Zukin (1982) first noted that the paradoxical consequence of cultural success in attracting arts and creative industries is triggering social and economic processes of increasing property prices, pricing out lower income residents, creative practitioners and the original artistic-cultural values, contradicting the success of alternative spaces of creativity and innovation (Evans 2009; Markusen 2006; Rantisi et al. 2006; Waitt 2004). This type of development is only another “functionalisation” of culture for a new middle class “landscape of consumption”, accompanied by the “increasing popularity of the artistic bohemian lifestyle” (Mommaas 2004). The injection of consumption activities, such as retail, leisure and entertainment, as well the physical environment improvements that draw the attention of cultural tourists, middle or upper-class residents and the “creative class” (Florida 2003), extensively force out or exclude culture production activities and reduce accessibility to workspaces for young start-ups and the majority of the individual creative professions (Lange 2006). Cultural policy and urban regeneration are sometimes tied together to serve a “growth coalition” by using the “creative city” banner as a marketing tool that promotes property development and economic growth (Catungal, Leslie and Hii 2009; Indergaard 2009; McCann 2007; McGovern 2009; Ponzini 2009; Ponzini and Rossi 2010), while the actual arts and cultural community is “focusing on funding advocacy rather than engaging in the creative city debate” (Markusen and Gadwa 2010, 385).

This is clearly associated with the neo-liberalism movement in the West which refers to “the set of policies that include trade liberalisation, privatization, the reduction (and, in some cases, elimination) of state-subsidized social services like health care and education, the lowering of wages and the evisceration of labour rights ...” (Yúdice 2003: 82). While the creative city programs that the proponent proposes to implement are just business-as-usual urban development policies, they “work quietly with the grain of extant ‘neoliberal’ development agendas, framed around interurban competition, gentrification, middle-class consumption and place-making” (Peck 2005, 740). As Mommaas (2004, 526) argues:

These projects are not primarily developed for the sake of the arts, it is said, but for purposes of spatial and urban development. They force the arts into a relativist discourse and strategy which alienates them from their autonomous function as producers/mediators of alternative or disruptive perspectives, questioning, reinterpreting and repackaging established viewpoints.

These new retail and leisure uses are often not locally based, although they attract a certain visitor economy. Lack of local embeddedness causes the disappearance of third places (Oldenburg 1989), such pubs, cafes, independent bookstores, boutique shops and small performance venues, which should be accessible for everyone. These third places are seen as crucial to creative interaction, community building and establishing a sense of place. The exclusion of these generic spaces undermines the traditional dense, face-to-face networking and experimental spaces of the inner cities and the rootedness of the creative ecosystem within a particular place. The adverse result has an impact on the inner city’s diversity and mixed uses, making the urban area more culturally and economically homogenous (Hutton 2009).

Cultural users are often active pioneers of the revitalisation of urban areas, but they are also used as a marketing tool to promote a safer and more civilised place, to foster identity and to enrich cultural offerings (Zukin 1995; Shaw 2008; Porter and Shaw 2009; Lehtovuori and Havik 2009). The replacement of diverse cultural groups by more homogeneous communities leads to a more exclusive access to urban spaces,

and a reduction in or disappearance of the diversity, vitality, cohesion and sense of place already generated in those areas (Scott 2007). In addition to these adverse impacts on social connectivity, urban identity and the liveability of cities, the exclusion leads a spatial decentralisation of creative activities which undermines the original goal of creating clusters in order to support the arts and creative industries.

The status of a creative cluster or cultural quarter is thus challenged by exclusions. The dominance of large-scale developments, iconic buildings and the extensive refurbishment of ex-industrial inner city infrastructure for arts and creative industries, accompanied by the creative city programs and the process of globalisation to which contemporary cities are linked through global circuits of trade, finance and labour (Massey 2007), very much contributes to processes of urban gentrification through rising real estate prices and social exclusions (Miles and Paddison 2009). Although this type of urban renewal has apparently created extensive opportunities for promoting rapid employment growth, property development and cultural innovation, it has weakened the connections of these cities with local economic development and has caused new kinds of inequality, displacement and disenfranchisement. This leads to an unequal geographical and social distribution of creative employment and urban regeneration effects (Oakley 2004), as well as more fragmented urban communities (Scott 2007).

Urban areas are unevenly developed under the process of exclusive developments. Although some parts of the cities successfully attract the middle or upper classes and cultural tourists, other parts of the areas remain in decline and are underused because of high property prices, expecting revitalisation through the “gentrification effects” (Florida 2005; Evans 2009). These unbalanced developments and urban segregations shape the contemporary inner-city landscape in quite complex ways, with urban resources being largely underutilised. All of these factors undermine the cultural vibrancy and liveability of the city, the economic viability of the creative sector, and indeed the legitimacy of the creative city project.

4.2 CLUSTERING WITHOUT PROXIMITY?

From the discussion above, although urban characteristics are challenged by unequal development, we can see a strong presence of geographical and spatial

attributes within creative clusters. Their spatiality, however, appears to be impacted upon by the development of new communication technology which has been described as the “death of distance” (Cairncross 2001). Through technological services, the horizon of social relations goes beyond those present nearby. New media “*radically break the connection between physical place and social place, making physical location much less significant for our social relationships*” (Croteau and Hoynes 2003, 311). The extensive application of new media undermines the conventional understanding of “public sphere”, which is experiencing a geographical expansion and a restructuring of public communication and political and cultural institutions (Volkmer 1999). Holmes (2005, 184) claims that “*making the computer into a second self, finding a soul in the machine, can substitute for human relationships*”. These views suggest that the advanced development of digital technologies may cause a decentralisation or de-clustering of creative activities which are very dependent on physical proximity from a traditional point of view. The claim seems exaggerated, but virtual clustering is now possible with Internet access being available to almost everyone in the two case study areas for various forms of social interaction and networking. In this sense, the geographical and spatial advantages of physical clusters are challenged by seemingly placeless technologies and social media which employ other ways of accessing urban interactivity and social networks.

Gusfield (1975) observes that there are two dimensions to a community: territorial and relational. He believes that the nature and quality of relationships in the community is sometimes fundamental, while the territorial dimension is not discernible. For instance, if people work collaboratively on a project, although they may live and work at different locations, a common goal, frequent contact and quality of relationship is maintained as a fundamental tie to facilitate the project progress. On the other hand, some communities may be defined mainly by territory, such as traditional neighbourhoods. In such cases, the relational dimension still plays an essential role in constituting a community through kinships. This opinion gives the rise of online communities and creative suburbs a theoretical basis. As they are gradually priced out of the inner-city suburbs, creative professionals can network through Internet, smart phones and other media channels, so that they do not have to be co-located for work.

It is therefore affirmed that digital technologies have impacted significantly on our daily lives. Varnelis (2008) reveals that “far beyond corporeal space, we increasingly also live in Hertzian space, a cloud of electromagnetic radiation that bathes us in information.” New informational technology facilitates “the rise of network society” with flows of data and ideas (Castells 1996), and offers opportunities to reinforce social interaction and business networks in an efficient way. According to Neuman (cited in Croteau and Hoynes 2003, 322), “we are witnessing the evolution of a universal interconnected network of audio, video, and electronic text communication that will blur the distinction between interpersonal and mass communication and between public and private communication”. He further argues that new media will impact upon other aspects including the meaning of geographic distance, an increase in communication volume and speed, interactive communication, and the overlapping and interconnection of all communication forms.

Felton, Graham and Collis (2010) in their investigation into the creative industries in Brisbane, have discovered that a large amount of creative work is done through the Internet, “with files and documents uploaded and exchanged via websites and emails”. Arguably, the unleashing of technology has produced a new and radically different society. Hill (2008; 2010a; 2010b) advocates that this floating data around cities and ubiquitous real-time networked connectivity will physically affect architecture and urban form in the near future. In the digital era, urban informatics is penetrating into our society and helping to develop civic consciousness, a sense of participation, of public awareness and of identities.

The pace of change for digital media has accelerated since the latter part of the 20th century with creative clusters being put on the political agenda of urban regeneration and planning practices in the West, although the development of digital technology and the emergence of creative clusters might be not directly related. New media becomes a personalised experience for the individual, and is continuously transforming the city. New programmable facades, large and small screens, info kiosks, interactive sculpture and a whole range of mobile phone applications for displaying data make information accessible anytime and anywhere. As Manovich (2001, 42) illustrates, “every citizen can construct her own custom lifestyle and select her ideology from a large number of choices. Rather than pushing the same objects to a mass audience, marketing now tries to target each individual separately”.

People can express themselves through blogs, websites, real-time technologies, and other user-generated media. All of these new communication modes use information gained from multiple aspects of cultural, economic and environmental activities through the engagement of interactive user feedback, creative participation and community formation. Cities in Europe and North America are beginning to use this rich cultural data to enhance our sense of public space and place identity. Moreover, creative producers extensively use real-time information and communication technologies such as the Internet and Smartphone applications as a way of operating new marketing and business development strategies (Turok 2003) and of connecting people to one another.

Technology is now ubiquitous, and imperceptibly embedded in our daily life. The enhanced mobility of individual urban habitants, the complex infrastructural networks and new media are constantly generating new and ever-changing spatial relationships. We are using our cell phones to send messages and access social networking sites on the street, on transport, at work or home via smart handheld devices. This sometimes means that we are unconsciously involved in a complex network interwoven by face-to-face and digital communications. The city has become a dynamic spatial playground for a complexity of processes which affects the spatial structure and the way we interact, use and experience. As McQuire (2008) points out, new technologies are incorporated into everyday life as embedded media practices, so that they are no longer even noticeable. For example, when you watch a video clip online, you are unconsciously participating in all kinds of social interactions with digital media channels and reality: you may be attracted by the conversation between the actors in the video; you are probably sharing the same online media content with thousands of other users at the same time; you may chat about the story with your family or friends sitting next to you on a couch while you watch the video; after the video finishes, you may also post comments and interact with other online viewers who have just watched the same video. Although something similar to this probably happens to everyone every day, a demarcation between physical and digital experience can no longer be easily perceived: the transition from the physical to the digital realm or from the digital to the physical has become too smooth.

The hybridity of physical and virtual behaviours penetrates the modernisation of our lives. With regard to the research on the necessity of physical places, the claim that virtual interfaces could replace physical places (Cairncross 2001; Croteau and Hoynes 2003; Holmes 2005) seems exaggerated, because face-to-face activities in the physical realm actually coexist with virtual networks. Indeed, the discussion of new media has gone beyond the emphasis on “distance”, as the relation of new technologies and our daily lives has become more intelligent, and interdependent. In fact, the interplay between them potentially enhances spatial qualities, which are fundamentally the key to a sustainable place. These views are also crucial to the investigation of creative clusters in relation to physical and virtual issues. The assumption of their coexistence may raise a series of opportunities for their functionality, as the coexistence of face-to-face interaction and digital networks can also be applied to the unique urban typology of creative clusters. They work complimentarily with each other, and provide possibilities for the re-conceptualisation of the clustering effect. This is probably the reason why inner-city clusters are still important in a time when digital applications are so advanced.

4.3 SPATIAL QUALITIES IN PHYSICAL AND VIRTUAL CONTEXT

Social interaction is now built upon multiple networks embedded in various geographical scales (Coe 2000) and virtual spheres. The interrelationship between these two realms – face-to-face contact and virtual communication through the Internet and mobile devices – consists of a hybrid communication mode that is interwoven with our economic, social and cultural life. The wide application of digital media has never threatened traditional face-to-face contact. In the long history of media evolution from paper-based communication, radio and TV to the invention of new media, face-to-face contact has never been completely displaced. The development of new media only contributes to more diverse communication means, and a democratisation of production, distribution and consumption of some forms of creative works. In the context of creative clusters, we have seen new digital communication and physical contact in the spatial environment coexist in both case studies. In fact in many cases, digital media is actively used by design communities and local policy makers to complement proximity effects and enhance local networks.

The complementarity of physical and virtual communication is widely discussed in literature. Face-to-face contacts are regarded as a means of strengthening emotional support and creating a feeling of intimacy as a way of “maintaining strong ties” (Wellman 2001, 243). During collaborative work, a face-to-face relationship can be very productive, especially for the occasion of the project initiation meeting and in any high-level decision-making process (Castells 2010). A face-to-face meeting is efficient for negotiation with multiple parties and for solving their disagreements. Otherwise, other information can be exchanged by email, over the telephone or via other communication means (Castells 2010).

Indeed the intersection of physicality and virtuality involves a number of benefits that contribute to spatial qualities. While digital networks offer potential for new economic and social relations, face-to-face contacts are still maintained as a significant means of interaction. Moreover, the benefits of clustering at a specific place are not only gained from proximity, but from other elements as well that attract habitation. As discussed earlier, face-to-face contact is dependent on the concept of “place” in relation to material, infrastructure, spatial qualities, atmosphere and sensory experience in order to produce local creative scenes and place identities. The architectural texture and built environment of “place”, usually with “undersigned and indeterminate” characters, provides a setting for adaptive reuse, new social relations, creative business models and hopefully for innovations (Lehtovuori and Havik 2009). Face-to-face contact also leads to potential local production that is tightly related to local demand and market (Turok 2003). This intimacy connects the place and its people more closely within a complex exchange pattern, which involves various forms of spatial support such as shops, exhibition spaces and local services. This urban ecosystem largely contributes to local economic development and to the resilience and sustainability of the place.

From what has been discussed above, the account in which physical clusters are now unimportant (Cairncross 2001; Croteau and Hoynes 2003; Holmes 2005) has been shown to be inappropriate, with Information and Communications Technology overlayed onto and often re-enforcing existing physical networks. Whilst ICT have strong implications for the functioning and planning of cities these are not to be seen as removing their *raison d'être* but as adding a new digital and physical hybridity to the complexities of urban life. In this context the rise of mobile and interactive media

could be seen not so much as a challenge to the dense urbanity of city living than to the unequal development and lack of integrated ‘soft infrastructure’ systems. McQuire (2008) says:

Rather than treating media as something separate from the city – the medium which ‘represents’ urban phenomena by turning it into an image – I argue that the spatial experience of modern social life emerges through a complex process of co-constitution between architectural structures and urban territories, social practices and media feedback.

The attempt to incorporate thinking about new technologies and networks into large-scale urban regeneration has decades of history. The first example that I have found is Cedric Price’s 1967 ‘Potteries Thinkbelt’ project, although it was an unrealised proposal for North Staffordshire, England. By the 1960s the area which was once a focus for the British ceramics industry had declined into “ruin and rust, the victim of rising costs and foreign competition” (Matthews 2007). Price’s plan was to convert the industrial region into a new educational cluster and a centre of science and emerging technologies by recovering derelict industrial sites and railways as the basic infrastructure. The vision of ‘Potteries Thinkbelt’ responded to the political resolution to upgrade England’s rusting industrial infrastructure into a new industry of technical education and scientific research (Matthews 2007).

When describing the education base, Price (1966a) replaced the word “university” with “Thinkbelt” because he thought the education system was then disconnected from ‘real-time’ social, economic and scientific conditions, and was little more than “medieval castles with power points, located in gentlemanly seclusion”. This view sharply criticises the obsolete higher education in UK which was still associated with “prestige, high social status, and the classics”, as well as “pure science and theoretical research”, lagging behind other Western countries in “technical education and applied science” (Matthews 2007). Against the backdrop of a lack in technical and scientific education, Price (1966b) coined the concept of “Thinkbelt” to connect the traditional education system with applied science and technology, and to reverse the ‘brain drain’ in advanced technologies.

The bold plan for the ‘Potteries Thinkbelt’ was to utilise the abandoned railways as the infrastructure to link “mobile, rail-mounted classrooms, computer, and data storage modules, laboratories, lecture, and demonstration halls”. The mobile modules were prefabricated, and could be assembled and moved by “enormous gantry cranes” at three transfer stations. In Price’s vision, students could travel along the rail circuit and enter into any one of a classroom, a demonstration laboratory, a model factory, an experimental station or a modular home. This interactive network of static and mobile structures was designed to be under the control of computer and information technologies, and the ‘Potteries Thinkbelt’ was defined as “a vast and dispersed field of discrete objects and disparate events”. This improvisational and adaptable model creates “a landscape of constant change and activity” that contrasts sharply with traditional universities and monumental architecture. (Matthews 2007)

Although the ‘Potteries Thinkbelt’ was never realised, the utopian-like project revealed the enormous potential of integrating information technology and dynamic networks into urban renewals. More recently, the penetration of digital interactivity into our life coexists more closely with the necessity of physical and face-to-face interaction due to our advanced technological development. The integration of ‘hard’ and digital infrastructure has become more seamless, so that they play different roles on different occasions. In the fashion industry, consumers can now choose their preferred styles online, but they still need go to the (physical) shop to try them on, or to have a discussion with the designers about alterations. In the music industry, although everyone can now download their favourite songs in digital formats to their ipods or mp3 players, they still go to a real concert to watch the performance, and to interact with the performer and other audience members. Although artworks and exhibitions can now be virtually viewed online, such as through Google Art Projects (www.googleartproject.com), the museum space (physical) has never been completely replaced. The interaction among visitors, art pieces, dealers, artists and collectors at the museum space is still interwoven with experience, emotions, atmosphere and sensory feelings. This is why the discussion of creative clusters in inner cities is still an important part of this thesis.

4.4 NEW KINDS OF ‘WORKSPACE’

The traditional venue is also extended from having the sole function of a ‘place’ to having multiple uses in order to accommodate the unstable and dynamic production and consumption pattern. An increasing number of independent activities and mobile Internet entrepreneurs leads to the emergence of new types of work models. In particular, co-working in a shared office environment attracts freelancers and flexible contractors to work as a group rather than in isolation. This working style is expected to be a social gathering for those who share the same values and believe in the benefits gained from other like-minded creative professionals by sharing the same working environment¹. While the physical space is important to provide interactive potential, the key merit of co-working is normally regarded as building a community that facilitates creative and innovative collaboration. The collaborative working model has also been introduced by local governments to bring business back into the unoccupied properties of city centres as an alternative solution for rising rental prices. In the process, property owners are sometimes provided with incentives to reduce rates on empty commercial properties.

Indeed the co-working model offers a spatial environment with social, collaborative and informal dimensions. This is the main reason that it attracts co-working participants. This concept transforms the traditional view of the workspace into a more flexible and multi-functioned spatial environment. This kind of co-working space, sometimes combined with other activities such as events, outings to cafés and bars and informal lectures, generates a magnetic effect and facilitates collaborative opportunities. This model, encouraged by local authorities, leads to a win-win situation that benefits both business development and spatial revitalisation.

Xindanwei (New Work Unit²) is a co-working space set up at a heritage building built in 1939, Shanghai. With the aim to reorganise collaborative work relations, it has become a popular space for the social gathering of designers, software programmers, editors, intermediaries, freelancers and small creative

¹ Co-working has been exposed by mainstream Western media as a new kind of working style that is very different from the traditional employment at an organisation or corporation.

² A work unit or danwei (‘单位’in Chinese) was the term used to describe a place of employment or a state-owned enterprise during the period of China’s heavy socialist economy.

enterprises, to think and to use their skills and experience through participation in creative projects. It is described as an “offline 2.0 platform”³ which is

... a co-working community which promotes and facilitates creativity, sharing, and a great scale of collaboration. Xindanwei is a combination of efficiency, functionality, the large network platform and the real-time creative space. The community members, without paying high rents, can work in a real collective office environment. With the opportunities it affords of face-to-face sharing and cooperation, the creation process will be more efficient, innovative and joyful. (<http://xindanwei.com/>, accessed on 12 July, 2013)

The establishment of Xindanwei responded to the trend of increasing young and creative start-ups who were demanding flexible workspaces and mobile offices. On the one hand, it is a physical space, a “home” with high-speed Wi-Fi for creative participants to spend a day with coffee and books; on the other hand, it generates productivity through interactive communication and creates the values of sharing, collaboration, openness and innovation, which are also fundamental to the maintenance of a co-working environment. Being a member at Xindanwei, the participant can pay approximately 2,000 RMB per month in order to have their own desk. This can be arranged by a space manager who works as an intermediary between the space and the co-working participants, in order to understand their needs, collect information and organise matchmaking events. All of this assistance is offered informally to enhance the sense of community. The vision of sharing useful information, exchanging effective resources and building a community is what differentiates Xindanwei from a generic office building. The co-working model also reduces the business risks for small creative enterprises because they do not have to employ full-time staff, but instead can share the workload with other co-working participants.

In such co-working spaces, the physical and digital realms become interlocked via a web of social networks and interaction. The digital platforms create many

³ This comes from an analogy with Web 2.0 which allows users to interact and collaborate in a virtual community. “Offline 2.0 Platform” may refer to these dynamics occurring in reality.

conceptual notions that used to be applied only in the physical realm, such as ‘community’ which is an approach that groups online users across geographical and cultural boundaries who have similar interests. As Rheingold (cited in Slevin 2000, 91) describes, “people in virtual communities use words on screens to exchange pleasantries and argue, engage in intellectual discourse, conduct commerce, make plans, brainstorm, gossip, feud, fall in love, create a little high art and a lot of idle talk”.

In response to these new characteristics, some forms of new media design, such as locative media, are also functionally bound to real locations and facilitate real social interactions to enhance a sense of place. In addition to providing long distance communication, these media technologies offer new opportunities to experience the city, or to actually co-constitute the experience of the city (McQuire 2008). The overlap of new media with existing spatial qualities has also recently provided the opportunity to establish new types of creative spaces. In fact, a search for current examples shows that many digital applications are designed to have connections with locality. This trend often has two motivations: to understand the local issues through visualising local information or virtually experiencing the physical environment, and to somehow enhance local identity through establishing local networks.

STACKD (<http://stackd.biz/>) is an example of using digital media for the management of creative spaces. The website was originally created with the intention of providing an online platform for users to communicate in a New York office building. By simply registering on the website, STACKD users across the globe are now able to enter an interface that links their information with relevant nearby services, products and resources. STACKD’s founder believes that this easily accessed website allows users to post the supply and demand information that helps to find ad hoc incubators, as well as to reuse underutilized spaces flexibly and efficiently. In a sense, digital technology makes solid and concrete buildings speak. The information, normally invisible and hidden, is revealed online, and accessible to users. Moreover, STACKD “helps people in office buildings get in touch – for business or beers”. It will “tap the potential of [the] place you stick around most: the office”. (<http://stackd.biz/>. Accessed December 28, 2011) Seemingly, the virtual network is superposed on the office building in order to enhance its performance.

The Internet provides a series of virtual spaces for communication that are similar to those traditional public spaces that involve encounters and social interaction. At the same time, this social interconnection is also embedded in a locale (Adkins et al. 2007). For example, when an online community is established by STACKD for a group of people in a specific place, it attracts people to that place as part of the community. It aims to build a community within an office building where every business can share their services and resources. As the website claims, “We would like to think that it’s the people around you that should be part of your social network: people you meet in the elevator rather than on Facebook, people you follow to the 14th floor instead of on Twitter.” (<http://stackd.biz/>. Accessed December 28th, 2011) Although it is a virtual platform, STACKD expects to bring people together in the real world.

STACKD is set up based on real-time web 2.0 technology. Users can freely post their supplies and demands online and others can respond immediately. I examine some posts from the two most popular STACKD buildings in New York City. Apart from some basic information including name, email and phone number, users can post “HAVES” which are the facilities or skills they can provide, and “WANTS” which are their needs. Based on my observations, several reasons can be summarised why people use STACKD.

Table 1 STACKD Analysis

Reasons	Post Exemplar
To promote their business and look for potential business opportunities;	“HAVES”: Web Development, Content Management Systems, Knowledge Management Systems, Wordpress Experts, Social Media Applications; “WANTS”: Agencies that need production capacity
To look for project partners or temporary staff to work on future projects;	“HAVES”: Communication Design Skills; “WANTS”: Projects that require strategic thinking, leading to new business opportunities [;] Getting in touch to share ideas [;] Lunch dates in the neighbourhood
To share underutilised facilities, e.g.	“HAVES”: 1,000 sq. ft. Office/ Private shoot space. Great available light in 650 sq. ft. of private shoot

photography shoot space;	space, with cyc wall, makeup table, watercooler and fridge, plus separate office space with storage. Wireless Internet throughout.
To make connections with other local business.	“WANTS”: Connections with local businesses who want to work with a creative, talented, and highly skilled group of people for their next video projects!

From the above post exemplars we can see STACKD functions as a medium that facilitates the opportunity for varied interactions such as collaboration, business partnership, recruitment, or just having a beer. STACKD is not isolated from the dimension of physical place, but it facilitates information exchange and leads to potential face-to-face meetings in the real world. Some key words from the posts, such as “lunch... in the neighbourhood” and “private shoot space”, imply the possibility of activities at a specific location. In a sense, STACKD adds a new digital and physical hybridity to the complexities of urban life.

4.5 SUMMARY

To summarise this section, I have discussed the challenges of new developments to the dynamics of small-scale arts and creative industries, which urge us toward the emerging possibilities for improving the performance of creative clusters. The complexity and interactivity of new innovative spaces integrates new media technologies into diverse social networks. Importantly, the face-to-face contact found at physical cultural places is also overlaid with the clustering of multiple creative networks. Social networks bound to both physicality and virtuality co-constitute new urban life, to the extent that the interchange between physical and virtual communication is now pervasive, unnoticeable and part of everyday life. As McQuire (2008) indicates:

Media no longer belong primarily to spatially bounded specialised sites such as the cinema, but are becoming mobile and pervasive. Rather than a record of past events, digital media frequently provide instantaneous feedback in ‘real time’. Not only are social interactions routinely distributed across heterogeneous space-time

frames, but mediation by complex technological systems has also become integral to social dynamics.

This chapter also examines the new kinds of workspaces provided by creative intermediaries which give policy makers hints on how to encourage creative activities. Indeed, these spaces do not only function as a place for collective work, but they also form an informal community to share, exchange and create values. All of these thoughts outlined in this chapter lead to the research hypotheses which were investigated during the course of this PhD study. As stated in the previous sections, the established clusters or creative milieus in the inner city are experiencing de-clustering challenges, and the newly planned clusters hardly match the expectations of cultural hubs that produce creativity, tacit knowledge and identification. The advantages of physical proximity seem to be impacted upon. As a result,

Are creative clusters still important to cities? Does clustering still provide specific urban qualities? What do the physical and/or virtual interventions and the new types of creative spaces offer to deal with the challenges? Will there be differences between Western and Chinese contexts?

I may assume here that the physical proximity generated by clustering is still an important urban quality for the integration of highly specialised skills and the collaboration of institutions and related business. These business and social networks are interwoven with the availability of various digital networks. The investigation of how they work together and are related to making urban policies is crucial to understanding and providing strategies for culture-led urban regeneration. This research takes case studies in Australia and China as an elaboration of this assumption. Moreover, the comparison of the selected examples in their completely different political, social and cultural contexts has implications for the methodology of knowledge transfer, which contributes to the research field of urban and cultural studies.

Chapter 5: Comparative Research Design

This chapter describes the research methodology adopted by this study to examine the research questions stated in Chapter 1. It is assumed that the effects of physical proximity still offer significant qualities to the city and soft infrastructure is embedded in locality to enhance the performance of clusters. As part of the empirical study, this research is designed to verify clustering theories in Australian and Chinese contexts and to collect factual information. The key research method employed is that of comparative case studies. It aims to identify the differences and similarities between two cases through an in-depth search of desktop literature, qualitative interviews and urban analysis in order to facilitate the knowledge transfer of ‘creative cities’ programs. The methodology design is to combine qualitative enquiries with quantitative examination. The quantitative research is carried out through a desktop literature review of previous developments of theoretical propositions, complemented by multiple sources of evidence, including the collection of statistical data from publications and research partners. The qualitative research will mainly compare the case studies and assess the ethnographical method used to investigate the clustering phenomena through desktop literature review, fieldworks, participant observation, semi-structured interviews and comparative analysis. Through these research techniques, this chapter is expected to facilitate an understanding and knowledge transfer between the West and China.

Section 5.1 explains the importance of the selection of case studies in the research by elaborating on the multidimensional comparison used in the different stages of case studies. Section 5.2 discusses in detail the methodologies used in the in-depth case studies, including the desktop literature review, qualitative interview and analysis. The extensive review of various fields of literature is key to forming a basis for theoretical arguments. Working with the research team, this research also aims to discuss the core values of the ‘clustering effect’ in each case study. The qualitative interview is used to bring insight to the comparative discussion. Finally, the analysis techniques are discussed in relation to how fieldwork data and interviews were collected, distilled and compared. Section 5.3 highlights the knowledge transfer of these two cases, the reasons why the comparative approach is

important and some of its challenges and pitfalls. This section briefly discusses the policy background in Australia and China in a way that compares the contextual settings for creative industries. The comparison is expected to generate important insight into how creative industries work in these specific places.

5.1 THE COMPARISON OF CASE STUDIES

The main research methodology is to compare the case studies in Australian and Chinese contexts. The case studies are empirical examinations and intensive analyses that support and complement the theory search in a dialectical way. They are based on a mix of quantitative and qualitative evidence. This method of comparative case studies is designed in a systematic way to maximise understanding of the selected cases, enquire into the research questions through extensive analysis and comparison, and find underlying principles (Yin 2009). The use of two different international samples will enhance the generality of conclusions.

As Stake (2003) points out, “case studies provide insights into the human condition using multiple perspectives.” The comparative case studies involve a system of in-depth examination of the selected instances, based on a longitudinal process of data collection, analysis and comparison. A mix of quantitative and qualitative enquiry is employed to generate and test hypotheses (Flyvbjerg 2006; 2011). In this research the qualitative search includes fieldworks, semi-structured interviews and participant observation. Meanwhile, the quantitative data is collected from publications and research partners as supportive documents to verify the factual evidence. Especially in the study on Surry Hills, the statistical maps show the local information in which creative enterprises and occupations are counted in number, and hence identify those places with particularly high concentrations of creative activities. Furthermore, the comparison of the selected case studies provides insight into the research topic, a brief history of the places and the narrative of their spatial, social and cultural characteristics. The multidimensional comparison carried out during the course of investigation contains at least the following aspects:

- Comparison of location (culture, policy background, urban morphology)

- Comparison of cluster typology (organic or planned, educational incubators, research and development bases, artist villages, creative business parks etc.)
- Comparison of creative interventions (new types of workspaces for intimate interaction; the uses of virtual networking: websites, Wi-Fi, social media)

These parameters are explored horizontally and vertically between the relations of cultural strategies and policies, transformations of creative industries, economic impacts and new patterns of cultural production and consumption. The design of multidimensional comparison concerns: firstly, the consideration of geographic differences including the examination of indigenous culture, policy background, local history and urban forms; secondly, the cluster typologies are discussed to explain the rationale of how creative activities are generated in relation to the local context; lastly, the means of creative intervention are investigated with a comparison of how new types of workspaces perform in these two urban contexts and how physical interaction is overlaid with virtual networking. By conducting the comparison, this research aims to discover the essence of urban qualities embedded in developing creative clusters.

In parallel with the ARC Linkage Project, the case studies take place in both Western and Chinese contexts, mainly Sydney and Shenzhen. Although they are promoted as “Creative Sydney” or “City of Design” by the local governments, there is a gap in the academic literature, and the creative industries in both cities are understudied. The cases of Surry Hills and OCT-LOFT have been selected because they are both successfully seen as a ‘creative hub’ in their cities. Nevertheless, they represent very different typologies of creative clusters: one is more ‘mature’ and spontaneously populated by small-scale businesses, while the other has been developed by a planned process. The investigation and comparison of how they function and network reinforces the understanding of the general issues around creative clusters. Statistics show that Sydney’s overall creative workforce is widely distributed in the metropolitan area (Gibson and Brennan-Horley 2006). All the inner city suburbs appear to have similar built form, creative businesses and activities, and have experienced almost the same process of social, political and gentrified transformation. Surry Hills is not the only suburb representing ‘creative cluster’, but

the selection of it as a case study has certain reasons. Firstly, being located at the edge of Sydney's CBD, the suburb is accessible to the offerings from the city centre, large cultural institutions and art schools. From Figure 5, it can be seen that the CBD area still has an intensive concentration of creative industries activities. The interrelationship between Surry Hills and the CBD is identified during the interviews: work opportunities are provided by clients in the CBD, and face-to-face meetings can easily be achieved at a walking or cycling distance. Because of its proximity to the CBD, Surry Hills becomes almost the first target hit by heavy gentrification. The promotion by the local council seems to only have a counter-effect. Being crowned as 'creative hub', the area is mostly popularised by cultural consumers, and creative production has been driven out continuously. Now the question is: what to do with the situation like this? Moreover, it has a long history associate with gay and underground culture. The quirky atmosphere has been always interwoven with the social and cultural transformation in the area. As such, Surry Hills is a typical example for investigation, which can be a useful case for local government to make future policies for other inner city areas. There are two stages of the case studies and their comparison.

Stage 1: an extensive investigation of creative clusters in Australia and China. This stage develops a general sense of clustering morphologies and tries to outline typologies of them through fieldtrips. This stage also identifies the final selection of case studies to be examined at the later stage.

During Stage 1, I visited a number of creative precincts in several cities, including Sydney, Melbourne and Brisbane in Australia, and Shenzhen and Wuhan in China. After the fieldtrips and discussions with other project members, Surry Hills in Sydney and OCT-LOFT in Shenzhen were selected for in-depth examination due to their unique role as a 'creative hub' in their home cities. In order to meet the goals of the ARC Linkage project, the comparison of these two cases in the Australian and Chinese contexts aims to generate an understanding of how creative clusters function similarly or differently.

Stage 2: an in-depth comparative analysis of the selected clusters in the two cities – Sydney and Shenzhen. This examination of the case studies will be built on three levels: region, city and local. Through an analysis of the interaction between these geographic scales, the selected creative clusters will be depicted in the context

of the critical thinking around the broader creative ecosystem and how the political, economic and social dimensions embedded in their urban contexts influence those clusters. This stage involves fieldwork to the selected sites for extensive data collection. In particular, the site visits create an experiential connection with the creative environment. The interviews and exploration of documentary sources to examine the local circumstances form a basis for the comparative analysis. As the urban transformation at the study area has progressed rapidly and for the most part has not yet been documented in any academic paper, newspapers such as the Sydney Morning Herald and online materials are often accessed as ‘firsthand’ information. In doing so, the methodology is designed to link the detailed case study and ‘real-time’ research to a wider conceptual framework of a desktop literature review. Moreover, the case study of Shenzhen involves language translation between English and Chinese in literature searches and interviews. As a bilingual researcher, I am capable of searching Chinese literature, newspapers, online information and interviews with non-English speakers. This advantage also helps me to access insights into local conditions.

In the first year of this research, I concentrated mainly on the area of Surry Hills and surrounds. My previous work at the City of Sydney had provided insight into its historical development, planning policies, strategies and statistical information in relation to creative industries, as well as providing contacts among local creatives for qualitative interviews. During the second year, I focused more on the study of OCT-LOFT, Shenzhen. Through my participation onsite in the events and exhibitions of the 2011 Shenzhen Urbanism \ Architecture Biennale, I observed the local creatives and their activities on site, and also participated in discussion with them on varied local issues. Although these two cities represent almost contrasting political, cultural and economic systems as well as very different scales of creative sector development, the policy makers of both cities seek to reinforce their regional and international status through their advocacy of cultural and creative industries.

5.2 KEY METHODOLOGIES FOR COMPARATIVE CASE STUDIES

The comparison of case studies is built on an extensive review of desktop literature, qualitative interviews and thorough analysis. The literature review focuses

on the areas of cluster theories, contemporary ‘creative cities’ theories, networking and social media theories. These theoretical studies form a basis for a broader investigation into the typologies of creative clusters and creative workspaces, and the examination of new urban design initiatives as well as physical and virtual interventions to improve the performance of creative industries. It is expected that these in-depth enquiries can generate the ‘best practices’ that provide substantial support to the comparative case studies. The various aspects of the desktop literature review aim to generate extensive background information for the thorough analysis of case studies. Qualitative interviews are also crucial to acquire insights into the cases studies, while an in-depth analysis forms the core of the comparative parameters for the case studies.

5.2.1 Pave the Way for Comparative Case Studies – Theoretical Literature Search

The literature search will be extensively conducted around four main areas:

- the concept of clusters, creative clusters, creative milieu, creative ecosystems;
- theories of contemporary urbanism and ‘creative cities’;
- creative networking theory;
- social media in the city and urban informatics.

This research is part of an ARC Linkage Project, “Creative Clusters, Soft Infrastructure and New Media: Developing Capacity in China and Australia” that investigates the design of creative clusters in Australia and China. The literature search runs in parallel with the data collection led by Professors Justin O’Connor and other team members including Professor Greg Hearn, Senior Researcher Xin Gu, Michelle Tabet from ARUP, Wang Jing from Shanghai Jiaotong University and Ma Da from Creative 100, Qingdao. My contribution to the project team includes the following areas: urban planning and morphological analysis, the case studies of Sydney and Shenzhen in connection with issues of creative spaces, networks, physical and virtual interventions.

As a result of the extensive literature search, the research team have also summarised the key clustering effects as the following (O’Connor and Gu 2012, 11):

- *transfer of tacit knowledge through informal learning;*
- *efficient sourcing of skills and information;*
- *competition and collaboration of complementary businesses producing learning and efficiency effects;*
- *the development of inter-cluster trading, networking and joint projects;*
- *delivery of common services – such ICT, business support, training and industry events;*
- *targeted application of industry development policies;*
- *cross-subsidy or government support allowing cheaper rents and other benefits for SMEs and entrepreneurs;*
- *inspiration by proximity;*
- *common branding and identification.*

These parameters work as ‘best practices’ in the realm of researching and designing creative clusters. They are presented across the different chapters and sections to enhance the core values that the study illustrates, which then generates new knowledge about how these elements can possibly be transferred into the policy application of creative interventions in culture-led urban regeneration. In a sense, they function as the spine that organises the elaboration of the theories. In particular, the theoretical review pays attention to the design, ‘programming’ and management of creative workspaces, clusters or co-working spaces in relation to the influences of political, economic, physical and virtual interventions that are applied to the ‘creative city’ programs, creative sectors or sub-sectors in their specific urban contexts.

5.2.2 Qualitative Interview

The method of the semi-structured interview is also used in stage 2 of the comparative case studies. Interviewees are selected, based on initial research, if they have demonstrated significant involvement in the development of the creative industries in the study areas; they include creative entrepreneurs, practitioners, academics, intermediaries and cultural managers who know the community and local activities well. The interview questions are designed to examine how their work intersects with the local area and the political, economic and social conditions. I also paid attention to the freelancers, who make up a highly mobile group often equipped

with modern communication gadgets, and investigated the reasons why they come to the clusters when it seems that they do not necessarily need to be there. Finally, other cluster users, venue managers and policy makers are also included in the interviews.

As the interviews are semi-structured, I can allow enough flexibility to bring up new questions as they proceed. The qualitative interviews are conducted first as data collection, because very few academic writings or materials could be found around the topics explored in the selected case studies. As a result, the research relies significantly on ‘real-time’ information gained locally during the interviews. Even before the interview, I would normally conduct a certain amount of research into the interviewee’s occupation, background and works they have done in relation to the research topic. This allows me to be prepared for the interview and to outline a series of interview questions. The framework of interview questions includes but is not limited to:

Q1: Can you please introduce yourself?

Q2: What are your reasons moving here, e.g. clients, atmosphere, transport, rent, local policy support, other?

Q3: What are the problems/challenges of the area? What improvements would you like to see?

Q4: Where are your clients, suppliers or project partners located, e.g. local, metropolitan, state, national, or international?

Q5: How do you usually communicate with them, e.g. face-to-face, telephone, email, social media, other? How often do you deal with those who are not in the area?

Q6: What kind of collaborations are you involved in? Do you learn things from each other in the process?

Q7: Can you list your 5 most important project partners (those you collaborate with on projects) or people who represent the community in the area?

Above is only an interview guide. I use the guide as a way of maintaining a focus on the research topics, but I adjust the questions accordingly in response to the varied interview situations and interviewees. During the conversation, the questions are asked “in different ways for different participants” (Lindlof and Taylor 2002, 195). In doing so, the interview explores issues around the research topics, according

to what the interviewee says. This method also allows me to gain a wide range of empirical evidence for the research questions.

Moreover, I have actively attended the conferences and seminars that are related to my research topics in order to gain firsthand information on the case studies. The discussions with local creatives, policy makers and intermediaries at these meetings provided insight into the local issues and this research has partly relied upon the findings and outcomes of these events. The main conferences and seminars which I attended were:

- Shenzhen Urban Creative Culture Seminar, Shenzhen, organised by the Shenzhen Design Centre, University of London and Shenzhen University, 14 February, 2012;
- International Conference on Urban Development and Innovation, Shenzhen, organised by the Ministry of Housing and Urban-Rural Development, China Development Bank, Shenzhen Municipal Government, Phoenix TV, 24 February, 2012;
- Transience of Urbanism, organised by the 2011-2012 Hong Kong & Shenzhen Bi-city Biennale of Urbanism \ Architecture, 22 April, 2012;
- Governing City Future Conference, Sydney, organised by the University of Western Sydney, 16-17 August, 2012.

5.2.3 Analysis

Methods of urban design analysis are used in the examination of case studies. The investigation of urban morphology is incorporated into the research to examine the form of creative clustering and the process of its formation and transformation. Embedded in the multidimensional comparison, the analysis also aims to understand the spatial, social, cultural and economic structure and character of the selected cases. The analysis of quantitative information is enhanced by the research data collected from the qualitative interviews and creative enquiries into the ‘real-time’ information. The mix of quantitative and qualitative investigation is carried out at different levels.

The first level involves collecting, scrutinising and comparing local information either by mapping or by reviewing local urban policies, which are obtained through research data from local governments, universities, archives or

libraries as a way of discovering the urban fabric and demography of the study area. By looking through this local information, I am able to outline the backdrop for creative places, including patterns of movement, land use, ownership, planning control, occupation, relationship with the broader urban area and political-economic forces that shape the built landscape. Moreover, an understanding of the historical layering of these aspects and elements is crucial to comprehending the process of clustering development.

The second layer of investigative analysis is to distil the information gained from site observation and semi-structured interviews during the fieldwork. The observation of creative workplaces for cultural practitioners and social venues for interaction can be overlaid onto the first layer of local information to reinforce an understanding of the area's characteristics, and how physical urban form interacts with various social forms. Some interviews involve the use of 'mental maps' that outline the creative uses of the study areas. A trace of workplace locations and connections between them was often presented by overlaying the mental maps drawn by interviewees. This method has been widely used in urban studies. For instance, Kevin Lynch (1960), in his book *The Image of the City*, introduces a combined methodology of mapping by a trained observer and "lengthy" interviews in the study of 'legibility' in Boston, Jersey City and Los Angeles; Brennan-Horley (2010) also describes a method of mental mapping in his study on creative workplace networks in Darwin. More recently, Gibson et al. (2012) documented community perceptions of cultural places in Wollongong by collecting hand-drawn maps and stories from the general public. By employing the combination of these research techniques, the case studies are explored within a framework that allows an understanding of the social aspect of local life, the clustering effects and the embeddedness of urban structures and processes in the 'creative city' program.

The last layer of urban design analysis superposes the access and study of online information onto the first two layers, and inspects the possible connection between online communities and physical clusters as well as how the use of virtual communication is related to the specific sites of the city. Users of Twitter and Weibo (in China) are studied on their comments about and reviews of the selected clusters and creative spaces. I have also followed online forums related to the research topic and have been actively engaged with online discussions about local issues. This

frequent access to websites and social media programs keeps me updated on the latest information. A creative analysis of this ‘real-time’ information fits the nature of the fast change happening in the study areas, and uncovers the current issues and hidden networks within them.

The creative use of different analytical techniques traces those energies, communications and networks travelling in the study areas and other parts of the cities that are normally invisible. The engagement of creatives in the process of qualitative research challenges the traditional ways of passive urban design analysis. The multiple layers of this urban design analysis widen the project’s scope by positioning the research within the dynamic networks of the cities. It may become the exemplar for using analytical techniques for urban studies in the future.

5.3 COMPARATIVE STUDIES AS KNOWLEDGE TRANSFER

The main body of this thesis comprises the comparative case studies of Surry Hills and surrounds, Sydney and OCT-LOFT, Shenzhen. The research methodology based on the comparative analysis interprets the similarities and differences embedded in the selected contexts. In this research, the theoretical challenge is to compare the knowledge and experience of creative clusters operating in Australia and China, because the comparison of differences across locations and typologies contains the issues of knowledge transfer. However, the knowledge transfer presents three possibilities in this study. First, the study may uncover the generality of knowledge and underlying principles for the research of creative clusters. As such, the study actually aims to extract the essences that can then be applied to the improvement of both case studies; the second possibility is an assumption that the case of Surry Hills is more successful than OCT-LOFT, so that the policy transfer is ‘one-way’ from the West to the orient; thirdly, the transfer may be very interactive so that the knowledge and experience gained from these two cases can benefit one another. Either way, there is a broader policy implication that the success of the case studies will be exemplars for developing creative clusters in Australia and China.

Knowledge transfer is not simply a process in which knowledge in one place is reused in or copied to another place. It has to be relocated and transformed in the local context through a complex process that synthesises all types of political,

economic and cultural factors, and fuses a hybridity of adjustments and negotiations. As Grodach (2011, 81) points out, “contemporary urban cultural policy is not simply due to the rise of the creative city discourse, but is an evolving product of past policy structures and shaped by local institutions and actors.” Moreover, “specific contextual factors including prior economic development and growth management policy, departmental organization, the forum for interaction between municipal actors and nongovernmental coalitions, and the particular shape of the city’s cultural economy mediate these trends to produce policy outcomes.” (Grodach 2011, 82) Therefore, this thesis carefully builds an analytical system, engaging intercultural policy transfer as a method in which the underlying principles of the selected cases can be distilled through a rigorous course of scrutiny and comparison. Moreover, because the political, institutional and social contexts vary between the west and China, there is probably variation in the debates over the direction and types of urban cultural policies (Barnes & Hutton, 2009). Given the investigation in this research aims to establish a framework that concerns those actually working within the cultural sectors and investigates the possibility of developing ‘alternative policies’ for those individuals and organisations who are excluded from the traditional business and property-led coalitions (Grodach 2011; Lehtovuori and Klaske 2009), something which always grows within a specific urban context, the discussion of knowledge transfer runs in parallel with the deliberate investigation and analysis of both case studies.

We have seen the intellectual transfer of creative industries policies in the ‘Western’ context and through the English-speaking circuit, however cultural and planning theories as well as historical background are somewhat different in the specificities of local experience (O’Connor 2010a). Australia, which is far away from most other western countries geographically, has been much influenced by the global ‘creative cities’ agenda. The recognition of this complicated cultural and economic program has significant implications for the creation of urban policies (Leslie and Rantisi 2006) in Australian cities. This is reflected by the number of visits from key figures promoting the ‘creative cities’ program, such as Richard Florida and Charles Landry. Their advocacy for incorporating ‘creativity’ into the making of city policies has a profound influence on the majority of Australian local governments, including the City of Sydney. International expertise is also invited to diagnose local urban

policies in response to the new waves of economic and social transformation. For instance, John Montgomery (2007a) was asked to advise on the Oxford Street cultural precinct based on the concepts from his book *The New Wealth of Cities*.

Urban renewal developments related to the ‘creative city’ program are often driven by the rise of ‘neo-liberalism’ in the west (Yúdice 2003; Peck 2005; Mommaas 2004), and led by a growth coalition of politicians, property developers and others with real estate interests (Catungal, Leslie and Hii 2009; McCann 2007; Ponzini and Rossi 2010; Rantisi, Leslie and Christopherson 2006). Large culture-led regeneration projects are also frequently associated with specific economic sectors such as film or high-tech industries (Storper 2010). These culture-led regeneration projects are interlocked with several political goals under the propaganda slogan of the ‘creative city’: first, the intention of improving aesthetic beauty recognises the clustering of arts and cultural industries as a way to provide a cool atmosphere and a unique architectural texture; second, the local governments’ increasing focus on attracting investment and cultural tourists by improving amenities and consumption activities that brand urban areas, often characterised by groups of heritage buildings or natural beauty (such as a waterfront). As a result, arts and cultural activities are seen as another group of amenities for the development of a new urban economy (Grodach 2011). Although culture is positioned in the growth management and redevelopment policy, the diversity of arts and cultural sectors characterised by small and highly interdependent organisations is often ignored.

There is often a disjunction between the political agenda for building creative clusters and the understanding of the local issues, practical problems and actual needs of creatives. The gap becomes even larger when international programs of ‘creative cities’ start prevailing. This disconnection urges us to think about developing alternatives and locally embedded policies to support and maintain the local ‘creative milieu’. Therefore, the transfer from the ‘generic Western experience’ (if there is such a thing) of ‘creative cities’ to either the Australian or the Chinese context has to be treated carefully because their distinct social and cultural identities have also been formed locally over the last few decades. For example, the area of Surry Hills and surrounds, a historical working-class suburb, has been presented recently as a new hub for the growth of creative industries in response to a very unique transformation of political, economic and social situations, which will be

examined later in detail. This experience cannot be copied over to elsewhere in the world.

While we know that the understanding of local conditions is significant to policy transfer, the comparison of different cases may also generate specific knowledge about how the experience of ‘creative cities’ can be firmly applied to local conditions. Historically, Sydney’s urban development policies have relied heavily on the advantages of natural topography. The unique urban form along the harbour has led to generating the majority of Sydney’s economic and cultural activities near the water or in locations where the water view is accessible. While their counterpart Melbourne has recently propelled a boom in cultural activities in the city centre, policy makers in Sydney have tried hard to compete. The initiative taken by small bars is probably one example of following the path of Melbourne’s success.

Because of the structure of Australian governance, the power of local governments is very limited. Their role is not to manage land sales and large developments,⁴ giving the state agencies full control over significant and complex projects. This governance structure always causes tension between the levels of governmental agencies, especially between the state and local governments. With their very limited power, however, local governments are closely connected with local communities, and they frequently tie the social dimension of arts and cultural industries in with place-making strategies for community building. Moreover, local governments usually own a lot of properties for community services, depots and other operational functions, some of which are gradually converted into creative uses in line with the recent cultural ‘renaissances’. During the course of managing these conversions, the policy makers of local governments play an important role at the ground level.

Traditionally, the transformation of Sydney’s ‘urbanscape’ has only focussed on improvements to hard infrastructure. The capital works program launched by the city council has been continuously rolled out to upgrade streetscapes, parks and other public spaces, to construct and renovate new cultural facilities, such as libraries, community centres and swimming pools, and to produce permanent and temporary

⁴ According to the Department of Planning & Infrastructure, the State agency is responsible for assessing development applications for large, complex and important projects.

public artworks. The City planners also work to incorporate brand new cultural facilities into the new developments, such as Barangaroo and Green Square, with the aim of conforming to the creative city agenda. All of these visible achievements follow the idea that the image of a ‘cultural city’ can be built by improving its physical infrastructure.

In fact, these urban projects are complemented by soft infrastructure. It often seems contradictory: on the one hand, the policy makers scratch their heads to seek solutions for making the city more creative and cultural; on the other hand, they always consider the upgrading of hard infrastructure the only way to prove their achievements of making progress on the ‘creative city’ agenda. Thus the actual implementations deviate away from the visionary ambition of the ‘creative city’ to improve its cultural infrastructure. Part of the reasons that cause this situation is lack of connection between urban planning policies and cultural policies. Although the improvement of the public domain and cultural facilities is crucial to create a pleasant urban environment, the dimension of social dynamics needs be addressed as an important layer added onto the physical dimension. The real demands and concerns from creatives should be reflected in the decision making process and cultural policies. Certainly these issues need to be articulated. For instance, not until in recent years, have the “Empty Spaces” strategies been employed to support the local artists at Oxford Street from bottom up, as active public interventions to deal with local issues and build a resilient cultural infrastructure. The next two chapters will provide an opportunity to evaluate this in detail and integrate the issues into the investigation of clustering development in the context of Surry Hills and surrounds, as well as to examine whether and how these local circumstances are related to the ‘creative city’ programs promoted by governmental bodies.

Transferring policy from the West to China addresses more theoretical concerns during the course of “variation, selection and retention” (O’Connor and Gu 2012) because of the completely different cultural backgrounds, social and political systems, and language barriers (O’Connor and Gu 2006). The rise of cultural and creative industries in China is heavily driven by the globalisation of ‘creative cities’ and the country’s ambition to be a part of it (O’Connor and Gu 2012). In order to deliver their goal of being modern and global, the country has been an ‘experimental field’ for absorbing and testing Western experiences during the rapid process of

urbanisation. This is not only reflected in their cultural policies, but also in tastes, art styles, design, architecture and other practices. The ‘grafting’ of Western practices is not always successful or does not always satisfy the locals, for instance, the design of the new CCTV buildings in Beijing by the well-known Dutch architect Rem Koolhaas has been criticised since the beginning of its construction.

China faces a dilemma: on the one hand, it is understandable that the transfer of knowledge and experience from the West to China requires a deliberate consideration of these practices in the specific contexts and the process usually takes a long time; on the other hand, as there is this strong desire for western knowledge and experience to accelerate the process of modernisation, the Chinese government is always impatient so that their means of adoption are always a simple duplication of foreign practices. However, learning from the west is not just a matter of copying or reproducing ‘best practices’, but their digestion should also necessarily be situated within a critical analysis of local policies and historical background, as well as a better understanding of indigenous cultures (O’Connor and Gu 2011). Moreover, even the West still has its debates over the definition, design and management of creative clusters, so there is a need here for critical thinking.

The agenda of creative industries in East Asia, much influenced by the 1998 Department of Culture Media and Sport (DCMS)’s ‘Mapping Document’ (DCMS 1998), was adopted within a very different policy environment (O’Connor and Gu 2006; 2011), which has a very different definitive program and classification of creative industries that has not yet been clarified (O’Connor and Gu 2011; 2012). Even before the arrival of ‘creative industries’, the Chinese government had gradually loosened their control over arts and culture (Tong and Hung 2012) to allow the growth of ‘cultural industries’, which is a term adopted in the Tenth Five-Year Plan in 2001 (Yang 2011; Pang 2012) implying a commercial operation of cultural entities in the socialist market economy (O’Connor and Gu 2012). In fact, the adoption of the ‘creative cities’ program in China arrived slightly later than in other East Asian countries, as part of a new round of economic and symbolic modernisation (Pang 2012), in combination with the strategic goals of the Chinese government that shifted the focus to high value-added ‘ideas-driven’ production and a knowledge-based economy while the ‘old’ economies, such as manufacturing, were regarded as low value and less profit. The facilitation of economic development, as

part of a wider shift from the 1980s/1990s gaige kaifang (reform and open) to Hu Jintao's emphasis on gaige chuangxin (reform and innovation) (Pang 2012, 8), and the creation of major Chinese innovative brands became the fundamental motivation to incorporating 'cultural economy' into the political agenda.

The rise of the creative industries agenda in China has experienced a complex involvement of strong political forces and the emergence of a new economy (Keane 2007; 2009). On the one hand, the Chinese government tries to follow Western ideas of cultural and/ or creative industries in order to facilitate economic transformation; on the other hand, they are resistant to a complete westernisation, and they retain some hope of preserving "Chinese characteristics" (Keane 2009) with certain control over the "educational/ideological content" and "moral and aesthetic standards", and by developing economy protectionism (O'Connor and Gu 2012). The cultural aspect of 'cultural and creative industries' is also expected to contribute to creating a 'harmonised society', which is a term used heavily by the Communist Party. However, this 'politically right' term means a unified, monopolised and dictated approach to controlling the cultural products and media channels, which is challenged by the desire for informality, individuality and diversity on the part of creative individuals. As Keane notes (2009, 4), the emergence of "cultural and creative economy" witnesses the tension between "slogan-heavy political versions of progress and the more flexible and adaptable concerns of business, creative practitioners and communities".

Since the adoption of 'creative industries' in late 2004 (Keane 2009), the establishment of 'creative clusters' has been seen as "flagships signalling commitment" to promote and stimulate the new cultural and creative economy, and later it became a planned process to generate "potential new development opportunities" (O'Connor and Gu 2012). The collaboration of the municipal or district governments, private or state-owned developers, investors, state-controlled research agencies and entrepreneurs, also called 'growth coalitions' (McGee et al 2007), has built or planned for hundreds of creative clusters in many Chinese cities, towns and even villages (Yang 2011) through a top-down model and mostly with a profit-driven goal. Few examples of the spontaneous clustering of artistic activities in the Chinese inner-city areas parallel or repeat the trajectories of places like Surry Hills. Moreover, most of the cultural policies or political propagandas connect

cultural and creative industries with advanced business sectors including software, high-tech industries, research and development, business consulting, animation, new media and digital advertising (O'Connor and Gu 2012). As a result, the model of creative clusters or science parks is seen as a way of promoting these business sectors in order to generate economic capital by attracting profitable enterprises and large corporations, and by establishing the production chain. Nevertheless, small-scale creative businesses which are the most important component of cultural and creative industries, are often overlooked in policy making and supporting programs. If "individual creativity, skill and talent" are the fundamental elements of creative industries in the West as advocated by DCMS (1998), the political environment in China does not encourage or even allow this kind of creative freedom and individualism. As Pang (2012) argues, the intellectual property rights involved in the creative economy are the Western ideas, and they are not the driving forces for the growth of creative industries in China.

Following on from the above discussion about policy background in China, OCT-LOFT is a completely different development from clusters in the West, such as Surry Hills and surrounds. Located in an ex-industrial area, OCT-LOFT experienced a quick transformation from industrial uses into a creative design hub led by a single developer and the Shenzhen municipal government. The transformative process began in 2005 and sped up after the adoption of Shenzhen as the UNESCO City of Design in 2009. Since then the Shenzhen municipal government has heavily propagated its creative and cultural policies, created connections between creative entrepreneurs and the government by varied subsidy programs, and established taskforces for the development of creative industries in Shenzhen. Although the goals appear to be promising, I have seen fragmentation in the governmental organisations and the inability to implement any tasks that support the real needs of local creatives. The actual creative activities are initiated and organised informally by people such as graphic designers who have established very strong connections locally.

Under such different local circumstances, creative clusters in Shenzhen or China seem not to be assessed according to the same theoretical system as in the West. Nonetheless, their growth has been heavily influenced by the Western concept of 'creative cities'. While the rapid urbanisation in China is associated with the

country's resolution to be modern and global, the ideas of creative industries, creative entrepreneurship and creative clustering are also global, introduced to China by policy makers, planners, academics, intermediaries, travelling youth and cultural tourists. This influence of globalised cultural programs is remarkable, especially in a fast growing city like Shenzhen which has an urgent desire for cultural modernisation and civilisation. As a result, the clusters and associated creative activities in Shenzhen are involved in a very complex exchange between globalisation and local political aims.

To summarise, the comparative study on Surry Hills and OCT-LOFT reveals a commonality in that the local governments in Sydney and Shenzhen have both established initiatives to develop creative clusters in response to the globally pervasive 'creative economy'. These cultural policies always have a vision to adapt cultural modernisation through a top-down and 'imitative' way. However, I would argue that culture is generated through a long process of historical sediment with the continuous engagement of local players in the networks of physical and virtual interaction in which a diverse spectrum of creative activities can eventually flourish. Therefore, when a 'creative economy' arrives, it needs a bit of time to digest and transform.

Chapter 6: A Short Introduction to the History of Surry Hills

The last two decades have seen the transformation of the urban landscape in Sydney's inner-city suburbs. The social change and complexity of creative industries activities and relational networks in the wide Sydney metropolitan area has been investigated in literature (Gibson and Brennan-Horley 2006; Gibson, Murphy and Freestone 2002). These CBD fringe areas, which emerge as key learning and knowledge exchange spaces in the 'cognitive-cultural' economy (Gertler 2003; Scott 2007) of cities, have been experiencing a range of significant economic, social, cultural and demographic changes (Cooke and Lazzeretti 2008; Hutton 2010; Montgomery 2007b; Scott 2008) in parallel with Central Sydney's growth. Surry Hills and the surrounding area to the south of Central Sydney has become an increasingly attractive area for young artists, creative professions and intellectuals since the 1970s. It offers a cosmopolitan alternative to the outer suburban lifestyle which attracts 'like-minded' creative people so that they can be located close together.

Consequently, the area that used to be a run-down working class suburb and former industrial zone becomes a cluster for media, design, art and inner-city music venues, accompanied by a renewed streetscape and artistic scene characterised by art & design studios, galleries, antique dealers, rag traders and performance spaces. Although it has never been officially adopted as a 'creative cluster', Surry Hills is the hub perceived by artists and design professionals. As we have seen, the success of attracting creative elements also leads to the paradoxical and unequal development competing with the growing status of a 'creative hub': contemporary apartment buildings are being added to the streetscape of historic terraces; the availability and affordability of work spaces for the uses of artists and other creative workers is reducing; as a consequence, young creative professions are forced to move out from the area. The inner city suburbs have thus been transformed into an area for middleclass residences along with the consumption of cultural and high-end design industries. As a result, there are very few creative production activities remaining in these inner-city areas. The status of 'being a creative hub' and the process of

gentrification coexist in the area, shaping its unique economic form and inner-city urban landscape.

Moreover, while the Australian government thinks of building a denser and more compact city in order to make people live closer to work and achieve their goals of sustainability, such as reduction of car travel and carbon emissions, the city centre is running out of opportunities for such large growth, and the inner city suburbs are feeling the pressure of extensive developments. It is definitely a challenge for creatives to fit into the new wave of increasing urban density. To begin with the discussion of Surry Hills and surrounds, this chapter reviews an urban history of Surry Hills and surrounding inner-city suburbs to illustrate the evolvement of land pattern and local culture. The emergence of the area as a ‘creative hub’ is associated with these historical elements, especially the changing of urban regulations. The recent urban policies are examined to reveal their relation to the development of creative industries in Surry Hills. In doing so, this chapter elaborates on the fact that the integration of creative policies and local economic development has a particular influence on small-scale arts and cultural activities.

6.1 STUDY AREA

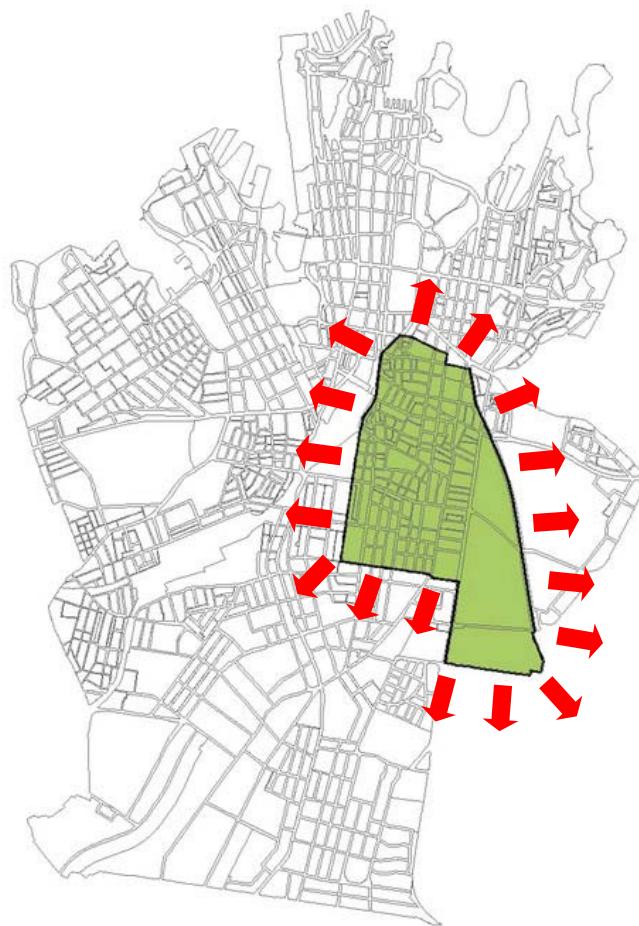


Figure 1 Map of Surry Hills and surrounds

The research area is centred on Surry Hills and the surrounding area. This area is located immediately next to the south-east side of the Sydney central business district in the City of Sydney. I intend not to define the study area by using a clear geographical boundary (as seen in Figure 1 as green patch) that is usually seen in planning and regulatory documents, because the settlement of creative activities is very diffuse in the inner-city areas across the boundaries between the suburbs (as seen in Figure 1 as round circle). Therefore, the study area covers a number of the inner-city suburbs, including Surry Hills, Darlinghurst to the north, Chippendale and Haymarket to the west, Moore Park and Paddington to the east and Redfern to the south. Although these suburbs are considered as part of a broader precinct of Surry Hills, this research acknowledges the differences between the suburbs and their own

characters, such as the aboriginal culture at Redfern and the old industrial estate at Chippendale.

Collectively treated as a larger precinct for investigation, the radius of this area is bounded by Central Railway Station, the largest public transport facility in Sydney, and Prince Alfred Park where many large community events are held, such as the Surry Hills Festival. In the recent Sustainable Sydney 2030 Plan, Surry Hills and East Redfern are included in the Crown Street Village Centre. The reason for regrouping the districts was to reflect the historical development of Sydney associated with its unique topography, which has seen the main streets and activity centres mostly generated along the ridge (CoS 2008).

To briefly summarise, this ‘creative hub’ of Sydney refers to the centre of creativity as perceived by local creatives. Geographically, it does not only include the suburb of Surry Hills on the planning map, but it also covers other areas nearby. In my later discussion, I keep the idea of a very vague physical boundary around ‘Surry Hills’ as stated earlier, in order to capture the bigger picture for the creative industries settlement in the inner-city suburbs.

6.2 THE HISTORICAL DEVELOPMENT

Although Surry Hills and the surrounding area is now perceived as a hub for creative industries, the occurrence of creative activities clustering is based on social and historical conditions, as the clustering of creative industries is rooted in locality. As discussed earlier, spatiality plays a crucial role in the development of cultural products at a specific locality (Molotch 2002; Hutton 2006; Heebels and Van Aslst 2010; Drake 2003). The formation of creative activities is not accidental, but is associated with factors produced by political, social and economic transformations embedded in the specific locality. In other words, these activities are inseparable from the locus in which they take place. The research of clustering activities requires a better understanding of place, which is claimed to have several dimensions (Agnew 1987): place as location (geographical proximity), place as locale (a meeting place) and sense of place (look, feel and smell). These layers are interwoven into any place that shapes meaningful cultural activities. Crucial to these layers is the exploration of the spatial history which reveals some underlying principles that have turned the area

into a favourite spot for artists and designers. The unique built form and memories accumulated at Surry Hills and surrounds form a backdrop for the emergence of creative industries.

The creation of the inner city areas is associated with the colonial history in Sydney when large land parcels were given to the early settlers. Surry Hills was named after “Surry Hills Farm”, a 105-acre land parcel to the east of Sydney which was granted to Captain Joseph Foveaux in 1793 (Keating 2008), while Chippendale takes its name from William Chippendale in 1819 (Fitzgerald 1990). The area experienced profound economic and social transformations in its early history: it changed from an upper class resort and farm in the early colonial period (Allen 1958) to a mix of industrial premises and populated residences for the local working class (Keating 2008; Fitzgerald 1990). The large land parcels were subdivided into smaller private ownerships. The long rows of brick double-storey terraces, the most characterised architectural form in Surry Hills, were built during the gold rush period from the 1850s to the 1890s.

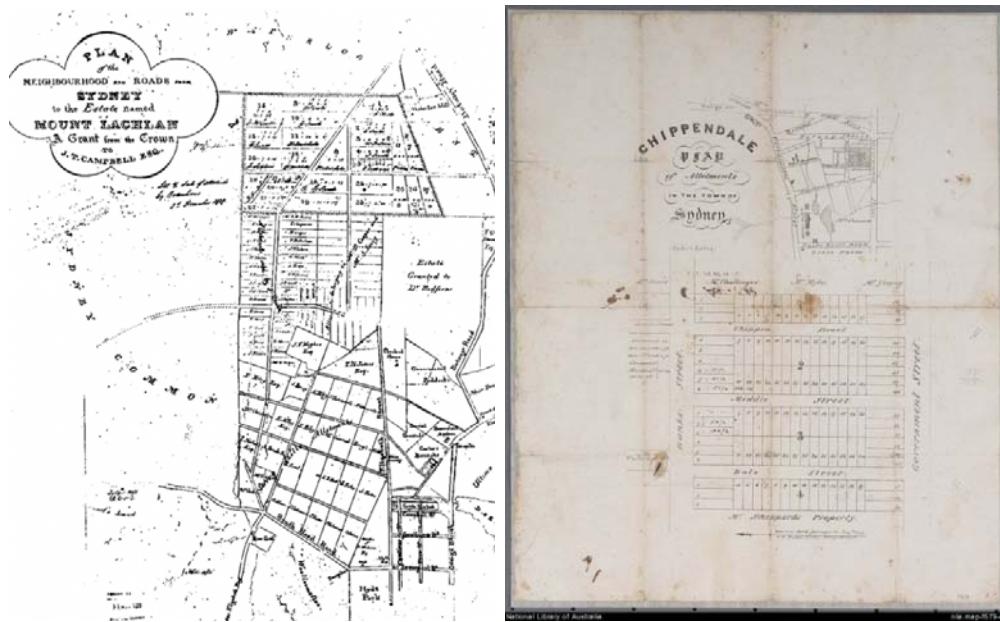


Figure 2 Mount Lachlan Estate map, Surry Hills 1829. From the collection of the State Library of New South Wales. (Left)

Figure 3 Chippendale – plan of allotments in the town of Sydney 1842. By Bird, Thomas. Contributed by National Library of Australia. (Right)

Although the area attracted a large size working population, the level of amenities and quality of life was deteriorated by the overcrowding, unformed streets

(Keating 2008) and pollution (Fitzgerald 1990). The area gradually declined into a slum, and the situation became even worse after depression of the 1890s (Keating 2008; Montgomery 2007a). The Sydney Municipal Council was lacking in power and funds throughout the colonial age so they were unable to provide a regulated road network and sufficient sewerage and drainage. Land owners and private developers took control over the development of urban growth, land use and public amenities. They could freely build whatever they liked, without considering “street alignments, drainage patterns, block size, housing quality or public health” (Keating 2008). In Ruth Park’s novels, *Poor Man’s Orange* (1949) and *The Harp in the South* (1948), Surry Hills was described as an overcrowded slum in the 1930s, with numerous brothels and notorious gangs.

Although the urban environment was poor, the street life was vivid and dynamic. A growing number of mechanics, skilled artisans and shopkeepers came to dominate local life, displacing the declining gentry (Fitzgerald 1987, 227). By this token, Surry Hills has a long history of various craftsmen and small businesses that popularised its street life. The Labour Party emerged within this context and supported the existing local networks and working-class families (Connell and Irving 1980, 189). The inner city area had more of a “marginal” character compared to its dependent city centre. As Keating (2008) described, in Surry Hills there was:

a strong building trade, using locally produced materials to build the suburb's housing; market gardening remained scattered throughout the area; there were coach-building works employing blacksmiths, bodymakers, coach painters and upholsterers, as well as saddlers and harness makers. Tanning and currying were also prominent in the area, with many firms appearing after legislation [that] evicted them from the city proper... scattered amongst them were livery stables, ginger beer makers, biscuit factories and steam laundries. And working their way through all this were the dealers and Chinese hawkers, announcing their fresh rabbits, vegetables, fish, milk, and clothes pegs – to which, by the end of the century, were added the click and hum of textile knitting mills and printing works, and the drone of the sewing machine... The clothing or rag trade was also prominent in Surry Hills, usually through outwork or piecework systems, and in the houses off the narrow lanes of Surry Hills women ran up slop

garments for Dawson's of Brickfield Hill or Cohen Brothers of Goulburn Street, in an effort to supplement often inadequate family incomes.

Later, the Sydney Municipal Council was granted the power to develop masterplanning strategies in the *1909 Royal Commission on the Improvement of Sydney*, which included road widening schemes across the city. A proposal for the area was to reduce any unnecessary streets in exchange for additional industrial land and additional revenue to the City Council. As a result, the demands of residential and industrial land use began competing in the area. Many houses were demolished and residents were relocated to far-flung suburbs (Keating 2008; Fitzgerald 1990). The land value of the inner-city increased during the wartime: industrial developments became more profitable and large factories replaced many residential buildings. The heavier industries and engineering workshops were established to produce a wide range of products (Fitzgerald 1990). The area experienced gradual depopulation because of the industrial transformation. For instance, the number of Surry Hills residents dropped from 19,000 in the late 1940s to 12,000 in 1974 (Keating 2008).

The modern transformation of the inner city area arguably began in the late 1960s. The new generation of residents was made up of young people, a new middle class who were either self-employed, employees of the public service, corporations, the media or universities, or in the professions. The city, where universities, colleges, diverse lifestyles and nightlife were all located close together, offered social interaction for ‘like-minded’ city people (Shaw 2006). As Jakubowicz (1974:336) notes, “they came to the inner-city [looking] for a cosmopolitan alternative to the suburban life”. The well-known ‘anarchistic intellectuals’ group, ‘the Sydney Push’, became active in the area around the city by moving into low-rent boarding houses, run-down terrace house, pubs and otherwise decreasingly desirable forms of accommodation until the early 1970s (Coombs 1996). At this point the transformation saw another demographic change in the area. Many older working-class and post-war migrant families were forced out to suburbia by the increasing rents and property prices. The newcomers who could afford to stay temporarily formed various social groups which were also actively involved in reshaping the inner city area (Keating 2008; Fitzgerald 1990).

There was strong pressure for an increase in the residential and office capacities of the area in the 1970s. Although a large number of empty offices and warehouse buildings were available all over the inner city area, it was illegal to live in them because commercial or industrial zoning did not allow for habitation (Shaw 2006). Roseth (quoted in Shaw 2006) noted that “Sydney had a boom in office buildings in the early 1970s... [that]... left the owners of the old office buildings with few options of how to keep their properties economically productive”. Despite the fact that many regulations did not allow conversion, warehouse sites became popular for illegal residential occupation and the inner-city art and music scene.

Later the zoning regulations in South Sydney and the Sydney City Councils changed to enable warehouses and old office blocks to undergo residential conversion, and many industrial and business zonings changed to Zone 2b, “medium density residential”, and Zone 10, “mixed use”. Many old building have been readapted to accommodate the new residents. The first application for the conversion of an old warehouse into apartments was lodged in 1979 (Shaw 2006). Roseth (cited in Shaw 2006) reported that approximately 77 sites were approved for conversion between 1979 and 1981, which led to a new trend in “recycling old buildings” in inner Sydney. In addition, unwanted buildings were leased out as ‘studio spaces’ by those who could not afford to buy into the properties. These included the Spice Traders building, which was converted in 1995, and the Shepherd and Newman Printery in East Sydney, which became luxury lofts in 1997. One of the longest-ranging occupations, the Silknit Building in Surry Hills, was converted in 2000 (Shaw 2006). Although many buildings were demolished or partially demolished during the process of redevelopment, the remaining artefacts of those cultural heritages provided objects and memories to fuel the obsession of the later growth of creative industries in the area.

The conversion of warehouses and old factories was a result of the restructuring of the economy in Sydney that took place when the inner-city industrial land use was abandoned (Vipond et al. 1998). Firms and industries were decentralised, moving out from the inner-city areas to cheaper locations on the city fringes (Vipond et al. 1998) or moving overseas. Many industries, such as the clothing and footwear manufacturers, lost business because of cheaper imports from the ‘Newly Industrialised Countries’ of Latin America and Asia. These economic

shifts, and the associated rise in the availability of commercial properties in the inner city, enabled a variety of new uses for the large, increasingly unoccupied buildings (Shaw 2006).

Although there is no obvious evidence to prove the direct impact of the change in planning regulations on the emergence of creative industries, the promotion of ‘warehouse living’ certainly transforms the urban landscape. More residents move to the suburbs, including artists and creative professionals, which consequently leads to further gentrification which has witnessed the addition of contemporary apartment buildings to the streetscape of historic terraces. Nevertheless, the influx of a creative industries settlement makes the streetscape and urban environment visually appealing, and causes a transformative effect on the area so that it changes from a working-class suburb to a new hub for media, design and professional services, as well as a diverse place that is well known for its art galleries, antique dealers, cafes and pubs, fashion and rag trade outlets (Keating 2008; Montgomery 2007a). The conversion of Crown Street from a fast one-way street to the main street has provided a focus for the area, known for its “off-beat clothing, home wares and collectables, bookshops and restaurants” (Montgomery 2007a). West of Riley Street, the traditional rag trade now has more wholesale outlets than manufacturing premises, and has become a hub for media, design and professional services. The small urban park at the corner of Crown and Collins, Shannon Reserve, is the location of the Surry Hills Market – held on the first Saturday of every month.

In conclusion, a review of the history of Sydney’s inner-city area reveals some historical conditions that support its later status as a ‘creative hub’. I have summarised them into the following key points. Firstly, the building typology of terrace houses was formed by small subdivisions during the industrial era, when a large number of factories and warehouses were also built. The preservation of these urban fabrics is the precondition for the area’s regeneration, because architectural texture appears to be one of the important elements that attract creatives. Secondly, in the past the area was a cluster for a mix of craftsmen and radical intellectuals, which accumulates memory, sentiment, tradition, identification and local attachment. These meaningful aspects have a serendipitous effect on the spatial locality by forming a backdrop for creative discoveries. Thirdly, the revolution of the planning regulations that allowed industrial buildings to be converted for residential or mixed

use attracted an increase in the area's population. This growth was also led by artistic residents and creative professionals who are always interested in the conversion of industrial space into homes or offices. All of these conditions provide a historical background for the recent transformation of the area into a 'creative hub'.

6.3 THE 'FINE GRAIN' AND URBAN POLICIES

The changes in planning policies and regulations, such as the legal permission for warehouse conversion as discussed earlier, had direct and indirect influences on the development of creative industries in the history of Surry Hills and the surrounding area. However, there is a general concern that planning controls and the development of application regulations are designed to encourage large developments, but not to promote small-scale arts and cultural activities. This paradox contrasts with the ambition of the city council to develop 'culture' in the local area, which is characterised by a range of fine grain activities.

Indeed a number of urban studies and policies have been developed to support the growth of creative industries. In particular, there are a series of initiatives from the Australian and NSW State governments emerging to offer 'alternative means', such as the Creative Innovation project as part of the Australian government's Enterprise Connect program that supports creative business advisory services, and the Empty Spaces project by Arts NSW that connects creatives with 'place providers'. These projects more or less indicate the national and state governments' resolution to support small and start-up businesses.

In the context of the City of Sydney, urban policies are also developed with the aim of encouraging the sustainability of creative industries in the study area, particularly of small-scale arts and cultural industries. In fact, small-scale business developments have been widely involved in the recent discussion. In 2008 the Six Degrees Architects developed a Laneway Revitalisation strategy for the City of Sydney. After reviewing Melbourne's successful examples, they used the term 'fine grain' to stress the significance of small scale spaces for activating lanes. In their view, an increase of small scale spaces contributes to the affordability of new enterprise, to a vibrant street environment and diverse cultural offerings. As a result, 50% of street frontages were proposed as "small retail tenancies of less than 6m in

width” (Six Degrees Architects 2008, 32). Meanwhile, a selective approach was suggested, including the provision of a small business development grant for ‘unique’ businesses and the establishment of business incubators for start-up businesses, artists and creative professionals. Although the strategy was originally focused on the city centre, its influence was later extended to a city-wide area, focusing on the inner city suburbs where the physical setting fits well with the ‘fine grain’ idea.

The recommendations from the ‘Fine Grain’ Strategy were then included in Sustainable Sydney 2030, one of the most influential planning policies in the last few years. Sustainable Sydney 2030 specifically supports the study area as a ‘cultural, creative and safe precinct’ by proposing the idea of a ‘Cultural Quarter’. Unlike the traditional planning policies, Sustainable Sydney 2030 reserves a number of sections for cultural components, including the desire to maintain the area’s status as “the historic heart of Sydney’s Gay, Lesbian, Bisexual, Transgender and Queer communities” and to support the “creative industries and start-ups in nearby ‘SOGO’ (South of Goulburn Street) by encouraging the adaptive re-use of existing warehouse buildings and ground level activation” (CoS 2008).

In parallel with setting up these visionary ambitions, a dedicated strategy and economic development unit was established in the City of Sydney in 2006. The team has two responsibilities: to develop strategies, policies and research programs for the sustainability of economic development; and to engage with local businesses and stakeholders, and facilitate trade, investment and partnerships in the local government area. Several business precinct managers are employed to work with the Chamber of Commerce at each village and coordinate in-between the City of Sydney and small business owners. This business management model works on a basis of geographical divisions and is enhanced by the appointment of business coordinators who work across sectors and industries. The linkage of creative industries to the local economic development of the City of Sydney is one of the intentions behind these urban policies, because the city decision-makers realise the creative city programs significantly contribute to the development of local economy.

At the beginning of the marriage between creativity and local economy, John Montgomery was engaged to develop a strategic plan for the Oxford Street precinct. The term ‘Cultural Quarter’ is used to describe a precinct that generates creative and economic activities. The expression is used by the City of Sydney to brand Oxford

Street for marketing and promotional purposes. In the report, Montgomery (2007a) highlights the notion of a ‘Cultural Quarter’ as a way of revitalising the Oxford Street Precinct (also part of the study area). It is comprised of three sets of elements: activity (economic, cultural, and social), form (the relationship between buildings and spaces) and meaning (sense of place, historical and cultural). From his point of view, only the combination of these elements leads to the success of a so-called ‘cultural quarter’. Based on Montgomery’s study, the City of Sydney subsequently developed the Oxford Street Cultural Quarter Action Plan that proposes four guiding directions (CoS 2009):

- *Maintain and develop a healthy and competitive cultural economy;*
- *Create conditions for a vibrant community;*
- *Leverage aspects of the creative sector to benefit other parts of the local economy;*
- *Integrate specific actions with overarching council strategies.*

The Sustainable Sydney 2030 strategy and the Oxford Street Cultural Quarter Action Plan are two overarching plans that refer to the development of creative industries in the study area among a range of local urban policies. These plans emphasise the importance of economic development in the establishment of the creative industries agenda, including marketing strategies for local creative businesses and the provision of support to small cultural enterprises from bottom-up. Having addressed the significance of the area as a hub for creative industries, they recognise that the maintenance of existing small-scale cultural activities in the area contributes to the establishment of a vibrant community and strong local economy. Therefore, these policies certainly have a number of promising aspects for facilitating the development of a ‘Cultural Quarter’ or something alike to it. Moreover, the variety of and the interaction between small-scale business activities, often linked to the liveliness of cultural quarters, are regarded as important elements for forming the notion of a ‘creative ecosystem’. As Montgomery (2007a, 9-10) claims:

Successful cultural economies are characterised by increasing volumes of trade, constant innovation, and the building up of new products and services, and

networks of suppliers and purchasers. Often now referred to as 'post-fordism' or the 'sub-contracting-out mode of production', this was always a feature of city economies before modern industrialisation. Thus, the successful cultural quarter economy will be as complex and intricate as possible with myriad networks of firms - and, crucially, a high proportion of small and medium enterprises (SME's) inter-trading and sub-contracting. This might well include activities such as print shops, specialist retailing, photography labs, graphic design, and artists' studios.

The proposition is in line with the Federal Department of Employment, Workplace Relations and Small Business (DEWRSB)'s aim to improve job growth, business development and employment opportunities across Australia, especially in places where economic growth is slow or where economic restructuring points toward the need to develop new sectors (Montgomery 2007a). This particular initiative aims to promote and encourage small businesses through the setup of 'incubators'. The idea of creative incubators is rather complex, and is different from the concept of cultural destination as promoted by general branding and marketing strategies. The creative incubator is a hub that provides a wide range of services, expertise and access to social and cultural capitals to develop new ideas, and sometimes increases visitation and retail activity for local businesses. It involves an organic process of entrepreneurs engaged in creative production.

According to Montgomery (2007a, 9), cultural quarters also represent "at least part of a city's evening economy". Small bars, one of the key components of night-time economy, have recently emerged around Crown Street. They are categorised as main 'fine grain' activities by the Six Degrees Architects (2008). The association of Small bars and the evening economy intends to establish a '24 hour city', which can bring a series of benefits to the study area, including an increase in the economic performance of local businesses, maintenance of urban vitality, reinforcement of local identity and preservation of cultural characteristics. As social gathering places for cultural visitors and for creative professionals where informal networking and interaction occurs, these venues undoubtedly benefit other associated creative events at night including theatre shows, exhibition openings, music concerts and artist talks. As the Six Degrees Architects (2008, 11) states:

just when things are getting interesting, after dinner or after a show – where do you go in the city to continue the conversation?... (Small bars are) places where people can come together with like minded patrons, have a quiet drink and talk. The nature, scale and ownership of these small businesses is a major factor in their success. Being small in scale allows the ownership to remain within the generation, and means that often the owners will be serving behind the bar, or talking with the patrons who are their contemporaries or friends.

Being small always means there is a certain level of vulnerability. In terms of small-scale creative businesses, affordability is often raised as one of the biggest issues that artists and creative professionals are facing, although this is also a problem in general around the world. This issue arises with new development or spatial transformation where the original residents who cannot afford the increased property values are largely displaced by the middle or higher class. The new home buyers who come into the area sometimes cause tension among the local creatives because restrictions are placed on how their activities can be performed. In fact, Surry Hills and the surrounding area has a long history of artist run initiatives, and particularly during 1980s and 1990s there was an enormous population of artists that took over its spaces and created a number of the performance art symbols or sub-cultural groups that still exist today in Sydney. Although artists moved into this previously cheap area and transformed it through cultural activities, new development then occurred to drive up the rent and force out the artists. The creative production activities were gradually replaced by retail, commercial activities or middle-class homes. The pattern of cultural movement in Sydney had to go further away from the urban core and inner city area, out to the suburbs. An artist questions this pattern during an interview:

This is what happens when cheapening occurs, and I guess the huge issue is then once the artist moves out, what is replaced there? Is it just cold concrete residential buildings? Does it then become a slum, a dead area where crime comes back in? ... The issue is what is left in the CBD then. Is it only representing a small component of the population that are middleclass, or that are professional? So does that make culture one-dimensional or monocultural? Does Sydney then only represent itself with a \$120 ticket price? Is art only about what happens in

the major institutions? ... it's a very interesting pattern to watch regarding the culture in Australia. What happens is culture relies on money.

Quite often small-scale businesses and the creative community are tied to a place. They enliven it with fine grain activities, which give the place life and keep it safer. The significant role that creative industries play in this transformative effect requires more permanent spaces to allow for the needs of new development and to ensure the city continues to be revitalised. One way of maintaining artists and creative professionals in the local area is to provide a range of cultural offerings at a subsidised rate, which is also an important investment for the local community. The provision of space for creatives is also critical for sustaining the embedded ‘creative feel’ or for creating opportunities for otherwise underutilised spaces. These needs have been reflected in many recent projects, such as Renew Australia (www.renewaustralia.org) which transforms empty spaces into incubators for new ideas, creative experiments and local communities and makes the urban environment more attractive.

The creative industries remain a growth sector in Australia (CIE 2009; CoS 2011), but their presence in the inner city has come under considerable pressure in recent years. In response cultural policy-makers have sought in various ways to make space available to small-scale arts and creative industries, either to sustain the diversity and vitality of ‘overheated’ areas, or to promote new kinds of cultural production and consumption as catalysts for regeneration in ‘disconnected’ areas. Cultural agencies have invested in live-work spaces and part-subsidized managed workspaces; they have encouraged landlords to offer short-term leases or licenses, or make available empty retail spaces; they have sought to include more flexible and public display spaces in public and commercial developments; they have persuaded owners to develop appropriate buildings for cultural use rather than any other, and so on. These ‘alternative approaches’ to urban planning policies address the importance of temporary uses for site-specific regeneration (Lehtovuori and Havik 2009). For example, the City of Sydney provides a number of council-owned properties to support temporary uses and pop-up projects (CoS et al. 2009) through the Accommodation Grants Program. Under this program the properties zoned as community use are made available where possible for new creative occupations

through subsidised rental and leasing, along with cash grants and sponsorship programs. Although the availability of the council properties is very limited, the successful examples showcase the potential for such spatial conversion toward creative uses. One of the artists says:

I think it's quite exciting that lots of spaces are being opened up in the 2100 postcode, because that's always had culture, historical culture being underclass, working-class, artists, kind of colonised. So it's gonna bring that kind of culture back which unfortunately has been missing since the 80s, since the property boom in Australia. Of course, so many of those buildings along William Street, Oxford Street are deserted. They are completely wasted and going to ruin... it's awesome that the City is thinking about how they can be activated. And ultimately those artists that take those spaces would be kicked out, because they will be taken by commercial lease. I think maybe artists need know that that's the pattern capitalised on them, just jumping from space to space, but again it would be awesome to have a permanent space that everyone can use.

Engaging with small-scale businesses is regarded as part of the ‘art of place-making’ which sustains the local community and creates meaningful and connected places. Their involvement produces a participatory culture and a direct ownership of the place that also benefits the beautification of the urban environment and the resilience of local economy. In addition, active interventions taken by the local government to support these small-scale activities, including the improvement of public spaces and the provision of public art, cultural events and other forms of historical interpretation projects, enliven social life and add meaningful layers to the place. All of these activities act as a catalyst for the creation of a ‘sense of community’ or ‘feeling of belonging’, which is seen as an important component of a ‘creative milieu’.

Although the vision for the area as a ‘Cultural Quarter’ in the current planning strategies and policies depicts a lot of potential for the development of small-scale arts and creative industries, there are some points that need to be articulated. First, there is a lack of focus on the major issues that generally need to be solved for creative industries. Frequently, the economic and cultural norms of a local community, its social equity and public efficiency, all of which are at play in local

arts and creative industries policies, are bundled together (Markusen and Gadwa 2010). However, there should be an ‘offensive, entrepreneurial strategy’ that explores new domains of creativity and innovation with a target of achieving a sustainable spatial revitalisation (Mommaas 2004). It is sometimes hard to differentiate the creative policies from the general public domain improvement plans and place-making strategies. With limited funding and resources, it is difficult to deliver all the intended goals from creative policies. Moreover, focusing too much on public domain improvements in an “amenities-driven cultural policy” (Grodach 2011) may lead to the ‘overheated’ consumption of activities that only attract ‘creative classes’. Thus, these creative policies need to be unpacked, examined, articulated and specified in such a way as to allow cultural policy-makers to engage in coherent and transparent interventions, in partnership with those who have different interests and other policy and regulatory agencies.

In the Australian context, the limit of the Local Government’s power has been a handicap for the efficient implementation of the council’s strategies and policies. Although the City of Sydney took a leadership role in making a number of initiatives for the small-scale arts and creative industries in the area, their implementation requires support from other governmental agencies, and an established system that involves public and private partnerships to effectively distribute public and private resources, to engage the private sectors in the consultation, decision-making and implementation processes and to create a resilient community which adapts to any risks and changes. Finally, the creative policies are expected to progress from the ‘first generation’ of local economic policies that are based on place marketing and associated initiatives (Scott 2004) to more advanced creative strategies. They should recognise the localised complexity and social conditions of the cultural production systems that are involved in the dynamic interaction between creative producers, intermediaries and communication agencies. Understanding how they work is the first step toward the creation of a creative ecosystem that amplifies artistic and creative innovation.

Chapter 7: Surry Hills as a creative hub

In relation to the perception of a ‘creative hub’, this chapter looks into the spatial characteristics of a creative industries cluster in Surry Hills and surrounds by reviewing the statistical mapping and demography. It also discusses several examples of small-scale creative spaces in terms of the difficulties they face in inner city areas and how urban policies and planning strategies generate and support the development of local creative industries. In particular, this chapter examines the potential soft infrastructure interventions that interconnect the wider creative milieu and addresses the importance of physical and virtual interaction and social networking within the local community.

7.1 A REVIEW OF SPATIAL CHARACTERISTICS

After experiencing the transformation described earlier over the last few decades, Surry Hills and the surrounding suburbs have become widely perceived as the creative hub for the whole metropolitan area. Although the title ‘creative hub’ claims its status as a focal point for creatives to gather around (Tovey 2010), the uniqueness of the area remains unstudied. This section reviews the area’s distinctive qualities by examining its morphology, urban links, built form, usage, social characteristics and associations.

In order to understand the specific uniqueness of Surry Hills and surrounds, we need to position the area and compare it with other in the context of the local government of the City of Sydney. According to the City of Sydney (2011), the Creative Industries Sector is generally defined as “those industries which have their origin in individual creativity, skill and talent and have the potential for wealth and job creation through the generation and exploitation of intellectual property”, which is much in line with the definition provided by DCMS (1998). The sector includes the fields of advertising, architecture, design, film, music, performing arts, publishing, radio, television and visual arts. Although there are theoretical debates over definitions of ‘creative industries’ (O’Connor 2010a), this research follows the

City of Sydney's definition for the examination of Australian case studies, in order to maintain coherent data collection and analysis.

The investigation of employment and business establishments is based on a review of the geographical distribution of the settlement of creative industries. The two statistical maps (see Figures 4 & 5) generally demonstrate that the creative workforces are widely spread out with a few areas that are more concentrated. According to the City of Sydney's analysis:

The largest concentration of employees is located on the block occupied by ABC, followed by the Darling Park complex which houses the Fairfax media outlet. Other key blocks include the Entertainment Quarter at Moore Park, Channel Ten at Pyrmont and the Sydney Opera House... The largest concentration of business establishments per block within the Creative Industries is located on a block between Pitt and Castlereagh Streets, and is occupied by a significant number of Jewellery and Silverware Manufacturers. Other blocks with a high concentration of Creative Industries establishments include the Entertainment Quarter at Moore Park and a block in Alexandria that accommodates a number of small establishments within a business park.

This observation reveals several concentrations of creative industries that have settled across the local government area. However, the study area of this research is not included in the 'official' large clusters as stated on the maps. The statistical information seems to contrast with the general perception of Surry Hills and its surroundings as a hotspot for creatives. The reasons for this contradiction are quite complicated, but at the very least they may prove that there are elements contributing to the ambience of creative clusters other than the accumulation of creative workforce numbers. It is also assumed for the purposes of this study that the elements which make up a creative milieu have a certain relation to the sensory feeling of the local urban qualities, such as architectural texture, memories and communal sense. The other way in which the study area differs from those large concentrations shown on the map is in relation to the urban typologies of their creative industries: the large media companies and major cultural institutes are mostly concentrated in the large urban blocks, in contrast to the typologies of the small-scale built form and businesses of the study area.

Employment by Block

Creative Industries

Employees within the Creative Industries sector are spread across the Local Government Area. The largest concentration of employees is located on the block occupied by ABC, followed by the Darling Park complex which houses the Fairfax media outlet. Other key blocks include the Entertainment Quarter at Moore Park, Channel Ten at Pyrmont and the Sydney Opera House.

	All Industries	Creative Industries	% of All Industries
No. of Employees	385,421	32,448	8.4%



Legend	
No. of Employees	
White	No Employees
Light Green	1 - 100
Medium Green	101 - 500
Dark Green	501 - 1,000
Very Dark Green	1,001 - 1,500
Darkest Green	>1,500

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Number of Employees per Block - Creative Industries
2006 Floor Space and Employment Census Data

0 250 500 1,000 1,500 2,000 2,500 Metres

Figure 4 This map shows the number of employees per block in the local government area of the City of Sydney. It is published in the City of Sydney's 2006 Floor Space and Employment Survey. <http://www.cityofsydney.nsw.gov.au/AboutSydney/documents/cityresearch/IndustryAtlas/Employment/CreativeEmployment.pdf>. Accessed on September 16, 2012

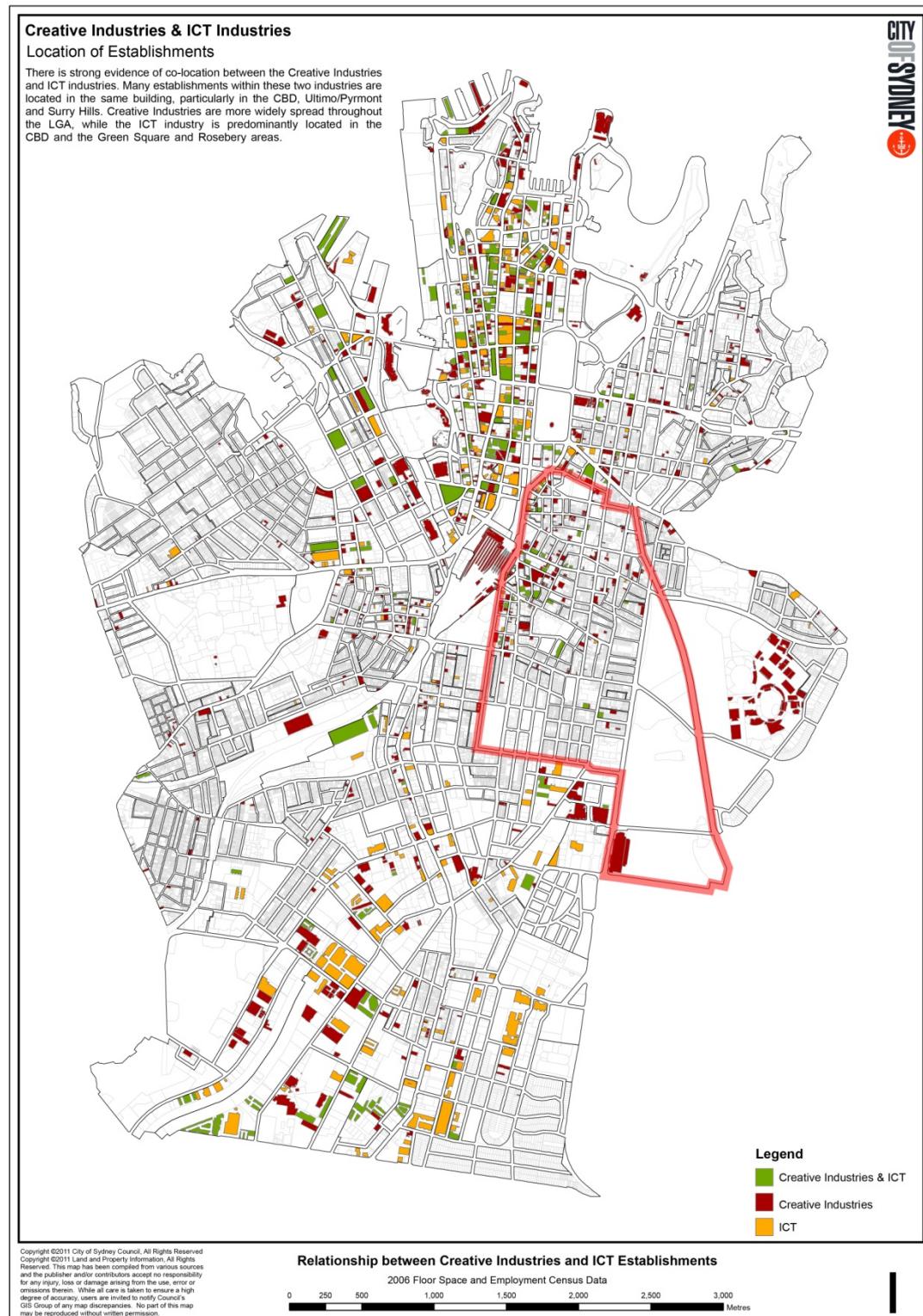


Figure 5 This map shows the number of business establishments per block in the local government area of the City of Sydney. It is published at the City of Sydney's 2006 Floor Space and Employment Survey.

<http://www.cityofsydney.nsw.gov.au/AboutSydney/documents/cityresearch/IndustryAtlas/Employment/CreativeEmployment.pdf>, accessed on September 16, 2012

Before examining in more details the creative industries of the study area, I reviewed the information which was published in the City of Sydney's Floor Space and Employment Survey. The report documents in a statistical manner the economic change and urban transformation that took place between 2007 and 2012. The data is collected in the area of Crown and Baptist Streets Village which includes the majority of the suburb of Surry Hills and parts of Redfern and Moore Park. From the Comparison of Employment table (see Table 2 & 3), it is clearly seen that the workforce in the Creative Industries continuously increases in terms of numbers and growth rate, in parallel with the growth of Food and Drink, Professional and Business Services, Finance and Financial Services, ICT and other knowledge industry divisions. Creative industries has been always the largest sector in the area and has the highest growth rate. The increase of all these sectors leads to an expansion of the workspace area, which can be seen in the Comparison of Internal Floor Space chart. The larger demand for space triggers inner-city regeneration and reshapes the urban landscape as a consequence.

Table 2 Employment By City-Based Industry Sectors, Crown and Baptist Streets Village, 2007-2012. The data is published in the Crown and Baptist Streets Village Summary Report 2012. <http://www.cityofsydney.nsw.gov.au/learn/research-and-statistics/surveying-our-community/floor-space-and-employment-survey/2012-fes-overview-and-summary-reports>, accessed on November 15, 2014

City-Based Industry Sector	2007	% of 2007 Employment	2012	% of 2012 Employment	Change 2007-2012	% Change 2007-2012
Community	1,041	5.5%	1,056	4.6%	15	1.4%
Creative Industries	4,042	21.2%	5,364	23.6%	1,322	32.7%
Finance and Financial Services	317	1.7%	432	1.9%	115	36.3%
Food and Drink	1,410	7.4%	2,310	10.1%	900	63.8%
Government	3,029	15.9%	1,748	7.7%	-1,281	-42.3%
Health	880	4.6%	1,114	4.9%	234	26.6%
Higher Education and Research	516	2.7%	884	3.9%	368	71.3%
ICT	691	3.6%	1,064	4.7%	373	54.0%
Life Science (Bio-tech)	54	0.3%	49	0.2%	-5	-9.3%
Manufacturing	146	0.8%	112	0.5%	-34	-23.3%
Motor Vehicle	63	0.3%	78	0.3%	15	23.8%
Natural Resource-Based Industries	0	0.0%	0	0.0%	0	NA
Other	21	0.1%	30	0.1%	9	42.9%
Professional and Business Services	3,047	16.0%	4,027	17.7%	980	32.2%
Property Development and Operation	285	1.5%	322	1.4%	37	13.0%
Retail and Personal Services	913	4.8%	1,173	5.2%	260	28.5%
Social Capital	1,119	5.9%	1,256	5.5%	137	12.2%
Tourist, Cultural and Leisure	829	4.4%	903	4.0%	74	8.9%
Transport and Logistics	622	3.3%	838	3.7%	216	34.7%
Utilities	3	0.0%	0	0.0%	-3	-100.0%
Total	19,028	100.0%	22,760	100.0%	3,732	19.6%

Table 3 Internal Floor Area By City-Based Industry Sectors, Crown and Baptist Streets Village, 2007-2012. The data is published in the Crown and Baptist Streets Village Summary Report 2012. <http://www.cityofsydney.nsw.gov.au/learn/research-and-statistics/surveying-our-community/floor-space-and-employment-survey/2012-fes-overview-and-summary-reports>, accessed on November 15, 2014

City-Based Industry Sector	2007 m ²	% of 2007 Floor Space	2012 m ²	% of 2012 Floor Space	Change 2007-2012	% Change 2007-2012
Community	70,760	8.7%	69,113	7.9%	-1,647	-2.3%
Creative Industries	147,674	18.1%	147,985	16.9%	311	0.2%
Finance and Financial Services	10,639	1.3%	9,585	1.1%	-1,054	-9.9%
Food and Drink	39,347	4.8%	53,582	6.1%	14,235	36.2%
Government	58,373	7.2%	41,371	4.7%	-17,002	-29.1%
Health	26,446	3.2%	28,533	3.3%	2,087	7.9%
Higher Education and Research	31,545	3.9%	40,379	4.6%	8,834	28.0%
ICT	16,279	2.0%	21,505	2.5%	5,226	32.1%
Life Science (Bio-tech)	1,783	0.2%	1,289	0.1%	-494	-27.7%
Manufacturing	9,844	1.2%	5,066	0.6%	-4,778	-48.5%
Motor Vehicle	4,983	0.6%	4,249	0.5%	-733	-14.7%
Natural Resource-Based Industries	0	0.0%	0	0.0%	0	NA
Professional and Business Services	59,709	7.3%	73,966	8.4%	14,257	23.9%
Property Development and Operation	8,117	1.0%	7,751	0.9%	-365	-4.5%
Retail and Personal Services	69,523	8.5%	80,943	9.2%	11,420	16.4%
Social Capital	88,210	10.8%	106,751	12.2%	18,541	21.0%
Tourist, Cultural and Leisure	101,536	12.5%	115,228	13.1%	13,693	13.5%
Transport and Logistics	42,802	5.3%	43,921	5.0%	1,119	2.6%
Utilities	27,634	3.4%	25,799	2.9%	-1,834	-6.6%
Total Business Floor Area	815,203	100.0%	877,019	100.0%	61,816	7.6%

The land use is very diverse in the study area, as can be seen in the aerial map (see Figure 6). Although the residential use (dark green) appears to cover approximately half of the area, other uses, such as commercial (light green), retail (light blue) and other public facilities (yellow), can also be found at widely scattered locations. To some extent, this image paints a picture of urban dynamics that involve a mixed environment of local residents, shops, offices and public facilities.



Figure 6 This map shows the land uses in the Crown Street Village Centre. It is published in the City of Sydney's 2006 Floor Space and Employment Survey.

<http://www.cityofsydney.nsw.gov.au/AboutSydney/documents/cityresearch/VillageCentres/CrownStreetVillageCentre.pdf>, accessed on March 31, 2012

The location of creative industries businesses in Surry Hills and the surrounding area is very dispersive, as can be observed in Figure 7. As seen on the map, all sorts of establishments are spread out across the entire study area, with a denser clustering around the Central Railway Station. Compared to the larger land blocks in the city centre area, the main urban form of the study area is indicated by the relatively small land subdivisions. This urban typology is reminiscent of how the old working-class terrace houses were arrayed during the industrial era in the history of the inner city area. The small land blocks fit well with small-scale creative businesses, such as design, advertising, architecture and boutique shops, which are a reflection of the mixed-uses of Surry Hills (CoS 2011)

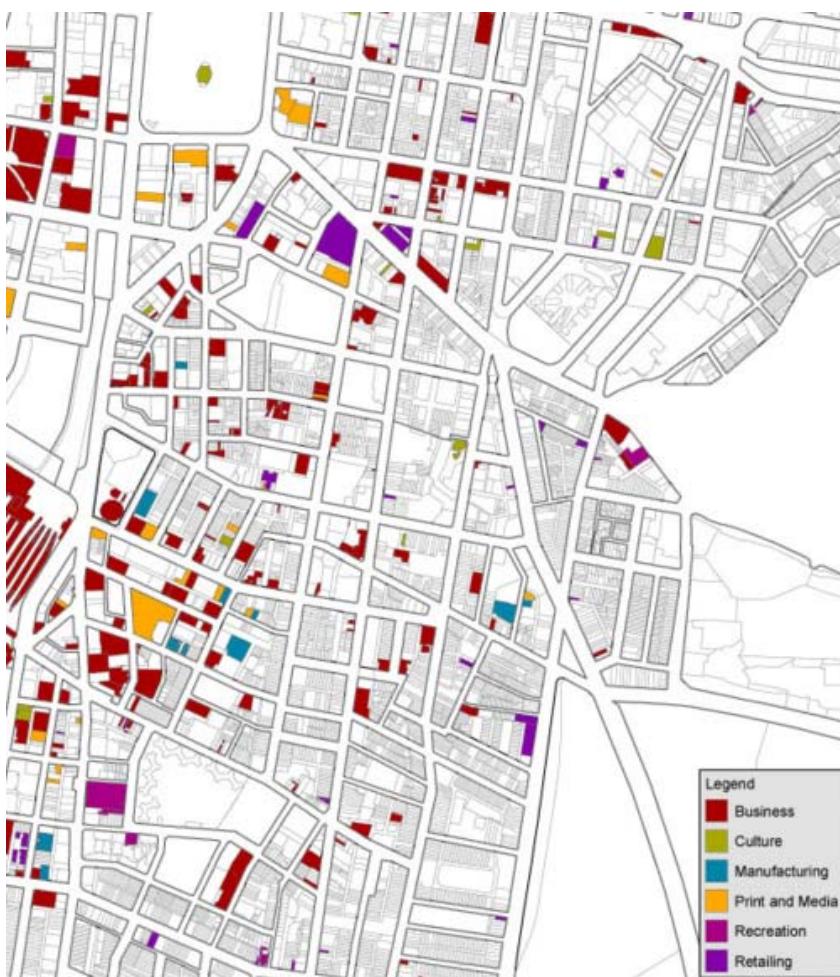


Figure 7 This map is provided by the City of Sydney and is based on information from the Floor Space and Employment Survey of 2006⁵.

⁵ The classification of the creative industry sector as comprising of business, culture, manufacturing, print & media, recreation and retailing is in accordance with the re-categorised version of the 2006 Australian and New Zealand Standard Industrial Classification Code (ANZSIC).

According to the Floor Space and Employment Survey of 2006, there are 25,275 full-time employees and 3,425 part-time employees involved in creative industries in Surry Hills, which makes up 7.7% of total employment in the local government area of the City of Sydney. It is the fourth largest industry division in terms of the number of employees. The sector has 1,555 business establishments, which makes up 7.9% of the total (CoS 2007). In comparison with the number of employees, this slightly higher percentage implies that creative industries have relatively smaller establishments. In fact, in the creative industries sector, more than 86% of business establishments are classified as “small business”, with 20 or fewer employees (CoS 2011). The sector occupies 1,105,572 square meters of internal floor space, that is 6.9% of the total internal floor space of the City of Sydney (CoS 2007). This relatively smaller percentage suggests creative industries have smaller workspaces in general.

A detailed survey was conducted at the “Crown Street Village Centre”, which is part of the study area. The statistical information of creative industries provides evidence that creative industries have a leading role in the area’s local economy. The creative industries sector is the largest industry in the "Crown Street Village Centre", with 20.3% of its total number of employees, 21.4 % of its total business establishments and 17.1% of its business floor area (CoS 2007). They have a greater number than other sectors such as retail and personal services, food and drink, professional and business services, as well as transport and logistics. The creative industries sector is also represented mainly by small businesses with a floor area of less than 300 m². Although the total number of employees and business establishments is not greater than that of the city centre area, the higher percentage still presents a co-location of a range of creative industry divisions, such as film and video production, advertising services and architectural services. This quantitative data may explain the diversity of creative and non-creative sectors being located in the area. However, as it has been discussed earlier that there is no agreed geographic definition on clusters, Surry Hills is not a dense cluster based on statistical evidence. It is another kind of more fluid, networked space associated with architectural texture, memories and communal sense. According to a preliminary study by GPS tracking a few creative professionals, although their day trips intersect in Surry Hills at certain point, their journey actually travels all over the metropolitan area (Tovey 2010).

Thus the clustering in Surry Hills is made up of a collection of individual experiences rather than the dogma of cluster thinking that is bounded by geographical concentration.

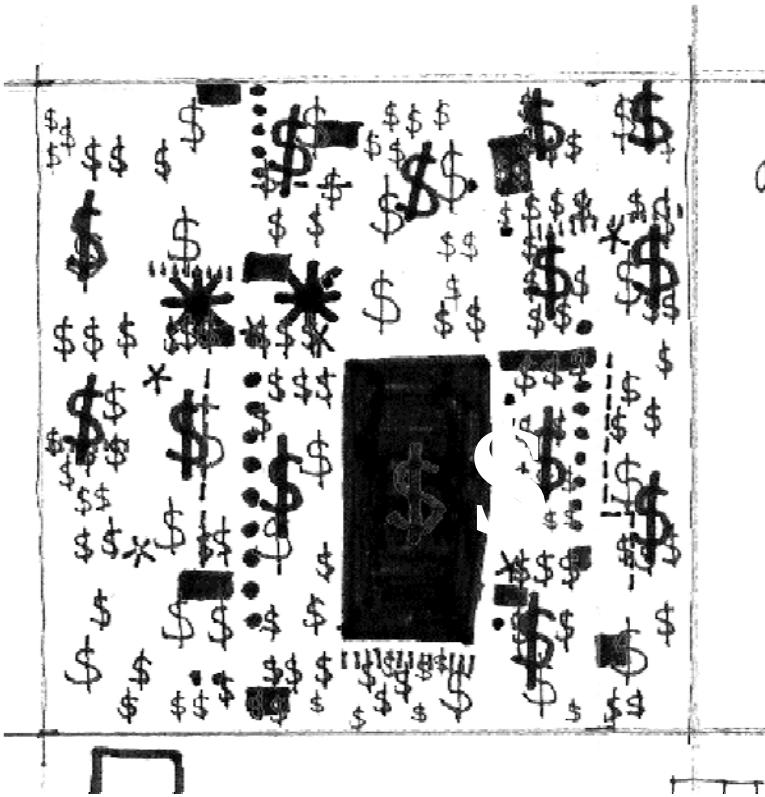


Figure 8 This drawing by Rod Simpson indicates the relationship between business sizes and built forms.

This indication of small businesses conforms to the characteristics of the small-scale terrace rows of the inner-city suburbs, in contrast to the larger building blocks of the skyscrapers in the city centre. According to Simpson's hand drawing (Figure 8), the capitals in dollar symbol and the built forms in rectangular blocks are somehow interrelated. The CBD represents the big capitals within the tall and chunky blocks, while small-scale businesses are floated around it. The small capitals, some of which are grouped together in the drawing, are often associated with smaller building blocks and spatially distributed in a wide geographical context. This spatial pattern implies numerous potentials of small capitals in comparison with the CBD's inflexible confinement. In Surry Hills, these two- or three-storey terraces are well suited to the requirements of small- or medium-scale business uses. Although a large number of the terraces remain residential, some of them are being converted into

studios, bars, restaurants, galleries and boutique shops in response to the culture-led transformation of the area. The mix of residential and other creative or commercial uses brings vibrancy to the area, and maintains a diverse character that attracts local residents, cultural tourists, cultural entrepreneurs, young creative start-ups and other people who are interested in being present in and part of the creative atmosphere.

Moreover, the area has a long history of being a place for multi-culture. Many cultural groups have emerged and have been sustained throughout the area's historical development. For example, the post-war influx of migrants from Europe has brought an increasing number to the area who have formed their own communities locally with a culture of hardwork (Keating 2008). The homosexual culture is another unique characteristic. The precinct along Oxford Street has been internationally recognised as a gay, lesbian, bisexual and transgender focal point (CoS et al. 2009). The renowned Mardi Gras Parade for the gay and lesbian community has been celebrated annually along Oxford Street since 1978.

The discussion above presents some of the uniqueness of the study area, especially that which is associated with the urban qualities of 'smallness', history and diverse culture. Moreover, with the expansion of large cultural institutes, including universities and tertiary educational schools such as two of Sydney's prominent art schools – UNSW's college of Fine Arts and the National Arts School with a combined student population of approximately 5,000 (CoS et al. 2009) – the area's status as a 'creative hub' has actually been enhanced. Its proximity to the universities attracts a large student population to the area, and has subsequently lead a shift toward a younger and well-educated demography. Moreover, these educational establishments are part of a network influenced by cultural institutions, and are within the radius of the Object Gallery, the film cluster at Fox Studios and a few renowned theatres. These draw large creative crowds to the area through exhibitions, shows, art festivals and educational events, adding a creative feel to the local dynamics. All of these qualities indeed work as urban catalysts to facilitate the growth of creative industries in this inner city area.

7.2 SMALL PLACES IN THE CREATIVE CLUSTER

A successful creative cluster is a clustering of various creative spaces, ranging from workspaces and studios to rehearsal and performance spaces, exhibition spaces, and other cultural production and consumption spaces, as well as social networking venues such as cafes, small bars and galleries. It embodies “a creative mental and entrepreneurial space, a willingness to experiment with new ideas, competitive cooperation cross networks of businesses, and fast learning and adoption of successful ideas.” (Keane 2009) However, these qualities are facing many survival problems in general, especially when it comes to small-scale businesses or non-profit organisations. These difficulties have raised debate over management, social equity, public interventions and other fundamental issues in relation to the sustainability of creative spaces.

The problems that creative spaces face are not just the increasing property prices and the particular structure of the local property market, but also the planning, regulation and compliance regimes within which the property market, and the available uses to which it can be put, are structured. Emboldened by visions of the creative city, there have been many cultural initiatives to revitalise urban areas, both small and large scale, but they have run aground, not due to a lack of cheap property per se, but due to the restrictive and often financially prohibitive conditions under which that property can be brought back into cultural use. Indeed, many creative spaces and associated culture-led interventions do not work with property-based development models, and while the latter can be deeply destructive to local diversity and vibrancy, their logic is often difficult to counter. To act within these situations, one needs specific knowledge of the fine grain aspects of the urban context: its property structure and dynamics as well as the regulatory and planning environment within which these are structured.

This section looks into several small-scale creative spaces in the study area, and reports how their occupiers work, play, interact with their peers, and respond to the surrounding environment, urban policies and conditions. The data collected during site observation and interviews outlines the typologies of these small-scale creative spaces, and examines how they function under the clustering effect in relation to the citywide ‘creative milieu’. This section also engages with discussion around the role of new media in the context of physical clustering.

7.2.1 Fraser Studios

The Queen Street Studio (QSS) is an arts organisation that manages Fraser Studios, Chippendale and Heffron Hall, Darlinghurst. Both studios provide rehearsal space, exhibition galleries, training programs, professional development workshops and free visual art and performing art residencies to encourage the development of the local art community and to enrich the cultural life of the area. Since 2005, they have provided affordable rehearsal spaces to over 25,000 artists (www.queenstreetstudio.com). Accessed on December 28, 2011). The QSS's managers are still working artists, one a choreographer (Sam) and the other a theatre director (James). The maintenance of their practicing roles is regarded as the backbone of their philosophy behind managing the studios, so that they can maintain an insider feel for the needs of the art community, including funding, space, respect, audience and other issues.

One of the QSS's venues, called Fraser Studios, was located at Kensington Street, Chippendale, adjacent to the new Fraser Broadway development (the former Carlton & United Breweries site). It was converted from a three-story warehouse space that was on a commercial lease for 4 years from the Frasers Property who intended to develop the entire site in 2008 but needed some time to get through the Development Application process. The developer decided to lease out the space temporarily. Sam and James then tendered for the project initiative through the City of Sydney and Frasers Property by proposing the temporary transformation of the warehouse space into a space for creative uses in response to the lack of rehearsal space for performance artists in Sydney. However, according to James, they were quite “apprehensive” about taking on the tendering in the first place because they were concerned about whether the “multi-international Singaporean developer” really understood what arts practice requires, and were suspicious about “what the hidden agenda was about offering free space”. Their concern was that the large development in the area would drive up the property values of nearby apartments and buildings, in turn pricing out the general public including the arts community and preventing them from engaging with the area. They were also worried that the ‘renewal’ would lead to social inequity so that the area might become a place “just for rich people”.

After deliberate consideration and many discussions with the board management, the final decision was made to run the business collaboratively with the City of Sydney and Frasers Property. It was the first time in NSW that such a predominant and large developer has given space to artists. Part of the reason was that there was an increasing demand for a “renaissance” in regard to independent culture. In a city-wide context, artists and creative professionals were beginning to take on commercial leases or to engage with cultural initiatives such as the Oxford Street revitalisation, because “people aren’t getting scared of engaging in the big projects anymore”. A number of small-scale creative spaces were established to make room for artists in the inner city, because it is an important way to connect them to their audience and to provide services to the cultural market. More artists and creative professionals took risks to create their businesses by becoming the “bosses”. This “renaissance”, accompanied by the emergence of self-initiated venues, is running in parallel with the overall transformation of the inner city suburbs, led by the prevailing creative economy. As James says:

So when I arrived in Sydney ten years ago from South Australia, culture outside of the mainstream was pretty much not in existence, unless you were into some kind of subculture based in some kind of indie club, a kind of scene. I have noticed that is changing quite significantly and I think it's only to the benefit of residents of NSW in Sydney... And then it's that collective use of space that makes [the cultural scene in Sydney] really strong, and quite political. I think people are switching on to that now, and no longer doing the victim thing, unknown. They're actually going 'well, let's start something'.

More importantly, the management of Fraser Studios was granted to the practicing artists because they knew the community very well. Their previous businesses, through which they had offered to the communities a range of professional development programs, had gained a loyal membership. The high attendance at these programs had resulted in a strong network for them in the local area. Through these successful projects they had also established a relationship with the City of Sydney and other stakeholders, and had accumulated the experience that allowed them to prepare a business plan for Fraser Studios.

From that time, they managed Fraser Studios, the temporarily converted warehouse that comprises of exhibition spaces and visual artist studios (www.queenstreetstudio.com, accessed on December 28th, 2011). The original contract with the Frasers Property to use the space was for the duration of two years, as the developer awaited the approvals for their Development Application, but it was extended to June, 2012 because of the delayed DA assessment, and certainly because of the success of the artists' occupation. Although the rent was free, the management team had to find ways to balance their income and their operational expenses for maintaining the spaces. The ground floor was available for lease to commercial events, for rehearsal and temporary exhibitions. Basic services could be arranged through their website, including studio bookings and membership management. For example, some artists might want to use the space to rehearse a play or a dance piece so they pay for the space per hour; others might operate an art business such as a yoga class, a ballet class or an acting class; some visual artists might book the art gallery space for a week so they can exhibit their work to the public; a retailer might book the space to sell their art products or books, to promote their ideas, or to run a conference, an event to launch a new CD, or other programs. These activities were charged at a very low rate, but the requirement was they had to be related to creative businesses. For instance, a 162-square-metre rehearsal studio could be reserved for 2 hours at a rate of 20 dollars per hour. It was probably because of this that the Fraser Studios created dynamics that combined all the arts and culture disciplines within the recycled warehouse space. Moreover, this arrangement gained sufficiently in size to cover the expenses for the studios on the first and second floors which were then provided to artists as free workspaces for six months at a time.

Frasers Property, the City of Sydney and other stakeholders formed a board to supervise the process of selecting artists and the progress of the artist residency program, but the QSS managers and their peers worked quite independently to set up the criteria and to assess the applications. Certainly there was a binding agreement between all the parties in order to maximise the delivery of their goals. Part of the agreement with the City of Sydney and Frasers Property in regard to operating the art space was that only local artists are eligible to use the free space, and they need to show some kind of quantifiable evidence for being displaced due to rising rents or to redevelopment in their area. That was a requirement in the contract, and it was also

the basic criterion for the applications to be received for the residency program. The managers of Fraser Studios also ran another program, which was a creative professional development program aimed at attracting international and interstate artists for peer-to-peer workshops, training in schools or exchanging practice experience with other artists. In their view, Fraser Studios should be a fully functioning workshop or creative ‘think tank’ in which everyone is very concerned about developing the particular project that they have in their heads. In other words, it was a real workspace with expectations of producing creativity, innovation and intelligence.

The layout of the first and second floors was designed as an open plan with the intention that artists would be able to freely interact with each other when they ‘create’. The selection of artists ranged from emerging, to midcareer to established artists, so the QSS managers hoped that the younger ones would have opportunities to learn from the more experienced ones through their daily contact. As James describes:

Particularly upstairs with the visual art residency spaces, they are all open plan so there are ten visual artists at work on two floors. So the open plan was something we did on purpose because it's all about being transparent in your process in order that you might find collaboration with someone who's got equally challenging or exciting processes as well. That's happened in the last four years. People start working together. Because usually in other residency spaces they are boxes with locked doors, that kind of stuff, so you are in a tiny little room. So what's exciting is that if our floor has a mixture of emerging, midcareer, established arts, each of them watches how each other is working, can kind of comment, give feedback, help each other, collaborate, build community, build support networks. It's quite interesting to watch what's happened. Particularly in Sydney, a city where it's so desperate for community connection because it is such transient space, that I think people really yearn for spaces where they can connect and build a family in their practices.



Figure 9 Fraser Studios exterior and interior. Photos taken by Lei Liu

Although we have seen how the managers of the Studios dealt with the internal artists on a daily basis, the operation of Fraser Studios was actually embedded in a network with city-wide stakeholders, such as Arts NSW and the City of Sydney, who fund the Studios to produce certain programs. The managers were required to constantly report back to the funding bodies with their progress reports and annual business plans in order to secure the funds and support. They also maintained a very trusting and mutual relationship with the developer Frasers, although they understood that the establishment of Fraser Studios was mostly a means of promoting the adjacent development. Nevertheless, the temporary use of the warehouse at Kensington Street benefited both parties, as well as the participating artists and the city. In addition, they even worked with their immediate neighbour to resolve concerns about their businesses or about their clients, or quite often about noise and disturbance. They felt that it was their responsibility to serve the neighbourhood, to work closely with the neighbourhood and to keep them informed with updates. Therefore, they sometimes arranged events that opened their doors to the local community or general public so they could see the space or attend the launches run by the artists. The managers of the Studios treated the building as essentially a community facility outside of its utilitarian uses and operations. This was also a win-win situation because the artists need an audience. Although Fraser Studios were not a performance or outcome-based business or organisation, the artists had opportunities to “be present to the public in order to get feedback to better their work”. Moreover, the Fraser Studios had an agenda that responds to the general arts community in Australia in order to understand new enquiries, new works and new ways of blending arts practices. Various forms of social media were also employed,

such as blogging and Twitter, to spread news, enable recruitment, notify people about events and post reviews. They also shared their way of developing the programs at the Fraser Studios with other artists and governmental agencies in order to establish a nationwide network. This proposition in particular reveals the “interconnection and interdependency” (de Zegher and McMaster 2012) that is part of the nature of artistic professions. As James says:

I think artists have to be at the forefront of how to market themselves in order to keep in work. So they engage in many media, have their own communities.... Certainly the visual artists, not all of them, are represented by galleries but they go out to make their group shows with each other and to present at different spaces that have a private client or else they have different types of commercial work that kind of feed into their artistic practice. As far as I know, certainly that's how the performing arts industry independently works in Sydney.

Frasers Studios was definitely a generator for the local activities of alternative culture for 4 years, before it was closed in June 2012. They used to hold the open door events, launches and other programs roughly 3-4 times a week. Each event attracted up to 700 people depending on the artist and their media network. It is estimated that they had approximately 150,000 people through their store. As James claims:

It's clear that people want alternative spaces. They are over the stadium size nightclubs, or the gentrified ways in which people entertain themselves engaging with culture, or even with mainstream institutions. They want the alternative, they want the indie, they want the dangerous, and they also want the exclusively secret, the almost incredibly hard to find, the best kept secret. People would hunt for that kind of stuff, and that's how they want to engage with culture on the weekends when they finish their 9 to 5 job. So we saw it over the time, just floods of people when they came in, saying 'wow, I didn't even know this place'.

7.2.2 Trophy Room

The Trophy Room is located at 545 South Dowling Street, Surry Hills. It is a co-working studio where around 17 graphic designers, architects, media designers

work in a shared environment. The Trophy Room draws inspiration from the design-ish atmosphere of Surry Hills which is full of bohemian lifestyle and vibrant street activities, with a mix of cafés, restaurants, galleries, rag trade and homeware stores. It began in 2008 when a group of young designers were desperately looking for a workspace after being forced out from their previous office near the Central Station partly due to increasing rent. Through a real estate agent they found a council-owned building, which had been used as a community centre for a couple of years and had been emptied once the facilities were moved away. After having negotiated with the Council, the first floor was given to them at a relatively cheap rate, sharing with another commercial office which occupied the ground floor. Once those young designers moved in, the Trophy Room was quickly converted from its original rundown condition into a shared workspace. They completed the clean-up and renovations themselves and the furniture and fit-out materials were all recycled. They arranged their preferred layout, which was adaptable for management purposes and future extensions.



Figure 10 Trophy Room exterior and interior. Photos taken by Lei Liu

During the interview one of the founders of the Trophy Room mentioned that their ‘governance’ is made up of a few senior members who set up the studio at the beginning. There is no hierarchy in the space, only an internal ‘committee’ formed by those senior members to manage the Trophy Room, being mostly responsible operational arrangements such as collecting the rents, cleaning the studio and paying the bills. As the ‘committee’ contribute more time and effort to the Trophy Room, the senior members pay the relatively lower rent for their workstation, which is approximate 30 dollars per week, while other people in the studio pay about 150

dollars weekly, which includes a 2.5-metre workstation, broadband and all bills. In either case, the price is much lower than the market in Sydney so that the Trophy Room attracts a lot of young start-ups.

The Trophy Room consists of small-scale companies (3-5 people) and independent freelancers. They share a common library where everyone contributes to it with their own books. The trust and friendship between them leads to frequent collaborations on a range of projects. They also provide a room of approximately 15 square metres for visual art practitioners as part of a residency program. A local artist can use the space without any charge for three months. In return they have to produce an exhibition at the end of the three-month program. The exhibition opening is also a social event for all the people in the studio, so they have the opportunity to gather together with other friends.

There is not an official application process for the workstation space in the Trophy Room; it is only advertised through ‘word of mouth’. That way, everyone in the studio is associated with everyone else through an informal friendship or as a ‘friend’s friend’. When someone leaves, the spot is reoccupied quickly by another recommended ‘friend’. Although most people at the Trophy Room work independently, there is a sense of community established there where everyone supports one another and shares common values. It has become the social gathering place for those creatives who are interested in working with like-minded talented people in a common space.

Project collaboration is mainly based in the local area or the inner city areas. The interviewee at the Trophy Room describes having a number of clients in the city centre. The location of his office is an advantage because he can easily travel to the city by foot or bicycle. When asked about his project partners or other peers in the area, he indicates other similar types of creative businesses in the area. This mental mapping (Figure 11) proves that diverse creative businesses are dispersed throughout Surry Hills in an intimate network, contributing to its ‘creative buzz’. The interpretation on this mental map has two layers. Firstly, the names on the map are their likeminded peers or project partners who come from different professional backgrounds, such as graphics, sustainable design, architect, advertising, interior design and other creative practices. A strong local network is built with provision of mutual support in collaboration. Secondly, the collaborative network is not confined

in Surry Hills only, but also goes to other inner city areas. For example, some project partners are actually located in Chippendale.

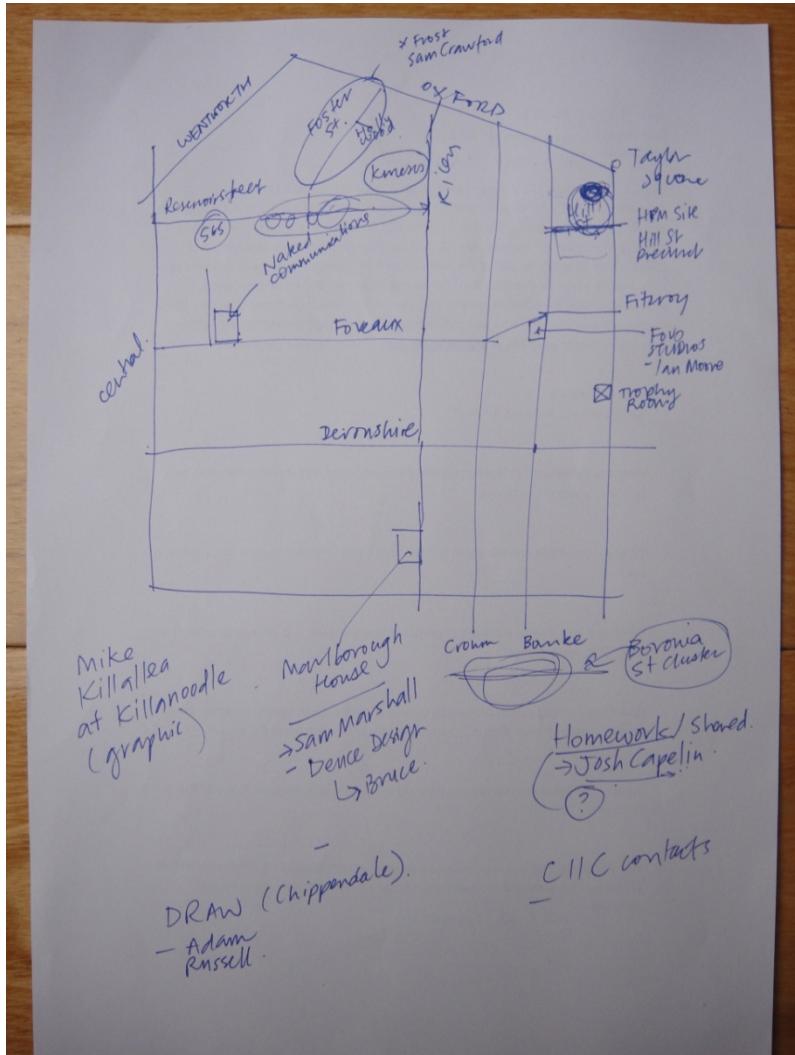


Figure 11 This map of creative businesses in Surry Hills was drawn by the interviewee from the Trophy Room.

7.2.3 Pocket Bar and ‘Small Bar’ Reform

Although it may not be classified as a creative space or ‘creative production space’, the Pocket Bar has become a popular place for local people including the creative professionals in the study area. Such small bars offer not only food and drink consumption, but also social networking opportunities, as they may be part of a “creative scene” in which formal and informal organisations and social activities are embedded (Currid 2007). These nodes of creative exchange become a new system of social production, forming a diverse, open and attractive streetscape, and eventually

shaping a significant component of the cultural economy. During the interview many creatives refer to the ‘small bars’ revolution that has occurred recently and that has changed the local culture significantly, engaging the local people in informal interaction and networking. The emergence of small bars in NSW has been supported by a bottom-up campaign that involves small business owners, young people and politicians. Their involvement has actually facilitated the change in the State laws for the ‘small bar license’. The Pocket Bar is one of the venues that has opened up under the new ‘small bar license’. Thus it is worthwhile mentioning it in this section.



Figure 12 The interior of Pocket Bar. <http://www.smh.com.au/lifestyle/not-a-schooner-in-sight-as-sydney-sips-civilisation-20100219-olzv.html>, published on 19 February 2010

The Pocket Bar sits at the corner of Burton and Crown Street, Darlinghurst. The location is immersed in the unique characteristics of the urban environment and demography as discussed earlier. It was opened after the overhaul of the NSW liquor licence regulations. Previously, the liquor licences were only issued to large premises whose owners could afford the complicated and long application process and expensive charges. As a result of the numerous restrictions, the venues that could serve alcohol in NSW were mainly controlled by a few large corporations and the pubs. Most of them are associated with Australian Hotels Association (AHA). The monopoly led to the homogeneity of the venues, which provide the same “beer barns, ubiquitous plasma TVs, poker machines, rude bouncers and violent drunks”.

(www.raisethebar.org.au accessed on April 4, 2012) Such control over the liquor licenses also had an impact on the night economy and the associated urban landscape, which lacked small venues for a “quiet drink and conversation”.



Figure 13 Picture of Raise the Bar website downloaded from www.raisethebar.org.au on April 4, 2012

In 2007 the media campaign for the licensing reform began in Sydney, including several Facebook groups and the ‘Raise the Bar’ group. Over 7,000 members of ‘Raise the Bar’ emailed their local Member of Parliament “a virtual drink” to express their request for reform. The proposal for small bars was also integrated into the laneway revitalisation strategy by Six Degrees Architects (2008) as part of the intention to create a diversity of fine grain spaces in Sydney. These grassroots activities in which the Sydney Lord Mayor Clover Moore was involved caused debate against the AHA. The former president of AHA John Thorpe made a controversial comment in relation to the request for the licensing change. He said:

“We aren’t barbarians, but we don’t want to sit in a hole and drink chardonnay and read a book... People can sit down, talk about history, chew the fat and gaze into each others eyes and all this sort of baloney but it’s pie in the sky stuff... That’s not what Sydney wants.” (cited in Creagh 2007a)

In his opinion, the strictly regulated process of the licensing application, noise control and staff training should remain essential in order to maintain “*the city’s reputation as a safe and enjoyable entertainment destination*” (Thorpe 2007).

Thorpe’s view on protecting the large drinking premises and pubs was challenged by the supporters of smaller venues including Clover Moore. After their

appeal and the associated grassroots movements and lobbies, the NSW government amended the liquor licensing laws and issued a small bar licence in July 2008. In partnership with other agencies such as the Office of Liquor Gaming and Racing, the Department of Planning and financial institutions, the City of Sydney then ran a number of seminars and workshops to assist the potential bar operators with the application process, and to provide a Small Bar Grant of up to \$50,000 to stimulate the interests of potential bar operators. A Small Bar Coordinator was also appointed by the City of Sydney to liaise with the operators and assist in the assessment of Small Bar Grants. Subsequently, small bars have popped up and generated popularity in the city centre area and inner-city suburbs. Most of the small bars, such the Pocket bar, are owned by young entrepreneurs and operate from 3 or 4pm to midnight, making an alternative contribution to the night economy. Unlike the pubs featuring the flat TV screens and gambling machines, the small bars offer a very different ambience for visitors. They also add value to the streetscape and enhance the creative feel of the urban environment.

The small bar operators even formed a Small Bar Association, which provides professional advice for the business community and promotes the ‘small’ culture. There is a strong collaboration within the Association and the small bar operators do not see other venues as competition. As the president of Small Bar Association Martin O’Sullivan says:

“We all want everyone to succeed and the Association is all about assisting those people who are experiencing some trepidation... It's sometimes just the simple stuff. I give plumbers and electricians' numbers, and contacts at the alcohol firms to talk to.” (<http://4bars.com.au>, accessed on October 11th, 2012)

During the interview, one of the owners of Pocket Bar indicated that it had been their entrepreneurial intention to open the bar and the formation of the Small Bar Association facilitated their business operation. As he says:

We always talk about the problems of opening a new bar. I learnt a lot from other owners. They helped us out on all sorts of issues when we set up the first bar... we also help each other on a busy night. For example, we would send ours to other bars (that) ran out of stock.

7.2.4 Lanfranchi's and Bill & George

Lanfranchi's was ever a popular warehouse place for "a diverse collective of musicians, visual, sound and new media artists, as well as writers, journalists, arts workers and music publishers" on Cleveland Street, Chippendale. (www.lanfranchis.com, accessed October 11th, 2012) .It used to be a chocolate factory, and for a period of about 20 years, a series of artists went through its three floors. It was named after Warren Lanfranchi who was shot dead nearby by the former police officer Roger Rogerson (Creagh 2007b). After it was occupied by artists, there were party spaces, rehearsal spaces and art studios that created and facilitated a number of innovative projects with established and emerging artists from interstate and overseas (www.lanfranchis.com, accessed October 11th, 2012). As one of the founders Alex Davies says, "*It's certainly been, not only a home to artists, but also a hub of activity.*" (Cited in Creagh 2007b)



Figure 14 Photo of Lanfranchi's interior. www.lanfranchis.com, accessed on 26 February 2013

As an artist-run performance space, Lanfranchi's was in an 'anarchic' condition with its internal walls, staircases and the stage recycled from an old movie

set. Because of this adapted arrangement, the architectural texture of its internal space actually fitted well with ‘underground’ artistic activities. The presence of Lanfranchi’s was generated through a series of informal, ‘anti-rules’ processes. Davis points out, “*If you followed even a percentage of the rules, a place like this wouldn’t exist.*” (Cited in Creagh 2007b) The informal and ‘anti-rules’ characteristics actually reflect once again the spatial requirements of small-scale artistic activities.

Lanfranchi’s was closed down in 2007 because the building was to be developed into a backpacker hostel. Although the hostel development never happened, all the artists were evicted from the warehouse building. The founding members of Lanfranchi’s then moved across Regent Street and started a new group called Bill & George, which is located behind the performance space on Cleveland Street, close to the Actors College of Theatre and Television. They took on a commercial lease and originally intended to create a second Lanfranchi’s. However, because of their proximity to the neighbouring residential area, the ability to operate the same capacity as they had in Lanfranchi’s was very limited, so the new venue was not made so public; it turns out into a quiet arts practice space that does not have general public access. The story of this venue reflects the situation of practicing artists in the inner city suburbs who struggle against the gentrified urban environment.

7.2.5 Empty Spaces and Oxford Street Revitalisation

Recently the alternative governmental intervention “Empty Spaces” (<http://emptyspaces.culturemap.org.au>) has been engaged by the NSW government through Arts NSW and the University of Technology, Sydney, to “*promote short-term reuses of empty shops and spaces for creative and community development*”. In order to deliver the project, a project manager is hired and a website is created as an intermediary for sharing knowledge, successful stories and availability of empty spaces. This model is identical to the structure initiated by the Renew Newcastle project. A ‘toolkit’ for Empty Spaces is also set up for the applicants to learn about the process, including how to identify appropriate empty buildings, involve the community, understand the legal, planning and development issues, assess the costs, structure the initiative, approach property owners, manage the risks and other skills.

The organisation of Empty Spaces also helps in the negotiation with landlords and encourages them to participate in the projects.

Through their network with local governments and their efforts in advocacy, the Empty Spaces projects have been collaboratively developed across the State and even across Australia. Locally, Creative Spaces is one of the Empty Spaces projects initiated in response to the decline in Oxford Street's status as a popular shopping and nightlife district. As part of the broader revitalisation strategy to create a cultural quarter in the area, a number of empty council-owned properties that are commercially zoned on the north side of Oxford Street were given to creative start-ups and arts organisations for short and long term occupancies at low cost. When a suitable City-owned property becomes available, the City calls for expressions of interest from artists and creative enterprises who wish to activate the space. The cultural manager at the City of Sydney says:

This is a really exciting time for the City, with the opportunity to populate such a vast amount of spaces in such an iconic area. Whilst the spaces are being offered on a short term basis (6-12 months), this is part of a long term five to ten year strategy to revitalise the 'strip'. We understand that there is no one 'quick fix' for revitalising an area, and are thankful we have a great foundation of character, history, community, cultural institutions and business already in the area.

(<http://emptyspaces.culturemap.org.au/emptyspace/city-sydney-space-creativity>).

Accessed on October 26, 2012).

The project of Creative Spaces at Oxford Street, which is slightly different from other completely subsidised Empty Spaces projects, provides short term licence arrangements to local creative businesses at affordable start-out rental rates from \$50 - \$200. The City of Sydney then work with the tenants to increase their rent over time, based on the performance of their businesses. This measure is associated with the City's economic development programs that urge entrepreneurs or arts organisations to incrementally expand their programs, increase their revenue stream or be more financially productive and sustainable. Spaces were offered to local creative businesses only a six-month trial because the City managers were concerned that some of them might fail during that period. If the businesses succeed over the trial time, the City would then renew the lease for longer term arrangements, taking

into consideration a balance of cultural and social benefits and viable rental returns for the City. (<http://emptyspaces.culturemap.org.au/space-for-creativity>, accessed on October 24th, 2012)

Under the support of the City of Sydney, a number of new businesses have been set up to occupy the council-owned properties around Oxford Street. Platform 72 Gallery is a mix of gallery and retail space at 72 Oxford Street. It is created for artists as a “commercial testing ground for their work” and as a connection point to the local market. The shelf space in the gallery is leased to artists who are interested in selling the work. After the shelf space is rented, artists have the flexibility to decide the arrangement of their work, often bringing in new pieces to replace those that are not favoured for sales. The regular change of the window displays and feature walls attracts the local community and activates the streetscape with ‘cool’ elements. The pricing structure of shelf space is regularly refined in response to the market and the business in operation. Platform 72 intends to extend their business online and develop a range of programs that interact with the community and facilitate exchange between artists and designers in-store and with their audiences. (<http://emptyspaces.culturemap.org.au/platform-72>. Accessed on October 26, 2012)

A similar business model has also been established in the Oxford St. Design Store at 58 Oxford Street, where local designers, artists, creatives and writers sell their limited edition work with a price limit of \$20. Under this condition, the store provides an opportunity for local designers to think of low-cost design products. The shop functions as a ‘testing ground’ to investigate market viability for creative works and as an incubator for young artists to experiment with ideas before turning them into commercial products. The shop is divided into three sections: a front retail space, a middle workshop space with a hot desk for hire at a relatively low cost and a back stockroom with an artist in residence. This multi-purpose venue is intended as a place that generates new ideas rather than as a traditional retail space. As one of the founders says, “*we’re building a community of like-minded folk who can join forces, collaborate, exchange ideas... and change the world!*” (This information was gathered during a field trip and via <http://emptyspaces.culturemap.org.au/oxford-st-design-store>, accessed on October 26th, 2012).

In addition to providing a testing ground for artists and designers, creative organisations have moved to the area under the Creative Spaces program that is

leading the Oxford Street revitalisation. For example, Music NSW, a not-for-profit association which “represents, networks and promotes the contemporary music sector” (www.musicnsw.com), moved into office spaces at 66 Oxford Street. Due to lack of budget, they previously had to move around constantly in search of a better office, but after moving into the affordable space at Oxford Street, Music NSW has even been able to establish a Hot Desks initiative, which offers an office space for artist managers and other independent small businesses in the music industry. They feel that the space is “conducive to being productive” because of its clustering of many creative people. Moreover, the lower rent allows them to have sufficient funds to support other activities and programs. Being in such a prestigious location also offers advantages to their business and network. As one of the staff says:

The Oxford Street office has given us a greater presence for the industry and allowed us the security to plan ahead... And lot of industry people are impressed with our office on Oxford Street – it's a cool address!... In this building, because there are so many other creatives moving in, it's reinvigorating this area. There's another office building up the road that has a lot of great creative spaces, so Oxford Street is becoming a hub. (<http://emptyspaces.culturemap.org.au/music-nsw>. Accessed on October 26, 2012)

7.3 CREATIVE SPACES AND NEW MEDIA

The previous section discusses examples of small-scale creative activities in relation to ‘spatiality’, which embodies urban qualities in the physical environment. They prove the significance of small-scale creative spaces in the study area. However, in the age of the Internet we can now work from home in front of computers. Thus the new urban dynamics is an interwoven mix of place-based activities and a wide application of new media. The coexistence of physical and virtual interaction signifies new opportunities for clustering activities.

New digital technologies are widely used to facilitate urban communication and business practices. The applications of new media are transforming the urban landscape: new programmable facades, large and small screens, info kiosks, interactive sculpture and a whole range of mobile phone applications for displaying data. All of these have an impact on various aspects of cultural, economic and

environmental activities. Previous studies have shown that digital methods are employed to enhance a sense of place and local identity (Hill 2008; 2010a; 2010b).

Within this context, the rise of information and communication technologies (especially the Internet and web 2.0 forms) challenges traditional thinking around creative clusters: why should creatives choose specific sites for interaction when social media technologies seem to open up other ways of accessing the social interactivity of the city? With the rapid development of social media websites, mobile phone gadgets, wireless connections and other digital technologies, it is suggested that physical proximity and concentration are no longer essential to dense interactive social networking (Croteau and Hoynes 2003), because face-to-face communication has been largely replaced by the transmission of virtual bytes. People spend more time on the Internet and their mobile devices rather than in traditional face-to-face contacts. In this way, the existence of physical clustering seems to be challenged in a digital age. This assumption has led to the following enquiry into the interrelationships between new media technologies and physical spaces.

Moreover, the wide use of new media applications is closely associated with the emergence of creative professionals engaged in the digital fields. As discussed in the research methodology, I conducted qualitative interviews with the creatives involved in the production of online materials. The purpose is to examine how their online work intersects with physical locality and face-to-face networking. In doing so, this study also tries to uncover the similarities and differences between the new professionals and the more traditional creatives when they participate in clustering activities.

Pratt (2000:427) points out some characteristics of the new media sector, one of which is that they have to “simultaneously imagine a market, a niche, and a product”, which is very different from the traditional business model that considers “filling a market niche with a refined product”. This is why it is sometimes called a ‘weightless economy’. It appears that the role of physical location is minimised or even erased by some radical claims because the transport of raw materials to the producer and the goods to the market becomes online or irrelevant. However, Pratt (2000:428) takes software as an instance and further indicates that “production is an intensively human process” that involves coordination between “the armies of software designers, managers, sales and support”. Therefore, only a proportion of the

“labour process” is placeless while the rest of the coordinated production process is still “subject to more traditional location factors”. Importantly, there is not a clear demarcation between placeless communication and face-to-face interaction in the process of creative production. The transition between virtuality and physicality thus becomes a rather smooth one through the use of advanced digital technologies.

In addition to this intimate connection between virtual and physical interactions during the production process, new media applications even provide opportunities for the exploration of physicality in the digital world. Two Thousand (<http://thethousands.com.au/sydney/>) is one example that was set up with the intention of guiding the ‘subculture’ of Sydney. It links the wide online community to local creative specialities, including film, music, galleries, fashion, boutique shops, and design through an online publishing platform. Although the materials are mostly produced online and transmitted through varied digital media channels, such as the website, Google maps and smart phone apps, the content of Two Thousand is tightly connected with local places. In other words, Two Thousand is never completely separated from the specific places that are made up of the production and consumption of urban lifestyles and creative cultures in local areas. It builds a virtual network for local shops, guiding online users to browse information which then lures readers to the real shops to check out the real products. In a sense, Two Thousand actually bridges the curiosity of customers and the various choices of creative products and places; the users can now explore the area online and then selectively go to the places they are interested in.

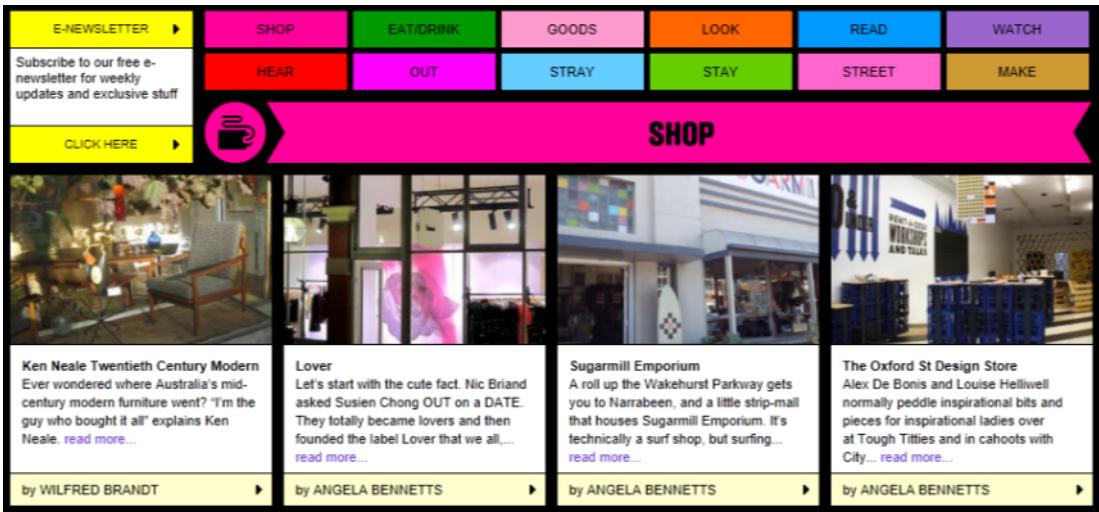


Figure 15 Picture of Two Thousand website. (<http://thethousands.com.au/sydney/shop/>. Accessed on April 4, 2012) Almost every single story online is linked to a physical place or object.

Furthermore, although the materials are mostly produced online, the producers, web designers and marketing managers sometimes have to work together in a studio space in order to achieve a better level of coordination. This co-location makes it easy for them to inspect the part-finished work and to control the quality of their published material. Most of the contributors to the website often visit Surry Hills because that way they can make frequent contact with their clients – the owners of the local shops. One of the writers from Two Thousand said, “*It is very important to walk to the shops and talk with the owners. This is part of my job every day. The location of our studio is very important.*” He also mentioned that the proximity to Surry Hills enhances their interaction with like-minded people in relation to lifestyle, music, aesthetics, decor and clothing, which was part of the inspiration for the creation of Two Thousand. Bringing a group of like-minded people into this kind of communal structure resonates with Maffesoli’s notion of the ‘tribe’ (1996, cited by Pratt 2000: 432):

...[T]he constitution of micro-groups, of the tribes which intersperse spatiality, arises as a result of a feeling of belonging, and as a function of a specific ethical view and within the framework of a communications network.

Another example is the Smartphone app ‘PeepShow AR’, which uses augmented reality technology to reveal Surry Hills and surrounds. In 2011 the Queen

Street Studio, which I have discussed earlier, worked with the City of Sydney, MOB Labs and Righteye Creative to develop PeepShow AR as a means of exploring the creative spaces and industries in the area of the 2010 postcode. (www.queenstreetstudio.com, accessed on December 28th, 2011) It connects visitors and local residents to local places by offering a virtual tour of the area, allowing users to explore the area's hidden stories and specialities on their mobile devices. By following their interactive mobile devices, visitors are able to walk around the area physically and discover its artistic spaces, places and "peculiarities" including music and art venues, galleries, homes of creative industries, shops and special pieces of street art.



Figure 16 PeepShow. (www.queenstreetstudio.com/PeepShowAR.html. Accessed on April 4, 2012)

PeepShow was a community profiling project originally initiated for the Chippendale arts community, and it was basically about culturally mapping the artist collectives and cultural activities of a particular suburb. A physical map was designed to guide a tour and it served as an opportunity to get to know the community, to serve the community, to meet and build network for artists, to gain respect from local residents and to give feedback. The intention was also to build a higher profile for local artists by organising tours into creative spaces where visitors could meet the artists and see their work spaces. Later, one of the project founders

was asked to consider working on an updated 2010 version. They decided to expand the project scope and introduce into the original PeepShow idea augmented reality technology, being concerned that a physical map would be out of date as soon as it is printed because the community changed so quickly and significantly. There is so much work that needs go into mapping a particular area, and while it would be obsolete by the time it is printed, the digital version of Peepshow is able to respond to the changes. Moreover, as a further layer of technology, it also offers creative communities, artistic practices and professionals a production value in the representation of what they are doing. One of the creators says:

So now we have a project that will hopefully live longer than the original PeepShow (which was a one day event) as it will be an iPhone/ Android app that can be downloaded for free 24/7. The new PeepShow will take in a larger area of the city too – as Chippendale is a tiny suburb and the new PeepShow will cover the 2010 postcode (Darlinghurst and Surry Hills)...

(<http://blog.queenstreetstudio.com/?p=759>, accessed on August 14, 2011)

The database of PeepShow AR was established based on a survey of artists who live and work in the area. It is claimed that “*users will not only experience the built environ of this suburb, but get an insight into the characters and personalities that call this place home...*” A feeling of home, or sense of place, is crucial to place-making in the neighbourhood. The PeepShow AR project is also designed for the local residents who are interested in knowing information about the area that is normally invisible. Agnew (1987) and Wellman (2001) points out that place as locale is a setting for social activities, connections and interrelations. PeepShow AR has approximately 3,500 users and is a digital means of connecting users to places, which consequently facilitates new social relations. In addition, the app includes the little stories, memories and secrets of the area, so enhancing a sense of place which has emotional value and engaging with its look, feel and smell (Agnew 1987). The information of PeepShow AR includes:

Amazing areas where the local residents have stood up to developers and made community spaces, locations where there is evidence of convict or even Razor Gang experiences, unique retail or hospitality experiences that have popped

up since the small bar revolution, creative collectives who have had made a huge impact here and overseas – even beautiful pieces of public art that are kind of tucked away from public view.

(<http://blog.queenstreetstudio.com/?p=759>, accessed on 14th August, 2011)

According to the statistical data of PeepShow AR (information gained during the interview with one of the creators), most people use it without being guided toward it. They actually find the app on the app store or on other Internet platforms and download it to their mobile devices to try it. In a sense, people can volunteer to engage with the connection to and the exploration of the local area because of the advanced development of digital media. This again reveals insight into the significance of locality. The creator continues during the interview:

And I hope that the Peepshow app is more an opportunity for nonlocals to understand why locals call this home. So it is not necessarily a business directory. It's actually a collection of stories about people's emotional response to space. And so there's quite a lot of myths in there. There's quite a lot of stories and things that no longer exist, that for particular residents give them the sense of this being a special place. So my hope is that it is tourists who use it because they want to get off the tourist track. They want to know what locals like, and get the local stories.

Although the PeepShow AR is successful, it has never completely replaced the significance of physical places. The various artists rely heavily on the physical environment to produce their works and they need to interact with that space. This spatiality contains multiple layers of meaning, emotions and values that inspire creatives and other local people and connect them to a range of places. The same creator says:

I think particularly in the case of artists, they work in a visual kind of space. So they need to be engulfed in the subject matter that they're responding to, because art practice comes from an emotional place. I wouldn't be able to create the Peepshow AR project without me actually walking every single street in Surry Hills, Darlinghurst and feeling it, also sitting down at the pub and talking to locals

about their story. I couldn't create that remotely. Even though I actually live in Enmore, I did have to travel everyday into Surry Hills and that's the only way in which that work could be created. Similarly, you will find that artists, maybe consciously or unconsciously, always respond to their environment, whether their environment is well within the world that's been created in the app, or is on the boundary of the area. And so technology is a tool, much like a chisel or saw or hammer, but it definitely isn't the wood or the clay or the substance that actually makes up the space. For artists it's the emotion, it's the memory, it's the visual things, and it's the physical that will never change. So technology is just a tool. It's nothing to be worried about.

7.4 CONCLUSION

As discussed in this chapter, the study area is well known for its conglomeration of small-scale creative spaces including design studios and diverse cultural venues. ‘Smallness’ appears to be crucial to the success of generating a ‘creative buzz’, which has been reflected in the local history and the statistical mappings provided by the City of Sydney. In the language of recent policies, “fine grain” is used as another phrase that vividly describes and validates the lubrication and activation of urban spaces. The above examples of local small-scale creative spaces paint a picture of the current situation that enhances our understanding of the interrelationships between creatives and their ‘embeddedness’ within local places. This connection is further enhanced by the employment of new media technologies which create new realms for social networks.

The area is also one of the most popular night economy destinations with the clustering of many restaurants and small bars which generate informal meetings and face-to-face contacts among the creatives, according to the recent interviews. The spatial quality seems important because the ‘comfort’ of the local atmosphere is one of the main reasons for having a meeting with their project partners, peers or clients in the local cafes or small bars. Being an area of small places means offering a level of diversity and variation, with multiple choices for all kinds of social interaction. Many people during the interview also expressed feeling that they often go to the small bar venues in order to maintain and extend their business networks. Favouring

cultural consumption venues as productive workplaces is seen as a new urban lifestyle (Montgomery 2007a):

As well as being hi-tech, the creative industries are hi-touch industries, in that people still need the stimulus of meeting other people. Cultural Quarters, then, are a means of combining access to non-local markets (via technology) with the playing out of ‘urban lifestyles’ in particular urban locations. Policy makers have also realised that artists and creative producers, and those they attract, pursue a particular lifestyle where work and ideas and friendships are pursued in coffee houses, bars, restaurants, clubs, venues, galleries and other semi-public meeting places. This is deemed to be an important aspect of urban (as opposed to suburban) living, and is part of the lifestyle offer to new urban residents.

All of these initial observations on the small-scale creative community lead to a finding that presents ‘untraded dependencies’ (Pratt 2000). ‘Untraded dependencies’ are crucial to the sustainability and self-sufficiency of a local creative ecosystem that is supported by various associations, institutions and social networks. The creative entrepreneurs embedded in the small-scale venues demonstrate their need to share formal and informal knowledge, local news, moments of serendipity and even gossip with their peers. Their presence at the physical places increases their opportunities to reinforce untraded relations and trust. Although it does not always bring in new business opportunities directly, this kind of relationship maintains a high potential for future collaborations. Thus, a comfortable environment, space and associated proximity is very important for maintaining the sustainability of such small-scale creative activities as were revealed in this chapter.

Chapter 8: A Short Introduction to Shenzhen and its ‘Culture’

The phenomenon of “creative clusters” has been accepted as a model of urban regeneration which draws attention away from local governments and development agents in Chinese cities (Kong et al. 2006; Hui 2006; Keane 2007; Kong and O’Connor 2009). In the last ten years, the shift from “spontaneous” or “organic” clusters toward a planned process seems to have been driven by those benefits that politicians and policy makers see as a way of stimulating economic growth (Mommaas 2004; O’Connor 2004; 2010a; Cunningham 2004). Creative industry clusters are, therefore, increasingly being purpose-built as part of a wider strategic vision (Mommaas 2009) that involves political and economic ambitions. This trend has become particularly popular in China, which is now experiencing a wave of creative cluster construction across the entire country, in the form of very heavily planned processes (Keane 2007). These clusters or creative parks are established under the high expectation that they will become hubs of the arts and creative activities which beautify the urban environment, support and encourage arts and creative practices, attract cultural tourists and consumers, improve social cohesion and propagandise city branding.

This chapter briefly reviews in retrospect the fast-growing history of Shenzhen as a Special Economic Zone. Although its economic status has rapidly increased, the city is still perceived as a ‘cultural desert’. However, there are urban qualities that show there is the potential to create a new urban culture in Shenzhen. These qualities are reviewed here with a view to understanding how creativity can grow in parallel with what could be seen as an economic miracle. In fact, the Shenzhen municipal government has recently realised the values of cultural and creative industries and has positioned them as a new opportunity for economic growth. Because of this, a number of urban policies were made to promote the ‘new sector’. Central to these plans is the establishment of creative clusters that function as incubators for the emerging creative industries. While they focus on large and profitable enterprises, small-scale creative businesses are often overlooked when it comes to the support of

urban policies. In order to restress the significance of fine grain activities, this chapter, therefore, documents a brief history of ‘informal businesses’ during the process of reform in the socialist economy.

8.1 SHENZHEN – A FAST-GROWING CITY

The modern history of Shenzhen is tied up with the fast growing nature of its context. The last twenty years have witnessed the transformation of Shenzhen from a “centre of manufacturing” to a modernised city with a population of over 13 million.⁶ However, even 30 years ago, Shenzhen was only a small village in Baoan county with a population of slightly over 20,000. In 1979 Deng Xiaoping, the previous leader of the Communist Party, selected Shenzhen as one of the first Special Economic Zones (SEZs) in China, “a decision that changed the future of this small frontier town in a single stroke” (Zhang 2008, 42).

Shenzhen was planned as an SEZ due to its geographic proximity to Hong Kong. The city is designed as a ‘border city’ with a linear shape, so trade people can easily travel across the border to or from Hong Kong (Zhang 2008). It was seen as the gateway to the Chinese mainland and from the Chinese mainland to the world (see the picture below). The motivation was to take advantage of the neighbouring city’s well developed economic status, which could benefit the establishment of the SEZ. The government intended to use the local conditions (cheap land and labour) and superior policies (low taxes) to attract foreign capital and turn it into a means of increasing the export production capacity. Moreover, the Shenzhen SEZ was a “test-site” for political, cultural, educational, technological and economic reform, as the central government was not certain about how to rebuild China in the wake of the Mao era. The intention was that if those experiments were successful, the same process would be applied to the rest of the country (Zhang 2008, 42).

⁶ According to Shenzhen News 12 May 2011, the population in Shenzhen is over 13 million in 2010 including the migrant workers.

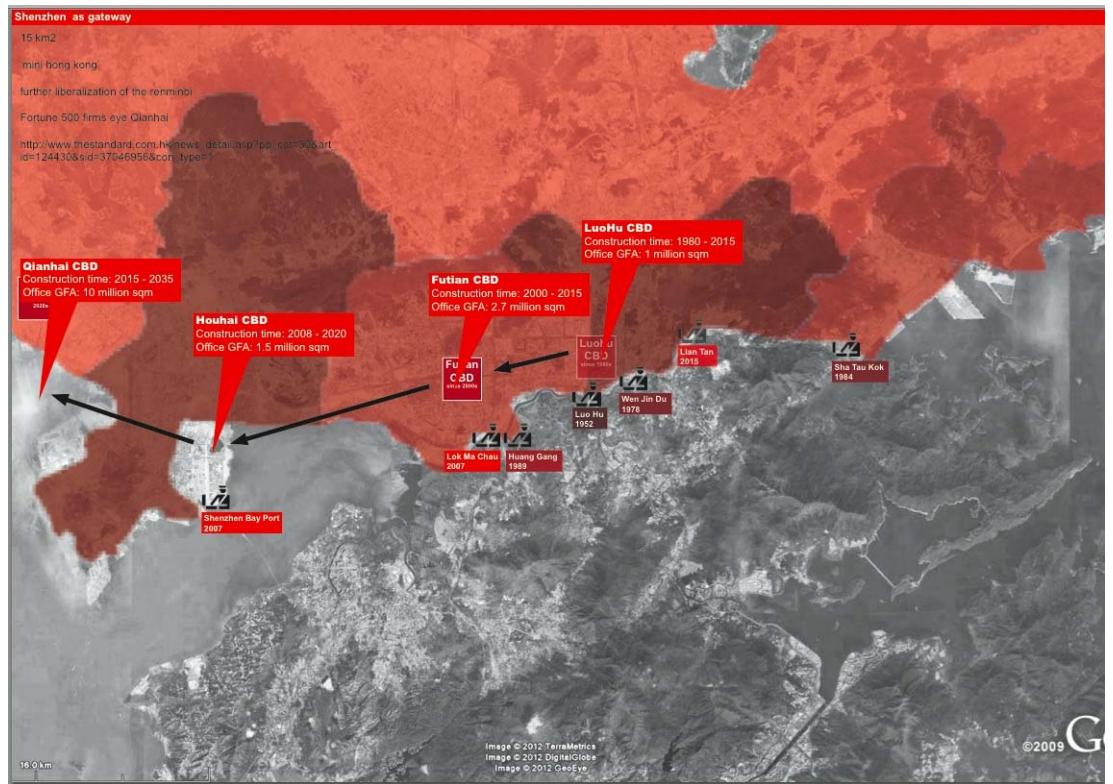


Figure 17 Shenzhen as a border city and gateway to the Chinese mainland

In the 1980s-90s, especially after Deng Xiaoping's Southern Tour of 1992, the economic reform in Shenzhen moved very fast. It witnessed a steady growth of foreign investment. Many Western outlets, such as McDonald's in 1990 and Wal-Mart supermarket in 1996, landed in Shenzhen as the first stop to Chinese market (Lauren & Zhang 2008, 13). Because of this rapid economic development, the city became a major destination for young people from the inland provinces. It was a dream city for them that offered "higher salaries, free employment market and atmosphere of experimentation", and more importantly, a relaxed political environment and more freedom (Zhang 2008, 42-45). As Zhang (2008, 42-45) further describes:

To them, the city was porous, full of mobility and flexibility. Here they could find a new way of being – open, vivid, spontaneous and in opposition to everything they had experienced in the sober and melancholy socialist cities. Here they could finally leave behind the shadow of the Cultural Revolution and its accompanying socialist mentality and search for their own dreams.

Shenzhen became the largest manufacturing base in the 1990s under Deng Xiaoping's 'Reform and Opening' policies. China followed the same export-oriented development path as its neighbouring countries, such as Japan, South Korea, Taiwan, Hong Kong and Singapore, producing low-price goods for the global market by using the country's natural resources and cheap labour (Lauren & Zhang 2008, 19). These new trading opportunities also attracted many talented young people to set up their businesses in Shenzhen and some of them grew into the most successful technology companies in China, such as BYD, Hasee, Huawei, Skyworth and Tencent.

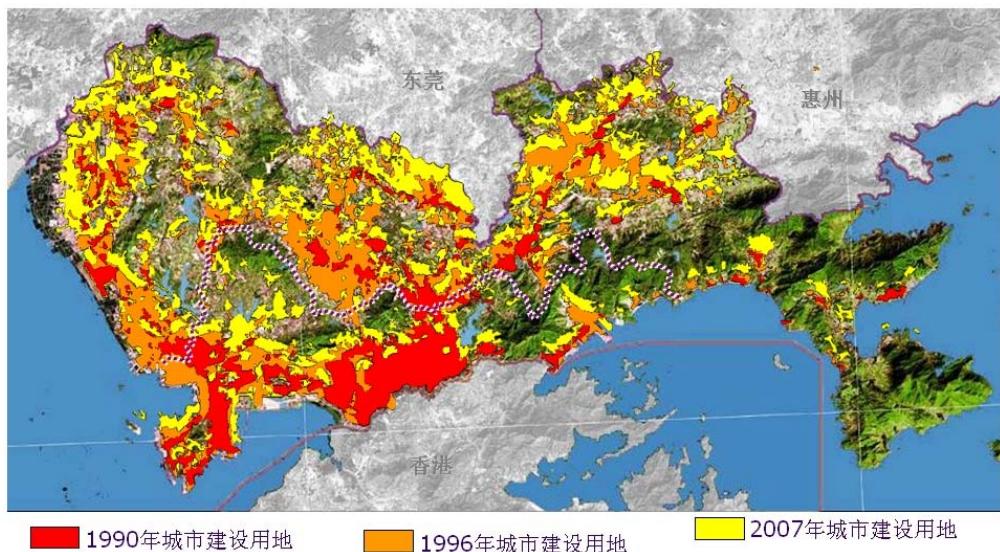


Figure 18 Land under urban construction in Shenzhen from 1990 to 2007. Graph provided by the Urban Planning Land and Resources Commission of Shenzhen Municipality. Red is the land under urban construction in 1990, orange in 1996 and yellow in 2007.

The development of Shenzhen is seen as a miracle. The urban area was significantly expanded after Deng Xiaoping's Southern Tour, as we can see in the graph above. The industrial land use moved away from the old city core to the fringe areas. The rapid urbanisation over the past 30 years helped Shenzhen to generate wealth, a concrete skyline and a global status from scratch. However, the city is still seen as a "cultural desert" without historical sediment. I dare not challenge this view, but I argue for a re-evaluation of the urban history of such a city. In our view, its transformative history is written by two forces. The first one is the continuous expansion of its urban spatial boundary so that every part of the city might have been

the “border” of the city at a certain point in time, but has been turned into the centre for new communities through quick development and redevelopment; the second one is the frequent replacement of urban communities in response to urban sprawl and the influx of new migrants so that habitation in the city becomes fluid, also shifting between the centre and the periphery. Such movement leaves ex-industrial areas open for potential transformation into other uses, including cultural and creative uses. Their conversion into creative clusters therefore sits within this background of geographical development.

8.2 POTENTIALS FOR NEW URBAN CULTURE

In 2008, the general secretary of Guangdong Province, Wang Yang, proposed a strategy of “Three Old Conversions” (三旧改造), that is the conversion of old towns, old factory buildings and old villages. In his view, these conversions have two transformative effects: one is to develop modernised cities and towns; the other is to make the economy stronger and more “creative”. In order to facilitate this process, the development of cultural and creative industries was placed at the fore, especially in urban areas. As a result, these urban regenerations provided spatial opportunities for the establishment of cultural and creative industries clusters (Duan 2012). According to Duan (2012), over half of the creative industries parks in Shenzhen have been converted from industrial uses.

The conversion of industrial lands into creative clusters meets the growing demand for culture in Shenzhen and its recent demographical shift. The city has the potential to become more “cultural”. As one of the newest mega cities in China, Shenzhen is perceived as having a relatively loose political environment and a free atmosphere, when compared with other Chinese cities. It has attracted a lot of talented graduates, including over 20 percent of China’s PhD graduates.⁷ A well-known Chinese musician Gao Xiaosong mentioned on his Weibo that Beijing is full of bureaucracies and “guanxi” (‘关系’ in Chinese) ties while Shanghai has a lot of “Fu Er Dai (富二代)” (rich second generation), but Shenzhen is a city of equality and fairness without the noble culture and “old money” (published on 18th December,

⁷ Shenzhen Daily 13 June 2007

2011 and accessed on 7th February, 2012). Although the comment is only his personal view, Shenzhen indeed is a young migrant city. Everyone who comes there from inland regions can settle down as a result of their arduous efforts. The city promotes itself as having the spirit of “old farm cattle” that inspires its citizens to work wholeheartedly and create the city from scratch. This impetus makes Shenzhen so attractive for creative individuals who are looking for opportunities.

While its fast growth without “cultural sediment” seemingly contrasts with the city’s magnetic effect of attracting the design professions, the question is how can the design sector grow rapidly in a city with just over 30 years’ history? In other words, what can Shenzhen offer? Culture grows in an urban environment with openness, freedom, diversity and tolerance, and this has been proven in Chinese history. If we go back to look at the history of Ancient China, the country had a great cultural and intellectual expansion during the Spring and Autumn period and the Warring States period (770 – 221 BC), when philosophers and intellectuals flourished to form the Hundred Schools of Thought “诸子百家” (Graham 1989). This was long before the western concept of ‘cultural cities’ or even globalisation was adopted. That era was very influential because it saw the development of a wide range of philosophies, including Confucianism, Legalism, Taoism and Mohism, and all these ideas were open for discussion. This social phenomenon with philosophical debates was called “a hundred schools of thought contend (百家争鸣)”, which was characterised by scholars or intellectuals “Shi” (士) who were employed by state rulers to provide advice on governance and diplomacy. These independent intellectuals were very itinerant and they could freely choose the state where they were respected and able to use their talents and thoughts.

“A hundred schools of thought contend” may have a profound implication on the development of creative industries in modern China. During the Spring and Autumn period and the Warring States period, the “open atmosphere” for intellectuals was crucial to its success, allowing new ideas, different opinions, discussions and even debates to emerge. This open atmosphere was also a significant element in the development of a “creative milieu” in the new era. However, “open” has become a sensitive word in the current political environment. Instead, the Chinese government has been trying to build a “harmonised society” that actually controls all the different voices. As such, there is a need to deconstruct the

unification and monopoly of a “harmonised society” in order to allow the emergence of individual creativity and urban diversity. This is probably the precondition for the development of creative industries in China.

Compared to other big Chinese cities, the relatively loose atmosphere in Shenzhen may be the advantage of a developing ‘culture’. Its state of “dream city” was also created by the first generation of “explorers” who were dedicated to building the city from scratch. In the 1980s, the central government sent officials primarily from Guangdong and engineers from the technical universities, such as Qinghua and Tongji Universities, to Shenzhen in order to set up the first SEZ (O’Donnell 1999). Those officials were mostly well-educated, farsighted and “right wing”, and were in support of the market economy reform. Shenzhen suddenly became a “wonderland” for them in which they could realise their dream that could not be realised in the rest of China. Some of them also became the first generation of contemporary “entrepreneurs” after the Cultural Revolution. Moreover, after the Tiananmen Square demonstrations in 1989, many people moved away from Beijing to south China, and Shenzhen was one of the stops along the way (O’Donnell 1999). As a result, in the early days of city making, Shenzhen generated a free atmosphere thanks to those liberated intellectuals. Not long after, the city was characterised by its free thinking, entrepreneurial spirit, its higher level of freedom from the central government, its tolerance, openness, fairness and competitiveness, making it full of uncertainties and opportunities. These paradises-like characteristics are also one of the reasons Shenzhen attracted millions of people, leading to its “gold rush” in the 1990s.

Having the status of an SEZ, Shenzhen was led directly by the central government in terms of its economic development, and was granted “a relative degree of freedom” to manage its rapid urbanisation. The status of SEZ also shifted the city’s emphasis from collective socialism toward the encouragement of “individual accomplishment” (O’Donnell 1999). This “liberty” or this spirit to create and innovate were the “cultural seeds” of the 1980s and 90s that flourished later into design industries, urban development, the dream of modernization and other mechanisms that make up an SEZ. This process contrasts with other obsolete views of city making that are always associated with the competing construction of an urban skyline, the launch of the city’s global financial status, and a homogenised

urban experience without speciality, variety and diversity. Although 1995 saw the end of Shenzhen's special status, the liberal spirit is still rooted in the city as an invaluable mechanism that can shape its new history.

Shenzhen thus became one of the largest "migrant" cities in China. Because it is a city with a degree of fairness, equality and tolerance, everyone has the same opportunity to chase their "Shenzhen dream" by putting an effort into becoming a "Shenzhener" with "legal residence, a good job, and a family" (O'Donnell 1999). These spiritual qualities make Shenzhen attractive as place where dream chasers can look for opportunities. Partly because of this, the city has attracted over 20 percent of China's PhD graduates. Its rapid economic growth has facilitated the gathering and the increase of the middle class who desire a diversification of "taste" and individual consumption patterns. As Qi (2012) notes, there has been an emerging demand for creative products, which are normally "alternative", and there have been more urban activities that involve arts and cultural industries in Shenzhen. In fact, the city has generated an active "cultural scene" among its arts and creative practitioners and intellectuals. Regularly, there are art saloons, exhibitions, opera performances, independent films, and music festivals which provide the right conditions for the growth of the arts and cultural industries.

The fieldwork and interviews conducted in Shenzhen reveal a high demand for the diversity of cultural consumption, which contrasts with China's mass consumption in the past. Parker and Zhang (2008) note the changing pattern of this consumption in modern Chinese families over last 40 years: the "Four Great Things" (四大件) were always types of consumer goods, from the bicycle, the watch, the sewing machine and the radio in the 1960-1970s, to the refrigerator, the television, the tape-recorder and the electric fan in 1980s; the consumer desire later grew toward the car, the mobile phone, the laptop, the apartment and its accessories. This shift reflects an improved economic status which changes consumer demands. In one of the richest Chinese cities, Shenzhen, the increased desire for consuming has driven the development of cultural products. The "Four Great Things" which may now have become part of the consumer lifestyle including travel, entertainment, arts, design and other cultural commodities. All of these require and are facilitated by the development of cultural and creative industries.

The current “cultural scene” is also related to the emergence of youth culture which provides an alternative to the mainstream, pop and commercial culture of China. This is partly driven by the return of young people who have studied and worked abroad and the absorption of western elements into their creative culture. The new generation of creatives hardly follow traditional ideologies, but they create new forms of cultural activities in relation to urban festivals and events, contemporary dance, design, indie music, fashion and other creative fields. One example is Pecha Kucha, an informal event that originated in Japan to help young artists and designers showcase their creative works. It has been adopted in Shenzhen and has evolved into other forms of gathering for young creatives.

Moreover, the Linkage Project team have noted that the rapid development of digital technologies, Internet and social media has had implications the “open atmosphere” and the emergence of a creative youth culture. In particular, the Web 2.0 provides opportunities for establishing a new dynamic interrelationship which goes beyond traditional modes of communication. Social media platforms such as “micro blog” or Weibo and Douban, have become platforms or tools for open discussion and debates. As the traditional media is heavily controlled by the government, social media offers alternatives for creatives to express themselves. This new model of communication comes in response to the fluidity and variety of youth culture⁸ and produces the potential of creativity and innovation. Parker and Zhang (2008, 28) discuss the great development of the media industries:

China has become the world’s largest print-news market and the fifth-largest magazine market, with close to 10,000 magazine titles and 36.8 billion newspapers being sold every day. More than 700 million Chinese listen to 1,000 radio stations and watch 2,000 television stations broadcasting almost 3,000 channels... China’s youth has embraced the opportunities that being online can offer – blogging, message boards, peer-to-peer networks and online chat rooms are incredibly popular, enabling direct communication between Web users across China...

⁸ According to Yang Lan’s speech at 2011 TED Scotland, 80 percent of “micro bloggers” (or Weibo users) are young people under 30 and 55.7% of micro bloggers use it for sharing information and ideas.

The Web 2.0 application creates a ubiquitous and personalised experience of digital content which leads to new creative businesses and consumption models. It establishes new relationships between creative producers and consumers. In this new dynamics, creative producers can discuss and improve their design among professionals; the trade of creative products is not limited to the physical boundary of ‘locality’, but can reach wider audiences; consumers can ‘review’ the products to give feedback to the designers, and sometimes they are able to edit or change the content by themselves. I have seen the popularity of this kind of interaction platform increase in China, including for example Wowsai (www.wowsai.com), which is a Web 2.0 platform for the online trade of crafts, original design products and artworks.

In addition, Shenzhen’s status as a ‘manufacturing centre’ still presents a unique opportunity for creative professionals. In the design industry, creative producers are largely involved in an intensified process of ‘making things’, which begins with conceptualising the ideas and moves right through to testing the prototypes and to manufacturing the satisfactory products. As Shenzhen is located in the Pearl River Delta, one of the largest manufacturing centres in the world, the whole region actually provides for all sectors in the industrial chain which can then be easily accessed by the various creative professions. If ‘Made in China’ is recognised internationally, ‘Made in Shenzhen’ is well-known in China. Shenzhen is a place that gathers low-cost labourers, mass-production industrial chains and well-equipped facilities for making things. All of these can be used to link with creative industries. A local fashion/furniture designer says that the reason he is based in Shenzhen is because “*the local manufacturers can make anything he has designed*”. A young graphic designer also mentioned that Shenzhen probably has the best print workshops in China. “*They are fast and they produce very good quality posters.*” However, this strong connection is gradually attenuated as the creative industries come to be seen as advanced business services “in search of prime, aesthetic-creative and office space” (O’Connor and Gu 2012), and the traditional craft and manufacturing sectors are replaced ironically by the growing creative sectors who in the past have actually need be associated with them.

In summary, as a young city, Shenzhen needs to offer opportunities to its young citizens who will be the key producers of creative culture in the near future. The growth of ‘culture’ also requires the city to provide an open atmosphere and the

potential room to establish a creative ecosystem for new ideas, discussion and debates. This may urge us to rethink our work methods for facilitating more creativity and innovation. New modes of creative collaboration can also be tested, such as the shared workplace that accommodates small businesses and those young graduates who want to start up their own business. These may reduce the rental price and business risks, and provide opportunities for collaboration between young creatives. All of these generate the potential to change the city's status as a "cultural desert".

8.3 FROM "CULTURAL REVOLUTION" TO "CULTURAL REVITALISATION"

Although it has grown into a megacity of over 10 million people, Shenzhen does not have a long history when compared with other Chinese cities. This lack of history in Shenzhen has driven the city to invent a new history for itself. The construction of its urban skyline is seen as a way of building a new city image and of launching the city's global status. In association with mega constructions, mass consumption dominates the market, and generates a series of shopping malls which are connected by and to the metro system. Within these internalised spaces, the urban experience becomes homogenised without speciality, variety and diversity, which contrasts with the emergence of individual taste and youth culture in Shenzhen.

Due to the rapid economic transformation that overtook social and cultural development, Shenzhen has always been seen as a 'cultural desert'. Yet, in spite of lacking 'cultural roots', the enormous opportunities associated with rapid development have attracted talented young designers to come to this manufacturing centre. Many of them left their stable jobs and "jumped into the commercial ocean" (跳海) to establish their practices in the mid-980s. Lauren & Zhang (2008, 29) believe that contemporary Chinese design began at this time, when graphic design was introduced into Shenzhen. The first generation of graphic designers are seen as "pioneers" because they broke a lot of rules to initiate communication with the international design community and they developed new styles that differentiated themselves from the propaganda poster makers or commercial advertisers. At that time, various forms of interaction were established to extend the knowledge and

understanding of design, including China's first graphic design exhibition, Graphic Design in China, in Shenzhen 1992. By the late 1990s, design and other creative practices had been integrated into a "fast-growing urban young culture" as an alternative that contrasted with Chinese mainstream culture (Lauren & Zhang 2008, 29-30). These groups of talented individuals and organisations formed a very loose network with a degree of local attachment that has helped maintain some consistency of ambition and output. This brief history suggests that Shenzhen has the potential to become a city of design.

Since the 2000s, the development of cultural and creative industries has been put back on the political agenda in Shenzhen. In the Chinese context, the development of cultural and creative industries by governmental agencies normally has two intentions. The first aim is to facilitate the transformation of economic status from 'manufacturing' to 'knowledge' or 'creativity'. Creative industries are positioned as an advanced business sector compared to the low-value manufacturing industries. The second intention is to generate "soft power" (Keane 2009; Qi 2012), which is a very sophisticated concept raised by the former General Secretary Hu Jintao in the 17th Communist Party Congress. According to Hu's speech, achieving "soft power" requires the development of cultural innovation, vitality and public cultural facilities to guide the society, educate citizens and enhance ethnic cohesion and creativity. Therefore, part of the notion of "soft power" had implications for the Communist Party who used culture as an educational and normative tool. As Pang (2012, 9-10) indicates, "*innovation has been hailed not only as the driver of the national economy but as the source of cultural pride, conflating political, aesthetic and economic values.*"

Realising these political ambitions brings together a coalition of municipal governments and developers, and the establishment of creative clusters is one of the important ways in which they can contribute to their aim. However, there is an ambiguity of understanding in the definition of cultural and creative industries, so that many non-creative sectors are also included in creative clusters because such an expanded definition meets the municipal government's goal of promoting the sector as "fast growing". The following, therefore, will discuss the urban policies in Shenzhen that have an impact on the issues of cultural and creative industries, and examine how a top-down or centralised model is shaped in the local context.

The emergence of creative industries urged the Shenzhen municipal government to endorse a strategy to make “a cultural and ecological city” in January 2003 and thus to sustain their design culture. In 2004, the city began to propagandise and emphasise the importance of “cultural and creative industries” as the way of restructuring the economy, and it particularly indicated its resolution to make Shenzhen a city of culture by 2007. The slogan “Two Cities and One Capital” was also promoted to focus on three fields of cultural development: “City of Pianos”, “City of Libraries” and “Capital of Design”. “City of Pianos” was titled after the local young pianist Li Yundi (李云迪), who had gained fame internationally. The idea of being the “City of Libraries” inspired the construction of a comprehensive library infrastructure, through which an average of 15,000 people can now gain access to a community library. In addition, the newly established cultural and creative clusters were also expected to function as incubators and training centres. The municipal government even created the Cultural Industries Development Office in 2006 to specifically manage the creative sectors. In particular, the Office was responsible for the task of gaining membership to the “City of Design” network at UNESCO. After three years of preparation, Shenzhen was successfully awarded as a “City of Design” in 2009. According to a UNESCO report (2009), Shenzhen

- *has more than 6,000 design firms with 100,000 employees, creating a yearly output of around 11 billion Yuan (US\$1.54 billion);*
- *has become China’s largest production base for ladies’ clothes. More than 30,000 designers work for more than 800 Chinese fashion brands;*
- *has a population with an average age of 30.8, most of whom are well educated, regrouping one-sixth of China’s postgraduates.*

Despite the common view that the city is a “cultural desert” due to its lack of history, Shenzhen already accommodated more than 6,000 design firms with over 100,000 jobs (UNESCO 2009). This seems very contradictory to the perception of “creative cities” which are normally related to a long history, to abundant local stories and to cultural heritages to which creatives attach themselves. Even in 2008, a year before the conferment of “City of Design”, an exhibition titled “Contemporary China Design” was shown at the Victoria and Albert Museum, London, where

Shenzhen was chosen as one of three Chinese cities to showcase, along with Shanghai and Beijing. Shenzhen was then depicted as the birthplace of contemporary graphic design in China, and an experimental field that had attracted generations of design students and young professionals.

Although it is uncertain that these “achievements” were the reasons why Shenzhen was chosen to be the “City of Design”, winning that title greatly encouraged the municipal government to support cultural and creative industries in Shenzhen. In their view, cultural and creative industries, along with the Internet, biology, new energy, new materials and new information and communication technology, were the emerging sectors that would drive Shenzhen’s economy in the next few decades. Therefore, the municipal government endorsed the Shenzhen Cultural and Creative Industries Revitalisation and Development Plan 2011-2015, referred to from now on as the Plan 2011-2015, which aims to create “new economic development models”. By combining the definition of cultural and creative industries with other sectors and developing a few ‘cross-disciplinary’ terms, the Plan 2011-2015 creates a number of new sectors, such as “cultural technology”, “cultural finance” and “cultural tourism”, incorporating ‘culture’ into these profitable sectors. These terms are ambiguously explained in the Plan 2011-2015, and appear to include a part of the technology, finance and tourism sectors that intersects with the cultural and creative industries. The inclusion of these profitable sectors meets the goal of promoting cultural and creative industries as a fast growing economic sector, and renders the economy more cultural or creative. However, the creative sector still performs business as usual.

Although the definition of cultural and creative industries is ambiguous, the Plan 2011-2015 sets out four strategic goals,⁹ which are:

- *by 2015 to be the ‘pillar industry’ of the economy, with a gross output from the cultural and creative industries of over 580 billion RMB;*
- *to continuously optimise the sectoral structure and become one of the leading industries that upgrades and transforms economic development. Shenzhen will be the important pioneer city of cultural and creative industries in China and even the world, as an*

⁹ See Shenzhen News 15 October 2011, A2

- internationally-recognised “City of Design” and a creative centre of international fashion;*
- *to develop and expand the sectoral body and form world-class creative clusters;*
 - *to elevate innovation capability and make Shenzhen an important innovation centre as well as an applied research & development station.*

These strategic targets tie up the development of cultural and creative clusters with the goal of facilitating economic growth. This is in line with the political goals that make the economy more “innovative”. For the municipal government, the use of fiscal numbers is a way (maybe the only way?) of measuring the success of cultural and creative industries. Among these new economic sectors, the municipal government focused on the integration of cultural creativity with technological innovation. As a result, quite a few high-tech and educational clusters have been built near Shenzhen University. In addition to the industrial park, a series of creative clusters were established in Shenzhen, including the industrial concentration model, also called the ‘industry base’ model (Keane 2012; Pang 2012), which was created for certain specific industries, such as animation, games, ceramic and mass-produced “fine art”. Once they are officially designated as creative parks, these geographically bounded areas are usually disconnected from the urban spaces, forming an exclusive environment for the production chain. In ex-industrial areas, another model of clustering also emerges, which is characterised by small and medium-sized design firms, leisure activities (cafes, bars and restaurants) and retail activities (bookstores, design and furniture shops). OCT-LOFT, which will be discussed later in detail, falls into this category.

According to the Plan 2011-2015, the cultural and creative sector has ten areas, including creative design, cultural software, animation and gaming, new media and cultural information services, digital publishing, filming and performing arts, cultural tourism, non-material cultural heritage development, high-end printing, and high-end arts and crafts. Under this classification, creative design and IT and related businesses appear to be the largest sector. While creative design includes graphic

design, architecture, interior design and jewellery design, IT and related businesses have a wider range of business types from software design to various digital services. New media and public cultural information services remain under the state-owned businesses of Shenzhen Newspaper Group, Shenzhen Broadcasting and TV Group and Shenzhen Publishing Group, who monopolise the sectoral market. Their dominance then allows censorship to be easily controlled. This classification of cultural and creative industries, which also includes a wide range of commercial activities, fits well with the Shenzhen municipal government's goal of restructuring and facilitating the economy.

As one of the actions of the Plan 2011-2015, the Shenzhen municipal government supports the establishment of a Shenzhen Cultural and Creative Industries Association to promote creative and cultural industries in the city and to connect creative firms with one another. Although it is not a governmental authority, the Association is funded by the Shenzhen municipal government to organise creative events, assist in the management of grants and propagandise related policies. Playing a promotional role for local creative businesses, the Association acts as a "market manager" who frequently presents the local creative sector and its financial potential to various investors and officials from Shenzhen or other provinces. In doing this, their responsibility is actually to help the municipal government attract more investments. The key members of the Association committee are mostly large state enterprises such as the Shenzhen Publishing Group. The committee is also responsible for assisting with the grant management, and many of its members actually receive a large portion of the grants, despite the fact that they have already made large profits.¹⁰ Although the Shenzhen municipal government allocates 500 million RMB (approximately 77.5 million Australian dollars) every year to support the development of cultural and creative industries, most creative firms actually have little opportunity to access to the grant. Moreover, according to the award policy, up to one million RMB can be given to fast-growing 'exemplar' enterprises, but the criteria is that they have to prove a 30% increase in their business incomes over the past year. As a result, small-scale creative businesses and start-ups are completely excluded from the circle. A ceramic artist during an interview says that his grant

¹⁰ See the recipient list of Shenzhen Cultural and Creative Industries Development Grants, second round 2012 (2012 第二批文化创意产业专业发展资金)

application for new research work was rejected because “*there was not enough cash in the bank account*”. This failed application seems to contradict the intention of subsidising programs which support creative businesses.

In order to accommodate the growing creative sector, the Plan 2011-2015 also supports the establishment of creative clustering districts as business incubators and innovative public realms. Although there is no evidence of direct connection between the increased numbers of creative clusters and the growth of this sector (O’Connor and Gu 2012), many ex-industrial areas have been converted for the use of the cultural and creative industries. This shift is a more profit-driven approach to allow developers and local governments to use ‘culture’ as a catalyst for urban regeneration (O’Connor and Gu 2012, 8).

The adoption of the creative industry cluster policy formalised the occupation of industrial spaces by creative industries. It allowed the owner (of the land-use rights) to charge high commercial rent for industrial land without having to seek a formal re-designation or pay the fees and taxes associated with such a change and its subsequent commercial land-use. More commonly, developers (frequently including the district government’s own company) would rent land from the state owned enterprises, invest in minimal refurbishment and charge high commercial rents to the new tenant. At the same time, the resultant high-density clustering of commercial firms generated great tax returns for the local government.

This is also the case in Shenzhen. I have seen that one result of the policy implementation is a deliberate replacement of manufacturing by knowledge-intensive business services. This top-down policy, however, does not recognise the significance of grassroots activities, especially small-scale businesses, even though the majority of private creative firms are characterised by their small size, young people, easier entry to set up businesses, and new and mobile forms of human capital, that is, their “self-directed, entrepreneurial and unpredictable” nature (O’Connor and Gu 2012). Moreover, the precise requirements of the creative sector are not clarified, nor are the specific functions that may be required of creative cluster development and management. Unlike Surry Hills and other western clusters in which the role of small and medium-sized enterprises is stressed in creative industry policies as

essential to the creative economy, in Shenzhen, private creative firms are seen as “small, vulnerable and dispersive” by Chinese politicians,¹¹ with economic concerns such as ‘low values’, and political concerns such as loose social ties, non-conformism and individualism (O’Connor and Gu 2012). However, research by Shenzhen University shows that there is a high number of small and medium creative firms with less than 50 employees in Shenzhen (Zhang and Zhang 2012). According to the survey, nearly half of the creative enterprises in the city make less than five million RMB per year, and approximately a quarter of them make less than one million.

Although research data shows a large proportion of small and medium-sized creative firms, a large number of clusters are planned only to attract the headquarters of large international corporations, well-known institutions and high-end design brands. The hard infrastructure and the creation of a comfortable environment for those established companies is always the priority, and the vision for them is to become “big, strong and concentrated”. These views remain a strong part of the “planned economy” and thus the clustering development is very dependent on public interventions. The ultimate goal is to produce ‘high value added’ design that makes more profit than traditional industries. This “creative parks” model is driven by real estate interests, because the developers invest in renovating buildings and improving the external environment in order to achieve higher rental returns. As a result, the management, marketing and branding of the majority of the cultural and creative clusters in Shenzhen is not very different from the operations of commercial property developments. The urban aesthetic of refurbished ex-industrial buildings is promoted as a new style of “creative” office and the average rate is the same as or even higher than that of commercial offices (Chen 2012). These profit-driven developments, sometimes disguised as ‘cultural and creative parks’ for the purpose of applying for governmental subsidies, are actually tied up with the political and economic interests of key actors in the growth coalition. In the end, these creative clusters hardly produce any creativity, but they drive up the rental price and exclude small and medium-sized creative enterprises.

¹¹ See the online article “The Characters of Shenzhen Cultural and Creative Industry Parks Converted from Old Factory Buildings”. <http://wenku.baidu.com/view/2584e57c168884868762d6a6.html>

The only support offered in the Plan 2011-2015 to small and medium creative businesses is the suggestion that they might be exempt from or have reduced rent in a government-subsidised creative park. However, during interviews it was suggested that the local creatives do not think that it has been implemented properly. As one of them says:

The exemption or reduction of rents is absolutely good news for design, creative, animation and filming industries. Crucial to this is how it comes into effect. Although there were always a number of similar policies, these policies did not work because of complicated procedures and a long application period. For instance, many vendors at “T Creative Market” and owners of independent design studios desire to expand their businesses, but the rent is the most realistic bottleneck. So we select 6 representatives from the creative market, and help them apply for a cheaper rent from OCT.

In my opinion, the government needs to establish a comprehensive assessment system, executed by experts, a committee and the relevant departments, for those enterprises who apply for innovative industry offices... This will support those potential enterprises that will be the main forces in future. Particularly, related institutions and associations should also be included in the supporting programs. Although associations are not regarded as enterprises, they largely assist the government and businesses in a range of activities, including organising events, leading the sectoral development, promoting Shenzhen design and so on... The money should be used where it is needed most. At the same time, the procedures should be more transparent, simpler and shorter so more cultural and creative enterprises can have opportunities to participate.

From what I have discussed above, although the Plan 2011-2015 was endorsed for the purpose of “cultural revitalisation”, it seems more like an economic policy than a cultural policy. The new definition of “cultural and creative industries” in the Plan 2011-2015 actually incorporates more profitable commercial businesses into the creative sector in order to promote it as a fast growing business sector. This intention is even reflected in the establishment of creative clusters that mostly attract large corporations rather than small and medium-sized creative firms. As a government policy, the Plan 2011-2015 does not even recognise and try to resolve the governance

issues of clusters. Based on the field survey, although the clusters are usually managed by developers in association with the economic and trading department or the cultural department of the municipal government, many issues have to be reported to other governmental agencies, such as the district government, planning bureau and tourism departments. This fragmentation of governance, with its unclear and extended procedures and bureaucracies, has become a significant barrier for local creatives. One fashion designer during an interview mentions that his workshop failed to move into a creative park because it was difficult for him to identify who owned the place and thus he did not know to whom he should speak regarding all kinds of management issues. Within this context, the following section will discuss how small-scale creative activities perform in Shenzhen.

8.4 A SITUATION OF ECONOMIC “INFORMALITY” AND SMALLNESS

Clearly, the Plan 2011-2015 does not have much of an implication for small and medium-sized creative enterprises. However, Parker and Zhang (2008) reveal that a thriving informal economy exists in Chinese cities where creative workers participate in small-scale entrepreneurial networks and unofficial activities. This is rooted in a history of changing political attitudes toward economic activities. After establishing new China, the Communist Party eliminated private business ownerships and turned them into public assets. In Mao’s era, it was illegal to run private businesses outside the official system. The planned economy remained this way until recently when the “Reform and Opening-Up” policy put the economy back in the hands of the market forces. This shift drove the “informalisation” of economic control and the dislocation of business activities from the old economic structure. An entrepreneurial spirit called Xiahai “下海” (jumping into the commercial ocean) emerged among those who wanted to become businessmen. Private business ownership came to be regarded as part of an “informal economic form”, which included, as Parker and Zhang (2008, 21) define, “*both the self-employed and private sectors, as well as unregistered rural migrant workers in the cities*”.

There was also a clear progression in the context leading up to the changes of the creative sector. Before the “Reform and Opening-Up” policy, designers or artists could work at danwei “单位” only, a workplace or working unit completely owned

by the state. When the socialist system started to change, many creative professionals who had maintained dual roles throughout 1990s completely ‘jumped into the commercial ocean’ and established their own private practices. One role is to maintain their jobs at Danwei, and the other role is to find some casual work outside the Danwei system. This particular form of informal work is called “chaogeng (炒更)”, which means “work at night” in Cantonese, and can also be used to describe a private job. Many creative professionals who used to work at the state-owned enterprises, institutes and universities had private jobs in their spare time to gain extra income. However, this was never regarded as an ethical practice within the formal system. As Chinese architect Ma Qingyun (2002, 183) says:

Although it gained popularity during the peak years of Shenzhen’s growth, chaogeng has never been a legal form of practice, therefore never recognised by any design institute. A design institute could be criticised if its employees were discovered to be involved in legal disputes related to chaogeng practice... The careful ones keep a very low profile while the more aggressive ones would choose to leave the institute and become professional chaogengers. A designer could also stay with an institute and continue to pay a loyalty fee to attain the privileged status of ‘inactive employees’.

‘Chaogeng’ has maintained an alternative means for creative professionals to make an income. Some even take a second employment position at a private company through a personal contact or other form of guanxi, while they keep their day jobs at the institutes (Lauren & Zhang 2008). The professionals from the large state-owned danwei are very popular when they look for a second job because they are seen as more experienced and well connected. The position at the danwei gives them career security and social status, including subsidised housing, recognition, fame and other benefits provided by the state. Their second employment then brings more financial benefits, although it is informal and adventurous. Zhu (2005) also notes that there are two aspects to an architect’s work in Shenzhen: “face” projects and “stomach” projects. Architects pay more attention to designing a “face” project which can be featured in magazines to showcase their design skills. However, this kind of projects is mainly designed for the institutes so the architects receive little

remuneration for the achievement. The “stomach” projects, on the other hand, are the ones that make a profit, but they are mostly achieved through informal practices.

However, formal and informal practices did not always conform to one another, but rather they contradicted one another, leading finally to the emergence of small-scale businesses. In Shenzhen, the first generation to establish their independent practices were the “pioneer” graphic designers during the early to mid-1990s (Lauren & Zhang 2008). They bravely took advantage of the new policies in the Special Economic Zone, fully embracing the entrepreneurial spirit. The graphic design culture in Shenzhen originated from its concern with packaging design in the early days of “Reform and Opening-Up”, when the government wanted to improve the design and quality of packaging in order to increase their export capacity for international markets. To do so, the state-owned trading companies began collecting up-to-date design information from the Western world, and displaying samples by running international trade events, such as the Canton Fair in Guangzhou (Zhang 2008). Because of the relatively loose economic control and the great amount of opportunities in southern China, many young graduates from art and design schools came to Shenzhen and had the opportunity to work for large packaging companies, thereby gaining experience to help them establish their own practice later.

Moreover, the state-owned enterprises sought to restructure the traditional management system in response to the increase in informal “chaogeng” employment. Later they started a process of partly privatising public entities in order to maintain their work productivity. The senior management team were given shares and were able to run their own work units within the danwei system. This new employment model was called chengbao “承包” in Chinese (Lauren & Zhang 2008, 24). Although these new entrepreneurs still had complex financial and legal ties with the mother danwei, the size of their work units were much smaller so that their work model was much more flexible, efficient, productive and less bureaucratic. As they had to make their own management decisions and take full responsibility for their own profits and losses, this arrangement was very similar to a completely private company.

Although we have seen the breakdown of the large state-owned enterprises into smaller, private or semi-private companies, these small-scale activities in Shenzhen are still overlooked in all creative industries policies. The ignorance of small and

medium-sized enterprises is reflected in the strategic goals of the Shenzhen Cultural and Creative Association, which is an institution that is supposed to help them. I have summarised their roles below. The Association is a:

- *Government assistant: to implement the cultural and creative industries policies, to direct the sectoral regulations and development and to lead the great prosperity of Shenzhen's cultural and creative industries;*
- *Entrepreneurial pusher: to bridge enterprises and government, to help enterprises resolve developmental issues and facilitate the development of exemplar and key enterprises for nationwide cultural and creative industries;*
- *Sectoral manager: to direct and manage the sectoral development of Shenzhen's cultural and creative industries.*

As can be seen, the Association is only interested in the development of “exemplar and key enterprises” but pays less attention to small-scale businesses and creative start-ups. During an interview with a cultural manager at OCT-LOFT, she questioned the paradoxical fact that the support of creative industries is mainly given to those enterprises which make large profits, and which are less related to ‘culture’. It is a general problem in China that the governmental policies for creative and cultural industries are always misled. The economic, profit-driven intention of the sector overpowers consideration of those creatives who really need support, and it leads also to the inclusion of non-creatives and large enterprises in the creative industries as a way of indicating the growth of the “creative economy” (O’Connor and Gu 2011). Thus, there is certainly a need for alternative policies for small-scale or informal activities, because as Saskia Sassen (2006, 43) suggests, cultural pioneers are able to: “*function in the interstices of urban and organizational spaces often dominated by large corporate actors and to escape the corporatization of creative work. In this process they contribute to a very specific feature of the new urban economy: its innovation and a certain type of frontier spirit.*”

Chapter 9: OCT-LOFT – an Emerging Creative Centre in Shenzhen

In the West, the establishment of clusters is expected to generate economic benefits, produce innovation, enhance regional and international competitiveness, as well as improve the social and cultural environment through geographic concentration (Porter 1998a; 1998b; Doloreux 2004). The co-location of creative firms forms and intensifies horizontal inter-firm networks and face-to-face contacts for knowledge exchange and collaboration (Bathelt & Boggs 2003; Bathelt et al. 2004; Scott 2004; Landry 2000; Brown et al. 2000; Pratt 2000). This type of clustering is often related to knowledge-based production, a complicated process that requires advanced “urban qualities” including urban governance, amenities and diversity. Studies on creative industry clustering in the inner-city area also reveal the interdependence between local conditions, vernacular economy and the performance of creative firms (Crewe & Beaverstock 1998; Currid 2007). In China, these theoretical principles are very difficult to apply, because planned creative clusters are mostly driven by real estate interests rather than concerns for the sector itself (O’Connor and Gu 2012).

The creation of OCT-LOFT in Shenzhen, China was not accidental, but it came about as part of a planned process that involved political and economic expectations driven by the local growth coalition. At the end of its industrial life, the OCT-LOFT had not experienced a long process of spontaneous clustering of arts and creative activities, such as in the case of many western examples, and it was directly developed by the municipal government and developer into a cultural and creative park. It is an officially recognised entity that combines the industry park model with aesthetically refurbished creative workspaces and provides a retail and leisure destination linked to a creative atmosphere and buzz. On the one hand, it embodies political interests that aim to develop a cultural city, and the creation of creative clusters plays a key role in this; on the other hand, it is used by the developer for the purpose of branding and consequently for stimulating adjacent developments. This chapter thus attempts to outline the background behind the formation of OCT-LOFT in relation to Shenzhen municipal government’s resolution to transform the economy

from one built on manufacturing industries to one built on the more innovative industries; creative and cultural industries play a crucial role in the latter, due to their wide adoption of the Western concept of the ‘creative economy’. I try to discuss how the urban cultural and planning policies have been involved in shaping the creative clusters in Shenzhen, with their emphasis on larger companies rather than smaller and medium-sized enterprises, even though the existence of fine grain activities and their associated interdependent relationships largely contribute to the local dynamics and creative atmosphere. The case of OCT-LOFT will be also evaluated in detail in terms of its performance to determine whether or not it has been a social and cultural success.

9.1 THE HISTORY OF THE OCT-LOFT TRANSFORMATION

The Overseas China Town Loft (OCT-LOFT) is located in Nanshan District, Shenzhen. The area sits to the north of Konka Group and to the west of Qiaocheng East Road. The OCT-LOFT area is divided into a northern and a southern part. The land area is approximately 152,000 square meters in total: the south part has around 55,000 square meters, while the north has around 97,000 square meters. The entire OCT-LOFT is created and managed by a single development company – the Overseas China Town (OCT) Group.

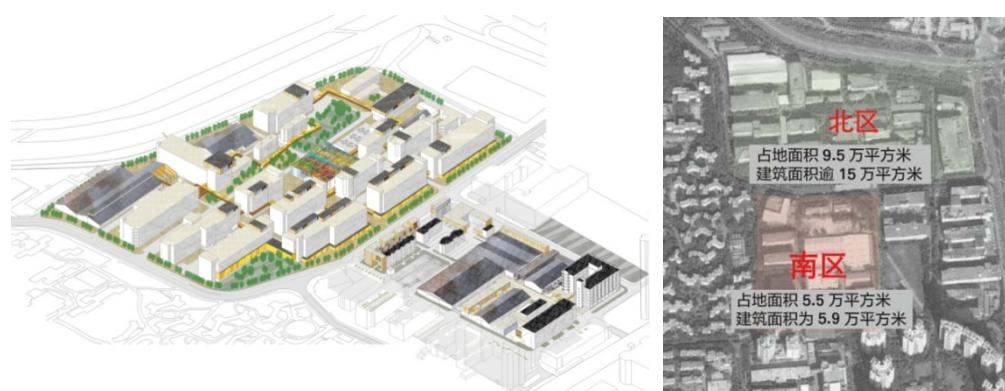


Figure 19 Map of the OCT-LOFT, provided by Urbanus

The OCT-LOFT had always been a typical Shenzhen industrial park of. The owner, the OCT Group, was originally set up by the Overseas Chinese Affairs Office

of the State Council to provide business opportunities for Chinese people returning from overseas. After the company was expanded, the OCT Group became an enterprise governed by the State-owned Assets Supervision and Administration Commission of the State Council (www.chinaoct.com, accessed on 20th Jan 2012) which is a government agency that supervises and manages state-owned assets such as businesses, land and properties. Established in 1985, the OCT Group's early interest was to develop a large industrial cluster to the west of the Shenzhen city centre. Later the company shifted its focus onto real estate and tourist resort development (Shi 2011).



Figure 20 Diagrams of the OCT-LOFT transformation 1985-2003, showing the increasing number of factory buildings in black (Shi 2011)



Figure 21 Photos of OCT-LOFT before its transformation into a creative park, provided by the Urban Planning Land and Resources Commission of Shenzhen Municipality

At the beginning of “Reform and Open-Up”, the investors who came to Shenzhen could use the free land for a period of 15 years before the standard workshops were built for lease. In 1985, after the establishment of the OCT Group who were then called the Shahe OCT Corp, amalgamated a few local factories around the area including Konka. Initially, the OCT Group concentrated on developing the manufacturing industry to provide production services based on the “three-plus-one” trading-mix (三来一补), which is a model of custom manufacturing with materials, designs or samples supplied and compensation trade. Through this economic policy, their number of industrial enterprises grew to 55 across more than 20 industrial entities by 1994 and to more than 80 industrial enterprises by 2004. During the late 1990s, the OCT Group began to restructure the company and redirect its focus toward culture, tourism and real estate development. Since 2004, its manufacturing activities and industrial production has gradually moved out from the area due to the increase in inner-city land value and costs. Some factory buildings remained empty for many years, and part of the OCT-LOFT area was left in the cold.



Figure 22 “Outdated, abandoned and uncultivated”, photos of the OCT-LOFT before its transformation into a creative park, provided by the Urban Planning Land and Resources Commission of Shenzhen Municipality

After seeing the decline of the industrial economy, the OCT Group was in search of ways of redeveloping the area. Its association with culture was crucial because the Nanshan district where OCT-LOFT is located was specified as the cultural centre of Shenzhen in the fifteen-year urban plan of 1996 (O'Donnell 1999). The board members of OCT Group were then inspired by recent loft renovation in Vancouver, Canada, and a decision was made to renovate the area based on Vancouver's loft model which reassigned building uses to creative businesses (Wing 2007). In 2003 the curators at one of the first galleries in Shenzhen, He Xiang Ning Art Museum, also discovered the value of the Loft area and decided to set up another contemporary art gallery there. This idea coincided with the developer's resolution to transform the area into a mixed-use creative district. The intervention of He Xiang Ning Art Museum catalysed the area's activation. The museum, developer, artists and curators began to develop their vision and their strategies for the area. As a starting point, they spent 20 million RMB, two thirds of the budget for the OCT-LOFT first stage, on converting a factory space into the OCT Contemporary Art

Terminal (OCAT) (Wu 2010) and they produced a series of art events and exhibitions in order to signal the alternative use of the space.



Figure 23 The transformation of the OCAT Gallery, provided by the Urban Planning Land and Resources Commission of Shenzhen Municipality

Since 2004, the architecture firm Urbanus has been involved in redesigning the creative park under the guidelines of the OCT Corporate (Wing 2007). They realised that this industrial area could be developed into a new cultural industry cluster in response to the emergence of the creative economy, by creating a new urban aesthetic from the renovated factory buildings. The design strategy was to insert a few small-scale additions to the existing warehouses in order to accommodate new artist studios, bookshops and other facilities. The architects intended to let the area and creative activities “naturally grow” and they filled only the unused gaps between the buildings. Through this strategy, the architects tried to create “blurry and subtle spaces” that blend public and private realms. The architects are responsible for the overall planning and public domain design, but the tenants renovate the interior space and decoration of their shops or offices by themselves. In order to achieve coherence, all the design is coordinated and approved by the OCT-LOFT management team.



Figure 24 “Blurry and subtle space”, an adaptive transformation of exterior spaces by Urbanus

OCT-LOFT, also called the OCT Creative and Cultural Park, was officially opened on 28th January, 2007 and there were around 20 creative businesses at the beginning. The OCT-LOFT Cultural Park Development Company was then established by the OCT Group specifically to manage the area and organise the cultural events. In the meantime, in response to the transformation of industrial land uses in the Shenzhen urban area, the Shenzhen Planning Bureau endorsed the Shenzhen Industrial Land Use Study and Planning in 2007, which aimed to create new bases for technology and innovation, and for high-end manufacturing. This policy implied the conversion of the manufacturing industries toward new economies, pursuing the ambition known as “Created in Shenzhen” (Wu 2010). It also proposes that the conversion of old industrial districts be carried out in “an economical and flexible way”, integrated with market operations, but that the original buildings be preserved. Under these principles, the Shenzhen Planning Bureau looked into the different typologies of upgrading the industrial zone: one is the complete conversion of it (also the complete demolition of it) into other uses, such as residential, commercial, green or cultural facilities; the second is to create mixed-use areas that combine industrial uses with offices and trading activities; the third is to upgrade the built environment and its facilities to meet the requirements of new industrial uses (Wu 2010). The OCT-LOFT is one of the early examples influenced by this policy, so that sound alteration and extension was allowed for the conversion as a special model on the basis of unchanged industrial land use. Within a short time period, the OCT creative and cultural park has become one of the popular destinations for creative businesses and activities in Shenzhen, including the well-known local architecture firm Urbanus, the music venue Idutang and well-known Hong Kong interior design firms. In 2011 there were approximately 150 firms and over 2000 employees in OCT-LOFT.

The transformation of the OCT-LOFT area subsequently caused the change of its building uses. For example, Building F1 and F2 were the main factories for Huasheng Furniture. In 1999, the company was shut down because of high competition and increased labour costs. F1 was then used as a badminton court and F2 remained unoccupied for years. In 2004, F2 was altered into the OCAT gallery. Another example is Building B10 which was occupied by Guangmi Disk, a manufacturer who produced 400 million floppy disks in 1998. In 1999, because of the change in the market environment, the company was amalgamated by Konka and moved out. B10 has occasionally been used as an event venue over the last 5 years and there is now a plan to upgrade it into an extension of the OCAT gallery (Shi 2011).

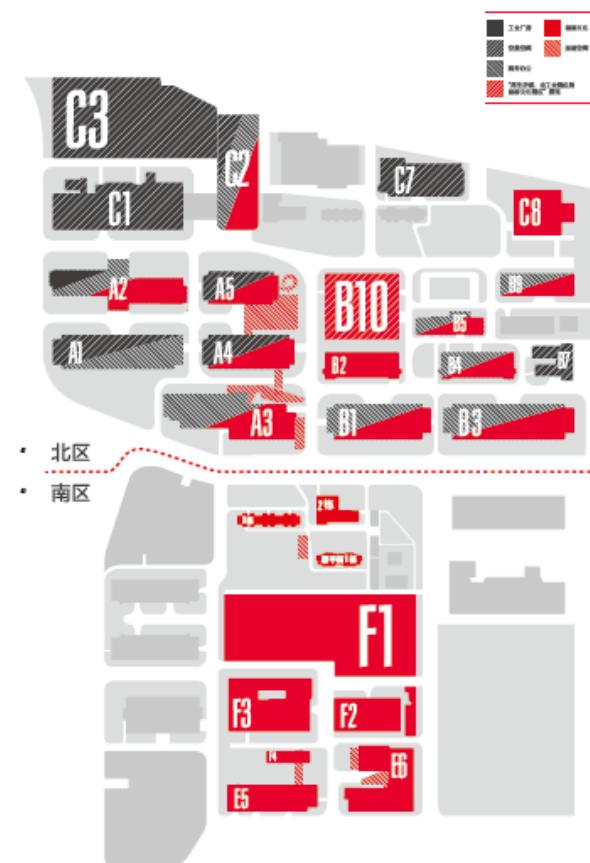


Figure 25 Diagram of the OCT-LOFT in 2011, showing the conversion of factory buildings in black into creative uses in red (Shi 2011)

In addition to the adaptive conversion of physical spaces, the OCT-LOFT holds a series of temporary events, including the OCT-LOFT Creative Festival, to

stimulate the process of revitalisation and bring the area some vitality. In 2005, it hosted the first Shenzhen Urbanism \ Architecture Biennale (Shi 2011). There is also a creative market on the first weekend of every month that provides a platform and opportunity for local designers to interact and attract cultural tourists, students and the general public to the area.

The short history of this transformation from scratch to an industrial park, and then to a creative cluster, more or less reflects the ‘Shenzhen speed’, while the same transition in Europe took over 200 years following the Industrial Revolution. Shi Jian (2011), a curator and architecture critic, calls it “active preservation”, which upgrades the old industrial area into a cultural precinct without changing its original architectural forms and heritage through systematic planning interventions. It opposes “passive preservation”, which in Shi’s view is a spontaneous clustering of grass-roots activities initiated by artists who adaptively use the empty warehouse or industrial estate in a disorganised manner, examples of which include Soho in New York and Ruhr, the old industrial park in Germany, as well as Chinese examples including Beijing 798, Shanghai Suzhou Creek, and M50, where spontaneous clustering was the catalyst for the transformation of old urban areas after the decline of heavy or manufacturing industries. O’Connor and Gu (2012) also note that the replacement of older low-value manufacturing by the creative industries was initially done to “fill a vacuum” in western cities, but it now proceeds actively in urban areas in the interests of the service industries. However, the injection of creative industries into these areas is a far more complicated phenomenon, because “*in the process, creative industries were positioned more as advanced business services occupying upgraded city centre space rather than a complex industry sector...*” (O’Connor and Gu 2012, 11) Although a new ‘creative class’ is attracted by the urban aesthetic of the refurbished factory, the role of creative industries as industrial integration and development remains questionable.

Nevertheless, the OCT-LOFT is seen as a successful example of a planned cluster with ‘Chinese characteristics’, established by a coalition of the municipal government and a developer. This top-down or centralised management model seems efficient and has quickly transformed the OCT-LOFT into a vibrant creative park. The area is highly mixed, with innovation and entertainment spaces spread across a variety of creative businesses, such as furniture, design, advertising, galleries,

animation, fashion, restaurants, music performance and ceramics. The public space at the OCT-LOFT is also decorated with art installations and sculptures. There are several cultural events and open exhibitions every month, which attract the general public.

In an interview, the cluster managers at the OCT-LOFT indicated that little profit has been made through leases and they even have to spend a great deal of money on organising various cultural events. By investing heavily in the development of “cultural places”, the OCT Group is pursuing their ambition to continuously upgrade the area into an avant-garde cultural hub and “exchange platform”. In their vision, the OCT-LOFT will be “diverse, symbiotic, contemporary” and “a first-class creative cultural park in Shenzhen, China and even the world” (Shi 2011, 25). Although the area is not developed for “quick profit”, the OCT-LOFT is maintained as a significant cultural brand for the OCT Group and a bridge that links them to the district and municipal government, their coalition partner who is interested in developing “culture” in the city. Moreover, as the OCT-LOFT has become a popular place for the ‘creative class’ in Shenzhen and the high-end designer stores, the average rent has risen dramatically over the past 5 years. As a result, many small and medium firms cannot afford to move to the area. The whole OCT-LOFT project runs in parallel with real estate interests and the development of “culture” is expected to stimulate the property prices around the area. In order to achieve their goals, they have even pushed the municipal government to change the planning regulations in order to allow them to plan for more developments around the area, by inviting five international well-known architects to envision the future of OCT-LOFT, including the conversion of Building B10 into the new gallery for OCAT. Again, the establishment of new culture institutions is seen as a business model to exploit commercial profits for the OCT Group developers.

Although we may argue that the OCT-LOFT is more or less part of a larger real estate development, the conversion of the area highlights certain merits in this creative cluster development. First, crucial to its success is the preservation of the old factory buildings. Indeed, the sophistication of the industrial aesthetic is an appeal to creative industries, which are regarded as advanced business services. The refurbishment of the area rather than its demolition is commendable. The history of the OCT Group more or less reflects the rapid growth of Shenzhen. Although it is

very short, it contains memories and evidence that the city was developed from scratch. The old buildings are embedded with cultural meaning and symbolic value. The preservation of them is a way of allowing this historic value to continue. Indeed, the unique combination of “old” and “new” at the OCT-LOFT creates a new “urban atmosphere” that attracts the creative professions. A marketing coordinator says:

It is different to work at the LOFT compared to the office tower. The environment here is better. The slower rhythm makes me always relaxed, and lessens the pressure. The LOFT has been doing well in Shenzhen as a combination of business and art.

Secondly, OCT-LOFT has become an example for the development of creative industries clusters in Shenzhen. Given the municipal government has positioned cultural and creative industries as one of the most important catalysts of economic transformation, creative clusters emerge as a way of accommodating these new innovative sectors, enhancing the city’s competitive strength and developing a sustainable future for its urban economy. Thus, the OCT-LOFT is a new type of incubator that cultivates individual creativity and innovative ideas. Thirdly, the development of OCT-LOFT has been a relatively long process achieved through the dynamic involvement of local players, such as the municipal government, OCT managers, architects, art curators, designers and creative business owners. Under the guidelines set by the OCT management team, the area has transformed “naturally and spontaneously” under a rather flexible planning strategy. Its growth responds to time, environmental changes, business development and emerging demands, and interacts with all these factors constantly for ‘self-adjustment’. Therefore, the conversion of OCT-LOFT is not a rigidly planned process, but actually a ‘soft planning’ or ‘spontaneous planning’ model that allows enough flexibility for individual creative enterprises to transform the area by themselves aesthetically and socially.



Figure 26 OCT-LOFT photos by Lei Liu

9.2 THE LOFT WITHIN THE OCT CITY

In fact, the OCT-LOFT only accommodates a very small percentage of creatives in Shenzhen. The citywide movement of clustering amongst design firms and other creative businesses is still driven by the search for affordability. There is not much high-quality industrial heritage when compared to other cities with longer histories, for example the 798 in Beijing has large red brick mansions and tall chimneys, however, Shenzhen indeed has an abundance of warehouse space ready for regeneration due to its ex-industrial status. During the short history of Shenzhen, the clustering of the creative sector was driven by the market and it has moved across the entire city from Huaqiang North, Che Gong Miao to the Futian Free Trade Zone in chase of affordable spaces. As discussed earlier, the establishment of “official clusters” is only a very recent phenomenon, which gives creative industries the status of an “advanced business sector” located in refurbished inner-city factories or warehouses. The OCT-LOFT arises in this context.

The OCT-LOFT is located in a lush area surrounded by high-end residential communities. The name ‘LOFT’ refers to the typical loft apartment in Vancouver where artists and designers live, work and socialise. This lifestyle, somehow linked to creativity and an innovative incubator, is used by the OCT managers to promote the converted factory spaces. Compared to the entire area developed and managed by the OCT Group, the OCT-LOFT is only a small part of it (see the picture below). In the past, the OCT Group had control over the land and it formed a powerful authority that managed all kinds of local issues, including developmental rights, security, public domain and facilities, construction and maintenance. The developer functioned almost like another local government in charge of the area. Since late

1980s, the OCT Group began developing ‘culture’ by building a series of ‘Disneyland’ areas in the city, including four large theme parks, Window of the world, Splendid China, China Folk Culture Village and Happy Valley, and three art centres, He Xiang Ning Art Museum, OCT Art and Design Gallery and OCT Contemporary Art Terminal. These projects were entirely developed and managed by the OCT Group developer. These gigantic theme parks are still popular today, producing a mass consumption of ‘culture’ that attracts thousands of tourists per year. The independence of these urban projects and the dominance of the OCT Group creates the delusion that the area is a completely new city in the west of Shenzhen.



Figure 27 All of the green area has been developed and managed by the OCT Group, while the OCT-LOFT is only the small part highlighted in red. This masterplan was provided by the Atkins Urban Planning Group.

As a result of this governance model, the transformation of the OCT-LOFT and the surrounding area was completely in the hands of the OCT Group. This is very common in China. Local governments lease a large piece of land to a single developer. There are usually two intentions in this: first, the lease of land development rights gains short-term profits which are seen as a large portion of the revenue for local governments; second, it is regarded as the ‘easiest’ way of making the developments happen quickly and the local governments only need to deal with the ‘head’ developers rather than with the complex issues involved in the groundwork and communities. We have seen that this collaboration between local governments and developers is the main force that drives urban generation in China.

The OCT group maintained complete control over the area until recently, when the Shenzhen municipal government took back part of its authority. The assessment of development proposals and of changes to land use became stricter. However, within the area, there is still an unclear boundary between ‘public’ and ‘private’ domain. The land is ‘temporarily’ managed by developers but permanently owned by the state. The developer’s intention is often apparent, that is, to increase the property value by creating more attractive qualities, for example improving the quality of the public domain or establishing ‘cultural’ generators. Because of this, the OCT Group can see the potential of culture-led regeneration and its associated “urban buzz” which may lead to an increase in land value in future developments in the area. This intention is clearly shown in the future plan for OCT-LOFT in which the developer aims to raise the building density around the area. (Shi 2011) More recently, the developer removed a green park behind the OCAT gallery and began to build apartment blocks. These apartments are expected to be sold at approximately 10 thousand Australian dollars per square meter, which is twice as expensive as the average house in Shenzhen.

The OCT-LOFT management team uses a model called “united investment, united operation and united management”, a centralised management model that maintains the businesses within the park in order to achieve the integrated brand of “OCT-LOFT”. The businesses are chosen according to the principle of “mix and complement” and according to certain criteria related to being “creative” or contributing to the “atmosphere”. The OCT-LOFT management team plays a decisive role in the whole process. A long negotiation or relationship (or *guanxi*)

with the developer is usually needed in order to successfully rent a space at the OCT-LOFT.

However, OCT-LOFT is still different from many other creative parks which are completely driven by real estate interests without any consideration as to how creative activities are generated and supported. The area is developed through a spontaneous and responsive process, gradually engaging with the demands of the creative professions at the creative park. The implementation of the OCT-LOFT project has lasted over 7 years and will be an ongoing process, which is unusual when compared with other developments of a similar scale in China. During this process, the OCT-LOFT management team acts as intermediaries that maintain a relationship with the key business owners and coordinate between creatives and the developer of the OCT Group. They also understand that the selection of businesses is crucial to the success of OCT-LOFT. As one of the managers says:

We have certain criteria for the businesses that move here, which is not related to whether they have an abundant capital. We take into account their level of creativity, originality and uniqueness. Generally speaking, we do not give space to mass market brands, chain stores or so-called creative products shops without any original products. In addition, we consider the radius and depth of their public cultural activities.

From what has been discussed above, we can see that although the creation of OCT-LOFT is related to real estate interests, the interventions that occur under a centralised management model have a positive effect on the ‘revitalisation’ of the area. Under these selective leasing principles, the area has grown into a highly mixed precinct where the coffee shops, restaurants, bars, galleries and boutique shops at the ground floor cluster around a pedestrian network, and the creative offices are located above. The character of the industrial architecture is well preserved, with the addition of new modern elements which accommodate the area’s growing capacity and provide interconnection between the previously separated building blocks. This urban aesthetic of adaptively using the warehouse and factory buildings consequently generates the conversion of these spaces in a way that attracts small and medium-scale creative firms. In addition, the monthly ‘T Street’ creative market and other

events that temporarily use the open space reinforce OCT-LOFT as a significant place for people in Shenzhen to meet. As a designer says:

I think the OCT-LOFT is a place where the designers from different disciplines gather together. It provides a stage for everyone to perform. The growth of culture comes from the sparks of a collision which contains competition, unification, mutual learning and interaction. I believe every designer will have bigger motivation and better inspiration in this kind of environment. Meanwhile, designers have more opportunities to choose their preferred projects.

More importantly, the management team at the OCT-LOFT only lease spaces to small and medium businesses, which is very different from other cultural and creative parks. This approach maintains the fine grain character and the diversity of business types. According to one of the managers, they have refused many proposals from large companies intending to take over the entire building block. Instead, the original floor plan of the factory buildings has been subdivided into smaller shops or office spaces to accommodate small and medium-sized creative businesses. Apparently, pursuit from large corporations who seek to raise their rental income is not an issue, because the ‘culture’ of the OCT-LOFT is intended by the OCT Group for a bigger ambition.

9.3 CREATIVE SPACES AT OCT-LOFT

This section investigates the embedded networks in the OCT-LOFT by looking at selected creative spaces. Although the area is managed by a single developer, there is a strong presence of local actors and cultural groups being actively involved in creating a new, site-specific cultural scene. There is a general feeling that networks are maintained by *guanxi* in China, a form of social tie in Chinese tradition that also maintains the sophistication of clustering development and management. During the fieldtrips, I observed two levels of understanding of *guanxi*. One views it as a kind of political connection that is used as a “valuable commodity” to enter the market circle protected by the interests of the growth coalition (O’Connor and Gu 2012); the other views it as a form of relationship or social networking that is very similar to the understanding of urban networks in the West. These two meanings sometimes cause

confusion in related literature, but they are both indispensable factors interwoven into the formation of OCT-LOFT.

The OCAT Gallery

The OCAT Gallery has been regarded as the powerhouse of the OCT-LOFT area. It maintains a long-term relationship with well-known practitioners and critics in the Chinese art world. Through this network, it connects with many internationally recognised artists who frequently participate in its events and have even formed an advisory group for the OCAT. The reason for establishing the gallery was clear, that is, to create a cultural brand for the real estate developer OCT Group. Recently, the OCT Group has been building more galleries in other cities across China. This new “gallery network” is somehow associated with their adjacent real estate development or theme parks.

Although it seems that the OCAT is part of the real estate development, the gallery staff reveal its very intricate relationship with the OCT Group. Since its establishment in 2005, the gallery has been more interested in researching Chinese contemporary art history rather than displaying it in exhibitions. They only run exhibitions that serve their research program. However, as part of the initial agreement, the investor OCT Group actually required the gallery to provide more exhibitions to attract visitors. As a result, the gallery staff have been working toward a balance of ‘research’ and ‘exhibitions’, which on the one hand continues their own interest in Chinese contemporary art history, on the other hand satisfies that requirement of OCT Group. Although these two directions sometimes cause conflict within the gallery, it maintains its collaboration with the OCT Group. As one of the staffs says:

For us, the reason for having a long-term collaboration with the OCT is not that they really love art or understand art, but because firstly they can continue to invest and secondly they promise to remain not-for-profit.

As the gallery holds to their not-for-profit path as a research institute, they actually have an ‘inactive’ attitude towards their interaction with the OCT-LOFT and its surroundings. Although the OCAT gallery has held a number of high-quality

contemporary art exhibitions since its establishment in 2005, it is often criticised that these shows are only for a small circle of artists and barely understandable for the general public. Moreover, the provision of a 3-month artist residency program by the OCAT gallery is offered mostly to international participants, while local artists have few opportunities to work and live there.

As the powerhouse and the earliest tenant in the area, the OCAT gallery should take on more responsibility for improving the engagement with the local community and general public. Recently the gallery has reopened its research library to public and started educational programs in order to bring in social activities. The new art director Carol Yinghua Lu regards the gallery as “a point of connection”, that is

Something more than space for practice and experimentation in artistic creation, study and curating, but also a locality that engenders the practice of theory... [through] a series of conversations, lectures, screenings and small-scale discussions accompanying the exhibitions or projects organised in OCAT... OCAT has grown out of the inspirations from practitioners and thinkers and should also be able to prompt the growth of great ideas and concepts, and to spread them far and beyond. (<http://www.ocat.org.cn/index.php/Library?lang=en>. Accessed on March 23, 2014)

Old Haven

The Old Haven was founded in 2002 by a group of young people, originally located in a very small store in the crowded and shabby Jiahua market, Huaiqiang North, mainly selling the books related to culture, arts and social science, and independent records by Chinese underground bands. They have promoted nonmainstream music, art and movies from elsewhere in the world through active participation in national and international nonmainstream music live performances and events. In 2004 an online music radio program called Walking Ears was set up by one of the founders and hosted by the Shenzhen radio station. At the end of 2005, they established the Old Haven cultural communication company that arranges the publishing of independent records, art design and the planning of cultural events.

When the north part of OCT-LOFT was upgraded, the Old Haven was invited to move into the area. As the Old Haven was very influential in Shenzhen subculture

circles, the manager of OCT-LOFT offered them a reduced rent, subsidies and other benefits to attract them. As a result, the Old Haven gained enough support from funding, venues and promotions to run an annual jazz festival. More importantly, the Old Haven remains a venue in which local creatives can network. Treating someone to a meal or a drink is regarded as a popular way of networking in China so that Old Haven functions as a venue for social interaction. The networking culture is even reflected in the round shape of the tables scattered through an intimate space so that people are able to talk equally with others. The Old Haven is designed as a comfortable combination of a bookstore, CD racks and cafe. It creates an ambience that attracts young creatives for informal meetings, lectures and performances.

Iron Shell

Iron Shell is a new media company that provides technical support for the development of iphone applications and website services. It was established by a local creative in response to the emerging local demands for digital technologies. The founder has played multiple roles in the local area and has been involved in the industries of photography, film and independent writing. These previous experiences and accumulated networks have given his company a lot of new business opportunities.

The company's business model is worth discussing, firstly because most of their projects are based locally to service other creative firms in the area. Their main work is to convert information into digital form via more visually-oriented personal devices. For example, they designed an app for a craft store to manage their products and present them to customers online. In doing so, the management of the store became more efficient and their sales have also increased. Secondly, the way in which Iron Shell attracts new businesses is very casual but rooted in the local area. This more or less reflects the founder's lifestyle. As he says:

The advantage of working at the OCT-LOFT is the convenience. There are a lot of choices of cafes so that you don't have to go anywhere else. Even the client would like to visit... If you come at 12, I treat a meal; if you come at 2, I treat a coffee; if you come at 3, we can go play basketball together. Welcome young start-ups come to talk about businesses...

9.4 BUILDING SOPHISTICATION INTO THE CREATIVE CLUSTER?

Indeed, these new urban dynamics made up of small and medium-sized creative businesses have largely contributed to the success of OCT-LOFT. However, there is a perceived isolation noted by the interviewees. Some observations on the OCT-LOFT and its surrounding neighbourhood reveal a lack of connection with the wider urban communities. Although creatives at the OCT-LOFT often share the facilities of the adjacent neighbourhoods, such as restaurants and convenience stores because it is usually more expensive to use those within the creative park, the communities nearby hardly know what OCT-LOFT is all about. This demarcation creates a social barrier that may in time lead to urban segregation, may endanger the OCT-LOFT's status as a “good place” and may damage the creative ecosystem. Therefore, a more holistic urban strategy should be included to establish interconnections and make more inclusive public spaces for everyone. The facilities within OCT-LOFT could also be shared by the communities nearby, as well as provide educational services and formal and informal professional training that brings creative businesses and local communities together. The design and management of OCT-LOFT, therefore, should be related to its local culture and to its specific context in order to encourage more public participation, the involvement of local production and diverse lifestyles.

Although there have been a lot of suggestions around making the OCT-LOFT a more equal, accessible and interconnected place, the conversion of the old factories still replaces the surrounding communities, as led by real estate interests, which is a similar process to that of gentrification in the West. Several new apartment buildings are under construction for potential rich buyers, while the original communities, including creatives (such as artists) and non-creatives (such as ex-employees and the local community) are excluded from the area. In the future, the ‘culture’ of the OCT-LOFT may only serve the urban elite who can afford to live in the area. The basic requirement of an open, creative atmosphere with equal access to urban space and local involvement may be damaged. In general, there is concern about the immediate gentrification that excludes everyday life from the area. OCT-LOFT has become a precinct combining high-end creative production and entertainment, but it lacks affordable spaces for the general public. The gradual loss of diversity and everyday

life experience may finally turn the OCT-LOFT into a “creative business park” that only serves advanced “creative labours” and wealthy residents nearby. We have seen many global brands appear in the area, such as Starbucks, Vitra furniture and other high-end designer products. This may be the sign of an “exclusive” development. A landscape designer who moved to an apartment nearby two years ago says:

When I firstly moved to the area, I even didn't know OCT-LOFT existed. It was almost like a hidden paradise for creative people. Indeed the area has nothing to do with the surrounds. In the past two years, I have seen it gradually lose the feelings of creativity and become very commercial and unaffordable. More and more restaurants and bars moved into the area, but it lacks of small-scale and young start-ups. Moreover, the traffic becomes much worse. Because of very few parking, you can see cars everywhere. This is very annoying to the people who live around.

Furthermore, there is a general feeling concerning a lack of “artistic atmosphere” in the OCT-LOFT. Except for the OCAT gallery and a few commercial art galleries, very few artists have a studio in the area. This is very different from many other clusters in Beijing and Shanghai where artists play an essential role. In the OCT-LOFT and even in Shenzhen city, only “commercial” designers are able to maintain a studio space, while artists can hardly survive. One of the findings from the field trips and interviews has been that many designers actually have a second business, such as a restaurant, coffee house or boutique shop. These second businesses have become a significant part of their income, which sometimes supports their design business as well. Their active involvement in the market satisfies the political goal of the Shenzhen municipal government who wishes to promote cultural and creative industries as a sector of “economy growth”.

Very few independent intermediaries or associations provide services for and coordinate between local creatives, although there is a high demand (Duan 2012). At the moment, the OCT-LOFT managers are responsible for this role. However, most of them only have knowledge of property management or events planning. They do not have the skills to provide business advice for creatives. Moreover, they are heavily influenced by other political and commercial forces, and they usually have to report to higher-level decision makers. The reporting process usually takes a long

time and there is also a risk that those decision makers do not understand the ground situation and as a result, refuse their support. Thus, the establishment of more independent intermediaries and associations would enable the representation of the actual interests of local creative practices and offer a range of business advice, services, training and mentoring. Together with creative individuals, small and medium-sized enterprises and institutional supports, creative intermediaries can create an interrelated web that maintains the sustainability of the local creative ecosystem.

Another concern is related to the broader context of social infrastructure in Shenzhen and even in other Chinese cities. There are many aspects that need to be improved. First, the government still deems ‘culture’ as a propaganda tool and have strict censorship control over cultural contents. As O’Connor and Gu (2012) point out, there is still a strong need for Chinese cultural policies to propagandise national and socialist values, despite this running counter to intellectual and artistic production, so that only “safe” popular culture is allowed to proliferate in the market. In Shenzhen there are only two major media companies, the Shenzhen Newspaper Group and the Shenzhen Broadcasting and TV Group, and they are both owned by the state. These two companies ideologically control the media channels and economically dominate the advertising market with a share in 90% of it.¹² This monopoly, along with various Socialist value systems (O’Connor and Gu 2006), largely restricts individual creativity and innovation.

Secondly, there is a demand that the governmental role should be shifted from ‘governance’ to ‘coordination’. The associated governance and management system for cultural and creative industries should include the negotiation of independent cultural groups, social organisations and creative individuals (Qi 2012). Moreover, the rise of Internet and new media increases the possible information distribution channels and can thus more easily reach a wider audience. This may destabilise the traditional market chain of cultural production and consumption, and facilitate the establishment of new interactive networks and collaboration patterns. Last but not least, it has been difficult to work independently due to the lack of a supportive system for tax, insurance and social security. Creative individuals have to face the

¹² This information is based on “A Survey on Shenzhen Advertising Industry Development”, *Information of Cultural and Creative Industries of Shenzhen and Hong Kong*, Issue 26.

worries of tax rates, business insurances and their own superannuation, housing benefits and medical insurances after they take all the risks associated with setting up their practices. According to Chinese tax regulation, a designated office space is required for any business registration. This restriction, on the one hand, reduces the flexibility of creative individuals and increases their operational costs; on the other hand, it supports the idea that creative clusters can provide more offerings for creative individuals. In the long term, if the tax restrictions can be resolved for more diverse business types, such as home office and co-working, creative clusters will also be designed to accommodate this variety. If these issues cannot be sorted, traditional views will exert pressure on them to return to a stable job.

Finally, I have noted that the issue of copyright is closely related to the originality and core value of creative products (Dilnot 2003), and recently the protection of intellectual property rights has been raised in the policymaking agenda. A prevalent ‘copy’ culture in China, which mass reproduces existing cultural commodities, has led to a dilemma: on the one hand, imitation does not create high-value innovation; on the other hand, it is part of the globalisation process (Pang 2012) that provides learning opportunities for local creatives. Thus “learning from copying” has become popular among the design industry in Shenzhen. Imitation seems to be the shortcut to rapidly modernising the city. An interviewee claims that they cannot afford to spend much time developing design ideas because of the short timeframe and low budget of the projects, so that the easiest way is to find a similar example in foreign design magazines. The problem inherent in imitation is that it overlooks the adoption of creativity in the production process, regarding the final outcome as more important. As a result, design is merely a “styling tool”, missing that process of thinking and considering which involves creativity and intelligence. It may lead to an awkward situation in which design workers have high visualisation skills, but have little capacity or motivation to create an innovative product.

Chapter 10: Conclusion

10.1 SUMMARY

From what I've discussed in the previous chapters, we can conclude that the notion of creative clusters is very fluid. It is comprised of a number of parameters around issues such as the economy, culture, top down or bottom up governance, creative production and consumption, local and global identity, geographic locations (e.g. city fringe) and others which I have not included here. To some extent, the assemblage of these parameters can conceptually draw an outline for a creative cluster that can vary in different situations. Rather than trying to give a precise but rigid definition for it, I have summarised a few principles distilled from the previous discussion.

Firstly, in order to understand the performance of clusters, it is important to clarify the potential role that clusters have in relation to the creative topology of the city. Clusters are not isolated urban quarters, but are embedded in the wider contextual system. Second, a comprehension of the local context including history, culture, demography and planning regulations, is a precondition to examining specific clusters. All of these are based on a diversity of ‘clustering parameters’, from location, rent level, history, design quality and brand image to management experience. Third, without critical analysis, the risk of having an idealised model or utopian vision for creative clusters may cause a homogeneous formulation or a repetition of stereotypes. Lastly, the idea of creative clusters as an “interface” – spatially, culturally, socially and symbolically – emerges to produce creative networks, cultural congregations, meanings and memories. These four principles have guided the investigation of creative clusters in the previous chapters.

According to what we have seen in both case studies, creative clusters are or should be embedded in the city. They are not the generators of big profit for local governments and developments, but they play an important role in the formation of a wider ‘creative milieu’ or ‘ecosystem’ (O’Connor and Gu 2012). In the case of Surry Hills, the development of the “cultural quarter” has been integrated with the local government’s urban policies to create an area that is intensified by small-scale

creative activities and which engages with both the local community and the wider creative sector. The public intervention, the subsidy offered by the City of Sydney and the participation of publicly funded agencies has provided new spaces for start-up businesses and for learning, training, networking, encountering and exchanging new cultural ideas. These creative spaces act as nodes which host exhibitions, performances, seminars, training, openings, launches and public art projects for a wider urban milieu. In the case of Surry Hills and surrounds, the grassroots creative activities are mostly bottom-up and the local government manages urban policies and ‘soft’ interventions to support small businesses, while in the case of OCT-LOFT the ‘operational role’ has been completely handed over to the private developer. Thus the developer OCT acts in the same role as does the City of Sydney in Surry Hills. Although it seems that the OCT-LOFT has already generated a ‘creative buzz’, there is the risk that the area may fall into a commercial or real estate development if profit-driven overdevelopment occurs in the future. This lack of public cultural infrastructure and support for small-scale creative enterprises may also lead to a seclusion of the area that is already isolated and separated from the wider urban milieu.

While the governance in these two cases appears very different, other dimensions are worthwhile comparing in detail. The comparison is summarised in the table below, which also gives an overview of what has been discussed in the case studies.

Table 4 The Comparison of Two Selected Clusters

	Surry Hills	OCT-LOFT
Formation Type	Organic / spontaneous	Planned / top-down
Land Ownership	Mostly small and private	Single ownership jointly by state-owned enterprise (OCT) and municipal government – ‘growth coalitions’

<i>Activity Type</i>	Mix of small and medium-sized firms Consumption oriented activities, such as cafés, restaurants, bars and boutique shops	Established design firms Consumption oriented activities, such as cafés, restaurants, bars and boutique shops
<i>Governance</i>	The City of Sydney for public domain and council-owned properties Planning control for private development	Joint governance by OCT and municipal government
<i>Policy</i>	Sustainable Sydney 2030 Oxford Street cultural quarter action plan	Shenzhen Cultural and Creative Industries Revitalisation Development Plan 2011-15 Planning policy to allow creative businesses to enter without changing the industrial zoning
<i>Marketing and Branding</i>	‘Cultural Quarter’ by the City of Sydney	Collective Branding supported by OCT
<i>Social Interaction Venues (Physical)</i>	Coffee shop Small bar Public space, e.g. library	Starbucks or other cafés Bookstore
<i>Virtual Networking</i>	Social media websites, e.g. Twitter Two Thousand PeepShow AR The Loop	Social media websites, e.g. Weibo, Douban

10.2 THE SIGNIFICANCE OF CREATIVE CLUSTERS

Modernism always brings ‘order’ to our society, and urban planning can become its powerful weapon used for widening streets or creating large open spaces that constitute a fantasy in our imagination consisting of greatness, greenness and aesthetic beauty. Many creative clusters are produced under these ambitious visions

and this pursuit of new urban aesthetics. However, as we can see in the case studies, the gathering of creativity and innovation is actually characterised by small-scale businesses and fine grain activities. Their generation in a specific locality sometimes comes about through a spontaneous process and resistance to heavily planned routines.

Creative clusters are an important part of cities because they provide specific urban qualities that transfer tacit knowledge through informal learning, they provide efficiently sourced skills and information, they pool together complementary businesses producing learning and efficiency effects, they develop inter-cluster trading, networking and joint projects, they deliver common services, they test industry development policies, they allow cheaper rents and other benefits for small or medium enterprises, and they create inspiration, common branding and identification. (O'Connor and Gu 2012, 11) These qualities are considered to be the fundamentals of the 'creative milieu' that the culture-led urban development aims to achieve. Local governments and cultural entrepreneurs employ various methods of physical and virtual intervention to deal with the challenges that the clustering effect is facing. The feasible use of creative spaces is promoted to encourage urban dynamics to remain in the inner city areas.

From what has been discussed in both case studies, it has been found that creative clusters play a crucial role in connecting the 'creative economy' to a locality, which is seen as one of the outcomes of 'creativity-led' urban regeneration. While the development of Surry Hills was almost spontaneous and rooted in local history, ambience and community, the development of OCT-LOFT was a partial reflection of the industrial development in Shenzhen. Its vibrancy and prosperity is a unique case in the city in comparison to other creative parks that don't produce such a 'creative buzz'. Indeed, both the hard and soft urban infrastructures of creative industries are still developing in Shenzhen. The study of a relatively mature case in Sydney may generate further specific knowledge to assist in future policy making and developmental models in Shenzhen and even elsewhere in China. On the one hand, knowledge transfer from the West to China may improve the performance of creative clusters; on the other hand, local character, such as the ongoing manufacturing presence in Shenzhen, should be preserved and taken advantage of for the development of creative clusters.

10.3 RESEARCH RECOMMENDATIONS AND LIMITATIONS

Finally, the conclusions I put forward in this research can act equally as recommendations for the future development of ‘creative clusters’ in Australia and China. I argue, firstly, that while this very concept is entitled to an urban area, it may become distant from everyday life. Creative industries are treated as ‘high art’ that only serve a small circle. Creative clusters thus become secluded, but with a high expectation of efficiency and economic productivity as a result of their dense proximity. However, any ‘creative cluster’ or ‘creative park’ should be part of the city, embedded in it and integrated into the urban creative ecosystem. At the very least, they should become part of the network of public realms that provides the city with urban qualities and creative production, as well as being a kind of media to connect people to locality.

Secondly, whenever creative industries or clusters are discussed, we are always lost in their economic aspect. Creative clusters are expected to generate large economic benefits for the city, while creative industries are regarded as an advanced business sector. As a result, the design of clusters often focuses on an aesthetic effect rather a clustering effect. Many other dimensions of their spatial qualities are overlooked, such as their contribution to cultural vitality and to social equity. I also think that creative clusters should be seen as a node for knowledge production that can benefit everyone who participates in this kind of new urban experience. One possibility is that creative clusters can offer local supportive infrastructure with the provision of local educational training and community services.

Creative clusters also function as places that offer city a ‘magnetic effect’, which can attract creative labour with high mobility and skills. In order to retain these qualified personnel, it is crucial for the public sector to continuously improve their quality of life and to facilitate their business growth through advice, training and financial support (Turok 2003). The establishment of creative clusters is then involved in a more sophisticated or organic planning process with deliberate consideration of local specific contexts, and it includes “*the entire portfolio of activities developed, with possible forms of cross-subsidisation and cross-ownership, the intermingling of different taste paradigms, audiences and organisational formats,*

the blending of short-term, singular and long-term, collective effects, the reciprocal relations between cultural internalities and economic externalities, and the circumstantial alteration of moments of commodification and decommodification” (Mommaas 2004, 509). This would also include the uses of new urban informatics, which add a more personalised, interactive layer of virtuality to the physical networks. Only in this way can creative clusters be transformed into more resilient and self-sustaining milieus. This then leads us to a rethinking of the “*hybrid public-private models, based on a mixture of resources and management relations (public funding, entrance fees, lease contracts, sponsorship money, heritage funds)*” (Mommaas 2004, 515), which require more “*cultural democracy, diversity and openness*”.

As the research samples are two selected case studies in Sydney and Shenzhen, the study has limitations on its findings because it focuses on two unique clusters perceived as ‘creative hubs’. Thus, the research may be only a starting point for the investigation of specific issues around creative clusters, and there is a need for further investigation into the generality of the research findings. Especially in the context where the development of creative clusters or cultural quality is regarded as a key contribution to the ‘creative economy’, this study appears to have the practical implications that can guide local governments and creative entrepreneurs to implement culture-led urban regenerations. Rather than designing creative clusters, the research suggests programming these urban spaces into future planning.

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