

The Space, Sociality and Art Worlds of Creative Clusters:

Two Case Studies in Shanghai

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Abstract

The notion of creative cluster has been imported to China and endorsed in the official cultural policies in the recent years. Despite the overwhelming practice of creative clusters designation in China, especially capital cities, relatively little has been known about how it works in China and in what ways it produces creativity.

Based on a comparative study of two creative clusters in Shanghai, Tianzifang and M50, using Henry Lefebvre's theoretical framework on the production of space as the main thread, complimented by other theories including Pierre Bourdieu on capital, habitus and field, and Becker on art worlds, this thesis investigated the production process of creative clusters in China context, the various management models of creative clusters and their effects on the creativity production, and the reasons for different performance of creativity in the two clusters.

This thesis suggested that the production of creative clusters in China not only involving the production of physical space, but also the mental and social space. Creative clusters in China were acted on by policy, represented the party ideology and became the representation of political performance of local authority. Meanwhile, new social space for artists has been formed in the clusters.

Concerning the various strategies of production, each cluster presented a different performance on delivering perceived creativity. TZF has adopted a government dominated model, and has developed tourism as well. This has been successful in fostering commercial environment by allowing the cultural and commercial functions to co-exist easily, but also has led to the capitalization of space and there seemed to be less evidence of creativity. M50 has to date been commercially managed with an enterprise model. It has been successful in cultivating the creative milieu through managing the ratio of different creative organizations in the cluster and has shown more ability in producing creativity.

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Introduction

The creative industries have become increasingly prominent in national and city economic policy agendas in recent years. The increasing importance of creative industries is evident in Europe (Power, 2003; Pratt, 1999, 2004a; Taylor, 2009), America (Scott, 1992, 2002, 2004), and more recently Australia, New Zealand, Singapore, South Korea, Taiwan, Hong Kong as well as mainland China in cities such as Shanghai, Beijing and Guangzhou (Keane, 2007; O'Connor, 2009). The term and concept of 'creative industries' migrated internationally to China in early 2004 (Fan, 2006; Keane, 2009a) from its western origins. Since then, it has moved to the very centre of cultural policy and regional development strategy of in China. The discourses around such concepts as the creative industries, creative clusters, creative cities as well as the policy issues have been developing very rapidly since 2006.

In China, the creative clusters strategy is significant because it has been widely adopted as the template to develop creative industries by local government (Keane, 2009a). The creative cluster has been extensively studied in the Western literature as an important cultural and economic strategy, (Pratt, 2004b; Brown, O'Connor and Cohen, 2000), and yet surprisingly little attention has been paid to the practice of creative clusters designation in China, where the largest number of creative clusters are located. The purpose of this study, then, is to investigate the dynamics of creative clusters in China and how and in what ways these affect artists' creativity.

Artists are pivotal figures: as arts lie at the core of the creative industries (Throsby, 2001, 2007), artists are considered as the important component of the creative class. In China, the primary arts villages established by artists finally turned out to be the earliest creative clusters under the intervention of local government. These creative clusters are not only a physical cluster, but also a mental and social space for the artists. In particular, new social

networks among different stakeholders and the arts worlds among the artists have risen in creative clusters.

This study is also concerned with the artists' creativity, which may be defined as the perceived creativity by artists, and to some degree this has also been affected by the creative cluster strategy. As the interviewees (mainly visual artists) simply put it, 'to creative something new and original' in their artworks, is essential for their careers and critical for them to survive in the market.

This chapter presents an overview of the thesis, the rationale for the thesis overall and discusses the relevance of this study to the arena of cultural policies and creative clusters. The chapter begins with a context of the study, briefly discusses the significance of the study on cultural policies, creative clusters, artists and creativity in China, and then puts forward the research questions. The scope of this study is confined to visual artists in the two creative clusters in Shanghai, China. The artists researched in this study are mainly visual artists encompassing oil painters, photographers and designers, which are the primary areas of employments in these two creative clusters. This chapter briefly discusses the literature on this particular topic and the rationale of this research, outlines the research aims and objectives, and introduces the methodology and finally presents the structure of the thesis.

This study was motivated by a number of factors. First, it wishes to contribute to the current debate on the overwhelming creative cluster issues in China. Second, it seeks to discover proper theoretical guidance for the practice and policies of the creative industries and creative clusters in China. Third, it seeks to fill a gap in the literature on creative clusters in China by examining the relationship between policies, creative cluster, creative milieu and creativity through critical studies with primary empirical data. In addition, this study claims originality: it is the only comprehensive study of creative clusters in China and constitutes a unique attempt to evaluate the cultural policies through an investigation of the influences of three different levels of space on artists' creativity. The empirical evidence gathered helps us to

further understand the interrelationship between cultural policies, creative clusters, creative labour and creativity.

The researcher decided to conduct this research mainly because of her background. She had studied cultural geography and urban planning in China before she started her PhD of this subject in the UK. During her study in China, she had observed recent changes to cultural policies and the fast growth of creative clusters in China, especially in major cities.

The recent growth in cultural policies and creative clusters in China motivated the researcher to seek to investigate the current position of creative clusters in China and to consider future developments. It is significant to notice that proper theoretical guidance and for the overwhelming practice of creative clusters and the policies of creative industries is required.

The development of creative industries in China has a long history evolving from the cultural policy context which witnessed the transformation from state-owned cultural institutions to cultural creative industries (Zhang, 2006). Since becoming a republic in 1949, China has experienced rapid economic and cultural development, especially since the Reform and Opening-up in 1978. Prior to 1978, the cultural sector was a segment of Public Service Units (PSU) subsumed under the planned economy system (Zhang, 2006). Since 1978, the development of Chinese cultural sectors has followed a process of cultural industrialization and modernization driven by Reform and the Opening-up Policy which opened the door to Western ideas (Deng, 1978). In the 1980s, the concept of 'cultural industry' was imported to China from East Asia and received legitimacy from central government. The cultural industries and cultural economy have been endorsed in the official reports of by the State Council of China (SCC) (Chen, 2011).

October 2000 witnessed a fundamental shift in the nature of cultural institutions in China. The term 'cultural industries' was first used in the CPC's official documents in the 5th Plenary Session of 15th Communist Party Congress in October 2000, where it appeared in "The Central Committee of the CPC's Suggestions on Instituting the 10th Five-year Plan of National Economy and Society" (Yang, 2009). This was the first time that

the term 'cultural industry' had been used in official discourse, which implied a great leap forward in the cultural construction theory of the CPC. According to the suggestions, "deepening the reform of cultural systems, improving the cultural industrial policy, reinforcing the construction and management of cultural markets, and promoting the development of cultural industries" was stated in the government reports in 2001 (Yang, 2009). Since then, many provinces or cities in China have announced developing cultural industries as a primary policy in their implementation of the 10th Five-Year Plan (Hui, 2006).

Comparatively, 'creative industries' as a concept arrived relatively late on the mainland China, although Hong Kong has been using it since the Chief Executive's Policy Address in 2003. In 2004 the 'Creative China Industries Union' was established by the China Pacific Institute in Beijing, including six units which consisted of governments, industries, academics and universities. There, it brought forward the slogan 'Creative China' and "from 'Made in China' to 'Created in China'". This indicated the beginning of the 'creative industries' in Mainland China (Fan, 2006). At the end of 2004, the first 'China Creative Industries Forum' was held in Shanghai; here, the concept of creative industries was first introduced to China. In July 2005, the 'First International Conference on Creative Industries' had been organized in Beijing. It was launched by Queensland University of Technology from Australia, associated with People's University of China and Chinese Academy of Social Sciences. This demonstrated that the concept of creative industries was now formally established in Mainland China (Hui, 2006).

Keane (2007) argues the cultural creative industries received green light from national government of China in 2006. Concepts such as 'creative China', 'creative province', 'creative city' and 'creative century' were endorsed in policy statements within the 11th Five-year Plans of many Chinese regions and cities. Meanwhile, a series of Blue Books of China's cultural and creative industries were published to report, evaluate, analyse and make recommendations on cultural and creative industries developments (Keane, 2007). Since then, China has witnessed the prosperity of cultural and creative industries in its main cities. For instance, cities such as Beijing, Shanghai, Shenzhen, Hangzhou, Nanjing and Wuxi,

amongst others, have adopted the creative industries within economic development strategies and policy statements (Fan, 2006). Furthermore, Beijing, Shanghai and Nanjing established the '11th Five-year Plan of Cultural and Creative Industries Development'. Since then, the creative industries have become the crucial policy discourse of central and regional governments in China.

However, Keane (2009a) has also argued that although the significance of the cultural creative industries are identified in Chinese government policies, the question still remains— how to adapt them to Chinese context? The current solution for China is to employ 'creative clusters' as the template in many cities to help develop their cultural and creative industries (Keane, 2009a). For example, in Beijing, Shenzhen, Guangzhou, Nanjing, Hangzhou, Xi'an and Chongqing, "to promote creative cluster planning and construction" was put into government policy of 'the 11th Five-year Plan'. Therefore, old factory buildings, existing industrial parks and even the newly-built office buildings competed to be designated as creative clusters. In the last 5 or 6 years, hundreds of designated cultural creative clusters have emerged in the main land China. By July 2010, there were 85 creative clusters in Shanghai (Chen, 2010), 50 in Nanjing (Du, 2010) and 30 in Beijing (BJCI, 2011) respectively. These numbers indicate the extensive adaption of the namely Western concept of 'creative cluster' into the cultural creative industries development strategies of China. Given that creative clusters have been adopted as the most important strategy for both central and local governments, understanding the dynamics and mechanisms of creative clusters is necessary to provide useful reflections and insights for policy makers.

Clustering is one of the key characteristics of the creative industries noted by many academic researchers (Hitters and Richards, 2002; Pratt, 2004b; Scott, 1999, 2004b; Mommaas, 2004). This is especially obvious in China as discussed above. As Keane (2009a) has suggested, a creative cluster strategy was quickly identified as the proper model for China because it turned the intangible and the mysterious attributes of the creative industries into material forms (working offices, creative workers, and creative products) -- in other words, 'things' within a format that Chinese officials were familiar

with. The cluster model widely used and imitated in China involves setting up a building, calling it a creative cluster, and attracting some creative (or non-creative) workers; or in some cities, existing high-tech parks, and spontaneous arts villages were officially designated as creative clusters.

Therefore, it has been argued that the concept of creative clusters is practised discursively in China (Wang, 2004; Keane and Hartley, 2006; Hartley, 2006; Rossiter, 2006; Keane, 2007, 2009a, 2009b; O'Connor, 2009). Wang (2004) has criticized the social and economic environment in China, considering it insufficient to support the creative industries development model, due to the inadequate freedom of the market economy, the poor commercialization of cultural industries and the weak protection of intellectual property. The other main critical argument is that creative cluster policy in China is almost entirely driven by real estate developers and cooperating local government officials, and are therefore only available to those with money and 'guanxi' (rigid personal networks) (O'Connor, 2009; Keane, 2009a).

In his book *Created in China: the Great New Leap Forward*, Keane (2007) also argued that there are significant barriers to creativity and innovation in the Chinese economy and political system. Based on an analysis of Chinese history and culture he identified these as, "censorship, weak intellectual property enforcement, lack of space for loosely networked small enterprises, heavy top-down management styles" (Keane, 2007; c.f. O'Connor, 2009, p.190); as well as corruption, tacit relationship, "political before business considerations, lack of public debate and an uncreative education system." (Hutton, 2007; c.f. O'Connor, 2009, p.178) All of these are hampering the Chinese creative industries by "locking them into pirating, sub-contracting, imitation rather than a really creative and innovative sector" (Keane, 2007; c.f. O'Connor, 2009, p.178). In this context, the term 'creative' may well be redundant (Keane, 2009a).

From the viewpoint of modernity and cultural modernization, O'Connor and Gu (2006) have argued the creative industries can play an important part in the modernization of China through their incorporation into Chinese traditional culture? They proposed a historical account of creative industries

in China and a local-world viewpoint to develop creative industries in a Chinese context. O'Connor (2009) has further stated that without western democratic political and civil society institutions:

China might have 'hard knowledge' but the creative, emotional and interpersonal skills required for the high-value end of a post-Fordist knowledge economy cannot be achieved (O'Connor, 2009, p. 189).

It is unlikely that Chinese traditions and culture will change in one day, nor can democracy and a civil society come to China overnight. The market is not yet ready for such change and the clusters are actually not sufficiently creative even though creative clusters are thriving all over the country. Thus, given an understanding of Chinese history and culture, the question remains as to how to accommodate ideas of creative clusters into a Chinese context (Keane, 2007; 2009; O'Connor, 2009)? This is an on-going problem, and requires further empirical investigation.

Shanghai is the first Chinese city in which creative clusters were initiated, and has quickly developed under the economic development strategy of the municipal government. Since 2005, 87 cultural creative clusters have been designated in Shanghai -- art centres, animation bases, cultural zones, and incubators -- most of which have mushroomed from disused urban industrial sites in the past five years (Keane, 2009a). The cluster boom, predicated on the idea of the formatting of cultural production and consumption (Keane, 2009a), and the assumption that creative clusters could bring a creative milieu boom (O'Connor and Gu, 2006), has important implications for how we understand the cultural creative industries in China. This is why it is important to carry out this study to reveal the creative activities in creative clusters in Shanghai, China.

Therefore, this study focuses on the artists in two creative clusters in Shanghai: M50 and Tianzifang creative clusters. Both were spontaneous arts villages formed at the end of 1990s and transformed to be creative clusters by local government with cultural policies in 2005. Contemporarily, they are the most famous creative clusters in Shanghai. Thus, they are representative cases to investigate the mechanism of creative clusters in Shanghai. It is also possible to make comparisons of these two case studies

and to investigate similarities and the reasons for difference. This study is explores the following research questions:

- 1) How are creative clusters produced in China? This is examined through an investigation of how the concept of 'creative cluster' is practiced in China and tries to develop a conceptual model of creative clusters in China. In other words, it explores the mechanism of creative clusters by investigating the social networks among different stakeholders in the social field.
- 2) Do creative clusters produce perceived creativity? This evaluates the extent to which the creative clusters generate creativity by artists and investigates how creative clusters affect artists' creativity. This is explored in more detail, by asking what the roles of creative clusters are in terms of physical, mental and social space. How do the different levels of space affect creativity? Moreover, the comparison of two clusters will enable investigation into how different strategies of governance affect the performance of creativity.
- 3) What are the current situations of contemporary artists in China? This explores the arts worlds formed in the creative clusters in order to understand the role of social networks for contemporary artists.

These questions will be further discussed within the context of the detailed literature review and theoretical framework construction (see Chapter 2).

The study explores the dynamics of creative clusters in China by examining the interrelationship between their space and artists' creativity. The researcher assumes that the designation of creative clusters in China is actually a process of production of space. Using Henry Lefebvre's theoretical framework on the production of space as the main thread, complimented by other theories including Pierre Bourdieu on capital, habitus and field, and Becker on art worlds, this study presents a typology of three levels of space and discusses the effects of each level on the artists' creativity. It should be noted here that while two levels of the space (i.e. the physical and social space) are similar to previous study, the mental space seems to be a product of China's particular social and political history. In

detail, this study investigates the evolution of cluster space, representations, social networks and arts worlds of the creative clusters.

The literature reviewed for this study gives both theoretical and empirical background, and helped to formulate the questions and objectives. The aims are to explore the dynamics of creative clusters in China and to investigate how and in what ways the clusters affect artists' creativity. To achieve these aims, five objectives were determined. First, the study will develop an explanatory model of the production of creative clusters in the Chinese context, classing these according to management structure. Second, it will discover the characteristic features of Chinese creative clusters and compare them with those found by previous studies. Third, it will investigate the evolution of cluster space and its influences on artists' creativity. Fourth, it will investigate the dynamics of the social networks and its influences on the formation and expression of artists' creativity. Fifth, it will investigate the formation of art worlds and its influences on artists' creativity. Finally, it will identify the implications of the findings for urban planning and cultural policy.

The thesis consists of nine chapters, including an introduction and a conclusion. The following outline summarises the structure and content of the study chapter by chapter. This Introduction provides an overview and rationale to this study as a whole. This chapter starts from contexts and theoretical backgrounds of creative industries and creative clusters, as well as providing an overview of cultural policy evolution in China. From this the research questions are put forward.

Chapters 1 and 2 review the relevant literature and theories. The literature mainly refers to the Western countries, because domestic research in China is very limited. Chapter 1 presents an overview of creative industries and creative cluster research, with particular attention to the cluster and creativity perspective. Chapter 2 presents the theoretical framework of this study based on the literature of relative theories included modelling the creative cluster, Becker on art worlds, Bourdieu's thinking tool of habitus, field and capital, and Lefebvre on the production of space. The chapter then establishes a composite theoretical framework for this study to investigate the dynamics of creative clusters.

Chapter 3 provides an overview of the context of the creative industries in Shanghai. It presents the urban political, economic and cultural context, and then discusses the specific policies and strategies for developing creative industries and clusters in Shanghai.

Drawing on the findings from the literature review, Chapter 4 discusses research methodology, discusses the importance of this research, presents an initial introduction to the selected case studies and details the research methods.

Chapter 5 investigates the spatial practice, the evolution of physical space and the spatialised habitus of artists in the creative clusters. This chapter investigates the transformation from industrial or residential buildings to creative clusters; the working practice of artists and the influence of the physical space on artists' creativity.

Chapter 6 considers the creative clusters as the products of representational activities of different stakeholder groups and investigates the differential representations of creative clusters according to the forms and quantities of economic, political and cultural capital of various groups. It also investigates the ownership of the space, the administration and management structure, the various conceptions of creative clusters and their effects on artists' creativity in each case. Finally, this chapter investigates the social networks among various groups of stakeholders in the social field.

Chapter 7 investigates the social space of the two selected creative clusters: the arts worlds formed by the artists. The chapter discusses the formation of arts worlds, the embedded artistic field of the creative clusters and its influence on artists' creativity.

Chapter 8 summarises and integrates the findings of this research in the light of the study's objectives. The discussion reflects on existing Western literature, and discusses the problems, challenges and issues of applying and practicing creative clusters in China. Finally, the chapter presents the limitation of this study and makes some recommendations for future researchers.

Chapter 1

Creative cluster and the situation of creativity

This chapter presents an overview of creative industries and creative cluster research, with particular attention to creativity in creative cluster. This chapter consists of three sections. First, it contextualizes and conceptualizes the terms of creativity, cultural industries, creative industries, creative cluster, creative city and creative class, discussing in broad terms what are meant by these terms, both internationally and in China. This part draws heavily on the economic and urban literature, and especially focuses on creative cluster and creativity management. Second, it specifically theorises the functions of creative clusters in economic development, urban regeneration and innovation strategies. Third, it conceptually frames the role of place and space in the aesthetic creativity process.

1.1 Definitions and conceptual elements

The ways in which cultural industries, creative industries, creative cluster, creative class and creativity are defined and conceptualized are of fundamental importance, because these provide the guidance for research in the area. Over the last few years, intense debates have been devoted to the definitions of creative industries and related concepts such as cultural industries, cultural economy, creative economy, content industries, copyright industry, creative cluster, creative city and creative class in both policy statements and academic literature (O'Connor, 2000; Hesmondhalgh, 2002). These debates have been particularly frustrating (O'Connor, 2000) because the terms themselves are very problematic (Drake, 2003). These concepts may cover certain common areas and overlap each other. For example, 'creative industries' and 'cultural industries' are frequently used interchangeably by both policymakers and researchers (Drake, 2003; Galloway and Dunlop, 2007; Kong, 2009). However, they also have very differentiated usage and meaning to distinguish from each other (Galloway and Dunlop, 2007). Therefore, it is important to analysis these definitions, as all of them provide conceptual frameworks to understand the creative

industries, underline different aspects and problems which affect the practices and dynamics of this sector and thus need to be investigated and understood. Each concept is discussed as follows.

1.1.1 Cultural industries paradigm

The term 'cultural industries' is one of the concepts which have provoked much debate among both scholars and policymakers. The other relative concept is cultural economy. As Gibson and Kong (2005) suggest, 'cultural economy' is a similar concept with 'creative economy' (Howkins, 2001) and 'cultural industries'. In some literature, they are used interchangeably (Scott, 1996; Scott, 1997; Henriques and Thiel, 2000; Scott, 2000b; Pratt, 2004b). In Scott's definitions of cultural economy and cultural industries, they include the same components, and the cultural industries are the specific expression of cultural economy (Scott, 2000b; Pratt, 2004b). From this point of view, they are actually interchangeable.

As various researchers (Towse, 2000; O'Connor, 2000; Hesmondhalgh, 2002; Galloway and Dunlop, 2007) have suggested, the German social theorists Adorno and Horkheimer originally coin the term 'cultural industry' in the 1930s to distinguish between the traditional artisan based creative arts and industrially produced cultural commodities (Galloway and Dunlop, 2007). They have argued that in capitalism society, film and radio transformed from arts to industries. They use the term 'culture industry' in a very negative way to criticize the commercialization and industrialization of culture in the 1940s (Lawrence and Phillips, 2002). They have criticized the mass, standard and industrial production of mass culture as contrary forms to the traditional high arts, while culture and the arts are a mere 'industry', aiming to the mass society rather than an ideal of high value (Adorno and Horkheimer, 1979; c.f. Comunian, 2007). From their point of view, the culture industry consists of all forms of commercial cultural production. However, the traditional arts were specifically not included in the cultural industry (Galloway and Dunlop, 2007). Contemporarily, this term is used within both academic literature and policy statements; however, it has lost its critics of the cultural and social implication of mass cultural production and consumption.

From the policy aspect, the origin of the term cultural industries has arisen from reports produced by the French government and UNESCO in the late 1970s and 1980s (Galloway and Dunlop, 2007). Since the 1980s, cultural industries have been playing a more and more important role in the world economy and have been an object of government cultural policy all over the world (O'Connor, 2000). The concept of cultural industries has transformed from the classical cultural industries such as film, radio, TV and publishing, to incorporate these forms of commercial entertainment, mass produced by industrial methods (Galloway and Dunlop, 2007).

In the 1980s, Great London Council widely used the term cultural industries in policy statements. Meanwhile, some other synonymous terms such as arts and cultural industries, cultural products industries, derived from cultural industries are also popular among some scholars (Scott, 2004a). Some scholars has even argued that if culture is defined, in the broadest anthropological sense as a 'whole way of life' of a distinct people or other group (Williams, 1981, p.11), it is possible to argue that all industries are cultural industries, in that they are involved in the production and consumption of culture and symbols (Hesmondhalgh, 2002; Hesmondhalgh and Pratt, 2005). However, here the term of culture is used in such a wide sense that it is impossible to assign its actual meaning (Galloway and Dunlop, 2007). Apparently, this definition is too broad to understand cultural industries and its applications accurately. It affects the practices and dynamics of this sector at a moment (O'Connor, 2000). As a result, various scholars and governments have started to re-define cultural industries and have suggested defining cultural industries restricted within the production of symbolic texts or contents, cultural value as well as methods of production and consumption (Pratt, 1997a; O'Connor, 2000; Throsby, 2001; Caves, 2000; Hesmondhalgh, 2002; Lawrence and Phillips, 2002; Scott, 2004; Pratt and Scott, 2004; Galloway and Dunlop, 2007).

It is argued that cultural industries are concerned with the industrial production and dissemination of symbolic meaning and texts. The economic value of goods is derived from, or reflects their 'cultural value' (O'Connor, 2000) or 'aesthetic value' (Lawrence and Phillips, 2002). These definitions are implicitly derived from William's (1981) definition of culture as: "the

signifying system through which necessarily (though among other means) a social order is communicated, reproduced, experienced and explored” (Williams, 1981, p.31).

O'Connor (2000, p.19) has suggested defining cultural industries as “those activities which deal primarily in symbolic goods – goods whose primary economic value is derived from their cultural value”. O'Connor (2000, p.19) stated that cultural industries could consist of:

(1) 'classical' cultural industries – broadcast media, film, publishing, recorded music, design, architecture, new media – and (2) the 'traditional arts' – visual art, crafts, theatre, music theatre, concerts and performance, literature, museums and galleries – all those activities which have been eligible for public funding as 'art'.

However, it is difficult to distinguish the economic and cultural value in some instances. Hesmondhalgh (2002, p. 15) has addressed the social meaning of cultural system and refined the definition of 'cultural industries' as:

Those institutions (mainly profit making companies, but also state organizations and non-profit organizations) which are most directly involved in the production of social meaning.

Hesmondhalgh (2002) has further divided cultural industries into core cultural industries, peripheral cultural industries and borderline cultural industries.

- The core cultural industries are industries centrally related to the production of texts, which include advertising, broadcasting, film industries, internet industry, music industries, print and electronic publishing, video and computer games.
- The peripheral cultural industries are creative arts.
- The borderline cultural industries include consumer electronics, fashion, software and sports (Hesmondhalgh, 2002, p.12).

His model is based on the application of production and reproduction of the texts and symbols from the core cultural industries to the borderline cultural industries. However, it is quite arguable that creative arts which produce highly cultural texts are among the peripheral cultural industries rather than the core cultural industries in this model.

Throsby (2001) has suggested defining cultural industries in terms of the creativity, symbolic meaning and intellectual property involved in the cultural

activities. He put forward three necessary characteristics of cultural activities as follows:

- That the activities concerned involve some form of creativity in their production;
- They are concerned with the generation and communication of symbolic meaning;
- And that their output embodies, at least potentially, some form of intellectual property. (Throsby, 2001, p.4)

Based on this definition, Throsby (2001) has extended his analysis to put forward the concentric circles model of cultural industries, which is based on the origin and diffusion of creative ideas in sound, text and image from core creative arts (Throsby, 2001 and 2008).

- Core creative arts: Literature; Music; Performing arts; Visual arts.
- Other core cultural industries: Film; Museums and libraries.
- Wider cultural industries: Heritage services; Publishing; Sound recording; Television and Radio; Video and computer games
- Related industries: Cultural tourism, Advertising; Architecture; Design; Fashion (Throsby, 2008, p.149-150).

In this model, Throsby (2008) has ranked the cultural industries by how much creativity is contained in each industry. With the creative arts at the core, this model clearly showed the diffusion process of creative ideas from the core to related industries. From the core creative arts to related industries, the creativity contained in each hierarchy decreases one by one. However, this model is also problematic in practice, as there are considerable difficulties in deciding the extent of creativity involved in an individual sector or industry. For example, visual arts are ranked as the core creative arts in this model, but the mass production of visual artworks may be of low creativity.

However, apart from defining cultural industries on the production of symbolic meaning, some scholars have suggested definition based on the consumption of cultural products (Lawrence and Phillips, 2002; Power and Scott, 2004; Scott, 2004). They have argued that the symbolic meaning of cultural products is derived from the consumption. Caves (2000) has argued that one of the basic economic properties of creative activities is that the demand is uncertain and the value of creativity is subject to the consumers. Thus it is argued that understanding cultural industries requires an

understanding of the dynamics of consumption, rather than production. Lawrence and Phillips (2002) have defined two broad types of cultural products: entertainment and fashion. They further defined entertainment products as those cultural products that were interpreted directly by the consumer; fashion products were not meant to be interpreted by the purchaser but by others (Lawrence and Phillips, 2002). Based on the definition of cultural products, they have developed the concept of cultural industries as:

A group of firms is a cultural industry when the products of the firms are understood to be competing cultural products by a group of consumers (Lawrence and Phillips, 2002, p.433).

However, these definitions based on production or consumption of symbolic meaning have their disadvantages. For example, the creative art which is produced in non-industrial method may be consumed as cultural products. For another instance, in O'Connor's definition, the service industries which may also produce cultural meaning are neglected. Power and Scott (2004) has suggested defining cultural industries in terms of both what products they produce and how people consume them. Power and Scott (2004, p.3) have also suggested that cultural industries are:

All concerned in one way or another with the creation of products whose value rests primarily on their symbolic content and the ways in which it stimulates the experiential reactions of consumers.

Scott (2004a, p.462) has further explained the definition of cultural industries and put forward the term 'cultural-products industries' and divided cultural industries in two groups of sectors offering:

- Service outputs that focus on entertainment, edification, and information (e.g. motion pictures, recorded music, print, media, or museums);
- Manufactured products through which consumers construct distinctive forms of individuality, self-affirmation, and social display (e.g., fashion clothing or jewelry).

Providing a list of different definitions of cultural industries is difficult, however, most definitions mentioned above are based around a combination of symbolic goods, meaning, texts and contents. However, it is still quite a confused concept. As Scott (2004a) has addressed, there can be no hard and fast line separating the industries that produce the pure cultural value

and the utility value. Actually it is more like a wide spectrum ranging from pure culture value to pure economic value. Every product or service may fit into one position of the whole cultural-economic spectrum.

1.1.2 Creative industries paradigm

The emergence of creative industries is related to the rise in cultural industries. With the significance of knowledge of all aspects of economic production, distribution and consumption, and the growing importance of the services sector, creative industries attract tremendous attention all over the world. It is also linked to the dynamics of the 'new economy', whose form is increasingly informational, global and networked (Castells, 2000; Flew, 2002). The other concept related to creative industries is that of creative economy (Howkins, 2001). However, as various scholars have argued, it is an interchangeable concept with creative industries.

As discussed above, the shift in terminology from cultural to 'creative' industries demonstrated the recent cultural policy implications in the United Kingdom. The UK government's Department for Culture, Media and Sport (DCMS) defined the creative industries as:

those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property. This includes advertising, architecture, art and antiques, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer games, television and radio (DCMS, 2001, p.4).

First, this definition emphasised the value of original individual creativity, skill and talent. Second, it attached individual creativity to the generation and exploitation of intellectual property, but it does not include all intellectual property (Taylor, 2006). Third, it stressed the economic value of creative activities in wealth and job creation.

1.1.2.1 Creativity

It is frequently argued that the creative industries sector is innovative, entrepreneurial, flexible, creative, ideas driven, mixes the local and the global and, as such, is placed at the leading edge of the new post-industrial, informational economy (Lash and Urry, 1994; Scott, 1997; c.f. Banks et al., 2000). Creativity is often used as a keyword in the definition of cultural and

creative industries. As Throsby (2001) has noted in his concentric circle model, creative arts lie at the core of cultural industries. However, as creativity itself is such a fuzzy concept, the definition of creative industries is also full of critiques and arguments. As Galloway and Dunlop (2007) have argued, it is difficult to distinguish what are not creative industries or activities, since every activity may involve certain creativity.

Any innovation – including scientific and technical innovations – of any sort in any industry is creative, and, in such terms, any industry is, therefore, potentially a 'creative industry'. (Galloway and Dunlop, 2007, p.19)

Therefore, defining creative industries on the basis of general creativity is similarly problematic with defining cultural industries based on the broad definition of culture. Thus Galloway and Dunlop (2007) have highlighted the significance of distinguishing cultural creativity from all other forms of creativity, in order to take adequate account of important differences between cultural and creative industries. From this point of view, cultural creativity, including the core creative arts, is part of cultural industries while other forms of creativity such as scientific and technical innovations are part of creative industries. However, even ignoring this difference, the DCMS definition does not contain all the creative activities by attaching individual creativity with intellectual property.

1.1.2.2 Intellectual property

As Howkins (2001) states in his book *The Creative Economy*, *creative industries are those economic sectors which produce products within the protection of the intellectual property law. He argues that there are four kinds of intellectual property: patent, copyright, trademark and design.*

Intellectual property has become a factor in the global battle for competitive advantage. The effect is seen in almost every industry; not merely the traditional copyright and patent industries (which are expanding) but in all industries that depend upon trademarks, brands and designs, from food to sport. Companies want to maximize revenue from each creative product; and therefore create a many intellectual properties and as many rights as possible. From a company view point, there are many arguments in favour of privatization and few against. An increasing number of creative products have a property tag attached, and the tag says 'private' (Howkins, 2001, p.79).

From this point of view, this definition emphasised on protection of intellectual property which allows people to own their own products of

creativity. As Towse (c.f. Hesmondhalgh, 2002, p.170) has argued, copyright is now viewed as the 'organizing principle' for the creative industries and is the basis for defining the cultural industries. However, Galloway and Dunlop (2007) have argued that it is too wide-ranging to define the cultural sector in terms of its ability to generate intellectual property because there are many types of intellectual property including scientific, engineering and academic. By doing this, it fails to identify adequately the distinctive aspects of the cultural sector. However, not all intellectual properties are contained in the DCMS definition. Nevertheless, it emphasizes the economic value of creativity in terms of creating wealth and employment through the generation of intellectual property.

1.1.2.3 Economic value of creativity

The economic value of creativity is often addressed within local development in terms of economic growth and employment creation. In other words, it highlights the commercialization and marketing of individual creative activities.

In conclusion, the DCMS definition is a combination of three essential elements: individual creativity, intellectual property and economic contribution. However, this definition is also quite problematic. Garnham (2005) has argued that the shift from cultural industry to creative industry is the requirement of cultural policy, which tends to include the entire software industry to achieve the scale and growth rate as it claimed in order to advocate the public support for creative workers and improve the international competitiveness of cultural products and services of UK.

Ignoring these debates about the cultural–creative terminological shift, this definition also has certain advantages from several points of view. Based on the comparison of different terms related to creative industries, Keane (2007) has argued that the term 'creative industries' has advantages over related descriptors, in that it draws attention to creative inputs into production, marketing and distribution. It emphasizes the value of human capital in the process of creating new ideas, respectively,

'cultural' industries by public policy function and funding, and 'content' industries by the nature of traded output, as well as 'copyright

industries' by the nature of asset and industry output (CIRAC and Cutler 2004, p.11; c.f. Keane, 2007, p.5).

However, regarding the academic use of this term, it is still quite complex and problematic. In order to avoid frustrating terminology debates, some scholars prefer to use creative industries in the government projects, and cultural industries in their own academic articles (O'Connor, 2005). Pratt (2005) has argued that he prefers cultural industries because at least cultural industries include particular activities that produce 'culture', such as film and books. Meanwhile, other scholars tend to mix the use of both terms as 'cultural and/or creative industries' and 'cultural creative' industries (Hall, 2000; Gibson and Kong, 2005; Kong, 2009).

In China, the term 'cultural (and) creative industries' is widely adopted in the policy statements and academic literature. Keane (2009a) stated:

The more Chinese socialist approach favoured cultural, with its evocation of 'the people', while the business approach advocated creative, for all of the reasons mentioned above (see Chang, 2008). In the end the compromise 'cultural creative industries' (CCI) came into being, into which the myriad elements associated with culture and creativity were diced, mixed and enfolded (Keane, 2009a, p.224).

However, the use of this term is very complicated in China, and subject to a specific context. On the one hand, the term 'cultural' can be used as a parallel word with creative, thus cultural creative industries may contain both cultural and creative industries. On the other hand, the term 'cultural' is used as an adjective for creative industries, which contains only 'cultural creative' industries. Therefore, in the literature, there are apparently two different kinds of research, with one focusing on the creative industries, and the other emphasizing more on cultural industries (Zhang, 2007).

In conclusion, the term is universally used in a very confused and problematic way. However, even ignoring governments/scholars' personal preference of the use of each term, in lots of literature, there is still a lack of clarity about whether the terms creative industry and cultural industry are interchangeable or whether they denote different areas of activity (Drake, 2003).

1.1.2.4 The distinctive economic characteristics of creative industries

Caves (2000) has argued that the creative products may appear simple but be complex, representing the incorporate innovation and creativity in each process of production and marketing. Creative activities have some distinctive properties that distinguish them from other economy, and sometimes distinguish creative activities from one another (Caves, 2000).

First, the demand is uncertain, because there is great uncertainty about how consumer will value a creative product (Caves, 2000). Thus, the value of the creative product is generated from the evaluation of customer. The market provides the test bed for creativity and innovation. Meanwhile, peer review of culture products is also important for testing.

Second, some creative products require diverse skills and specialized workers (Caves, 2000). The cooperation of diverse people, groups and industries in producing a good is required. Thus, social networks are of great significance in creative industries.

Third, creative activities should produce differentiated products; as a result, vertically differentiated skills are also required. Cultural products differ unpredictably in the quality levels that consumers see in them (Caves, 2000). Thus the cooperative networks are important.

Finally, creative products are often heterogeneous and irregular in scale and character. In conclusion, Caves' (2000) attributes of creative industries underline the importance of networks in successful creative economies because frequent cooperation among different areas in creative industries is necessary. Nevertheless, Potts et al. (2008) have suggested a new market-based social network definition of creative industries, which considers the creative industries as "an emergent market economy rather than an industrial one". They have argued that the unique feature of creative industries market lies at complex social networks play a significant role because "both the demand and supply [of creative industries] operate in complex social networks" (p.167). The role of social networks has been addressed in creative industries again. It is noted that complex social networks usually take place in creative clusters (Banks et al., 2000). Therefore, creative clusters will be discussed as follows.

1.1.3 Creative cluster theory

As noted by academic researchers, one of the key characteristics of the creative industries is that they show a strong tendency towards geographical and spatial concentration (Florida, 2001b; Scott, 1999, 2004; Pratt, 2004b) and “are highly dependent upon each other’s proximity” (Hitters and Richards, 2002, p.236). The creative cluster has been one of the major debates in economic and geography literature. Before focusing on the issues of creative clusters, it is important to briefly introduce the cluster theory in the broader economic literature.

1.1.3.1 Brief review of cluster theory

It is noted that clustering is a common global phenomenon in economics literature (Porter, 1990, 1998, 2000; Florida, 2002; Simmie, 2004). Many studies have well documented the explanatory value, the promise and potential of cluster in terms of delivering competitiveness, productivity and promotion of creativity or innovation (Simmie, 2004). Most of the definitions of business clusters are derived from Michael Porter, in his book *The Competitive Advantage of Nations*:

Geographical concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also co-operate. Clusters, or critical masses of unusual competitive success in particular business areas, are a striking feature of virtually every national, regional, state, and even metropolitan economy, especially in more advanced nations. (Porter, 2000, p.15; c.f. Simmie, 2004, p.1098)

In respect of his definition, it is noted that two elements are emphasised here: first, the geographical proximity of locations of individual firms; second, the interconnected relationship between these firms. However, this definition has been debated by different researchers. Firstly, the main argument of this definition is how to define the boundary of cluster. Martin and Sunley (2003) have critically argued that there are no geographical and industrial boundaries of clusters, which means it’s very difficult to investigate the dynamics of clusters from a spatial definition and an industrial dimension. Simmie (2004) has also argued that Porter’s theories on drawing clusters’ boundaries result in different geographical scales of clusters from:

Large and small economies in rural and urban areas, and at several geographical levels (for example nations, states, metropolitan regions, and cities...or even as far as a network of neighbouring countries (Porter, 1998; c.f. Simmie, 2004, p.1099).

Secondly, it is argued that there is no agreement on the different kinds of forces and actions promoting clusters, or cluster-like groupings (Turok, 2003; Pratt, 2004b).

It conflates quite different processes operating at different geographical scales into a single, all-embracing notion. This generality makes it difficult to identify clusters directly and to test the arguments empirically. Without substantive analysis of particular industries in specific locations, the theory risks producing misguided policy prescriptions, such as the emphasis on inter-firm collaboration or specialization on leading edge industries. (Turok, 2003, p.551)

Finally, it is also argued that the notion of cluster has been applied liberally and flexibly by policy makers (Pratt, 2004b). However, even ignoring the arguments about definition, it is argued that clustering can contribute to innovation in the literature. As Baptista (1996, p.60; c.f. Simmie, 2006, p.174) has argued, "Geographical concentration is of foremost importance for organisational improvement and technological innovation". Porter (1998) has also argued that clusters encourage innovation by facilitating the knowledge and information sharing, fostering innovation of new products and exploring new opportunities in the market (c.f. Comunian, 2007). As Simmie (2004) has concluded, Porter's six hypotheses regarding the contribution of clustering to innovation are listed as follows:

- They allow rapid perception of new buyer needs.
- They concentrate knowledge and information.
- They allow the rapid assimilation of new technological possibilities.
- They provide richer insights into new management practices.
- They facilitate on-going relationships with other institutions including universities.
- The knowledge-based economy is most successful when knowledge resources are localised. (Simmie, 2004, p.1102)

In the same work, Simmie (2004) has tested four of Porter's six hypotheses by using the evidence from the third Community Innovation Survey in the UK. However, all four hypotheses were not so supported by the data. It is noted that local clustering does not deliver innovation in the UK. National and international linkages and networks are just as significant as their local counterparts for firms in the UK (Simmie, 2004).

1.1.3.2 Creative cluster approach

Clustering in the creative industries has also provided a rich research vein in recent years (Scott, 1996, 2005; Maskell and Lorenzen, 2004; Mommaas, 2004; Gibson and Kong, 2005; Currid, 2007). Power (2003) has suggested that agglomeration is a 'universal' characteristic of creative industries' industrial systems. Meanwhile, Pratt (2004b) has remarked that creative clusters are formally a sub-set of business clusters defined by Porter. However, some scholars have argued that creative clusters are different from common business clusters, because of the unique economic characters of cultural or creative activities (Throsby, 2001; Caves, 2002). It is argued that creative clusters are distinguished from other business clusters in several aspects.

First, economically, it is noticed that small and medium enterprises (SMEs) and micro businesses are dominated in creative clusters. Power (2003) argued that SMEs, especially very small firm sizes, are dominated in the four Nordic countries creative industries. Other similar conclusion has also drawn in study of creative clusters in Shanghai by Pan and Chen (2007). In conclusion, SMEs are dominated in creative industries and clusters.

Second, systemically, it is suggested that creative clusters are localized and based on the particular context and creative milieu. Comunian (2006) has argued that creative cluster is a process based upon urban cultural milieu and complex context which can hardly be imposed, planned or copied. It is not only about constructing buildings or big infrastructure, but also about :

Creating support, networks, facilitating dialogues and interactions for the flow of creativity, in order to encourage entrepreneurialism and risk, to build trust and cultural identity (Comunian, 2006, p.2).

Third, it is argued that creative clusters are highly depended on social networks. Brown, O'Connor and Cohen (2000) have argued that quarters are complex clusters of (social) activities, they are networks embedded in a particular place. Banks et al. (2000) have also argued social networks as part of soft infrastructure of the creative clusters.

Clusters are place-based, place-cantered networks, the knots that tie a series of networks – they are part of the soft infrastructure. They accumulate knowledge and experience; they generate and reproduce

social and cultural capital in metropolitan areas (Banks et al., 2000; c.f. Brown, O'Connor and Cohen, 2000, p.447).

In conclusion, all the characteristics discussed above suggest that creative cluster is more than the geographical concentration of creative enterprises and cultural activity. It has been identified as a type creative space that encapsulates interaction and networks between spheres and in particular between enterprises, culture and the policy regime. The distinctive features of creative clusters as the physical space, networked space and creative field will be further discussed as follows.

(1) Creative cluster as the physical space

In his study on the creativity in clusters, Drake (2003) has explored the important and influential roles of locality in creative process. Creative cluster as the physical space not only provides basic infrastructure for visual artists, but also may stimulate and inspire creativity. He has argued that locality can contribute to creativity in three aspects. First, as a resource of visual materials, locality can stimulate creativity. Second, locality-based intensive social and cultural activities may be the key sources of inspiration for creativity. Third, as a brand based on reputation and tradition, locality can be catalyst for creativity (Drake, 2003).

(2) Creative cluster as the networked space

The creative clusters literature has underlined the importance of networks in creative industries, especially the social networks. These arguments are always linked with the urban context, for instance, cultural/creative quarters/clusters, urban soft infrastructure, creative/innovative milieu/atmosphere, creative field, creative buzz, urban cultural ecosystem, knowledge pool, creative infrastructure. Particularly, networks are very important for SMEs in the creative and cultural industries by acting as the new forms of self-organization of SMEs (O'Connor, 2007). Especially, networks are of the foremost importance in creative clusters/quarters. As Brown, O'Connor and Cohen (2000, p.446) have claimed, "Quarters... are networks embedded in special places".

Storper (1995; c.f. Bassett, Griffiths and Smith, 2002) has argued that there are two contrasting types of interaction within a cluster, the 'traded

interdependencies' and 'untraded interdependencies'. The former refers to production chain dependencies such as labour, materials and skills; whilst the latter refers to the cultural pre-requisites for interaction - the formation of common cultural value and trust. Based on Storper (1995), Bassett, Griffiths and Smith (2002) have classified networks into formal and informal networks respectively.

The roles of formal and informal networks in creative industries or clusters have been suggested in varying literature in term of facilitating the transfer of knowledge and information (both codified and tacit), encouraging trust-based cooperation and handling risks, and leading to collective learning and spurring innovation, as well as validating and testing cultural capital (Banks et al., 2000; Brown, O'Connor and Cohen, 2000; Bassett, Griffiths and Smith, 2002; Turok, 2003).

Formal networks, or traded networks, typically cover a wide range of economic interactions, such as traditional customer-supplier relationship, servicing and subcontracting (Bassett, Griffiths and Smith, 2002). The roles of economic networks in creative cluster have been well addressed in the literature, such as the film industries in Hollywood (Christopherson and Storper, 1986; Scott, 2002; Bassett, Griffiths and Smith, 2002). Based on the survey of designers in the Amsterdam cluster, Wenting, Atzema and Frenken (2008) have considered superior networking opportunities in the cluster, rather than agglomeration economies, as the most important reason for entrepreneurs' location decision.

Informal networks usually refer to the social networks. It includes various aspects of informal relationship in terms of building trust, friendship, reputation and tacit knowledge (Banks et al., 2000; Brown, O'Connor and Cohen, 2000; Grabher, 2004; Markusen, 2006; O'Connor, 2004; Kong, 2009). The roles of social networks have been notably emphasized in many studies of creative clusters. It is argued that social networks facilitate exchange of information and ideas (Brown, O'Connor and Cohen, 2000; Rosenfeld, 2004; Comunian, 2006), transfer of both codified and tacit knowledge (Capello, 1999; French, 2000; c.f. Bassett, Griffiths and Smith, 2002), and sharing experience (Brown, O'Connor and Cohen, 2000); they

also promote collective learning (Capello, 1999; French, 2000; Becker, 2008).

Among the studies of social networks in creative industries, the roles of loose social ties or weak ties between small businesses have been significantly suggested by scholars (O'Connor, 2007; Hansen, Asheim, and Vang, 2009). Different studies have noted that loose social ties are the instrumental ways for freelancers and small businesses to gain knowledge and contacts (Wittel, 2001; c.f. O'Connor, 2007). On the contrary, Hansen, Asheim and Vang (2009) have argued that strong social tie may be an obstacle in promoting creativity and innovation due to the difficult access into the rigid social networks.

Firstly, it is noted that social networks play significant roles in exchanging information, experience, tacit or harder knowledge, and providing peer review and validation of products. In their study of music industries in Manchester, Brown, O'Connor and Cohen (2000, p.446) state:

The exchange of knowledge and information is accompanied by a validation, a testing of product. Networks are about exchange of information, for example, contacts, grants, funding opportunities, jobs, technology etc. They are about the exchange of experience - they act as reservoirs of previous trial and errors. Network entry points (very informal, usually - acquaintances, work neighbours, gossip) allow informal sharing of personal experience. They also allow the exchange or sharing of harder knowledge - how, who, what, when (Brown, O'Connor and Cohen, 2000, p. 446).

O'Connor (2004) has also argued the significance of 'tacit' knowledge for the success of clusters. As tacit knowledge is embedded locally, cultural producers need to be engaged into the circuit of knowledge. Cluster is hence essential for innovation as it provides a place where the producer and innovative consumer can meet each other. This has been further supported by Pratt and Gornostaeva (2005). They have argued the importance of discursive community of filmmakers in terms of constituting the skills and knowledge pool as well as providing the peer review. Currid (2007) has also argued that social networks are extremely important for artists by providing easy access to information, chance to know somebody and get involved in artistic activities; and offering the cooperative opportunity and peer review as well.

Secondly, it is argued that the social networks contribute to build up trust and reduce risks in creative industries. Cultural/creative sector is a high risky because of its uncertain features and unpredictable market (Caves, 2000). The work and job patterns in creative industries are very flexible and highly mobile, usually project-based, 'lack of formalized career trajectory' (Banks, et al., 2000; Hesmondhalgh and Baker, 2010). These features of volatility, changeability and instability place risk centrally within creative industries, and thus make social networks very important in creative industries (Banks et al., 2000; Kong, 2005). Banks et al. (2000) have further suggested that these uncertainty and risk can be managed and reduced through building networks of social relations. They state, "The negotiation of trust and the management of risk take place within dense networks of social and interpersonal relations" (p.462). They have also argued that trust among firms usually builds through informal and social forms, such as friends, acquaintances, oral contacts and internet. Some firms always seek advice from trustworthy, knowledgeable and experienced people in cultural sectors who can provide suggestions, connections and market information. They have concluded that risk management and trust negotiation take place in informal contexts through social networks and social space. Such ties of trust help breaking down industry boundaries and become part of the creative process, and help fostering collaboration and create new products.

It is also noted that frequent interactions can encourage forms of trust-based, co-operative behaviour within a cluster (Capello, 1999; French, 2000; c.f. Bassett Griffiths and Smith, 2002). Gordon and McCann (2000) has also argued that active cooperation between firms and other actors can promote trust building and long-term decision-making, which enables them to offset some of the disadvantages of project-based cooperation, pure market relationship and short-term contracts.

Finally, it is noted that the roles of networks may vary from different industries. In the study of film and television industries in the Bristol, UK, Turok (2003) has argued that localized networks and social interaction exist in forms of friendship and acquaintance more than business or creative relationship. He suggests that the transnational organizations and governmental regulations play more significant roles than localized networks

in film and television industries. Moreover, the other exception is Kong's (2009) study on the visual artists in Singapore. Kong (2009) has argued that social networking is neither inevitable nor necessary for the persistence of clusters. Rather, she claims that the value of creative cluster lie at '3Rs': reputation (cultural capital), repose (environment) and rentals (economic value).

In conclusion, apart from Turok (2003) and Kong (2009), networks are important for creative clusters for at least three reasons. First, networks not only facilitate exchange of information, experience, knowledge, technology, but also provide test beds for ideas, opportunities of accessing to market, sources of credit, and networks of funding. Second, networks are about urban culture milieu and context which act as an important part of the soft infrastructure in cities. Finally, networks play an important role in building trust as well as reducing risks.

Social networks in China context: Guanxi

Contrary to the weak/loose social ties theory in the West, some studies on social networks in China have concluded that strong/tight networks or social relations --- the so called 'guanxi' --- play very important roles in creative clusters. Yang (1996) and Guthrie (1999) have argued that copyrights dispense and trades are facilitated by 'guanxi' in China. Rossiter (2006) has also explored the important roles of 'guanxi' in the study of creative industries in Beijing. It is noted by Li et al. (2005) in the study of the advertise industries in Shenzhen that social relationship (guanxi) and social capital could work as resources and access of markets, which mainly have effect on the city level. Qian (2007) has also explored the networks in creative clusters in Shenzhen, and concluded that the production networks emerged in high market-directed cultural industries clusters and SMEs play an important role in the networks. The innovative networks in the cluster are highly depended on the production networks. Creative firms share information, technologies and skills by sharing and distributing projects. Moreover, the institutional roles of governments in building up innovative networks have also been noted (Qian, 2007).

However, the rigidity of networking in China has been criticized by scholars (Wang, 2004; Keane, 2007). 'Guanxi' always refers to reliable social relationship, and is generally understood as the oil of much economic exchange in China (c.f. Keane, 2007). Keane (2004) has pointed to the certain rigid networks between large and small companies and the need to develop intermediaries in China.

(3) Creative cluster as the creative field

It is noted that the free urban milieu, the cultural context and the flexible atmosphere constitute the creative milieu or field and attract creative people to get together in particular places, and provide them an environment to work as well as to meet and talk with each other. The significant roles of milieu noticed in music industries have been stressed by Brown, O'Connor and Cohen (2000) as follows:

Quarters are not only about 'cheap rents, city centre, and nearness of a venue or other key services'. It's the complex network of activities and exchange that are given a context- they take place. This place acquires a series of associations which can be iconic [...] but are also spatially embedded social networks. [...] It is these 'scenes', 'milieus', 'happening places' which are the real context for a local music industry rather than 'facilities' (Brown, O'Connor and Cohen, 2000, p.446).

Brown, O'Connor and Cohen (2000) have further argued the roles of social capital in forming networks and milieu. They claim:

As such these Networks are about social capital - but not based on the family as such. Indeed, these metropolitan milieus have historically been anti-family, bohemian, and counter-cultural. What holds them together is a loosely structured, place-based milieu" (Brown, O'Connor and Cohen, 2000, p. 446).

Comunian (2006) has argued that creative cities (clusters) are "not only about assets but also relations" (p.3). She has suggested a special attention to be devoted to the 'soft' infrastructure, social networks, the cultural climate rather than the cultural infrastructure in her argument of the creative cities.

Creative field in China context

The development of creative cluster in China has mainly focused on hard infrastructure, whilst the role of the creative milieu has hardly been mentioned in domestic research. Most of the existing study has generally introduced Western theories, such as the '3T' theory of Florida (2000), and

elaborated the importance of cultural and creative milieu without empirical study. As the famous Chinese economic geographer Wang (2005) has commented in a speech:

In order to develop creative cities, we should not only provide effective infrastructure like public service, transportation, communication, buildings, regulations; we should also provide creative infrastructure such as RandD facilities, venture investments, intellectual property right law, attracting and comfortable living milieu for creative people etc.

In her statement, the roles of both hard and soft infrastructure in advocating creative cities have been stressed. However, the rationale of her comments on creative cities has been neglected in her study.

1.1.4 Creative city and creative class approach

There has been a rise of creative cities in the international context. 'Creative cities' were adopted as an urban development strategy even earlier than creative industries. With the 'de-industrialization' in the Western developed countries, 'creative cities' emerged as a new concept for urban development in the late 1980s (Landry, 2005).

Landry and Bianchini (1995) have argued in their book *Creative Cities* that the principal condition of building creative cities is to cultivate the creative milieu of cities, such as preventing government bureaucracy, short sight of politicians and sponsors and so on. They have argued the creative milieu of cities consists of necessary hard and soft infrastructure. The hard infrastructure includes such as architecture construction, 'stages', facilities and containers. The soft creative infrastructure consists of high skills and high flexible labour; active thinkers, creators and executors; abundant formal and informal intellectual facilities and universities; space for personalities; intense communication between 'internal' and 'external' world; industrial cultures which are fully applied to social or economic objectives. The creative city approach provides a new way in urban governance practice by encouraging government practitioners to put creativity and culture into public, private and community sectors, so as to solve urban problems (Landry and Bianchini, 1995; Landry, 2000).

The creative city approach is further supported by Florida's serial of publications on 'creative class'. Similarly, Florida (2002) has argued that

cities should invest in building high quality urban environment in order to improve urban easiness and social diversities to attract and retain creative people. Creative class theory hence could be considered as an alternative approach to creative cities (Qian, 2007). Since Florida's provocative book, *the Rise of the Creative Class*, was published in 2002, it has attracted an impressive amount of attention and stirred an ongoing debates among academics and policymakers on the notion of 'creative class' as well as its applications in cities and regions (Land and Danielsen, 2005; Peck, 2005). This book has been very successful in popularizing its central claim that:

My work is based on a relatively simple underlying theory—that human creativity has replaced raw materials, physical labour and even flows of capital as the primary generator of economic value, and that a new class structure is emerging as result of that basic economic transformation (Florida, 2005a; c.f. Lang and Danielsen, p.218)

This book has successfully disseminated its new concept of creative class, and the role of creative workers as the key driver of urban and regional economic growth. In his follow-up publications, including *Cities and the Creative Class* (Florida, 2005b) and *The Flight of the Creative Class: the New Global Competition for Talent* (Florida, 2005c), Florida continues to extend his core ideas of creative class (or 'creative capital') theory to the global scale (Florida, 2005a). The creative class theory is generally significant, because it has sparked a new way of thinking of economic development by focusing on the creativity of human capital, which is the core of creative class (Florida, 2002). Florida (2005b, 2005c) have further argued the importance of local attributes in terms of urban amenities and a tolerant climate which attracts creative people and the firms they work for to certain cities. It has suggested the shifts in creative industries from focusing on firms in traditional economics to people in the creative economy (Wenting et al., 2008); and from urban infrastructure to people and business climate (Hansen, 2009); as well as from the industrial categories to the occupation approach (Scott, 2004, Markusen, 2006). These ideas have been successfully marketed to practitioners in economic development (Lang and Danielsen, 2005).

However, the term creative class itself is very problematic and the creative class theory has received tremendous various types of academic critiques in

the last few years (Clark, 2004; Glaeser 2004; Malanga, 2004; Peck, 2005; Markusen, 2006; Hansen et al., 2005; 2009; Oakley, 2009; Mok, 2009). Most of those critiques are around its weak evidence and analysis.

Scott (2006a) has criticized that the creative class theory's disadvantage in explaining the necessary and essential environment which attracts creative people to gather in particular place and live there for a long time. Scott (2006a) has argued that it is a more complicated process to attract creative people to one particular place. Instead, Scott (2006a) put forward the concept of 'creative field' to explain the mechanism of creative cities system. He further argues that typically the world-class creative cities are organized around the world production system, where the networks between firms and the flexible labour markets are provided, constituting a field which allows the flows of information and the trials for firms. Thus, the production system and the urban cultural milieu collectively form the base of creative cities. In Scott's account of creative field, in addition to urban infrastructure and creative milieu (Landry and Bianchini, 1995; Florida, 2002), he emphasises the essential role of economic system in creative cities.

Creative labour is the other field related to creative class research. Hesmondhalgh and Baker (2010) have identified that informal and unstable employment situations of creative workers are very common. Thus, the short term contract and project-based teamwork are very frequent in creative industries. Currid (2007), in her study of artists in New York, has also emphasized the role of teamwork in artistic economy and suggested that social networks attract creative labours together. First, social networks bring different people together and form the 'arts world'. This is why artists would prefer to work in modern cities where there is more chance to meet other artists and cooperate with each other. Second, the dynamic nature of creative industries determines that frequent cooperation among different people is essential. A third, and final, social networks also bring extra opportunities of success for artists. In conclusion, the nature of creative industries and creative labour imply the significant role of social networks among them.

Creative city and creative class in China context

The domestic literature on creative cities has generally focused on introduction and elaboration of Florida's '3T' theory in China. Meanwhile, there is very little domestic study on creative class in China. This gives the rise of this study to explore the Chinese creative class with a particular focus on visual artists.

1.1.5 Creativity management in the cultural industries

1.1.5.1 Creativity management

As discussed in the Introduction, creativity means the ability to generate something meaningful and new (Howkins, 2001; Mumford, 2003). Despite the numerous arguments on definitions of creativity, the number of ways in which creativity has been theorized and the variety of domains it has been applied to is impressive. Creativity has been well documented in the literature of psychology, cognitive study, education, organization and management researches. The framework in which creativity was theorized has evolved from individual creativity to perceive creativity as a collective or social process (Amabile, 1996; Drake, 2003; Glaveanu, 2010). The individual creativity paradigm including the creative genius theory and followed by the creative personality theory has focused on the individual creative personalities. The difference lies between the two theories is that the former has focused on the few geniuses with individuality, insights, outstanding ability and fertility assigned by God, biology or unique psychological features; while the later has claimed everyone is capable of being creative and focuses on individual creative personality by keeping the individual as a unit of analysis. However, these theories are quite problematic as they generally attribute creativity to creators' internal personalities while ignore the influences of external environment on individuals.

Some scholars have argued the limits of the creative individual theories (Amabile, 1983, 1988; Amabile, Conti and Coon, 1996; Paulus, Brown and Ortega, 1999; Purser and Montuori, 2000; Nemeth et al., 2003; c.f. Glaveanu, 2010) and suggested putting forward the social-cultural psychology paradigm in creativity studies. It investigates the roles of social and cultural factors in the creative process by analysing the creative people

within their community and the larger social, cultural, economic and political context or environment (Glaveanu, 2010). Becker (1982) has particularly articulated artistic creativity as a collective process which relies on cooperation among different groups. Bourdieu (1993a) has also argued that creativity is a product of the social, economic and educational background or environment of the individual rather than a natural gift. Similarly, the influence of social or cultural factors or environment on creativity has been well addressed (Amabile, Conti and Coon, 1996; Schepers and van den Berg, 2007; Glaveanu, 2010). These theories have their advantages by considering creativity as a product of both individual personality and the context. In summary, creativity is a holistic and collective process.

However, much literature has suggested that creativity is domain specific (Brown, 1989; Baer, 1999; Kaufman and Baer, 2005). In the field of cultural industries research, creativity has also been one of the growing debates. Creativity, as defined by DCMS (1998), is the essence of creative industries; as well as coined in Florida's creative class account, lies at the core of creative class (Florida, 2002). Jeffcutt and Scott (2002, p.226) have stated that, "creativity requires a context and organization". Managing creativity in cultural industries has been one of the key issues. Banks et al. (2002) have argued similarly, due to the diversity in creative industries, the meaning attached to creativity and the specific role of 'creativity' within each sector, are very variable and contested. Thus, the management and governance of creativity can be highly context specific.

Creativity study in China context

Regarding creativity study in China context, little literature has been found. It is argued that Chinese culture is lacking of personal initiative which may become the obstacle of producing creativity. Ross (2006) states that:

The Chinese think collectively...they are not into individual-type thinking... they also are not up to 'thinking outside the box' ... You tell them to do something and they will do a good job, but they are not likely to deviate from those instructions (Interview with Mark Cavicchia, in Ross, 2006, p.101).

Thus it may hazard individual creativity and become the bottleneck of the creative industries development in China. Moreover, Keane (2009a) also claims that:

Rather than making something new, the foundation of the Western Romantic tradition, Chinese creativity is about rearrangement according to circumstances, which may be political, social or economic. Such rearrangement, while always new in a certain sense, proceeds in patterns that are essentially recombinant. In China it is not so much originality that is sought but creativity that is appropriate to the context (Sigurðsson 2008; c.f. Keane, 2009a, p.224).

Thus he concludes: "the description 'creative' may well be redundant" in creative clusters of China. However, their assertions are still very arguable and doubtful because creativity has to be understood in specific domain and requires a context and organization as discussed above.

1.1.5.2 Governance of creative clusters

The role of creative clusters in delivering creativity and innovation has been intensively debated by scholars (Scott, 2002; Hitters and Richards, 2002; Simmie, 2004). Some scholars address the role of clustering in delivering creativity/innovation (see 1.1.3); while others suggest the effect of management or governance of creative clusters on creativity/innovation generation.

A number of studies have argued that local authorities play a significant role in the development of creative industries, such as the active cultural policies (Taylor, 2006) and the culture-led urban regeneration policies discussed above (Bianchini and Parkinson, 1993; Banks et al., 2000; Miles, 2005). According to the various extents of governmental intervention, creative clusters could be classified as a top-down or bottom-up model or combination of both (McCarthy, 2005a, 2005b, 2006). Top-down clusters are basically designated with strong governments' intervention and control. Relatively speaking, bottom-up clusters are 'organic' clusters in which creative enterprises congregate spontaneously. However, in practice, most clusters are likely to be at the any point of the wide variety of choice available along the bottom-up – top-down spectrum. As shown in Table 1.1, Brooks and Kusher (2001) has identified a continuum of management

strategies based upon the greater or lesser extent of intervention in cultural districts in major American cities.

Table 1.1 Management strategies for cultural clusters

Management strategy	Characteristics
Designation	The local administration calls the area a 'cultural district' but makes no other specific interventions.
Development	Cultural district leadership is a catalyst for private participation and removing legal barriers to development
Donation	The administration actively seeks external funding for independent district arts organisations. District administration strategy includes some active planning.
Direction	The district administration collects and distributes funds and engages in considerable planning efforts.
Domination	The administration supports and directs all aspects of district development and activity.

(Source: Brooks and Kushner, 2001; c.f. Hitters and Richards, 2002, p.237)

A number of studies have argued that various management strategies result in different performance in developing a successful cluster and in delivering local creativity and innovation. Hitters and Richards (2002) has compared the influence of contrasting management strategies in two cultural clusters and argued that the more 'top-down' approach which is owned by the local authority and managed commercially, can create the conditions for innovation through injecting new commercial skills and investment into the cluster and managing the mix of creative functions. Comparatively, the more 'bottom-up' approach allows the easier co-existing of cultural and commercial functions but is less creative. However, as Hitters and Richards (2002, p.246) have concluded, "The high degree of control required may contrast with the openness required to stimulate innovation".

On the contrary, some studies have argued that 'bottom-up' strategy is more effective in stimulating creativity. Garcia (2004) has suggested that 'organic' approaches in clusters are preferred to more formal approaches by creative entrepreneurs in Glasgow. It is also noted that 'organic' approach can be

more likely to encourage partnership, reflect local aspirations and bring a sense of ownership, and thus is more creative (Bianchini and Ghilardi, 2004; c.f. McCarthy, 2005a).

Moreover, based upon the review of a number of American cultural districts, Brooks and Kushner (2001) have concluded that effective leadership and intervention by different levels of public and private sectors are essential in successful cultural districts. Furthermore, apart from the governmental intervention models discussed above, Pratt (2004b) has suggested a more complex and holistic perspective in creative cluster governance. He said, "Both the firms, its organization, and the networks they operate within" should be taken into account in the governance of creative cluster (Pratt, 2004b, p.10).

Creative clusters governance in China

A number of studies have argued that creative clusters in China are discursively practiced on by policy and driven by real estate development. Thus the different levels of government play a dominant role in managing creative clusters. However, the extent of local intervention may vary from 'designation' to 'dominance' as shown in Table 1.1. In order to investigate which model may be successful in China context, this study will examine how creativity is defined and governed within two creative clusters in Shanghai, with a focus on visual artists. The study of these two clusters may explain how various conceptions and implementations of 'creative cluster' affect the performance of creativity of artists. They will further help us understand the arts production in the visual arts industries, and investigate how the cluster may support visual artists to produce creativity in order to achieve the sustainable development of the creative clusters in a longer vision.

1.2 Theorizing the functions of creative cluster

Different aspects of the literature analysed above have addressed the issue of the relationship between creative industries and place, in particular creative clusters. A number of studies have suggested that creative clusters have played important roles in three aspects: local economic development;

urban regeneration and city marketing, community revitalization; and local innovation (Griffiths and Williams, 1992; Griffiths, 1993; Griffiths, Bassett and Smith, 2003; Landry, 1995; Montgomery, 2003, 2004; Miles, 2005; McCarthy, 2005a, 2005b). Griffiths, Bassett and Smith(2003, p.154) states:

The arts and culture have come to be seen as a key resource for urban regeneration, capable of addressing the most pressing urban problems: economic development and job creation, social exclusion and community building, and the renewal of the urban landscape.

1.2.1 Arts, culture and creativity as engine of local economic development

There has been intense debate as to the role of arts, culture and creativity in local economic development in terms of direct economic contribution of cultural industries and indirect economic impacts including mainly competitive advantage, creativity and innovation, employability and social inclusion (Anderson, 1985; O'Connor, 1999; Berranger and Meldrum, 2000; Jeffcutt and Pratt, 2002; Turok, 2003; Evans, 2004; Taylor, 2006; Bohm and Land, 2009).

It is argued that contemporary arts, culture and creativity have become the ultimate economic resource, replacing traditional resources, adding a new dimension to the competitive potential of cities and regions around the world (Landry, 1995; Miles, 2005). Florida (2002) has also suggested that creativity has an increasingly significant role to play in the social and economic development of cities. Thus, his further argument on creative class has suggested that the ability to attract creativity and diversity provides distinct advantages to regions in terms of generating innovations, growing and attracting high-technology industries, and spurring economic growth.

More specifically, the importance of creative and cultural industries in the local economic development has been highlighted in the literature. Leadbeater and Oakley (1999) have emphasised the role of cultural industries in local economic growth. They state:

Cultural industries and entrepreneurs will play a critical role in reviving large cities that have suffered economic decline and dislocation over the past two decades. (Leadbeater and Oakley, 1999, p.16)

Power (2003) has similarly argued creative industries as important contemporary and future economic growth engine within Nordic countries and regions. Markusen (2006) has argued that artists and arts can contribute to the local economy in several ways: artists and arts space can attract tourists.

Creative clusters have been employed as the main strategy of regional development in Europe to support less developed regions (Evans, 2004). The contribution of creative clusters in regional economy is highlighted in a DCMS report:

Successful (creative) cluster development can be a key to regional competitive advantage, and the challenge is how to ensure the continued success of existing clusters and nurture the growth of emergent clusters (DCMS, 2001, p.18).

McCarthy (2005a, 2005b) has suggested that the economic contribution of cultural quarters in terms of creating jobs, attracting visitors and investments. Summarizing his findings, Rosenfeld (2004) claims:

cluster plays an important enabling role for regional economic development by bestowing competitive advantages on a region as a result of: (a) the potential new markets when embodied in the products or services of other clusters, (b) its value as a cultural amenity in attracting educated and talented residents and tourists, and (c) its contributions to public education, which have been shown to produce better outcomes (Rosenfeld, 2004, p.903).

1.2.2 Creative cluster as urban regeneration and city marketing strategy

The increased centrality of art and culture in urban regeneration agenda has been well established by various scholars (Bassett, 1993; Landry et al., 1996; Montgomery, 2004; Mommaas, 2004; Garcia, 2004; Wilks-Heeg and North, 2004; Miles, 2005; Miles and Paddison, 2005; Evans, 2005; McCarthy, 2005a, 2005b, 2006; O'Connor and Gu, 2010). Tibbot (2002) has also argued similarly, that "correctly planned cultural projects can assign significant value to regeneration" (c.f. Comunian, 2007, p.31). Most of the literature has suggested the role of culture in urban regeneration in terms of social, economic and environmental impacts including economic growth, physical regeneration and landscape renewal, tourism development, community revitalization and enhancing local stabilization (Montgomery,

2003, 2004; Evans, 2004, 2005; Griffiths, 1995; Miles, 2005; McCarthy, 2005a; Pollard, 2004; Pratt, 2000b; Stern and Seifert, 2010). Meanwhile, the literature on arts and culture-led urban regeneration also underlines the use of art and culture in the city marketing and cultural planning strategy (Bianchini, 1996; Evans, 2003; Bayliss, 2004; Miles, 2005).

More specifically, creative clusters and the cultural quarters approach has been developed in international contexts as the major policy strategy (Montgomery, 2003, 2004; Evans, 2004, 2005). As Mommaas (2004) has suggested, "Cultural clustering strategies represent a next stage in the on-going use of culture and the arts as urban regeneration resources" (Mommaas, 2004, p.508). It is argued that creative clusters play a significant role in the regeneration of declining inner urban areas. They not only contribute to the local image and economy development, but also have wider social and cultural contributions. Berranger and Meldrum (2000) have argued the role of intelligent local cluster in terms of increasing global competitiveness and local cohesion. Stern and Seifert (2010), meanwhile, have argued that cultural clusters can contribute to urban economies by using arts to engage community residents and revitalize their neighbourhoods.

1.2.3 Creative cluster as innovation strategy: cluster and innovation

The contribution of clustering to innovation has been well documented in the economics literature (Porter, 1981). In the creative industries literature, as discussed above, the role of creative cluster in generating innovation has also been well debated in terms of creative milieu, creative field, and innovative milieu, ecologies of creativity and creative networks, frequently discussed together with social networks (Scott, 1999, 2004a, 2006a; Coe, 2000; O'Regan, 2002; Hitters and Richards, 2002; McCarthy, 2005b; Sunley, et al., 2008).

A number of studies have argued that creative clusters stimulate creativity by cultivating creative milieu, fostering social networks and facilitating easy communication. Camagni (1991) has argued that clustering can contribute to innovation through forming 'collective learning processes' and circulating

specialized knowledge. Meanwhile, Mommaas (2000) has noted the role of cultural clusters in stimulating innovation and creativity.

1.3 Conceptually framing the role of cluster in creativity

1.3.1 Creativity in the context of creative industries

The effects of the physical, social and cultural environment on creativity have been the focus of the emerging literature. Most of the researches focus on scientific, technological and organisational creativity (Amabile, 1996; Stokols, Clitheroe and Zmuidzinis, 2002; Schepers, 2007; Chen et al., 2008). Artistic or aesthetic creativity is frequently regarded in psychology studies (Nielson, 2005), but often overlooked in the creative industries literature (Drake, 2003).

Instead of seeing creativity as a predominately individual gift, Becker (1982, 2008) has suggested the role of social networks and the context in creativity, and argued that artistic creativity is actually a collective or social process of the particular economic, social, cultural and political context within which artists are located. He states:

The network of people whose cooperative activity, organized via their joint knowledge of conventional means of doing things, produces the kind of art works that art world is noted for (Becker, 1982, p: xxiv).

Frey (2000) has argued that the difference between 'personal' (individual) creativity and 'institutional' (collective) creativity lies at that the former is driven by artistic motivation; while the latter is in governmental financial hands which address the institutional organization role in collective creativity.

However, these accounts are to some extent problematic, as the term 'collective' has been given different meaning in various debates. On one hand, it means the collective context where an individual creator is located in. Other people in the arts world may also be considered as parts of the collective environment (Becker, 1982). On the other hand, it can mean a collective creative process which usually has more than one creator engaged, such as team-based projects including film making, advertising, computer games (Drake, 2003).

Nonetheless, given the variety and diversity of activities contained in the creative industries, some sectors may require a collective creative process while other sectors may rely more on individual creator. As Negus and Peckering (2000) have suggested, a single creator may play a more significant role in some areas of the creative industries than others. Drake (2003) and Kong (2009) have also argued that visual artistic work is highly an individualistic enterprise, compared with performing arts, or other team based projects including films, media-content, computer games, advertising and high value commissions for craft products. Therefore, from the perspective of this study on visual artists, it is important to investigate the influence of clusters on individual creativity in creative industries.

1.3.2 Theorising the role of place in aesthetic creativity

Place, and more specifically locality, has been an important concept even in the era of globalization. Indeed, most of the literature has highlighted the importance and distinctiveness of place in achieving a competitive advantage in economic activities, such as non-substitutability and place-based resources (Harvey, 1989; Porter, 1990; Drake, 2003).

The specific role of place in cultural industries has become an increasing concern of researchers, consultants and policy makers, which is frequently regarded with creative clusters. Florida (2002) has argued how the urban amenities and a tolerant climate attract creative people and firms to certain places. Scott (1999, 2000 and 2006) has attributed the spatial agglomeration of cultural industries to the non-substitutive advantages of a 'creative field' of the place. The investigation of 'artistic milieu' has also been one of the arguments, though this was rarely explored in urban context (O'Connor, 2007). Generally, it may be argued that place can provide inspiration and stimulation for individuals (Severino, 1970; Drake, 2003; Rosenfield, 2004). Rosenfield (2004) has suggested the role of place in terms of its natural amenities and local scenery, which are often attractive to artists. Some well-known artists have also claimed the importance of place as stimulation and source of subjects in their work (Van Gough). For example:

I don't say that nature isn't even more striking and dramatic in Brittany, say, or in Katwijk or the Boringe— yes—but nonetheless the moors and the villages around here are also very, very beautiful and when I am

there I find an inexhaustible treasure house of subjects from rural life, and the only question is to get to it and work. (Van Gough, c.f. Drake, 2003, p.511).

In summarizing his work, Drake (2003) has argued that localities can play an important and influential role in the creative process of visual arts. He has concluded localities can be a catalyst for individual creativity of designers and craft workers in four aspects:

First, locality can be a resource of visual materials and stimuli. Second, locality-based intensive social and cultural activity may be a key source of inspiration. Third, locality as a brand based on reputation and tradition can be a catalyst of creativity. Fourth, locality as a community of creative workers can provide a network facilitating learning (Drake, 2003, 522-523).

However, in addition to the value of place (physical space) in creativity, this study also investigates the roles of different conceptions of creative clusters (mental space) and the social interactions (social space) in affecting aesthetic creativity of visual artists.

1.3.3 Aesthetic creativity as a spatially clustering process

As discussed above, clustering is one of the characteristics of creative industries. Clustering may also be applied to the case of modern arts (Hellmanzik, 2010). From the history, aesthetic creativity has continually undergone a spatially concentrated process (Hellmanzik, 2010) in the forms of 'arts world', 'artistic community' or 'artistic district' (Becker, 1982; Zukin, 1995; Currid, 2007; Mommaas, 2009).

Kong (2009) has argued that cultural quarters focused on performing and visual arts, for example, may have quite different dynamics at work from clusters focused on television and film making, or fashion and design. Hellmanzik (2010) has argued that visual artists working in the artistic clusters produce higher quality of works and reach a peak in the age-price profile of their work significantly earlier than artists working elsewhere. He has also suggested that the cluster premiums for visual artists depend on quality, rather than quantity of peers in the location. These studies deepen the understanding of the role of clusters as catalyst for aesthetic creativity.

1.4 Conclusion

The context and core concepts of this study including cultural/creative industries, creative clusters, creative city/class, creativity and management have been reviewed in this chapter.

Meanwhile, the functions of creative clusters have been theorized. It may be concluded that creative clusters could play important roles in terms of promoting local economic development, urban regeneration, city marketing, and facilitating innovation.

Finally, the roles of creative clusters in aesthetic creativity have been conceptually framed. It is argued that creativity needs contextualization and organization. Creative clusters as a kind of special clustering space in a local place, it could play a significant role in producing creativity.

In conclusion, this chapter has discussed the key concepts and rationale related to creative clusters. This is the starting point of a comprehensive understanding of the creative clusters. The next chapter will discuss the theoretical framework of this study, in which the notion of creative cluster will be theoretically deconstructed and reconstructed.

Chapter 2

Creative clusters and the production of space

In the previous chapter, the definitions and applications of cultural industries, creative industries, creative clusters, creative class and management of creativity were discussed. Moreover, the functions of creative cluster, as well as the role of clusters in the promotion of creativity were conceptually framed.

This chapter sets out the theoretical framework that forms the focus of the investigation in this study, and explains its application to the empirical case studies. Before the theoretical frameworks are discussed, the context of creative clusters in China, especially the artistic clusters in this study, are briefly introduced. After having observed the flourishing development of creative clusters in Chinese cities, many disused industrial buildings and historical residential houses have been transformed by the strategy of creative clusters. These have been advocated in policies instituted by both central and local governments, through a process referred to in China as the so called 'soft urban regeneration through cultural policies'.

Creative clusters in Shanghai, as the new cultural space recently emerged during the urbanization process, have not only served to act on by policies, but also produced new physical, mental and social space for the agents in the clusters. The space of creative clusters has undoubtedly undergone a complete transformation from the industrial or residential buildings to creative enterprise space, from arts villages to creative clusters. Taking the case studies of two creative clusters in Shanghai, as explored in this study, the extent and nature of these changes presently concerns these two creative clusters, which are such that the word 'production' can only be used in its dialectic sense -- meaning a constant production and transformation under the influence of the coexisting and ever-present stakeholders including artists, local authority, residents or other property owners. During this process, not only the functions of space have been changed, different levels of new space have been produced. The name of the primarily 'artists' village' has been changed to designated 'creative cluster'. The

terminological change represents the direct intervention of local authority and the acquirement of legitimacy. No matter artists are willing or not, they are pulled into this game without choice. Not only the name of the space was changed, the usage, organization and social space all have undergone constant changes. New physical space has been produced, such as arts studios and galleries, bars and clubs, fashion design, arts craft and souvenir shops. Meanwhile, a new creative class rose from the space, among whom a new 'social space' was built up -- the so called 'arts world'.

In conclusion, the creative clusters should be seen as a continuous process of different levels of production of space, rather than a still product. During this process, the structure of artists has been continually structured by the space, which in turn influences their perceptions of creativity in their artworks. This is the starting point of this study. That is to say, what are the dynamics of creative clusters? And how do clusters affect the creativity of artists? This study aims to investigate the production of creative clusters and their effects on artists' creativity. As the main cultural producers in these two creative clusters, artists should be defined as the main researched subjects. However, despite the important role of artists in this study, the local authority and the property owners both play significant roles in the space struggle of these clusters. Thus, in order to investigate the dynamics of creative clusters in China, it is crucial to define whose space should be looked at, and how the space affects artists. To recapitulate:

---- Creative clusters cannot be approached by classic economic or geography theories due to the characters of creative industries discussed in Chapter 1;

---- Creative clusters in China cannot be explained by the existing western theories due to the latter's rootedness in the Western political economy and social-cultural history;

---- The management strategies of creative clusters in Chinese cities lie at the special political regime of China; thus, the characteristics of China's political and economic conditions must be taken into account;

---- The understanding of the social space must be rooted in the Chinese culture. Thus, the special social networks in China should be considered.

Therefore, in the first section, based on the above insights, a combination of approaches was searched for in philosophy and urban geography, in order to coordinate a suitable theoretical approach to investigate creative clusters in China. This has been done in order to build up a unitary conceptual framework of creative cluster which could be applied into Chinese context. The theories used in this study and the rationale for their application will be discussed as follows.

Firstly, following the literature review in Chapter 1, the notion of creative cluster is continuously conceptualized in the Western context, with a particular focus on studies of creative clusters carried out by Montgomery (2003).

Second, the role of social networks in artistic production will be illustrated in Becker's (1982) theory of 'arts world'. It is helpful to explain the arts world in terms of creative clusters, and to understand the role of creative clusters in facilitating creativity as a collective process.

Third, the social space is further investigated, drawing on Bourdieu's thinking tool of (habitus) (field) + (capital) = practice (1984, p.101), in order to investigate the power struggle among different objects in the creative clusters. In other words, this study explains how artists' creativity is socially structured within creative clusters.

Last but not the least, the most illuminating aspects are the thoughts on space of the French sociologist and philosopher Henri Lefebvre. Lefebvre invented and introduced the concept 'social space' into the spatial science. In his book *The Production of Space (1991a)*, he integrates his critique of everyday life and the originally developed three-dialectic theory of space. In addition to the mental space debated in philosophy and the physical space debated in geography, Lefebvre adds a new dimension to the concept of space --- the 'social space'. This is actually the starting point of the logic of production of space, put forward by Lefebvre in 1974. Therefore, the researcher selected Henri Lefebvre's space theory and everyday life practice as the main theoretical framework to explain the recently emerged phenomena of production of creative clusters in China. In the following sections, his space theory and approach will be further discussed.

In the second section, based on the literature review of the main theories employed in this study, the composite theoretic framework, which incorporates the conceptual elements into practice, is illustrated. Meanwhile, the rationale is discussed. Moreover, the relationship between creative cluster and creativity is further discussed under the context of the production of space. First, the key concepts derived from the main theoretical frameworks are discussed, which include space, capital, creativity and policy. Second, the dialectic relationship among cultural, economic and political capital and creative cluster is theoretically framed. Third, the dialectical relationship among three different levels of space and creativity is also theoretically framed.

As noted in the literature, creative industries show a strong tendency towards spatial clustering. Creative clusters have been argued as spatially embedded and centred networks (see Chapter 1). Thus, the social space of creative cluster should be stressed in this study.

As Lefebvre (1991a) would argue, space is a social product or a complex social construction. He notes that: "space is social: it involves assigning more or less appropriated places to social relations...social space has thus always been a social product" (Lefebvre, 2009, p.186-187). In Lefebvre's terms, social space is relational, relative and dynamic, which means that social space is the space of relations and networks. Social space could also be contradictory, conflictual, and, ultimately political, which implies that social space is filled with power struggle. As he comments:

(Social) space is a (social) product [...] the space thus produced also serves as a tool of thought and of action [...] in addition to being a means of production it is also a means of control, and hence of domination, of power (Lefebvre,1991a, p.26).

Finally, he suggests a differential space as the resolution of space conflict, and asserts the potential of urban life (social space) in construct a new society. As he advocates:

Change life! Change Society! These ideas completely lose their meaning without producing an appropriate space. A lesson to be learned from soviet constructivists from the 1920s and 30s, and of their failure, is that new social relations demand a new space, and vice-versa (Lefebvre, 1991a, p.59).

To summarize, space is not only material, but also mental, social, strategic and political. Therefore, in this study, it is assumed that creative cluster as a new emergent urban space in China, is not only a physical space, but also social, symbolic and political. As discussed in the last chapter, it is already well illustrated that creativity is a collective process. It is not only influenced by the physical environment, but also the social and cultural context. In this way, it is suggested that creativity in the creative cluster could be seen as a product of the complex three levels of space production: physical, social and mental space.

In the final section, based upon the literature review of the main theoretical frameworks used in this study, a composite theoretical framework of creative cluster is constructed, and its rationale is discussed. Meanwhile, the research questions and hypothesis are discussed.

2.1 The main theoretical frameworks

2.1.1 Conceptualizing creative clusters

Creative cluster, as one of the key concepts in this study, has been well discussed in Chapter 1, and will be continuously conceptualized in this chapter. As discussed in Chapter 1, creative cluster is not only about the geographical concentration of creative enterprises, but also the interaction between cluster and the enterprises, the social networks among creative individuals. Thus creative cluster may be considered as a conceptual framework which triangulates creative enterprises, creative individuals, cultural industries and policy interventions.

The models and dynamics of creative clusters have been variably constructed in different methods. In respect of production and consumption activities, creative clusters could be production-led or consumption-led, or between the spectrum of production and consumption. Regarding the organization, creative clusters could be classified as top-down or bottom-up, or a mix of both. In terms of geographical scales, creative clusters could vary from transitional, national, regional, city-region and neighbourhood. According to the development stages, creative clusters may be divided into four categories: dependent, aspirational, emergent and mature (Evans,

Foord and Shaw, 2005). However, no matter which model, it is noted that creative clusters show their characters in the following three aspects (see chapter 1):

- It is argued that creative clusters are the geographical concentration of creative industries.
- It is argued that creative clusters are localized and contextualized in urban cultural milieu.
- It is argued that creative industries in the clusters are highly depended on the social networks among them.

Therefore, creative clusters could be understood as a space consists of three levels: geographical/physical concentration, cultural field and the social space of creative industries/agents. Similarly, as Montgomery (2003) has concluded, the characters of cultural quarters could be summarized into three dimensions respectively: the built form, meaning and activity, as shown in the Table 2.1. A detailed list of the necessity of cultural quarters/clusters in terms of each dimension is given in the table. However, this summary could not be seen as a model because it's weak theoretical explanation and difficulty in application. First, it enumerates several common characteristics of cultural quarters in each aspect. However, why those characteristics are necessary and to what extent they are important are not clear. Second, the relationship among these three dimensions is not well explained. Thus it is wake in theoretical explanation and not more than illustration. Finally, because of the disadvantages discussed above, it is very difficult to apply his template into practice.

Therefore, it cannot be applied in this study without investigating the notion of cultural/creative clusters. It requires further and deeper investigation in a broader literature and context. First of all, regarding the two artistic creative clusters of this study, a special attention should be devoted to the social networks among artists, in Montgomery's account – activity (among which social networks has been formed). In other words, creative clusters can actually be seen as social networked 'art worlds', as suggested by Becker (1982).

Table 2.1 The place characteristics of cultural quarters

Activity	diversity of primary and secondary land uses extent and variety of cultural venues and events presence of an evening economy, including cafe' culture strength of small-firm economy, including creative businesses access to education providers
Built form	fine-grain urban morphology variety and adaptability of building stock permeability of streetscape legibility amount and quality of public space active frontages
Meaning	important meeting and gathering space sense of history and progress area identity and imagery knowledge ability design appreciation and style

(Source: Montgomery, 2003, p.295)

2.1.2 Becker: art worlds

In *Art worlds*, Becker (1982, 2008) has argued the role of (social) networks and connectivity in his study of artistic production landscape. The main contribution of Becker lies at that, against the idea treating arts as the super gift of isolated artist, he contextualizes the artist in the broader social and cultural background and argues the creativity as a collective process of the networked arts world. He has argued the roles of artistic organizations such as art schools, exhibition space, curators and other actors in the arts world. He states:

The networks of people whose cooperative activity, organized via their joint knowledge of conventional means of doing things, produces the kind of art works that art world is noted for (Becker, 2008,p.xxiv).

Furthermore, He defines the concept of 'arts world':

Art worlds consist of all the people whose activities are necessary to the production of the characteristic works which that world, and perhaps others as well, define as art. Members of arts worlds coordinate the activities by which work is produced by referring to a body of conventional understanding embodied in common practice and in frequently used artefacts. The same people often cooperate repeatedly, even routinely, in similar ways to produce similar works, so that we can think of an art world as an established network of cooperative links among participants (Becker, 1982, p.34).

From this point of view, he argues artworks are the joint products of all the people who cooperate via an art world's characteristic conventions to bring works like into existence; rather than the products of individual artists. He articulates several characteristics of arts world as follows:

---- Art worlds do not have boundaries. The world exists not as a structure or organization, but as cooperating networks of those people who create or produce arts.

----- "art worlds typically have intimate and extensive relations with the world from which they try to distinguish themselves" (Becker, 2008, p.36).

----- "art worlds provoke some of their members to create innovations they then will not accept" (Becker, 2008, p.36).

---- "art world produces works and also give them aesthetic value" (Becker, 2008, p.39). Aesthetic judgments are treated as the character of collective creativity.

Becker originally contributes to the understanding of artistic production as part of the whole society. He offers a sociological examination of art as 'collective activity' (Becker, 2008, p.1). He addresses the role of social context and networking in artistic production. In this study of two creative clusters that are specialized in artistic production and consumption, Becker's theory will be useful to explain the role of social networks in creative clusters as the creative fields that may provide inspirations, sources, judgments and examinations of the creativity for the artists in the clusters. From this viewpoint, the clustering has facilitated creativity as a collective process. This is essential to creative clusters as one of the main advantages. However, Becker (2008) neglects to explain the social context and relationship among different agents in the art worlds. Bourdieu, who has particularly focused on the social space of cultural production, contributes to

our understanding of the social production and construction of artistic creativity. This will be introduced in what follows.

2.1.3 Bourdieu: the theory of habitus, field and capital

A French thinker of the 20th century, Bourdieu, has published more than 40 books and 400 articles. His research areas cover anthropological study of Algeria, education, culture, class, media and philosophy. In his works, *Outline of a Theory of Practice* (1977a), *the Reproduction in Education, Society and Culture* (1977b), *Distinction: a Social Critique of the Judgement of Taste* (1984), and *Practical Reason* (1998), he illustrates the role of cultural assets in the production and reproduction of social order. Bourdieu's 'thinking tool': (habitus) (field) + (capital) = practice (Bourdieu, 1984, p.101) has been widely known and implemented by both the Western and Chinese scholars. However, none of his concepts should be seen as independent and separate. Rather, they should be considered as the interconnected entity which makes up the structure and conditions of the social contexts that Bourdieu studied (Grenfell, 2008).

Habitus

Habitus has been considered as the most central concept in Bourdieu's distinctive sociological approach, his 'field' theory and his particular approach to everyday practice. As Bourdieu states, "all of my thinking started from this point: how can behaviour be regulated without being the product of obedience to rules?" (1994d, p.65; c.f. Maton, 2008, p.50). In other words, Bourdieu asks how behaviour is reconciled with social structures; how the 'outer' social structure and 'inner' self shape each other. He defines habitus as a "property of social agents (individuals, groups or institutions) that comprises a 'structured and structuring structure'" (Bourdieu, 1994, 170; c.f. Maton, 2008, p.51). First, habitus is 'structured' by one's past and present circumstances. Second, it is 'structuring' in that one's habitus helps to shape one's present and future practices (Maton, 2008, p.51). Third, the 'structure' is systematically ordered, and comprises a system of dispositions which generate perceptions, appreciations and practices (Bourdieu, 1990, p.53). Habitus is durable and transposable (Bourdieu, 1993: 87). It means that habitus can last over time and be active

within a wide variety of social behaviours. In other words, habitus is the structure which is continuously structured and structuring. It is structured by the past, generates perceptions within its own structure and will structure the future. This is an ongoing, active, continuous and evolving process. Simply put, we are shaped by the past, whilst we continue to learn, adapt, shape and be shaped in the future.

Habitus is used in this study to explain the social motivations for artists to get together in these creative clusters and the formation of art worlds. The main point the researcher will make in this study is that although cultural capital and social capital are the most important factors that drive artists to cluster, it is economic capital that finally determines whether or not the artist can survive in the creative clusters. Thus, the increased rent policy in the clusters, which in order to increase the economic or cultural capital of the creative clusters, could finally become the anti-cluster policy that expels the artists.

Field

The 'field' used by Bourdieu is actually the social space. As Bourdieu argued, in order to understand interactions between people, it is necessary to examine the social space where interactions, transactions and events take place (Bourdieu, 2005, p.148). There are different kinds of fields, including field of culture, field of power, field of education and field of politics. In each field, every agent struggle for the transformation or preservation of the field. As Bourdieu states, various social agents use different strategies to maintain or improve their positions. The stake of the field is the accumulation of capital which are "both the process within and the product of a field" (Thomson, 2008, p.69). Bourdieu introduces four forms of capital including economic, cultural, social and symbolic capital. The position of each agent is determined by two elements: the amount of the capital and the structure of the capital. As he states: "Different combinations of forms of capital operates in 'fields' (economic, political or artistic i.e.) (c.f. Bridge, 2004, p. 60)".

In this study, the field of creative clusters designates the field of culture, economy as well as politics, with a dominance of political field or cultural field in different cases. Artists in the creative clusters are pulled into this

game with wake and passive defence. The officially designating creative clusters evidence the endowed legitimacy from local authority, which on the one hand guarantees the survival and direction of creative clusters; on the other changes the creative clusters to be the symbolic production in terms of political performance. The main point the researcher will make is that, the artists' struggle and protection for the creative clusters is a struggle for legitimacy through their cultural capital. However, when facing the dominant capital --- the political capital in Chinese regime, their defence is weakened and took place by the political ideology.

Capital

Bourdieu (1986, p.241) envisions the concept of 'capital' and defines capital as:

accumulated labour (in its materialized form or its 'incorporated', embodied form) which, when appropriated on a private, i.e. exclusive, basis by agents or groups of agents, enables them to appropriate social energy in the form of reified or living labour.

He further defines three basic forms of capital:

Capital can present itself in three fundamental guises: as economic capital, which is immediately and directly convertible into money and may be institutionalized in the form of property rights; as Cultural capital, which is convertible, on certain occasions, into economic capital and may be institutionalized in the form of educational qualifications; and as social capital, made up of social obligation ('connections'), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility"¹(1986, p.243).

He argues that economic capital is at the root of all other forms of capital, whilst different forms of capital may transform and convert among each

¹See more details of definitions, in Forms of Capital: Cultural capital is defined as 'instruments for the appropriation of symbolic wealth socially designated as worthy of being sought and possessed' (Bourdieu, 1986, p. 253-255). Social capital is defined as 'the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provided each of its members with backing of the collectively – owned capital', a 'credential' which entitles them to credit, in the various senses of the word" (Bourdieu, 1986, p. 248-249).

other. He further puts forward the other two types of capital which are of particular interest in this study as follows.

Symbolic capital

'Symbolic capital' has been addressed in his work *The New Capital* (1989, in *Practical Reasons*). The new capital in his book actually refers to the symbolic capital. He defines symbolic capital as:

Symbolic capital: capital – in whatever form – insofar as it is represented, i.e., apprehended symbolically, in a relationship of knowledge or, more precisely, of misrecognition and recognition, presupposes the intervention of the habitus, as a socially constituted cognitive capacity. (Bourdieu, 1986, p.255)

Every kind of capital (economic, cultural, social) tends (to different degrees) to function as symbolic capital ... symbolic capital is not a particular kind of capital but what every kind of capital becomes when it is misrecognized as capital .. and therefore recognized as legitimate. More precisely, capital exists and acts symbolic capital ... in its relationship with a habitus predisposed to perceive it as a sign... (Bourdieu, 2000, p. 242; c.f. Dovey, p.287)

In this sense, symbolic capital is actually “capital of whatever forms that perceived and recognized as legitimate” (Dovey, 2005, p.287). Through legitimacy, other forms of capital can be converted to symbolic capital.

Political capital

Bourdieu is fully aware of the difference between the Capitalist and Socialist regimes. He introduces a new form of capital-- the political capital, in “Social space and political power” (1989) in order to promote international application of his thinking framework. In *Practical Reasons* (1998), he further elaborates the concept of political capital (as a sub-category of social capital, 1998, p.27) and how this thinking tool can be applied to state socialist societies. He argues that, different from France where cultural and economic capital determines the position of the agents or groups in the social space; by contrast, in Soviet societies, political capital functions as the most important principle in producing inequality. He argues that, in the 'Soviet' regime, the political capital “guarantees its holders a form of private appropriation of goods and public services (residence, cars, hospitals, schools, and so on)” (Bourdieu, 1998, p.16). He describes the government monopolized market as the 'central bank' of all kinds of capital. Thus, a

special attention should be devoted to political capital in Soviet regimes. This makes Bourdieu of special interest to this study to explain the power struggle of different forms of capital in creative clusters in China.

China has very special regime structure -- the so called 'Socialism with Chinese characteristics' which tries to integrate the Socialism political regime with Capitalism economic system. The market economy is incomplete because political capital still plays the extremely dominant role in the market and society. In the fast process of urbanization and marketization in China, the government in China owns the concentrated capital forms that allow the state act as the 'player' of the market. Indeed, during the booming process of creative clusters in China, the government (political capital) has won the game over culture and economy development. Creative clusters, like other flagship projects, became the symbolic representation of political performance of official individuals or teams.

In conclusion, Bourdieu has greatly contributed to comprehend the structural role of culture in the production and reproduction of social structure. Bourdieu has addressed the role of economic capital as the basic form of all forms of capital. He has also stressed the role of political capital in understanding his framework in the context of 'Soviet' countries. This point is crucial to investigate the institutional roles of government in creative clusters in Chinese context.

As may already be seen, the researchers discussed above have articulated the relationship among space and related issues from different dimensions, including social space, social capital, cultural capital, political capital, economic capital and symbolic capital. In this study of creative clusters, despite the social production in the creative clusters, cluster is also a process of physical production in terms of geographical dimension -- it is located at and contextualized within specific place and space. It has also been gone through symbolic production in terms of the planning and designation -- both the role of public and private sectors in its management and implementation should be taken into consideration. In conclusion, a unitary theory is needed. Therefore, it is suggested that creative clusters should be considered from multiple dimensions, including social, physical

and political. In the following section, by introducing Lefebvre, the three dimensional model of creative cluster will be set out in this study.

2.1.4 Lefebvre: the production of space

Space has been defined and debated by different philosophers over a number of centuries. For some considerable time, space has been defined in a strictly geometrical way, meaning an empty area generally termed as 'Euclidean', 'isotropic' or 'infinite' with an ultimate mathematic sense. However, within Cartesian logic, 'space had entered the realm of absolute'. Space has been defined as the object which is the dominant container of subject including all senses and bodies. Here, the space refers to the physical space. Kant has revived and revised the old concept of space. Space has then entered the realm of consciousness which is clearly separated from the empirical sphere. He has defined space as the internal, ideal, transcendental and ungraspable 'structure'. In other words, abstract space is conceived and structured by individuals. The space Kant has discussed is actually mental space (Lefebvre, 1991a).

These philosophical debates have witnessed the shift from abstracted philosophy to the science of space. As Lefebvre (1991a) has stated, precise and concrete issues on space have been raised in the spatial science, from the 'questions of symmetry versus asymmetry, of symmetrical objects, and the objective effects of reflections and mirrors' (p.2).

Geography is the science of spatial difference. Space has been defined as the heart of geography study since antiquity (Unwin, 1992; c.f. Unwin, 2000). However, geographers have concentrated on precise issues, among them being whether space is empty or indefinite, or stable. Space in a geographical study usually refers to the location of the objects, the combination of the functions and the social activities taking place in it. It is impossible to say that the 'empty' space without the elements, difference and objects can be the central of geographical study. As these elements and activities in space are also involved in the process of development, and therefore change the space itself continuously, it is essential to comprehend the space in geographical study from a viewpoint that is relative, dynamic, connected and constructed to the social and economic elements. As

Lefebvre (1991a, p.22, 154) has argued, “where there is space there is being... space is never empty: it always embodies meaning”. The social production and construction of space is thus the starting point to understand the space theory of Lefebvre.

The space theory and approach of Lefebvre: three-dimensional dialectic of space

Henri Lefebvre (1901-1991), celebrated as one of the most influential French thinkers of the twentieth century, was a Neo-Marxist and existentialist philosopher, a sociologist of urbanization and space (Merrifield, 2000, p.167; Shields, 2004, p.208). Even until present, he is still the most original and outstanding historical materialist (Soja, 1989). His works cover a wide range of study, i.e. philosophy, sociology and urban study. The most influential works contain *Dialectical Materialism* (1968b), the three volumes of *La Critique de la vie Quotidienne* (1947/1958, 1962, 1981) (translated as *the Critique of Everyday Life* into English (respectively 1991b, 2000, 2002) and *La production de l'espace* in the 1974 (translated as *the Production of Space* in English). In the following sections, the researcher will briefly introduce the development and the core of his spatial theory, in order to construct the main theoretical framework for this study to investigate creative clusters in China.

In order to understand his spatial theory, it is necessary to briefly introduce the origin of Lefebvre's thoughts. It is important to understand Lefebvre on the base of his 'humanistic Marxism'. The core of his humanism is the critique of everyday life in Capitalism. He puts forward the notion of 'Unionation' to explain the everyday life of 1930s' popular and consumer culture. He argues that modern urban life has been 'Unionated' and lacerated. Meanwhile, he stresses the potential of urban life to break down the Unionating routines.

Later in his second volume, *Everyday Life in Modern World* (translated in English in 2000), Lefebvre extends his critique of household life to modern urban life. He argues that everyday life in modern society has been thoroughly colonized, symbolized, abstracted and institutionalized. In conclusion, as asserted by himself, his most significant contribution is that

he introduces the notion of 'everyday life critique' into Marxism, adding it to the dual system of 'economy-ideology'. Since then, he moves up his study into urban research and spatial theory.

As Lefebvre (2002) would argue, "the urban is social centrality" (c.f. Thiels, 2004, p.209). His spatial theory is derived from his early writings on everyday life critique and rooted in the urban reality of Paris in 1960s' France. The *Production of Space* (1974; 1991a) forms the milestone of Lefebvre' urban study. Key in Lefebvre's contribution to spatial science is his concept of 'social space'. For Lefebvre, space is an outcome of the relationship between the elements of 'spatial practice'. This is the starting point of his three-dimensional dialectic of space theory. In 1974, he published POS and put forward the concept 'social space' at the beginning of the book (Lefebvre, 1991a, p.1). This widely known and cited book provides a useful insight into social production and construction of space in urban geography study. In this book, he describes the space as "occupied, or appropriated, by the city, produced by social practice" (c.f. Bertuzzo, 2009, p.29). He roots his spatial theory in the production process, and argues that "(social) space is a (social) product" (Lefebvre, 1991a, p.26). In particular, space is a togetherness of productive relationship occurring in history.

Hereby Lefebvre (1991a) sees space as a social product. Space as a process of social production is not only a product, but also a kind of social productive or reproducer. In other words, space is not only influenced by the social process, but also has the power to react on the social process. Space has also involved in the reconstruction of the social networks and the practical constructive process of social orders. He suggests that every society produce its own space. Thus, it is hypothetical to understand the space by putting it into the certain social and historical period. Then Lefebvre (1991a, p.8) illustrates how space is produced:

We are thus confronted by an indefinite multitude of space, each one piled upon, or perhaps contained within, the next: geographical, economic, demographic, sociological, ecological, political, commercial, national, continental, global. Not to mention the nature's (physical) space, the space of (energy) flows, and so on.

Therefore, a 'unitary theory' is needed in order to comprehend the space as togetherness. He says:

The theory we need, which fails to come together because the necessary critical moment does not occur, and which therefore falls back into the state of mere bits and pieces of knowledge, might well be called, by analogy, a 'unitary theory': the aim is to discover or construct a theoretical unity between 'fields' which are apprehended separately (Lefebvre, 1991a, p.11).

He then explains the 'fields' in detail as follows:

The fields we are concerned with are, first, the physical – nature, the Cosmos; secondly, the mental, including logical and formal abstractions; and thirdly, the social. In other words, we are concerned with logico-epistemological space, the space of social practice, the space occupied by sensory phenomena, including products of the imagination such as projects and projections, symbols and utopias (Lefebvre, 1991a, p.11-12).

This is the so-called three-dimensional dialectic of space theory. All the three fields (space) are objects of three simultaneous and interrelated production processes (material production, knowledge production and symbolic production); the three levels of space are interconnected and relational; space is at the same time perceived, conceived and lived, as shown in Table 2.1. He states:

A triad: that is, three elements and not two...The perceived-conceived-lived triad (in spatial terms, the spatial practice, representations of space, representational space) should be interconnected (Lefebvre, 1991a, p.39-40).

Thus the space could be investigated from the three intertwined and dialectic dimensions respectively: "the physical, the mental and the social space" (Lefebvre, 1991a, p.11-12). Each is discussed in what follows.

Table 2.2 The corresponding relationship of three levels of space

Three levels of space		
Physical space	Mental space	Social space
Perceived	Conceived	Lived
Spatial practice	Representations of space	Representational space

As Gregory (1994) has illustrated in his work, the relationship among the three levels of space could be shown in Figure 2.1 (Source: Gregory; c.f.

Wang, 2009, p.8). Each level of space and the interrelationship among them is discussed as follows:

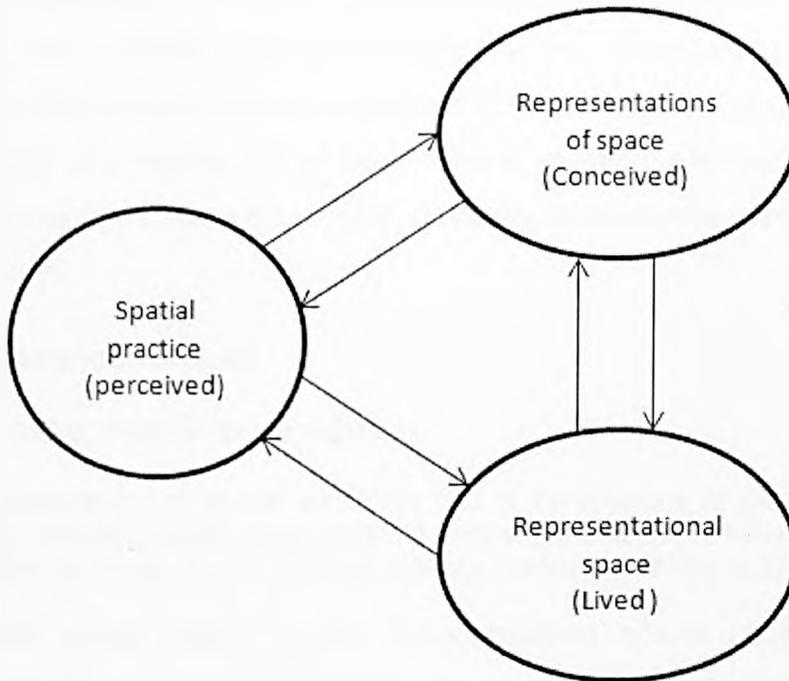


Figure 2.1 Gregory's social analysis interpretation for production of space

Physical space (perceived)

As Lefebvre states, this level refers to the:

Spatial practice, which embraces production and reproduction, and the particular locations and spatial sets characteristic of each social formation. Spatial practice ensures continuity and some degree of cohesion. In terms of social space, and of each cohesion implies a guaranteed level of competence and a specific level of performance (Lefebvre, 1991a, p. 33).

The concept of physical space concerns the continuous material production of the social activity and interaction. It focuses on the simultaneity and juxtaposition of activities. As Lefebvre has argued:

Natural space was, and it remains, the common point of departure: the origin, and the original model, of the social process...It is still the background of the picture,... but a purely natural or original state of affairs is nowhere to be found (Lefebvre, 1991a, p.190).

Therefore, natural (or physical) space involves human practice. Spatial practice means that, the physical space is resulting from the articulation and connection of elements and activities. In other terms, spatial practice

emerges from the networks of interaction and communication as they arise in everyday reality (daily networks at residence and work place), or in the production process (production and exchange relations) (Schmid, 2008). Therefore, this concept could be adapted into this dissertation's theoretical framework: the physical space of creative clusters could be observed in the net of places of everyday life: of work, leisure, creation, and business – and in their connections, such as studios, galleries, restaurants, bars, and other infrastructure.

Mental space (conceived)

Lefebvre states, mental space refers to:

Representations of space, which are tied to the relations of production and to the order which those relations impose, and hence to knowledge, to signs, to codes, and to 'frontal' relations (Lefebvre, 1991a, p.33).

The mental space refers to the conceptualized space constructed by assorted professionals and technocrats such as architects, scientists, planners, urbanists, technocratic subdividers and social engineers (Lefebvre, 1991a). Those conceptions of space contain a system of verbal signs, jargon, codifications and objectified representations, as well as maps, pictures and plans (Schmid, 2008), produced and used by these professionals. He stated:

Space is political. Space is not a scientific object removed from ideology or politics; it has always been political and strategic... Space has been shaped and modelled from historical and natural elements, but this has been a political process. Space is political and ideological. It is a product literally filled with ideologies (Lefebvre, 1977, p.341).

As Lefebvre (1991a, p.38) argued, mental space is always conceived. It embeds and represents invariable ideology, power and knowledge. Thus, the conceived space plays a dominant role in any society.

Social space (lived)

Lefebvre states, social space refers to:

Representational space, embodying complex symbolisms, sometimes coded, sometimes not, linked to the clandestine or underground side of social life, as also to art (which may come eventually to be defined less as a code of space than as a code of representational space). (Lefebvre, 1991a, p.33)

Social space concerns the symbolic dimension of space (Schmid, 2008). It designates the space that is directly lived and suffered by the users and inhabitants, as well as some artists, writers and philosophers, "who describe and aspire to do no more than describe" (Lefebvre, 1991a, p.39). Lefebvre names the associated images and symbols they created as 'representational space'. It is defined as the field of a dominated and hence passively experienced space, where the imagination seeks to change and appropriate. Social space appropriates places to: (1) the social relations for reproduction; (2) the relations of production. The social level of space production implies time: social practice originates from history, of people and individuals. "It represents social values, traditions, dreams, collective experiences, imaginations, as well as desire" (Bertuzzo, 2009, p.29). Socially produced space is imaginary, situational, qualitative, fluid and dynamic.

In conclusion, we may see that these three axes or aspects of space are the elements of the so-called 'triple dialectic' (dislectique de triplicate). This is the unitary spatial theory of physical, mental and social space. As Lefebvre (1991a, p.40, 46) has argued: the three elements should be interconnected and relational, while the relations among them are never simple or stable. No one should be separated from others. First, the lived, conceived and perceived fields should be interconnected. He argues:

The perceived, conceived and lived triad loses all force if it is treated as an abstract 'model'. If it cannot grasp the concrete, then its import is severely limited, amounting to no more than that of one ideological mediation among others (Lefebvre, 1991a, p.40).

Second, the spatial practice includes a mental dimension. As he argues, space cannot be perceived without a notion of space. The dominant role of conceived space in all societies has been addressed by Lefebvre (1991a).

Third, the power of the social space in reflecting and reconstructing physical and mental space has been emphasized. As Lefebvre states: "It [social space] overlays physical space, making symbolic use of its objects" (Lefebvre, 1991a, p.39). Shields has also commented on the dialectic interrelationship among the three axes of space: "social space not only transcends but has the power to refigure the balance of popular 'perceived space' and official 'conceived space'" (Shields, 2004, p.210).

To summarize, he states that the three levels of space are relational, interconnected. He says:

In spatial practice, the reproduction of social relations is predominant. The representation of space, in thrall to both knowledge and power, leaves only the narrowest leeway to representational space, which are limited to works, images and memories whose content, whether sensory, sensual or sexual, is so far displaced that it barely achieves symbolic force (Lefebvre, 1991a, p.50).

In conclusion, Lefebvre (1991a) provides revelatory emulations on illustrating the historical development and evolution of human life; he also offers an original criticism on understanding the space. His theory is also very popular with not only Western but also most Chinese scholars, particularly his work *The Production of Space* (1991a). There are a series of books and articles published in Chinese which introduce and discuss his theories and applications in China. For example, Yaming Bao, a famous scholar on cultural study, has edited a set of translated works on Lefebvre and other scholars such as Soja (*Modernity and the Production of Space*, 2003), Harvey and Foucault (*Post-modernity and the Politics of Geography*, 2001). All these theories discussed above appear not only reasonable, but also useful when applied to understand the urbanization processes in developed and developing countries, as well as investigate the emergent issues during these processes. Regarding their applications in creative clusters, the new emergent urban space, a composite model and its rationale will be illustrated in the following section.

2.1.5 The application of theories in this study

As discussed above, Becker, Bourdieu and Lefebvre have contributed to our understanding of creative clusters of this study from different aspects as follows.

Firstly, Becker has contributed to understand the creative cluster as a social interconnected arts world which may facilitate creativity as a collective learning process.

Secondly, Bourdieu has contributed to understand the creative cluster as a social field where different forms of capital struggle and maintain. Creative clusters in China are actually the negotiation of different forms of capital

such as cultural capital (artists), economic capital (property owners) and political capital (states).

Finally, Lefebvre has contributed to understand the creative cluster as a production process of three different levels of spaces: physical, mental and social.

Apparently, social networks, social field and social space have been emphasized by all the three theorists discussed above. As argued in Chapter 1, social networks are one of the important concepts of creative clusters. However, derived from Lefebvre, we may argue that, there are three levels of space at creative clusters: the physical environment, the social networks and the conceptual meaning of the cluster. These three aspects are actually interconnected with each other. No one should be considered isolated. First, the physical space is the basic element of creative clusters which provides the background picture. Second, both the social networks and physical space are reflected in the mental space: how different people understand and conceptualize the cluster. Third, the social space has the power to react onto the mental and physical space. In other words, artists as the main culture producers have formed their art worlds and claimed their right in constructing the creative clusters. Therefore, Lefebvre's three dimensional dialects of space could be employed in this study in order to understand the dynamics of creative clusters.

To summarize, Lefebvre has been privileged as the predominant framework of this study because of several reasons. First, the designation of creative clusters in Chinese context is at least a process of physical production of space. It is related to set up buildings or transform the functions of historical industrial buildings. It provides the basic physical space for artists to settle their studios and carry out their activities. Second, it is also a production of mental space. It is about making a plan and calling it a cluster. The meaning of the space has been formed because of the artistic practice happening in there. At last, new space of social networks has raised in the process of designations of creative clusters, among artists, governments, residents, business entrepreneurs and so on. The struggle among various stakeholders in the clusters, has continuously structured the space.

Moreover, the art worlds have been formed among the artists. The art worlds are embedded in both the physical space and the social field. In other words, creative cluster in China is not only about social networks, which have been emphasised in the literature; it is also about the physical space and the mental space. Thus Lefebvre has been chosen as the main theoretical framework of this study.

2.2 Incorporating conceptual elements into the main theoretical framework

As put forward in Introduction, the main aim of this study is to investigate the dynamics of creative clusters in China and their effects on creativity. It answers how creative clusters are practiced and managed in China. The question is answered from two aspects. First, what is the dynamics of creative clusters in China? How are creative clusters produced in China? These questions are explained mainly by Lefebvre's theory on production of the space and the theories of Bourdieu.

Second, do the creative clusters produce perceived creativity? This question explores the relationship among different levels of space and artists' perceived creativity based on their everyday working experience. This is investigated by Becker's theory of art worlds and other theories on creative clusters (see Chapter 1). These two questions are examined by the explanatory model constructed through a combination of literature reviews in Chapters 1 and 2.

Additionally, the characters of Chinese context are considered in adapting these theoretical frameworks and models, in terms of the dominance of mental space, the power of political capital and the weakness of cultural capital.

2.2.1 From theory to practice: application of key concepts

To begin with, the key concepts emerging from the main theoretical frameworks, which will be used in this thesis, will be defined and discussed. Meanwhile, the researcher will provide reasons as to why they are appropriate for use.

Space

The space investigated in this study derives from Lefebvre's three-dimensional dialectic model of space. Creative clusters, as the new emerged urban space, could be analyzed by Lefebvre's theory and generate fruitful results in this study. In order to apply his theory, this study will:

--- Focus on the production process of cluster instead of the cluster itself. It is assumed in the theories that the agents have continually structured the creative cluster; while been structured by the cluster as well. In other words, this study will investigate the dynamics of creative clusters, the production process and relative power struggle, rather than merely focusing on the physical space of cluster or considering the cluster as a rigid object without changes;

--- Identify three continuous and interconnected process of production of space: material production, political production and social production (the perceived, conceived and lived space respectively);

--- Characterize the respective fields of production as the physical space, mental space and social space.

Therefore, creative clusters in this study are considered to be the integration of different levels of space. The space produced by the power struggle of the different forms of capital is discussed as follows.

Capital

Because of the different forms of capital owned by different people in the creative clusters, they play different roles in the process of production of space. Those people mainly include artists, local authority and property owners. Respectively, they own a form of capital as the most powerful and valuable one: cultural capital, political capital and economic capital. The struggle for the right of the space actually reflects the struggle for legitimacy of these three forms of capital in the creative clusters.

Creativity

As discussed in Chapter 1, creativity has been a debatable concept. In this study, creativity is defined as the 'perceived' creativity during the creating process. This creativity is perceived by the artists themselves. As Pratt and Gornostaeva (2009) argue, the creativity in this study is treated as 'effect' or

emergent property. It investigates creativity from a socialized perspective and explores the systematic effects of creative clusters.

In empirical work, creativity is identified by the artists in the cluster through qualitative in-depth interviews. In order to assure the objective attitude to their works, artists were asked to express their opinions on understanding arts, creativity, creative industries and creative clusters. In addition, they were encouraged to comment on each other's creativity. From the interviews, creativity has been defined as 'originality' by artists, which means to "create something new"². This understanding is coordinate with the definition of creativity in Chapter 1.

Governance

As Pratt (1997; 2005, 2006a; c.f. Pratt and Gornostaeva, 2009, p.120) suggests, 'governance' in creative industries is "a notion that incorporates organisation and regulation in relation to particular industries and technologies". In this study of visual arts industry, governance is mainly concerned with the policies and regulations of creative industries, clusters and artists as well as the master plans formulated by the local authority. This investigates the creative clusters defined in policies, regulations and plans.

2.2.2 The production of creative clusters

This part explains how the creative cluster is produced in the practice of different stakeholders. Most creative clusters in Shanghai were transformed from industrial buildings. Under the practice of various stakeholders, new space emerged from the old industrial space. However, artists were not the only force behind the process of production of space. Governments, managers, residents and other related people were also involved into shaping and managing the creative clusters. Thus, creative clusters could be considered the result of power struggle among different forms of capital owned by different agents. Each capital plays a different role in the production of space. Three different levels of space have been produced under the struggle among three different forms of capital. In conclusion, the

²Derived from the interviews.

production of creative cluster is illustrated in Figure 2.2. This diagram is further explained as follows.

The dual-dimensional dialectic system between capital and cluster

First, the most basic and mature relationship is between economic capital and space. This has been well argued in economic and geography studies.

Second, the role of cultural capital in shaping space is investigated. Artists, as users of space, not only contribute to the production of physical space, but may also be referred to the ruler of the mental space and the subjects of social space (Lefebvre, 1991a). Artists' active engagement in protecting the space reflects their defence and resistance of the space through cultural capital. However, because of the weak strength of cultural capital in special political regime in China, their influence on space has been overlooked.

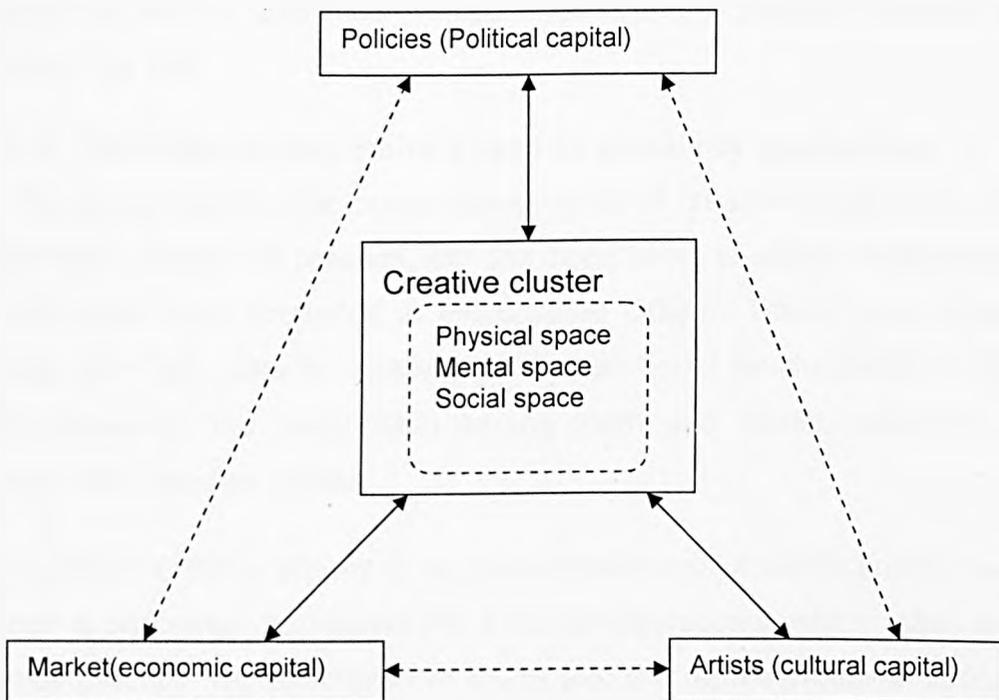


Figure 2.2 The production of creative cluster

Third, the relationship between political capital and space is addressed. This is particularly important for any study in the Chinese context, where political capital has overwhelming strength over other forms of capital. The dominance of political capital in creative clusters is investigated.

The three dimensional dialectic among three forms of capital

From another perspective, a relationship among the three factors could also be constructed, and a dual dialectic relationship between each two factors is explained. First, the transformation among political, economic, cultural capital could occur in the space. As Bourdieu (1986, p.252) argues, different forms of capital can be convertible from each other. The most relevant aspect of this study is the transformation between political capital and economic capital on the one hand, as well as the economic capital and cultural capital on the other. In addition, cultural capital could also transform to be a kind of symbolic capital. For example, famous artists in creative clusters own the stake to negotiate with the local authority and the management agency.

Second, both economic and cultural capital may structure or influence political capital, while they may also be governed or managed by political capital as well. In conclusion, those three forms of capital constitute triad dialectic as well.

2.2.3 The roles of place and space in creativity production

In the above section, the production process of creative clusters has been illustrated. During this process, with the three forms of capital, three levels of space have been produced in the creative cluster. These three levels of space and their roles in creativity production could be illustrated in Figure 2.3. Moreover, the relationship among them and related rationales are further discussed as follows.

As Lefebvre (1991a) argues in his three-dimensional dialectic spatial theory, space is perceived, conceived and lived simultaneously, which refers to the spatial practice, representation of space and the representational space. In his terms of space, the physical, mental and social space respectively. Therefore, on the one hand, it is assumed from the literature that different levels of space would be also investigated in creative clusters in terms of physical, mental and social space. On the one hand, each level of space and the relationship among the three levels are discussed follows.

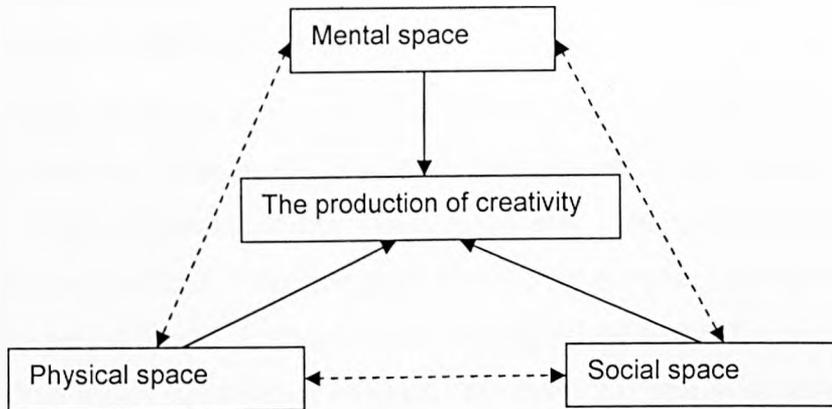


Figure 2.3 The production of creativity in different space

Physical space

Physical space is composed of the basic elements in the creative cluster. Physical space refers to the buildings and hard infrastructure, such as the concrete working space, the public space and the basic infrastructure of the creative cluster. In conclusion, it covers the 'built forms' of the cluster. This is also the most emphasized element in the literature and practice of creative clusters in China.

Mental space

Representations of space are presented by different powers involved in the creative cluster. Representations imply each subject's control over the space, and define who has the right to use and determine the space. Thus, representation could be regarded as the symbolic meaning of space in the cluster. In other words, these representations constitute the mental space of the creative cluster. In particular, in the context of China where political power plays a dominant role in society, mental space is very important to interpret the power struggle in managing creative clusters.

Social space

Social space is produced during the social interactions take place in the creative cluster. They are always interlinked, overlapping and even contradictory to each other. In the creative cluster, social space regards to the space where social networks, interactions, and communications take

place. Together, these form the sense and milieu of the creative cluster that attracting artists to settle down.

However, none of these three levels of space can exist without the others; but in fact they are relational and interconnected with each other. They are the three different facets of the creative cluster. The relationship among them could be manifold. First, physical space is the basic elements for both mental and social space; it shapes and is shaped by the latter two levels of space. In this study of creative clusters, the physical space is shaped, and has been shaped by mental and social space.

Second, as argued by Lefebvre, space is always strategic, political and ideological. Mental space plays a dominant role over the other two levels of space. In this way, it is assumed that mental space is in the dominance discourse in the development of creative clusters in China.

Third, Lefebvre argues that social space is relative, dynamic and interactive. Social space is also a defensive space (Lefebvre, 1991a). Social space is the space for agents and groups to gain 'the right to city'. It is the road to the revolution of space, and is filled with relations and struggle. In this way, it is assumed that social space is the field of power struggle among different agents in creative clusters. An investigation is made as to whose space it is. Additionally, social space forms a sense of place, and the milieu of creative cluster, which in turn changes mental and physical space. In conclusion, the three level of space: physical, mental and social, could form the other triad dialectic.

In conclusion, the three levels of space in creative cluster are interdependent. They should be understood as a unitary thing. This provides its superior than the existing approaches to creative clusters (see 2.2.1) in several aspects. First, although the creative cluster as a physical space and social space, especially the social space, has been richly debated in the literature, the mental space of creative cluster and its effects on creativity have rarely been discussed.

Second, with investigating creative cluster through a triad model of three levels of space, it provides a unitary model which explicitly interprets the creative cluster as a combination of physical, mental and social space. In

this model, physical space is understood as the carrier, mental space as the representation, and social space as the living reality and creativity as the product respectively.

Finally, it is suggested that space plays an intermediary role between policies and creativity. Policies and strategies do not affect artists' creativity directly but play a role in creativity through the space. This provides a new point of view in investigating the dynamics and governance of creativity in clusters.

On the other hand, the role of different levels of space in creativity production could be explained as follows. The functions of a creative cluster, as well as the roles of the cluster in producing creativity, have been broadly reviewed in Chapter 1. Below, the roles of place and space in creativity production are further discussed by incorporating the theory of production of space, as shown in Figure 2.3.

The cluster as physical space

First, in terms of physical space, the value of clusters and the influence of cluster on creativity are investigated in several aspects. For example, the creation and exhibition space provided by the cluster, the buildings in the cluster as the source of creativity, the basic hard infrastructure, the public space for cultural activities, the cultural avenues, the location of the cluster as well as the convenience to access other services are examined.

The mental space of the cluster on creativity

Second, the representations of the cluster emerge from the power struggle during the governance of the cluster. Regarding different management structures, different symbolic meaning is endowed to the cluster. It defines who has the right to use the space. In other words, it influences the structure of the components of creative organizations in the cluster. Thus, it affects the function of the cluster, and the future development of the cluster.

The social space of the creative cluster on creativity

Third, the social-cultural milieu of the cluster is formed by the networks, and interactions take place in the cluster. As argued in the literature, social

networks and milieu plays important roles in producing creativity and innovation in terms of forming the creative field, sharing tacit knowledge, building up trust and reducing risk. The social space and their influences on creativity of artists are investigated.

2.2.4 A composite framework: bring them all together

These triad dialectic models have been theoretically framed. Thus, a unitary framework is in need. A triad dialectic model of creative cluster is constructed as shown in Figure 2.4. In this model, first, the creativity regards to the perceived creativity by artists. Second, the cluster should be perceived from three levels of space: physical, mental and social. Third, the capital consists of different types such as political capital, economic capital, cultural capital, symbolic capital and social capital. This triad model explores the relationship among capital, cluster and creativity in what follows:

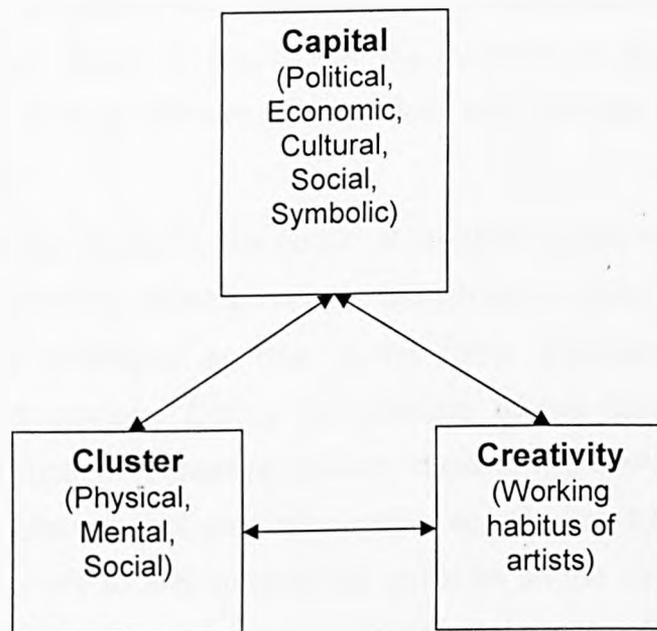


Figure 2.4 The triad model of creative cluster

Firstly, the creative cluster is the space where capital operates within and creativity generates from. It is also the space where capital and creativity struggle with each other. Thus, the evolution of the cluster space is investigated.

Secondly, various forms of capital operate in, structure and maintain different levels of space and been structured as well. Different forms of capital may be strengthened or wakened by the practice of creative cluster.

For example, cultural capital has been strengthened by protecting space for artists. Meanwhile, creativity also contributes to capital accumulation. For instance, great creativity could be transformed to economic capital which ensures the artist to survive in the cluster. Therefore, the social networks and relationship among different capital owners (stakeholders) are investigated.

Thirdly, creativity is considered the product of the cluster, and the capital as well. On the one side, creativity is influenced by the cluster physically, mentally and socially. On the other side, creativity is the negotiation of different forms of capital, such as cultural, economic and political capital. Therefore, the arts world and situations of creativity are investigated.

In conclusion, the three-dimensional dialectic model of creative clusters has been constructed in terms of cluster, creativity and capital. Each aspect influences and structures the other two, and has been influenced and structured as well. Based on this model, the evolution of cluster space, the social networks among different stakeholders and the arts world of artists are investigated.

As discussed in the literature, the notion of creative cluster has been widely used as the template to develop creative industries in China. Governmental designation was privileged as one of the most important strategies to develop creative clusters. During the practice of the creative cluster in China, the construction of creative clusters, most of which were transformed from industrial buildings, not only the physical space were transformed from industrial architecture to arts studios and galleries (in the case of this study of arts clusters), the new social and symbolic space were also produced by the related agents (local authority, property owners and artists). But how may the production of clusters transform to the production of creativity? In the next section, the research questions and hypothesis are further discussed.

2.3 Research question and hypothesis

2.3.1 Hypothesis

As discussed above (See Introduction, p.8), this study investigates the dynamics of creative clusters in China and evaluate its effect on creativity production. In order to answer this question, the hypothesis of this study has been derived from literature review and the theoretical framework. This consists of what follows:

- 1) A creative cluster is not only a physical space, but also a social and political space; as may be concluded from the literature, the cluster as a creative space must be understood as a unitary concept of three aspects: the physical, mental and social space.
- 2) Different capital held by various stakeholders of the cluster determined the different power of respective stakeholder; and their roles in the cluster are various too;
- 3) The physical space of creative cluster will affect its usage and artists' creativity; as a physical space, creative cluster may provide a suitable working environment, basic infrastructure, and various forms of architecture for the artists who work in it;
- 4) The mental space of creative cluster affects artists' creativity. As a mental space, the researcher investigates whose creative cluster it is, and reveals the interrelationship among different stakeholders, and therefore, how the different wobbling conceptions of 'creative cluster' affect its development and artists' creativity.
- 5) The social space of the creative cluster affects the artists' creativity; as a social space, the researcher investigates what kinds of networks exist in the cluster and how the networks affect the artists' creativity.

2.3.2 Research questions and objectives

Given the limitation shown in the literature review, it would be valuable to investigate the adaption of 'creative cluster' in the Chinese context, which includes the mechanism of creative clusters in China, the role of creative clusters in developing creative industries in China, the value of the creative clusters, the status of artists in the clusters, and more widely, the situation of

contemporary artists in China. It should be possible to investigate how the creative cluster concept is practiced in China, and it is important to explore how the practice of creative cluster affects the artists' creativity and working experience.

The key research questions of this study are to answer how the creative cluster concept has been applied in Chinese context, and thus how the clusters affect artists' creativity. The research question has been divided as follows:

- 1) How is creative cluster produced and managed in the context of China?
- 2) What are the roles of the creative cluster in terms of physical space? How does the physical space affect artists' creativity?
- 3) What are the dynamics of social networks in the creative clusters? How do the social networks affect artists' creativity?
- 4) What are the situations of the art worlds in the creative clusters? How do the art worlds affect artists' creativity?
- 5) What are the institutional roles of local governments in creative clusters? How do different governance strategies affect artistic creativity in the two clusters?

With these questions in mind, five research objectives are formulated:

- 1) To develop an explanatory model of the production of creative clusters in the Chinese context, classing these according to management structure.
- 2) To discover the characteristic features of Chinese creative clusters and compare them with those found by previous studies.
- 3) To investigate the evolution of physical space and its influences on artists' creativity.
- 4) To investigate the dynamics of the social networks and its influences on the formation and expression of artists' creativity.
- 5) To investigate the situations of art worlds and its influences on artists' creativity.

As artists and their artworks have received relatively little attention from researchers in China, a study of their working experience and creativity in special location (creative clusters) should be valuable in enhancing our understanding of creative cluster practice and its impact on artists' working status. In doing so, it provides important insights into a world which is both unfamiliar, yet socially significant in China. The objectives of this study are further explained as follows.

Firstly, it was assumed in the literature that an explanatory model of the production of creative clusters could be constructed by discovering the production process, investigating the mechanism and the power struggle, and evaluating the management strategy of the clusters. As argued by Keane (2009) and Li (2009), the creative cluster concept has been widely practiced in China. Thus a conceptual framework is needed, and so both the domestic and international literature of creative cluster, space and creativity have been examined in order to identify those studies which would be most useful from a theoretical point of view and whose findings might be sufficiently compared with those of this study. A preliminary model of the creative cluster was constructed based on the studies of several researchers from different academic backgrounds as follows. First, in urban geography studies it emphasized the activities, built form and meaning of the space in the clusters (Montgomery, 2003). Second, in regional studies, it stressed the production system of the creative cluster, the agglomeration economy effect and the role of the cluster in stimulating creativity (Porter, 2000; Mommaas, 2000; Pratt, 2005; Taylor, 2011). Third, in the management study, it emphasized the role of clusters in constructing knowledge and information (O'Connor, 2004). Fourth, in entrepreneurship studies, it argued for the role of social networking within the clusters in the formation of trust and management of risk (Taylor, 2011). Fifth, in the social study, it addressed the role of reputation (cultural capital), repose (environment effect) and rent (economic value) in constructing the identity and value of the cluster other than social relations (Kong, 2009).

In conclusion, taking account of all the above viewpoints from the literature of creative clusters, the researcher chose to view the creative cluster as a space: a mixture of physical, mental and social space. As discussed above,

Lefebvre's spatial theory (from the Production of Space) was chosen as the main theoretical framework for investigating the practice of creative cluster production in China, especially case studies in Shanghai. It was also assumed that it would be meaningful to compare the findings of these studies discussed above with those of this study, in order to gain a better understanding of particularity of the creative cluster in the Chinese context, including the cultural policy, the designation and creation of the cluster, the management of the cluster, the mechanism of the cluster and the both traded and un-traded networks in the cluster, the working experience of artists in the cluster and the value of the cluster to the artists.

Secondly, it was assumed that different space in creative clusters might facilitate or restrain the production of creativity. As derived from the theory of "built form, activities and meanings" of cultural quarters/clusters by Montgomery (2003), as well as Lefebvre's (1991a) three-dimensional dialectic of the production of space, it is suggested that creative cluster can be understood from three points of view. First, in terms of physical space, as indicated in the literature, the physical working environment influences creativity. Thus, it is possible for the creative cluster to provide the artists with a suitable physical environment to facilitate creativity. Second, in regards to social space, it may be noted in the literature that creative clusters generate creativity (innovation) in terms of facilitating social networks and creative milieu. Thus, it is possible to provide a creative milieu by managing the mix of the functions in the cluster. Last but not the least, it is also argued that in China, the political ideology also plays dominant role in culture and creativity (Keane, 2007). Thus it is vital to consider the political power in managing creativity. In conclusion, the value of creative clusters will be evaluated in three fields, in terms of physical, social and mental space. Space is seen as more than a container, but a process. The transformation from old industrial or residential buildings to modern and bohemian creative clusters was considered as a process involving physical, mental and social transformation. Each aspect will be discussed in detail as follows.

Thirdly, the research investigates the influence of physical space of creative clusters on artists' creativity. This investigation would take account of the

physical process, such as the memory of the old buildings, rebuilding the physical space, the everyday use of the space by artists, and the value of the physical space. In addition, it would evaluate the role of hard infrastructure of the clusters which includes the location, space and facilities. Thus, the facilities and space in the creative clusters would be examined in detail in order to explore how the clusters were used and valued by the artists. This would take account of the demographic and career information of artists, the physical factors such as the location, space, facilities, rent and the estate maintaining.

Fourthly, the research investigates the dynamics of the social networks and its influences on the formation and expression of artists' creativity. This investigation takes account of the different conceptions and meanings of creative clusters given by various stakeholders. It investigates the ownership of the property and management and administration strategy; the various representations of creative clusters given by different agents in the clusters; and the struggle of different stakeholders in the social networks. First, the main focus of this exploration is the institutional roles of management in the creative clusters, and the identity and legitimacy of the space from different agents. It has been argued that cluster strategy could facilitate creativity or innovation (Porter, 1990). As argued by Hitters and Richards (2002), it is possible to promote creativity by controlling the activities in the clusters. They suggest having more cultural activities other than commercial activities in the cluster in order to promote creativity of the artists (Hitters and Richards, 2002). Therefore, this exploration takes account of the proper policy to support the artists, the service provided for the artists, the business support for the artists and the management strategy of the clusters. This is evaluated from both the points of view of artists and the managers of the clusters, to compare how the service satisfies the need of the artists, and how do the managers think about the clusters. In addition, it also compares two creative clusters, one of which is more commercial, the other more artistic, to explore how the different management strategies of the clusters affected the creativity of the artists from their points of view. Meanwhile, it would be able to identify, from the policy makers and managers' view, what

were the possible ways of management to promote creativity and maintain a sustainable development of the creative clusters?

Second, political factors will also be taken into account. It was assumed that the Chinese context was special, because of the different political system in China. Thus, the management of clusters could be different from those in the Western literature. As argued by O'Connor (2009), the creation and designation of creative clusters in China was very discursive. The creative clusters were created and managed by several different governments and non-government organizations. Therefore, this investigation focuses on the role of political strength in the administration of creative cluster, as well as their influence on artists' creativity. It is assumed that creative cluster works as the management strategy of artists in China (Keane, 2009). Artists, especially in the contemporary arts, are usually relatively independent with a high rate of self-employment. They do not belong to any work units³ (gongzuo danwei) in China. They are also defined as pioneers of culture in China. They need more freedom. They are considered as cool, radical and anarchic people. Thus from the Chinese government's view, they are also considered as an unstable group, who have the potential possibility to bring trouble to the cohesion of society. However, political issues are very sensitive in China. The research could only gain a very superficial comment from interviewees on this issue, because the interviewees refused to talk about political compromise. This study explores the political issues in the creative cluster from the management point of view and the control of the artistic works in the cluster, which is of interest to compare with the study of Keane (2007; 2009).

Third, this exploration also investigates the value of creative clusters from the mental space aspect. It will take account of the organizational and institutional roles of management organizations in the clusters such as the

³Work unit was a special name of governmental institution in China. It was a product of planned economy in China which provided working, eating, accommodation, school, hospital, and social networks for the workers in a blocked unit, which was called a work unit. In one working unit, people work and live together like a big family and thus formed a self-organized and self-supervised system. Contemporary it is still used in some institutions, such as the governmental system and education system.

businesses approved in the cluster and the controlling of the activities approved in the clusters, the cultural factors such as reputation, historical context, symbolic meaning of the space.

Fifthly, the research will investigate the situations of art worlds and its influences on artists' creativity. This investigation will take account of the formation of art worlds; the social networking and interaction among artists; the trading networks between artists and other agents; the creative field embedded in social networks. This study explores the influences of proximity in location on creativity or innovation of creative industries/firms/individuals. The role of proximity in generating innovation in the creative industries has been extensively investigated in the literature (Camagni, 1995; Castell, 1996; Amin and Graham, 1997; Porter, 2000; O'Connor, 2004; Scott, 2000, 2006; Hellmanzik, 2010; Taylor, 2011). As argued in these literature, the clustering of creative industries could provide a 'networks' (Castell, 1996), 'creative milieu' (Hall, 200) or 'creative field' (Scott, 1999, 2006) which encourage circulation of capital and information (Scott, 2000); knowledge learning; innovation and individual expression of creativity (O'Connor, 2004; Scott, 2006). However, in Hellmanzik's (2010) study of visual artists, he argues for the importance of quality rather than quantity of peers in the location for the cluster premiums. In the study of designers by Wenting, Atzema and Frenken (2008), it was argued that the proximity of creative firms provides superior businesses networking opportunities which were the most important reason of entrepreneurs' location decision. Thus, it was assumed that it would be useful to compare these theories with the findings of this study, in order to explore the particularity of creative clusters in Chinese context, explain the reasons of clustering and value of clusters to the artists, and find out how clustering affects the creativity of artists.

Finally, this study is expected to identify the implications of the finding for the creative clusters governance and the cultural policy. Thus, it is hoped, will be useful for government policy makers and cluster managers as well as urban planners and cluster makers, and might be of interest to other researchers and readers in wider creative industries study and urban study.

The limitation in the literature and the current practice in Chinese context led to defining those research questions and objectives. The objectives were designed to explore the phenomenon of creative clusters, to investigate the needs of artists, to suggest possible ways to stimulate creativity in the clusters and to imply the sustainable development strategy for the clusters. In doing so, empirical evidence is needed with reference to artists, government officers and cluster managers.

2.4 Conclusion

This chapter developed the theoretical framework of this study and discussed the implementation of it in the empirical creative cluster research. A unitary model of creative cluster that takes account of the physical, mental, social and political aspects was constructed. Based on the literature review and theoretical framework, the research hypothesis, questions and objectives were further developed and discussed. However, creative clusters require a context. The next chapter will investigate the conditions of creative clusters and creative industries in China, with a particular focus in Shanghai.

Chapter 3

Development of creative clusters with reference to cultural policies in Shanghai

The previous chapters were devoted to the relevant literature review of creative industries, creative clusters and the theoretical backgrounds. However, the context of creative industries and clusters in China, especially Shanghai has not been well illustrated. This chapter investigates the historical, political, social and cultural contexts relevant to the research and describes the main features of the creative industries in Shanghai. This is necessary because, especially in the history of modern China since 1949, cultural development underwent massive policy change that has reflected wider political and economic events in the country over the last sixty years (See Introduction, p.3). Meanwhile, in the last decade the subject of this study, visual artists have lived and worked within the context of creative clusters, where the country's economic and cultural policies has been practiced. As argued in Chapter 1, visual art is at the core of creative industries (DCMS, 1998; Throsby, 2001, 2007). In this way, visual artists are at the heart of creative labor. The chapter is divided into three sections in order to discuss the context of Shanghai's creative industries: urban Shanghai, the evolution of current cultural policy and the development of creative industries in Shanghai.

3.1 The urban context of Shanghai

The roles of urban milieu, culture and economic development in the creative industries have been well discussed in the literature review. Cultural development always includes political and economic development. Thus, it is worth briefly reviewing the urban history and context of Shanghai contained in this study.

As shown in Figure 3.1, Shanghai is located at the middle of the east coast line of China. Contemporarily it consists of 14 districts and 6 counties as shown in Figure 3.2.



Figure 3.1 Map of China

(Source: <http://www.travelchinaguide.com/map/>)



Figure 3.2 The districts of Shanghai

(Source: <http://www.shanghaifocus.com/shanghai-map>)

3.1.1 The historical and political evolution of Shanghai

Before 1842

Geographic location is one of the important factors that drive the economic, political and cultural development of Shanghai. Shanghai is located at the access to the sea of the Yangtze River, which is the middle of the west coast line of the Pacific Ocean. Located along the Yangtze River and beside the West Pacific Ocean, Shanghai has an excellent geographical location (Zhang, 1999) and is the biggest city in China with more than two thousand years of history. Shanghai is one of the 38 historical and cultural cities that were designated by the SCC.

According to the existing archaeological achievements, about 4000-6000 years ago, in the the Neolithic Age, the western part of Shanghai was land, whilst the eastern part was still sea. Shanghai started from a small fishing village where people engaged in fishing and agriculture, until 500 BC, in the Chunqiu period, Shanghai became part of the Wu nation. It was designated as two towns since the Qin Dynasty, until the early Song Dynasty, with the development of overseas trade in salt, Shanghai became the concentration of important salt production factories. Thus since the Northern Song

Dynasty, Shanghai became the trade centre of the southern Yangtze River area (Zhu, 1996).

Since Shanghai was designated as a town in the late Song Dynasty (1265-1267), it became very prosperous over a period of approximately twenty years, until the Yuan Dynasty. It was stated that, "the trade was very prosperous, the population increased rapidly". Shanghai is located along the Yangtze River and facing the East Sea. There were cars, boats, public transport boats, markets and shops, an alcohol workshop, schools and temples. It was one of the biggest towns in the east of China and for this reason it was designated as a city in the Yuan Dynasty (1291). Since the Yuan Dynasty, the salt industry and fabric industry became the main industries in Shanghai. During the Qing Dynasty (1685), the port was opened, the customs were established at Huating, and the docks moved up to Shanghai. Since then, trade developed rapidly. It was stated that, "since the establishment of customs in Shanghai, all the trades transferred from the Wusong River to Huangpu Port". Outside the east gate, boats connected to other boats and sailings connected to others sailings. Since then, Shanghai became 'the entrance to river and sea, and one of the most important cities of the south east' (Zhu, 1996).

The development of Shanghai in the semi colonial period (1843-1949)

During the Opium War, in June 1842 British warships arrived in Wusong, Baoshan and Shanghai where all surrendered. Later, the British army moved forward along the Yangtze River and arrived at Nanjing. 'The Treaty of Nanjing' was made under the authority of the British army, and Shanghai was listed as one of the five trade ports. Thus, Shanghai port was forced to open to foreigners. Since then, Shanghai has transformed to be an international trade city.

From 1842 until 1949, Shanghai grew from a small city to being the biggest city in China. Since the agreement of 'The Treaty of Nanjing' the UK, America and France gained agreement to trade with the Chinese government in 1844. Those countries obtained their 'Concession areas' in Shanghai and since then, Shanghai became a semi colony and the base for the imperialist aggression against Chinese politics, economy and culture

(Office of Shanghai Chronicles (OSC), n.d.). However, since the semi colonial period, Shanghai started its modernization process.

Under the protection of 'Concession Areas', Shanghai was free from the reactionary government, warlords and civil wars. Thus, Shanghai had a comparatively free and safe environment. Meanwhile, because of the convenience of being a free trade port, several kinds of national industries were developed rapidly in Shanghai; moreover, the free and open milieu in Shanghai attracted lots of businesspersons, nobles, writers and artists who settled there in order to escape from the war (Zhang, 1996). During the semi-colonial period, the population in Shanghai increased from 540,000 to 5,400,000 in about one hundred years. The immigrants from the western world and other parts of China, contributed to the economic development of Shanghai, and formed the new modern culture of Shanghai.

In 1927, the significance of Shanghai in the national political and economic development was stressed by The Kuomintang government. In 1930, Shanghai was designated as 'Shanghai City Government'. Because of the wars and the cruelty of bureaucratic capitalism in China, the industries in Shanghai developed abnormally. The docks and factories were destroyed, roads and other public infrastructure were all in disarray, the urban structure was abnormal until the liberation of Shanghai in 1949 (Zhu, 1996). However, only the 'Public Concession Area' and the 'French Concession Area' were peaceful. The economic and cultural development in these two areas was abnormal which was called 'the period of isolated island' (OSC, n.d.). Because of the peaceful and steady conditions in these two Concession areas, not only the economy gained prosperity and development, but also the cultural industries such as opera, literature, newspapers, and orchestras gained unprecedented and prosperous development. Therefore, the central position of Shanghai in the economic and cultural development of modern China was strengthened.

The transformation of Shanghai since 1949

On 28th May 1949, The People's Government of Shanghai was established. Shanghai was designated as a 'municipality directly under the jurisdiction of the Central Government', which had 20 urban districts and 10 suburban

districts. Since the Reform and Opening Policy constituted in 1978, Shanghai gained a new opportunity for development. Since 1991, the east of Shanghai was redeveloped to be the new trade, technology, finance and export centre. Meanwhile, with the new urban planning, the old factories were reformed while the new industrial parks were built, the transportation system was reformed, and new residential areas and new infrastructure were constructed. Shanghai became the biggest city in China, as well as one of the international centers of economy, finance and trade. Until 1992, Shanghai consisted of 14 districts and 6 counties (OSC, n.d.). Economically, the industries were planned and relocated and more than ten industrial parks were designated in sub-urban districts. In 2010, with 6,340 square kilometers area and more than 0.23 billion population, Shanghai is still the largest Chinese city, the biggest economic centre and the important port in China (OSC, 2010).

3.1.2 The economic development of Shanghai

The economic development of Shanghai since the opening of the port (1843 - 1949)

Shanghai and its economic development started from the Song Dynasty when Qinglong town declined. Qinglong town, located in the middle of the Wusong River, was the most important port of the southern Yangtze River in the Song Dynasty. However, because of the unique natural conditions of the Yangtze River Delta Alluvial plain, the silt of the Yangtze River accumulated continually and, as a result, the riverbed became shallow and the river course became narrow. Shanghai, a small village which was located on the lower branch of the Wusong River, took the place of Qinglong town and became the new trade port town on the Yangtze River. Since the opening of the port, Shanghai experienced rapid economic development, with handmade fabric and alcohol as the most important industries. In the Qing Dynasty, the government introduced the maritime trade and Shanghai town became a large port that had 24 branches and commanded about 300 kilometers of the coastline. With the prosperity of sea transport and trade, Shanghai experienced unprecedented economic development (Zhang, 1996).

Since the opening of the port by the western world in 1884, Shanghai has experienced fast economic development. Prior to that, Guangzhou was the only import and export port designated by the Qing government. First, new foreign economic organizations rose up in Shanghai; second, foreign banks were established in Shanghai; third, foreign navigation companies and insurance companies started up in Shanghai. With the influence of foreign businesses and trade, Shanghai started to learn the western economic organization structures. In this period, silk fabric, tea, cotton fabric and cereal were the main industries in Shanghai (Zhang, 1996).

From the late 19th century to the early 20th century, with the rapid development of foreign industries, as well as the development of national private capitalism, Shanghai became the modern industrial center of China. Meanwhile, with the expansion of urban internal, national and international internal trade markets, the establishment of modern trade organizations, as well as the improvement of the trade environment and urban infrastructure, Shanghai established its central position of trade. Moreover, many foreign banks set up their branches in Shanghai, as well as several national private banks being established, Shanghai was the finance center of the Far East. In conclusion, during approximately 100 years of the semi-colonial period, Shanghai was established as the multi-functional economic center of China, including the industry, trade and finance center (Zhang, 1996).

The recovery of industry and the economy (1949 - 1978)

After the short period of economic depression during the Second World War, the most important job after the foundation of the new People's Republic of China was to progress the recovery of the economic development of Shanghai. During the period of socialist reform and construction, Shanghai experienced rapid economic development. Shanghai City was re-planned while the districts in Shanghai were reorganized. The private companies were reformed, while the new state-owned industries were constructed. Shanghai was transformed from the multiple economic centers under the market economy, to the industrial base under the planning economy system (Zhang, 1996).

During the early 1950s to the late 1970s, Shanghai was re-established as the industrial center of China. In 1953, the policy of 'making good use of old industrial centers' was put forward in the 'first Five-year plan'. It officially established Shanghai's function as the industrial center in China. In the second and third Five-year plans, the role of the industrial center was repeatedly stressed. During this period, Shanghai was one of the first places of industrial development in China, under which 8 industrial areas were constructed in the inner city, and 6 industrial areas were established in the suburban districts. However, because of the emphasis on the second industries and the unified industrialization of China in the central policies, the third industries were reformed and depressed. With the decrease of the third industries, the economic and cultural functions of Shanghai declined (Zhang, 1996). However, Shanghai gained a new opportunity for economic development since the reform and opening policy constituted in 1978.

Economic growth after the Reform and Opening policy

Since the Reform and Opening policy was put forward in 1978, Shanghai experienced unprecedented rapid development in both economic and cultural areas. In 1982, the 'Shanghai economic area' was designated by the SCC, which included ten cities on the Yangtze River Delta. In 1984, the 'Shanghai economic area' expanded to include Shanghai metropolitan city, as well as the Jiangsu, Zhejiang, Anhui and Jiangxi provinces. In 1986, Fujian province also became part of the 'Shanghai economic area'. With the extended transportation networks, long history of industrial development, developed business management and organization, advanced technology, culture and education, as well as excellent talents, this large Yangtze River delta provided Shanghai with the resources for economic development. In 1992, 'the special economic area of Pudong District' was established in the east of Shanghai by the national government of China. With the support of other cities on the Yangtze River delta, as well as the increase in foreign investment, Shanghai gained a great chance for development. Since 1992, Shanghai has maintained its economic growth at an annual rate of GDP of more than 10% (Li and Hua, 2009).

Since the late 1990s, Shanghai faced the problems that came with the rapidly emerging industrialization process, including decreasing industrial resources, the increasing environmental pollution, the decline of old industrial areas, and the increasing price of land. In order to promote Shanghai's economic development, adjustment of the industrial structure of Shanghai from the traditional industry to many service industries was carried out by the government. In 1997, the industrial transformation was put forward on Seventh Municipal Party Committee of Shanghai. In 1998, the concept of 'urban industries' was put forward by the government to define the industries with lower energy consumption, lower pollution and higher added value (He, 2009). Shanghai thus obtained a new opportunity for economic development in the 21st Century. In 2001, the average GDP exceeded \$800 per person in China while in Shanghai it was \$4000 (OSC, 2001). In 2008, the personal average GDP in Shanghai was \$10,529, which indicated that Shanghai entered the medium developed cities (OSC, 2008). In 2009, the percentage of the third industries' contribution to Shanghai exceeded 60%, which provided the industrial environment for creative industries development. Therefore, Shanghai primarily had the best economic, industrial and market conditions for creative industries development since the new century (Xie, 2009).

3.1.3 The culture environment in Shanghai

3.1.3.1 The 'Shanghai School Culture'

The role of cultural environment/milieu in the creative industries has been well documented by both western and Chinese scholars (Scott, 2006). As the biggest city in China, Shanghai is the city that combines long history with new modern cultures and because of the special geographical location on the Middle East coast of China, Shanghai was considered as the 'Eastern Pearl'. In the modern history of Shanghai, since the opening of its port in 1843, the rapid development of Shanghai from a traditional town into a large and famous city in the fast east and even in the world, was now attributed to its special culture, which is known as 'the Shanghai School Culture'. Shanghai school culture played a significant role in the development of the creative industries. Shanghai has the cultural environment for creative industries for three reasons:

Firstly, from the historical view, Shanghai culture has the characteristics of mixed cultures from the south and north of China, which provided the creative milieu in terms of cultural diversity and tolerance. Shanghai is an immigrant city in which 80% of the population has come from other provinces of China. Immigrants brought their regional and domestic culture to Shanghai and promoted the diversity of culture and tolerance, which are the important elements for a creative milieu.

In the 1930s, Shanghai culture was defined as the 'Shanghai School Culture', which was the urban culture of Shanghai. Its most important feature was the 'tolerance' of the culture, which had the ability to absorb the essence of other cultures and to tolerate the differences as well, thus different cultures could develop and form a new school of culture in Shanghai. This provided the 'cultural field' for the development of creative industries in Shanghai. This was also argued by Florida (2002) in his '3T' theory that 'tolerance' was one of the most important factors for a city to succeed in attracting creative class.

The Shanghai School Culture also had the features of creativity, openness, flexibility and diversity; it had the character to break down the old rules and create new ones; it never refused the foreign cultures. Actually, it was good at absorbing foreign cultures because of this openness. The openness and tolerance of Shanghai school culture had a long history. Shanghai became prosperous since the southern Song Dynasty, when many people migrated from the north of China to Shanghai because of the Jing'an Revolution. They brought their northern culture to communicate and blend with the southern culture. In the early 20th century, Shanghai school culture also benefited from the mix of Lingnan culture, Northern culture, Jiangsu and Zhejiang culture, as well as the Chuan and Xiang cultures. Meanwhile, it benefited directly from the mix of western cultures because of the openness of the docks. Therefore, Shanghai became the window for western cultures and the location for the communication of eastern cultures. Shanghai became the cultural center of China in the recent history and played an important part in publication, newspapers, literature, arts, education and technology industries in China (Xiong, 1999; Zhu, 2009).

Secondly, from the worldview, Shanghai culture was a mixture of the eastern and western cultures (Xiong, 1999, p.60), which primarily established and promoted the development of cultural industries. Shanghai's modernization started from the opening of its port. Foreign 'Concession areas' were established in Shanghai, until in the 1930s, there were more than 150,000 foreign people from approximately 40 countries living in Shanghai, which included English, French, American, Japanese etc. Foreigners brought their modern culture, technology, management strategy and economic organizational systems to Shanghai. In 1872, the first newspaper 'Shenbao (Shanghai Newspaper)' was published in Shanghai. In the 1930s, about 30 different English newspapers were published in Shanghai, as well as several French, Russian, German and Japanese newspapers. The Associated Press and Reuter's News Agency both established their Asian branches in Shanghai. By importing western culture into China, Shanghai became the city of blended western and Chinese cultures. Therefore, Shanghai became the place of origin of modern education and culture in China, such as modern literature, opera, music, dance, modern arts, newspapers, magazine, films and photographic industries.

During the late 19th century to the beginning of the 20th century, Shanghai became the central place of cultural industry development in China. Cultural industries, such as newspapers and magazines, printing, media, broadcasting, music, film, imitation, publication and cultural entertainment, all started and developed in Shanghai (Luo, 2004). Until the early 20th century, Shanghai became the biggest city in China, the economic and cultural centre of China, as well as the financial and trade centre of the Fast East.

Thirdly, the openness and freedom of Shanghai School Culture provided the creative space for cultural talents. Because of the exemption laws and regulations in the 'Concession areas' in Shanghai, it protected the openness and freedom of speech and publication. Shanghai attracted many cultural industries as well as a profusion of cultural talents that could not survive in other cities because of the wars. During this period, lots of famous writers and artists appeared in Shanghai. For example, writers including Xun Lu, Dun Mao, Ruomo Guo, Ailing Zhang and Shi Hu; musicians including Er Lie,

Xinghai Xian, Lv Ting He etc.; painters including Haishu Liu, Zikai Feng and Fengmian Lin etc.; as well as thinkers and revolutionists including Duxiu Chen and Dazhao Li (Ma, 2009).

In conclusion, Shanghai School Culture was formed under the special context of migrants from all over China and worldwide. As the double frontiers of southern and northern culture, eastern and western culture, Shanghai School Culture has the distinctive characteristics of diversity, tolerance, openness and freedom that attract cultural talents (Zhu, 2009). Therefore, Shanghai has provided the cultural environment for the development of creative industries.

3.1.3.2 Shanghai as the cultural centre in current China

The rise of cultural consumption

Along with the rapid economic development, Shanghai experienced fast development of cultural industries as well. First, with the increase of investment into culture and education, the cultural infrastructure improved rapidly. For example, in 1991, there were 1498 cultural institutions, 12 museums and exhibition halls, 50 libraries, 42 performance groups, 171 theatres and 4 film factories in Shanghai. Meanwhile, there were 140 scientific organizations and 51 universities in Shanghai. In 2004, the cultural infrastructure improved comparatively rapidly. There were 39 publishing companies, 5650 printing companies, 10 television stations, 3 film factories, 311 film theatres, 75 performance groups, 177 opera houses, 4117 entertainment organizations and 1602 cultural markets in Shanghai (Yin, 2002, p.36). The increased cultural infrastructure not only provided plenty of cultural service and products for the people, but also cultivated many cultural talents for Shanghai.

Second, the cultural industries were supported by economic development. With the great success of market economy in Shanghai, the cultural institutions also underwent transformation from state-owned enterprise to individual cultural industries under the market economy system. Cultural institutions were allowed to engage in business activities. In 1993, when the first foreign advertisement was broadcast on television, it implied the new direction for cultural institutions reformation for Shanghai. Meanwhile, the

economic development provided great financial support for the cultural industries. With financial support, the government could invest into big flagship cultural projects, as well as providing financial support for the small and micro-cultural enterprise or individual.

Third, with the rapid development of the economy and the enhancement of living standards of people, the consumption of spiritual and cultural education was increased as well. For example, the cultural demand of the public was growing rapidly for example, the cultural education expense per family of Shanghai urban residents was 548 RMB in 1995, while 1780 RMB respectively in 2001. It was predicted by the experts that the national cultural consumption would increase up to 550 billion RMB, which would form a huge market for the cultural industries (Yin, 2002, p.38). In 2003, the average expense of education, culture and entertainment of Shanghai residents increased up to 1834 RMB per person. Therefore, the increasing cultural demand and consumption provided a market place for the cultural industries.

Shanghai as a creative city

In 2010, Shanghai became the member of 'Creative Cities Networks' and was awarded the 'City of Design' by the UNESCO. This indicated that Shanghai has been globally recognized as a creative city. The modern Shanghai has also been considered as a creative city with great tolerance and a multi-cultural society by the interviewers. The tolerant, comprehensive and various urban cultures of Shanghai have been put forward as the most important factors attracting artists. The words most often used by the interviewers to describe Shanghai are listed as follows (the order is based upon the frequency of the phrases):

- the tolerant culture
- the modern international metropolitan city
- the front line of arts
- the mature arts market
- the city full of opportunities
- the great space for arts development.

As stated by a famous artist, "the cultural and social environment of Shanghai makes everyone find his root in it" (TZF artist 1, 2008). The diversity and tolerance of Shanghai culture provides the space for arts development. Meanwhile, it also attracts artists to gather in Shanghai, as another interviewer said:

If you want to know arts, you have to come to Shanghai. It is the frontier of contemporary arts where you can meet great artists and view great works... Art is the product of life experience. These experiences [with great artists] contributed to my knowledge of arts and helped me build up my own style (M50 artist 3, 2010).

3.2 The evolution of current policies on creative industries in Shanghai

3.2.1 Current policies on creative industries in Shanghai

Generally, cultural policies in Shanghai were the adoption, adaptation and representation of the national cultural policies discussed above. On the one hand, the national cultural policies were the general guidelines for cultural policies in Shanghai. In the 'up to down' system of Chinese government, local authority have to obey and represent the will of central government. Thus, the local cultural policies have full represented the thoughts of national cultural policies. On the other hand, Shanghai cultural policies were constituted in terms of the economic and cultural context in Shanghai. The following illustrates the cultural policies of Shanghai since the Reform and Opening in 1978:

First, from the late 1970s to the early 1990s, the cultural policies mostly adopted the expansion strategy that tried to increase the cultural investment by the government, as well as attracting multiple investments. Second, during the 1990s, the cultural policies adopted the dual system by which the enterprise functions and the institutional function both emerged in cultural industries. The private investments were encouraged to engage in cultural industries at this stage. Third, since 2000, the creative industries in Shanghai experienced a leap forward in its development stage. Many related cultural policies were instituted for the rapid development of creative industries in this period, which will be illustrated as follows.

On the 14th October 2000, based upon 'The People's Republic of China National Economic and Social Development tenth Five-year plan', 'Shanghai Municipal Committee of CPC's Suggestions on Shanghai National Economy and Social Development Tenth Five-year Plan' was proposed in the Fourth Plenary Session of the Eighth Municipal Party Committee of Shanghai. The aim of "placing development as the theme, restructuring as the main line, using the systematic reform and technology innovation as the engine, as well as considering improving the level of people's life as the aim" was stated in the 'Tenth Five-year Plan'. Meanwhile, cultural industry development policies were emphasized in this plan. It proposed the aim of 'enhancing the comprehensive competitiveness of Shanghai' in the 'Tenth Five-year Plan', among which the cultural competitiveness was stressed. It stated:

Based on the requirement of constructing the Chinese character socialist culture, Shanghai will develop the cultural institutions (wenhua shiye) in the new century and build up Shanghai as one of the international cultural exchange centers. (Yin, 2002, p.13).

It also stressed that development of the radio, film and television industries, news and publishing, cultural entertainment were the most important industries in the policy statements of Shanghai. In these government policies, cultural power was considered the soft competitiveness of a country. It contains the national cultural system, ideology and social institutions. Since then, cultural development became an important part of urban development.

In 2001, based on the requirement of the 'Tenth Five-year Plan of Shanghai National Economy and Social Development', the 'Tenth Five-year Plan of Shanghai Cultural Industries Development' was instituted especially for the cultural industries development by Shanghai Municipal Government (SMG). It stated:

meeting the gradually increasing demand of culture for the public, to use the market system to cultural resources, to emphasize the innovation of cultural institutions, to build up the new pattern of cultural industry development support which will be driven by culture and communication, post-film products, advertisement, exhibition, tourism and design industries; adapting to the market economy development of socialism, to form the new structure of cultural industries organization which is led by several communication groups and combined by cultural intermediary organizations; to form the new system of policy, laws and

regulations, to cultivate cultural industries as the new economic growth of Shanghai (c.f. Luo, 2004).

It defined cultural industries as:

those industries which produce cultural products and provide cultural services under the governance and guidance of cultural sectors, including performance, film, music, cultural entertainment, cultural tourism, arts training, and arts and crafts (c.f. Luo, 2004).

Moreover, SMG has put forward a series of cultural policies in order to develop cultural industries (see appendix B.1). The main aims of these policies are listed as follows.

First, to develop cultural industries with Chinese characteristics, to comply with and service economic development, to adjust and optimize the cultural industries structure, to promote the co-ordinated development among each industry of the cultural sector, cultural industries and other industries, as well as the cultural industries of each district.

Second, put the social benefit in first place, while unifying the social profits and economic profits of cultural industries. This means that cultural industries must improve the production rate and economic benefit and enhance the management, in order to provide rich cultural and arts products and services for the market, as well as the largest social benefit and the best economic interest.

Third, to reform the cultural management system, accelerate the opening policy, create good system and market environment. Meanwhile, to establish the subject position of cultural industries in the market, and enhance the consciousness to be responsible for their own profits and losses, as well as their self-development. Perfect the corporate governance structure by law to make the cultural industries the real subject of market competition.

Fourth, the cultural industries should be guided by the market and produce cultural goods and services for the market, and satisfy the spiritual and cultural demands of the people. The government should positively encourage and guide the cultural consumption of the people. Meanwhile, the cultural industries should make good use of national cultural resources and the domestic cultural market, as well as the excellent foreign cultural

resources, in order to actively participate in international competition of cultural markets.

Fifth, to build the market order of fair competition, make the standardization and legitimisation for cultural industries enterprises. Meanwhile, to enhance the access of cultural industries to the market, actively encourage and guide every kind of economic capital (such as state-owned, private and individual cultural industries) to invest into cultural industries, in order to form the cultural industries structure which considers the state-owned industries as the main body, while the other cultural industries as complementary.

Sixth, constructively transform the function of government in constructing cultural industries to the role of supervision and management. The government function should focus on regulating the market with economic, legal and necessary administrative measures. The market should play an important role in the cultural industries production and management.

Seventh, positively encourage knowledge creation, technology innovation, management innovation and system innovation, enhance the technology in cultural products, improve traditional cultural products and services with modern technology, in order to enhance the competition of the cultural industries and realize the fast development of cultural industries.

As discussed above, generally these policies in Shanghai were instituted and implemented by local authority according to the policies from national government. In Shanghai, the municipal authority which mainly institutes these policies is Shanghai Municipal Economy Committee (SMEC). SMEC is a municipal bureau specialized in economic development plan and industrial development strategy. In order to promote creative industries development, SMEC established a specialized institution -- Shanghai Creative industries Center (SCIC) to take in charge. SCIC mainly specialized in constituting policies and regulations, making plans and consultation, designating and administrating creative clusters, publishing reports and books on creative industries and clusters, providing resources and training for creative entrepreneurs.

Several policies were instituted by SCIC (see appendix B.1). As SCIC is directly supervised by SMEC, these policies and reports represent the

economic dominance of creative industries and clusters development in Shanghai. In other words, by adopting an industrial policy in creative industries, the creative cluster strategy is actually an artifact of economic development policy in Shanghai. The policies on creative clusters will be further discussed as follows.

3.2.2 Policies on creative clusters

In December 2004, at the 'China Creative Industries Development Forum', Jianguo Xu, the General Secretary of SMG, the Director of SMEC, addressed his desire to develop creative industries by using those historical industrial factories. He said,

In the future, Shanghai will develop creative industries from the point of protecting and redeveloping the historical industrial building. Meanwhile, we will enhance the governmental guidance and supporting strength. Based on the 'Shanghai giving priority to the development of advanced manufacturing industry action plan' and 'Shanghai business development action plan', we will strengthen the protection and development efforts on historical industrial building, constitute creative industries supporting policy as well as Shanghai historical industrial building protection and developing plan, in order to enhance the guidance and coordination of creative industries clusters construction. We should use 'clusters' to develop creative industries, emphasize on the cultural heritage and industrial brands of the historical building, and reconstruct the urban industrial parks to realize 'two unchanged, three changes'. 'Two unchanged' means the housing property of creative industries doesn't change; the whole structure of house doesn't change. 'three changes' means, first, the industries of the clusters should change to advertisement, design, architecture, arts and crafts, fashion, software, TV and radio, arts and antiques trade etc. Second, the workers of the clusters should change to artists. Third, the culture of the clusters should change to multiple cultures... (Xu, 2004).

Since 2005, SMEC started to designate and authenticate creative clusters in Shanghai according to the official regulations that consist of 11 detailed requirements of designation of creative clusters in Shanghai (See Appendix B-2). Those requirements included several aspects of a standard creative cluster, covering the industries in the cluster, the planning and construction, the rate of occupation, the acreage of the architecture, the management organization, the environment, facilities and service, the standard of architecture, as well as the safety, security, environment and sanitation requirements. The most emphasised requirements are listed as follows:

- The occupation rate of the space must be over 70%

- The industries must be qualified in “the important guidelines for Shanghai creative industries”. Meanwhile, there must be several dominant industries in a creative cluster, and the companies of those industries must take more than 70% of the total in cluster.
- The property in creative clusters must be managed by the management organizations of the clusters. The tenants must operate the industries which are qualified in the guidelines. Without the permission of the management organizations, the tenants must not sub-let the property.

These regulations were constituted in order to make right use of the space of creative clusters. However, the regulations were implemented discursively in practice. This will be discussed in the following chapters. Those designated creative clusters were awarded with the symbols made by SMEC (with their names on the boards) as the certificates. These certificates indicated they were officially approved and gained the legitimacy from SMG. They also implied the management of SMEC over those creative clusters.

3.2.3 Policies on arts and artists

Although arts were included in the classification of the creative industries of Shanghai, there was no particular policy on arts industries as far as the researcher could find. However, there were some part statements in the official policies which were related to arts industries.

As told by an interviewee who was in charge of creative industries, artists were considered the least important area of creative labor. When discussing the increased rents of creative clusters and the measures to control the industries allowed in the clusters, he said:

Artists, they just contribute 1% to the creative industries development of Shanghai, I don't really care about them. If they move out because of the increasing rent, they deserve it. The most important thing is development so we are aiming at those companies which can endure the increased rent for creative clusters (Officer 1, 2008).

As indicated by the officer, there was no favorable policy for artists from the Municipal government. However, there might be some policies in local government or particular creative clusters which could attract artists to settle there. Moreover, some of the successful creative clusters majored in art and design were used as brands and models to promote creative industries and

local images by the local district governments. In April 2008, on 'the Third Meeting of the Fourteenth Session of the National People's Congress of the Luwan District', the District Mayor of Luwan put forward in the official reports:

(we should) enhance the radiation effect of cultural creativity, exert the brand effect of 'TZF', and combine the cultural creative industries with urban regeneration ... in order to make TZF better as the new model for creative clusters (Xu, 2008).

Similar policy was proposed for the M50 creative cluster by the Putuo District Government (PDG). The aim was to make the M50 creative cluster the most famous arts centre in Shanghai, as well as the name card and cultural landmark of Putuo District (PDG, 2010).

3.3 The Development of creative industries and clusters in Shanghai

3.3.1 The development of creative industries in Shanghai

This section will present the development of creative industries in Shanghai in the last decade, in order to provide a context of understanding the creative clusters in current situation.

3.3.1.1 Context of creative industries in Shanghai

Shanghai had been experiencing rapid industrialization and urbanization ever since the beginning of the 20th century. Until the 1990s, Shanghai also faced the challenge of globalization, knowledge economy and transformation of industrial structure. This was the background of creative industry development in Shanghai. Since the 1990s, in order to enhance the urban comprehensive competitiveness during the 'Tenth Five-year Plan' (2001 - 2005), Shanghai planned to develop the cultural industries, which was intended to provide the technology innovation and intellectual support for urban development, as well as create economic benefit, regenerate the old inner city areas and improve the urban image.

The initial force to develop creative industries in Shanghai was the practice of industrial structure adjustment and the urban functional transformation at the end of the 20th century (He, 2009). In 1997, for the first time, the industrial structure was adjusted in Shanghai, which meant the adjustment

of the urban industry structure. In 1998, the concept of 'urban industries' was put forward officially, which mainly included the service industries. In 2000, the official statement "Giving priority to the development of the advanced manufacturing industry; giving priority to the development of the modern service industry" was put forward in the government policy. The traditional industries in the city centre were transferred to, and concentrated in, the six industrial parks in the suburban districts.

On the one hand, under the Chinese law system, those unused factories were state-owned assets that could not be sold or used arbitrarily. On the other hand, it is very expensive to maintain those old factories. Meanwhile, it also cost a lot to maintain the life of unemployed workers from the state-owned industries. The government had to search for the strategy of industrial transformation for a long time. Up to 2003, 230 urban industrial parks were built in the ten central districts of Shanghai and in 2006, 90% of the traditional industries in the city centre were transferred to the suburban areas. Many old factories became vacant and unused. According to the urban planning policy, most of them faced the problem of demolition. However, the development of creative industries provided those old factories with a new way to survive.

3.3.1.2 The definition of creative industries in Shanghai

The definition of cultural/creative industries has been very debatable. In China, the most often used concept is cultural creative industries, which integrates the definition of cultural industries and creative industries. However, in China, as well as in Shanghai, cultural industries and creative industries, as well as 'cultural creative industries' were used interchangeably and discursively in China (Li, 2009). Since the concept of 'creative industries' was introduced to Shanghai, it became the preference for the government, as defined in the SMG policy, "The definition and classification of creative industries in Shanghai" (see Appendix A), creative industries in Shanghai were divided into five large industrial groups, 38 medium industries as well as 55 small industries as follows:

Research and design creativity

This includes the research and development as well as design of industrial production and computer software, which is the central part of creative industries in Shanghai. It consists of industrial design, crafts design, software design, fashion design, products design, package design; computer-based imitation design, advertisement design, research and test development.

Architecture design creativity

This category includes the design industries related to architecture and environment. It consists of engineering survey and design, building decoration, interior design and urban green space planning.

Culture and communication creativity

This category includes the creation and distribution of culture and arts. It consists of culture and arts, performance arts, radio, television, film and filmmaking, music production.

Consultation and planning creativity

This category includes business, investment, education and consumption consultation and planning services for companies and individuals. It consists of market investigation, security advice, exhibitions.

Fashion and consumption creativity

This category includes casual consumption and entertainment industries. It consists of leisure, sports, hair fashion and beauty design, marriage planning, photography, entertainment games and tourism.

As presented above, there are some differences between the creative industries in Shanghai and other countries. The creative industries are mainly about culture in Europe and America, while in Japan and Korea they are combination of culture and industries. Creative industries in Shanghai are mainly concerned with industrial development; the reasons for this difference are as follows:

On the one hand, Shanghai is in a different stage of economy development, industrialization and urbanization compared with other developed countries. In the developed countries that had already completed their industrialization

and urbanization, creative industries were developed for the culture and sports industries. Although Shanghai is the economic centre of China, it is still in the stage of industrialization and urbanization. Therefore, in order to up-grade the industrial structure, creative industries in Shanghai mainly have adopted the economic policies of 'Developing the city through science, technology and education', and 'Giving priority to the development of advanced manufacturing industry, giving priority to the development of modern service industries' (SCIC, 2005). During the industrialization and urbanization process, high technology industries, research and development, industrial and software design, architectural design, urban planning and consultation, were the most important industries for economic development. Thus, they were considered the most important part of creative industries in Shanghai.

On the other hand, it depends upon the meaning of the creative industries concept. There is no doubt that culture is the main element of the creative industries, however, the cultural industries are a different concept from creative industries. As suggested in Chinese literature, cultural industries are parts of creative industries. Cultural creativity could be produced in any kind of economic activity. Design is also an important part in every traditional industry, such as industrial design, architectural design, fashion and consumption, advertisement and trademark design, corporate image design. However, the primary design was limited to the company or industry itself, other than an individual industry. With the industrial development, creative design became significant and gradually separated to be an individual industry in China (SCIC, 2005).

3.3.1.3 The development of creative industries in Shanghai

Shanghai is one of the leading cities in China which has experienced and continues to experience the boom of creative industries. It is one of the biggest cities in China and has developed as one of the economic, cultural and political centres in China. It is also currently a successful centre for media, finance and technology, as well as creative industries. The Shanghai government has supported the development of creative industries powerfully by introducing strategies and policies to develop creative industries and

clusters. Table 3.1 shows a brief overview of the development of creative industries in Shanghai. We can see the added value of cultural industries increased very quickly from 2002 to 2005.

Table 3.1 Development of creative industries in Shanghai

Year	Local GDP (100 million Yuan)	Added value of cultural industries (100million Yuan)	Added value of cultural industries to local GDP	Increasing rate of added value
2002	5741.03	331.7	5.78	—
2003	6694.23	391.46	5.84	18%
2004	8072.83	445.73	5.50	13.9%
2005	9154.78	509.23	5.60	14.2%

(Resource: Shanghai Year Book 2004 and 2005; Keane; 2007).

In December 2004, the first 'China Creative Industries Development Forum' was held by the Shanghai Propaganda Sector and Shanghai Economy Committee. During the forum, the concept of creative industries was first introduced to China. At the end of 2004, when the Deputy Mayor, Yanzhao Hu, visited Bridge 8, one of the creative industries concentrated areas, great praise was given to the development of creative industries and the form of creative industries concentration areas (He, 2009).

At the beginning of 2005, SCIC was established by the SMEC. It was the only special official organization which engaged in creative industries development (SCIC, n.d.). In April 2005, the first group of 18 creative industries clusters in Shanghai was designated by the Shanghai Economic Committee. Since then, the term 'Shanghai creative industries cluster' was officially used in policy statements by the government (He, 2008). Later in November 2005, the first International Creative Industries Week was held in Shanghai. At the end of 2005, the second group of 18 creative industries clusters was designated. In early 2006, the third group of 14 creative industries clusters was designated. In 2006, under the direction of the Shanghai Economic Committee, the 'Regulations for Construction and Administration of Shanghai Creative Industries Concentration Areas'(see Appendix B.2) was issued in Shanghai. Thus, each district of Shanghai has

made corresponding policies for their creative industries concentration areas (creative clusters) including: policy on tax reduction or exemption, policy of physical environment, policy of attracting investment, policy of attracting talent, policy of discount loans and policy of financial support. Therefore, 75 creative clusters were designated until 2006. As shown in Table 3.2, the number of clusters increased rapidly every year. At the end of 2006, there were 75 creative clusters in total.

Table 3.2 Creative Industries Cluster Development in Shanghai

Year	Number of clusters	Construction acreage (10 thousands of square meters)
April 2005	18	41
December 2005	18	65
May 2006	14	—
November 2006	27	—
Total	75	225.05

(Resource: Fan, 2006; <http://www.scic.gov.cn/>)

According to the statistics, contemporarily there are more than 2,500 companies in the creative industries clusters in Shanghai, which include some international companies from more than 30 countries, such as America, Japan, Belgium, France, Italy and so on. Creative clusters have created more than 20,000 jobs and accumulated a lot of excellent creative talents. However, more than 2/3 of these clusters are from the regeneration and redevelopment of old factories, old storehouses and old buildings (Xu, 2006).

As Fan (2006) argued, these different groups of creative clusters implied three stages of creative cluster development in Shanghai. First, the spontaneous agglomeration of artists and technology workers. Second, government intervention in developing creative clusters. Third, creative clusters dominated by real estate. It reflects different degrees of government intervention in each stage. During the three stages, different cultural and economic policies to promote creative clusters were established.

At the end of 2006, 'The Important Guidelines for Creative Industries Development in Shanghai' was published by the SMEC and Shanghai Municipal Bureau of Statistics. Five industries including research, development and design, architecture design, culture and communication, consultation and planning, as well as fashion and consumption were established as the key creative industries in Shanghai. Meanwhile, 'the guidelines for employment in creative industries' was constituted by the SMEC and Shanghai Municipal Bureau of Labour and Social Security, in which 41 new occupations were included in creative industries.

In 2008, 'the policy for designation and management of creative industries clusters in Shanghai' was constituted by the Shanghai Economic Committee to control the rapid development of creative industries clusters in Shanghai. Since 2005, the creative clusters in Shanghai blossomed like bamboo shoots after a spring rain. However, many problems emerged in the rapid expansion process. Some of them were developed as real estate projects, some of them were engaged in commercial businesses, some of them had a very low occupancy rate, and some of them were even closed down (Li, 2009). As discussed in the literature, the creative industries and creative clusters in Shanghai were practiced very 'discursively' as an object to be acted on by policy' (Wang, 2004; O'Connor and Gu, 2006; Kong et al., 2006; Keane, 2007; O'Connor, 2009), thus appropriate government policies and intervention are needed for guidance on creative industries and creative industries clusters development.

3.3.2 The context of creative clusters in Shanghai

The rise of professional artists

Before the Reform and Opening policy was applied in China in 1978, artists were always employed by the government and worked in cultural institutions. Culture and arts professionals used to work for the propaganda purposes of the government (Ma, 2011). For example, during the feudal period of China, visual artists such as painters were employed by the government. For another instance, artists were used as a political tool for ideology propaganda by the Communist Party of China (CPC) during the Cultural Revolution (Lv, 2009).

Since Reform and Opening, under the economic reform and cultural reform policies, lots of cultural institutions changed from governmental service departments to cultural enterprises which was called the 'marketalization' of cultural institutions. Those cultural enterprises had to survive by themselves in the new 'market economy with Chinese characters'. Thus lots of artists were transferred from the cultural institutions and voluntarily or compulsorily entered into the market. In this context, the arts markets were gradually established, while the new class of 'professional artists' came into being in China since the 1980s.

Early spontaneous artist's villages in Shanghai

In the history, the contemporary arts have not been accepted by the audience and authority departments for a long time in China (Zhou, 2009). because of its 'advent-grade', 'experiential' and 'social critical' nature. Since the 1980s, the market economy has been implemented in China, many free artists were forced into the market, but the political ideology has been still under tight control from the central government. Contemporary arts could rarely find their space in the national arts galleries. For example, in 1979, the 'Star Exhibition' held in public space in Beijing was forced to close; in 1989, the Modern Arts Exhibition in China was closed by local government because of radical behaviour arts (Anon, 2008). Therefore, contemporary arts, especially experiential and instrumental arts were marginalized from the mainstream ideological system. Since the late 1990s, because of the process of industrial transformation in the urban areas, contemporary arts found their space in all kinds of disused space, such as industrial buildings, warehouses and other public space (Hou, 2002). The professional artists free from institutions spontaneously clustered at these spaces and formed their arts worlds. This is one of the contexts of the rise of creative clusters.

The most famous early spontaneous artists' villages in Shanghai are Tianzifang creative cluster (TZF) and M50 creative cluster (M50). They were both developed from industrial/residential buildings spontaneously by the artists since 1990s. It was since 2005 that SMEC designated them as creative clusters and the local authority started to implement intervention in them.

The rise of creative clusters

The earliest spontaneous arts village at Chunming Woollen Factory (CWF) became part of the M50 in 2004, which provided a development template for the government to transform the urban industrial districts into creative clusters with high competitiveness and sustainability. As argued by Keane (2009a), China was searching for a template to develop creative industries. The concept of 'creative cluster' provided the feasibilities (see Chapter 1). Therefore, lots of empty and unused industrial were reused and developed into creative clusters in Shanghai, including the spontaneous arts villages, industrial agglomerations around universities and the existing high technology parks. Until 2010, there were 81 creative clusters in Shanghai altogether (SCIC, 2010).

3.4 Conclusion

This chapter has discussed the urban context of Shanghai, the current cultural policies of Shanghai and the development of creative industries in Shanghai. The discussion assumed that the current cultural policies and the development of creative industries were influenced by the urban history, economic conditions and cultural development. As scholars argued, it is important to take account of Chinese history, traditions and characteristics in researching creative industries in China (Keane, 2007; O'Connor, 2009). In doing so, this chapter has examined the urban context of Shanghai in terms of the urban and political evolution, the economic development and the cultural environment, as well as their influence on current creative industries development.

This chapter has discussed the evolving cultural policies in China since the 1980s, and the current cultural policies in Shanghai. It has shown that the Shanghai policies are generally a reflection of the cultural policies from central government, with a minor amount of adjustment and autonomy. Those policies are influenced by the special political, urban, economic and cultural contexts of Shanghai. Policy transformations have affected the development of creative industries and creative clusters in Shanghai. Currently five categories of creative industries are preferred in the cultural

policies of Shanghai, mainly focusing on research and design, architectural design, culture and communication, consultation and planning, fashion and consumption. This is depended upon the context that Shanghai is still in the developing stages of industrialization and urbanization, compared with the western countries. Meanwhile, the cluster strategy is also promoted in the cultural policies of Shanghai. This also reflects the great adaptation of the cluster concept into the Chinese context. With direction of those policies from the municipal government of Shanghai, lots of guidelines and regulations were constituted and implemented by local authorities (i.e. district governments and street offices), in order to promote the practice of creative industries development.

Under these policies, early spontaneous artists' villages have been authorized and designated as creative clusters in the last few years, such as TZF and M50. However, the concepts of creative industries and clusters were still practiced very discursively in China (Wang, 2004; Keane, 2007, 2009; O'Connor, 2009). Considering the special political, economic and cultural context of Chinese cities, how will these creative clusters change and survive under the intervention from local authority? Drawing on context of creative industries and clusters in Shanghai, as well as the literature review in previous chapters, this study will discuss the appropriate research methodology to investigate this question in the next chapter.

Chapter 4

Research design and methods

The previous chapters reviewed the relevant literature on creative industries and creative clusters and their practices, with reference to the Chinese context. This chapter presents the research design and methods of this study. It is divided into five sections. The first section discusses the selection of appropriate research approach, strategy and methods, as shown in Table 4.1. Each method is discussed further in detail. The second section addresses the process of generating data, which includes the writing of the fieldwork schedule, the selection of cases, the choice of sampling strategy and the process of conducting interviews. The third section presents the process of analysing data, including the details of the processes of transcription, translation, coding and analysis. The fourth section addresses the verification of the data, the validity of the study and the ethical issues concerned with this study. The final section discusses the difficulties and limitation of fieldwork in this study.

Table 4.1 Research methods of this study

Category	Feature	Application of methods
Nature of research	Qualitative study	Qualitative data
Research Strategy	Case study	Two clusters
Research methods	Documentation	Newspaper reports, policy statements, published and unpublished literature
	Observation	Participant observation diaries
	Interviewing	Unstructured in-depth interviews Semi-structured in-depth interviews

4.1 Methodology

There are many research methods and alternatives to choose, however, as Denscombe (2007) has argued, some strategies are better suited than others to tackle specific issues. As he argues,

Approaches are selected because there are appropriate for specific types of investigation and specific kinds of problems... putting the social researcher in the best possible position to gain the best outcome from the research ... [and] the choices are reasonable and made explicit as part of any research report (Denscombe, 2007, p.3).

In order to select suitable strategy and methods, the researcher considered the research questions and objectives of this study (see Chapter 2, p.94), the theoretical framework and the accuracy of data, and ensured to coordinate them with the research questions and objectives.

Meanwhile, the verification of qualitative research is very important in evaluating the quality of a study (Denscombe, 2007; Creswell, 2007). This generally consists of validity, reliability, generalizability and objectivity of the data that needs to be demonstrated as part of the research process (Silverman, 2004; Denscombe, 2007). The validity of the research in general is demonstrated not through the methods but by the researcher's explanation (Mason, 2002). Therefore, the rationales of the methods employed in this research are explained as follows.

4.1.1 Qualitative or quantitative method?

Qualitative methods such as interview and documentary research, as well as quantitative methods like questionnaires and statistics have often been used in creative industries studies. Qualitative methods are always used to explore in depth holistic accounts of personal opinions on specific issues; while quantitative methods are often employed to present general information of some issues (Denzin and Lincoln, 2005; Creswell, 2007). As Creswell (2007) has argued, qualitative research is specifically conducted for several reasons: "the nature of the research questions, which frequently begin with a 'how' or a 'what' in order to describe an event or situation; the topic which needs to be explored; the need to present a detailed view of the topic; and the emphasis on the researcher's role as an active learner rather than as an expert" (pp.17–18).

A qualitative approach was chosen as the most useful and credible means to answer the research questions and achieve the research objectives of this study. It has been argued that both the internal personality and the external environment affect creativity in the literature. Thus, it is assumed that artists' creativity is influenced by the creative clusters. In other words, by mainly applying the spatial theory of Lefebvre (1974) to explain the dynamics of creative clusters production, as well as the habitus, field and capital theories of Bourdieu to investigate the power struggle among different agents in the clusters, this study investigates the relationship between artists' creativity and the practice of creative clusters (see Chapter 2). That is to say, this study tries to answer the question of 'how' creative clusters are produced in the China context, and 'what' are the influences on artists' creativity? All these factors take into account the power struggle among different stakeholders, the effects of creative clusters on creativity, and are based on the individual opinions of both the artists and managers. Therefore, a qualitative approach is useful in collecting the opinions and attitudes of the interviewees.

The value of quantitative statistic survey have been fully debated in the creative industries literature, such as economic growth and employment contribution (Bassett, Griffiths and Smith, 2002; Power, 2003; Stuart, 2004; James, 2004) etc. Meanwhile, qualitative methods have also been widely applied into the research of the networks (Banks et al., 2000; Brown, O'Connor and Cohen, 2000; Bassett, Griffiths and Smith, 2002; Drake, 2003), sociality (O'Connor, 2004; Kong, 2009), organization and management (Hitters and Richards, 2002) of creative clusters. Therefore, it is necessary to discuss here the choice of a qualitative approach, rather than a quantitative one for this study.

Questionnaire survey has also been used in some studies on creative clusters, such as location characters, economic contribution of creative industries and census of creative labor. Wenting, Atzema and Frenken (2008) did the questionnaire survey to explore the factors of designers' location decision, and found out that networking opportunities rather than the agglomeration economy were the most important factor in location choosing. However, in the study of location factors, it could be easier to explore by

quantitative methods, as there are already several location models in economic geography study. In Tong and Wang's (2005) research, questionnaires were used to collect information from fifty innovative industry companies in order to compare the innovation system in Beijing and Shanghai. However, they could not obtain enough samples, so that the questionnaire survey lacked representativeness. Finally, they used interviews to collect information on this issue, and concluded that Shanghai had a better innovative milieu than Beijing in terms of the business service and intellectual property protection. The researcher considered Wang's research a positive attempt to adopt a questionnaire survey into creative clusters study, although it failed because of the insufficiency of valid samples. In conclusion, a quantitative survey is always used to obtain a general understanding or information of issues in creative industries.

The qualitative method was chosen for this research for a number of specific reasons. First, this study would investigate the process of production of creative clusters in China. It would explore the production process of the creative clusters, identify different space (physical, social and mental), and investigate the power struggle in this process. Thus, the various opinions of stakeholders in the clusters such as local authority, property owners and artists, different conceptions of 'creative cluster' and their experience within the clusters were regarded as the most important primary data of this study. Therefore, the researcher chose to collect the data in the form of descriptive words and documents.

Second, the study was concerned with the influences of creative clusters on artists' creativity. The impacts the creative clusters had on artists' working experience and the social networks between artists and other stakeholders could not be exposed by statistical methods.

Third, the study was concerned with social patterns and networks among the artists presented in the clusters, rather than the outcomes or results. Thus, the appropriate research data was expected to be acquired through conversational interactions between the researcher and the researched (Yin, 1994).

Fourth, this study was concerned with various opinions about the roles of management strategy from different artists and cluster managers. In order to develop a comprehensive and sustainable creative cluster, different opinions from different stakeholders should be collected. On the one hand, the artists' demands for, and attitudes to creative clusters should be investigated; on the other hand, the managers' perceptions of creative clusters should be investigated. Thus, the interviewees were expected to be varied, and the questions used in every interview had to be flexible.

Fifth, an interpretive approach was employed to analyze the answers to the questions, focusing on how personal creativity and networks were created and affected by the cluster strategies. Thus, this study sought to explore the dynamics of the creative cluster through the data obtained from the accounts of artists' daily working experience rather than the analysis of questionnaires and statistics.

In contrast, a quantitative method was not suitable for this study for several reasons. Secondary data from national statistics and governmental reports data are often used to describe, evaluate and analyze the development of creative industries in respect of economic characters of creative industries, such as labor and employment, number and size of firms/enterprises and clusters, markets, economic contribution, trade indicators and financial characteristics (Bassett Griffiths and Smith, 2002; Turok, 2003; Power, 2003; Rosenfeld, 2004; Simmie, 2004; Pollard, 2004).

However, in some comparative studies between different countries, there is always a difficulty in different statistics system of creative industries. For example, there are different statistic systems in the UK, USA, Austria, Hong Kong and China, which makes international comparison studies difficult and insignificant. Even in one country, for example, China, sometimes the statistics system may vary among different provinces and cities, which makes the information inaccurate, and comparison studies meaningless.

4.1.2 Research strategy: case study

Case study research is one of the most common strategies in social science inquiry, particularly with small-scale research projects (Denscombe, 2007). It is used in many traditional disciplines, such as psychology, medicine, health

science, law, and political science (Creswell, 2007) and sociology (Gilgun, 1994; c.f. Yin, 2003, p.1). It also has popularity in many practice-oriented fields such as urban planning, community study, public administration, public policy, business and management science, economics, social work, and education (Yin, 2003, p.2). Moreover, a case study is also a frequent mode of thesis and dissertation research in all of these disciplines and fields mentioned above (Yin, 2003).

Case study is one of the most important research approaches debated in the literature (Yin, 1984, 2003, 2011; Denscombe, 2003, 2007; Crewsell, 2007). Case study research is characterized in a number of different ways. It includes:

- An empirical inquiry focused on contemporary phenomenon (Yin, 2003).
- A study of one or more cases within a bounded system (a setting, a context) (Crewsell, 2007).
- It contributes to our knowledge of real-life events, relationship, experiences or process, for instance, individual life cycles, organizational and managerial processes, neighborhood change, international relations, and the maturation of industries (Yin, 2011).
- It relies on an all-sided, in-depth, and detailed data collection of a variety of sources of evidence — including documents, reports, interviews, audiovisual material, observation, questionnaires, survey, etc. In one word, case study allows the researcher to use a mix of evidence (Yin, 1984; Creswell, 2007; Denscombe, 2007).
- It is a comprehensive research strategy of multiple research methods — covering the logic of design, data collection techniques, and specific approaches to data analysis (Yin, 2003; Denscombe, 2007).

As Yin (2003, p.1) stated:

case studies are the preferred strategy when 'how' and 'why' questions are being posed, when the investigator has little control over the events, and when the focus is on a contemporary phenomenon within some real-life context.

As Yin (2003, p.xi) and Denscombe (2007, p.37) have argued, a case study is best suited for research that has the following features, as in Table 4.2:

Table 4.2 Case study strategy features

Case study research characteristically emphasizes		
Depth of study	rather than	Breadth of study
The particular	rather than	The general
Relationship/process	rather than	Outcomes and end-products
Holistic view	rather than	Isolated factors
Natural settings	rather than	Artificial situations
Multiple	rather than	One research method

(Source: Denscombe, 2007, p.37)

Therefore, as Denscombe (2007) has further explained, a case study approach is chosen as an appropriate means to:

Investigate an issue in depth and provide an explanation that can cope with the complexity and subtlety of real life situations ... [particularly in the] study of process and relationships within a setting (Denscombe, 2007, p.38).

This study explores the dynamics of creative clusters and their effects on creativity of artists working in them. It investigates the profound context, living reality and on-going process of creative clusters. Therefore, a case study strategy was considered to be the best suitable research approach for this study. Through comprehensive and in-depth investigation, the case study approach could explore the mechanism of creative clusters contemporarily occurring in China. It investigates the creative clusters from a holistic view with a particular focus on artists. It explores the conceptions of 'creative cluster' from different stakeholders emerged during the development process, and their effects on the practice of creative clusters in China. It further investigates the relationship between creative clusters and creativity from three aspects: the physical, mental and social space. It also involves a holistic, in-depth and detailed exploration of the artists' working experience in creative clusters. In conclusion, the case study strategy could provide the researcher the best approach to collect particular, individual, in-depth, holistic and multiple information in order to investigate the research question and achieve the objectives of this study.

However, a case study approach also has some disadvantages. First, the 'credibility of generalizations' (Denscombe, 2007, p.45) made from its findings is arguable. Case study researchers must be very careful with generalization from case study to theory. Rather than 'statistical generalization', Yin (2003) has argued that 'analytic generalization' from case to theory can be used in case studies. Therefore, the theoretical framework should be an essential part of a good case study. In order to achieve 'analytic generalization', the researcher has thoroughly addressed the theoretical framework in the previous chapters (see Chapter 1 and 2). This theoretical framework offered the guidelines for the researcher to follow and reflect on when to carry out the whole process of study, including the empirical case studies, data collection and analysis data, as well as drawing conclusions from this study. In this way, the 'analytic generalization' of this study in terms of an explanatory model of creative clusters mechanism may be achieved.

Second, it has also been argued that there is a difficulty in "deciding the 'boundaries' of a case" (Creswell, 1998: p.64). As argued by Denscombe (2007, p.37), "the decision to use a case study approach is a strategic decision that relates to the scale and scope of an investigation". Thus defining the scale and scope of the study is vital for this study. Defining the scale and scope of the study, is concerned with the boundaries of the case study. "A 'case' needs to be a fairly self-contained entity'... and 'have fairly distinct boundaries" (Denscombe, 2007, p.44). And furthermore he argued that the research must "contain a clear vision of the boundaries to the case and provide an explicit account of what they are" (Denscombe, 2007, p.44). Thus in this study, in order to minimise the disadvantage, 'clear and consistent boundaries' (Denscombe, 2007, p.45) were set up by the researcher. In this study, the boundaries of two cases are very obvious ---- the physical boundaries of the two creative clusters. The scope of the study is the visual artists in the two creative clusters. The scale of the study is from 2008 to 2010.

In conclusion, the nature of the research questions and the identification of the advantages and disadvantages of case study strategy led to defining the case study nature of this study. Once the research strategy was decided,

detailed research methods to gather and analyse the data are needed, as discussed in the following sections.

4.1.3 Research methods

This section presents the rationale for choosing the methods for this study. It presents the methods used to achieve the research objectives of the study, discusses the reasons for choosing these methods, and explains the functions of each method in this study. As Creswell (1998) explains, interviews, documents, observations and audio-visual materials are the four main types of information in qualitative research. In this study, documentation, observation and interviews methods were chosen, in particular, to achieve the objectives of the research. Each method is explained in the following sections, according to the order in which it naturally happened during the processes of empirical study.

The mix of methods was used in the fieldwork in order to detect each space of the creative clusters. For example, the maps, documentations, associative walks, selective observation of architecture, infrastructure and routines, as well as making records of each shops (for the study of physical and mental space); interviews (for the physical, mental and social space); participant observation (for social space).

4.1.3.1 Documentation

Documents are an important part of the data collection process in every case study (Yin, 2003; Denscombe, 2007; Creswell, 2007). Documents cover a wide range of materials which are authorised for use in the study (Creswell, 2007). These include government publications and official statistics, newspapers and magazines, recordings of meetings, letters and memos, diaries, websites and the internet (Denscombe, 2007). These also constitute some forms of visual and audio information such as maps, pictures, artefacts, videos and music, which are rarely used in the social studies (Denscombe, 2007).

Documentary review is also a very popular research method in creative cluster studies which is used to collect secondary data, including annual reports, policy documents, cluster plans, cluster reports, journal and magazine reports, research projects as well as statistics reports from

different statistic bureaus and sectors (Hitters and Richards, 2002; McCarthy, 2005a, 2005b, 2006; Montgomery, 2006; Rosenfeld, 2004; Power, 2003; Drake, 2003; James, 2004).

On the one hand, documents such as statistics reports are useful to illustrate the contribution of creative industries mainly in economic growth and employment (Rosenfeld, 2004; Power, 2003; James, 2004). On the other hand, documents are also useful to narrate the development history and process of the creative clusters, and analyse the management of clusters (Turok, 2003; Bassett, Griffiths and Smith, 2002; Pollard, 2004; Brown, O'Connor and Cohen, 2000).

Documents were used to narrate the history of the development process of the creative clusters in this study. Documents collected included the annuals reports and published books of these two clusters and wider areas, policy documents, plans and research reports for these areas. These documents served to reveal the current development of creative industries and clusters in Shanghai, China; describe the government policies and strategies of creative clusters; and explore the important roles of creative clusters in developing creative industries in China.

Documents such as maps are also useful to illuminate the spatial location, distribution and physical networks of creative enterprises, especially in the geographic studies on creative clusters (Bassett, Griffiths and Smith, 2002; Pollard, 2004). Maps are one of the most important tools in geographical studies. They have the visual advantage over words because they can directly show complex spatial information simultaneously. Maps of China, Shanghai, and the location of these two creative clusters in Shanghai are used in this study to present the geographical information on creative clusters in Shanghai.

4.1.3.2 Participant observation

Observation is another important method in qualitative research approaches. It is a common method in case studies (Denscombe, 2007). With over five months' fieldwork, the researcher was able to observe the everyday working and living experience of artists.

The observation method was chosen to record an artist's daily life in the creative cluster regarding working, social networking among the artists and interactions with visitors. The researcher was invited by a few artists to work as a volunteer in their studios to communicate with foreign customers. She was also invited to join several parties of the artists in the clusters. Thus gave her enough opportunities to observe artists' daily lives at a very close distance, and make diaries of the daily working experience of several artists and social networking among them.

4.1.3.3 Interviewing

Interviewing is the most common research method in qualitative inquiry (Creswell, 2007). As Yin (2003) has argued, the interview is one of the most important sources of data for case studies. The interview, as a data collection method, is generally "applied to the exploration of more complex and subtle phenomena" rather than "simple and uncontroversial facts" in which questionnaires are preferred (Denscombe, 2007, p.174). The reason for this is that interviewing is one of the best ways to understand the interviewees, by allowing the interviewer to be involved in their worlds, to gain insights into individual opinions, viewpoints, perspectives, feelings, emotions and experiences which cannot be directly observed and measured (Patton, 1990, p.278-279; Denzin and Lincoln, 2000; Mason, 2002; Patton, 2002; Denscombe, 2007).

Interviewing is also the favourite research method in creative clusters studies (Bassett, Griffiths and Smith, 2002; Brown, O'Connor and Cohen, 2000; Hitters and Richards, 2002; Drake, 2003; Mccarthy, 2005a; Simmie, 2004, 2007; Kong, 2009). In this study, the researcher chose to conduct interviews as a way of obtaining in-depth information on the working experience of artists, various perceptions of 'creative cluster', opinions and perspectives on the institutional roles of management strategies in clusters, and individual experience and feelings of social networks among the artists.

First, interviewing is useful to obtain in-depth information regarding the various perceptions of 'creative cluster' from different stakeholders, the implementation of 'creative cluster' in practice and their effects on creativity of artists. For example, Hitters and Richards (2002) investigated the

relationship between the management structures and styles of two cultural clusters and their ability to generate innovation in cultural production and consumption through semi-structured interviews with representatives of different interest groups and the local authority involved.

Second, interviewing is useful to explore insights of artists including personal opinions, perspectives, feelings, emotions and experiences in creative clusters. It allows the artists to express their ideas freely, explain their views relatively widely and identify the crucial factors by themselves (Denscombe, 2007). For example, Drake (2003) interviewed 31 workers in micro or small creative enterprise in digital design and craft metalwork to explore the relationship between place and individualised creativity in micro or small creative enterprise within the creative industries.

Third, interviewing is a useful way of exploring sensitive issues of creativity, intellectual protection and personal social networks of the artists. For example, Brown, O'Connor and Cohen (2000) interviewed creative music workers to explore the important value of social networking in constructing knowledge, building trust and minimising risks in the creative clusters.

Finally, interviewing is useful in gaining flexible information of the issues. Interviews are probably the most flexible data collection method, and allow for adjustments of enquiry during the interview process.

However, there are several types of interview for multiple uses referred to the depth of the interview, the number of interviewee, the strength of the control over the responses and the means to conduct the interview etc. By taking account of the "degree of the control exercised by the researcher over the nature of the responses and the length of the answers allowed by the respondent" (Denscombe, 2007, p.175-176), the interviews can be classified as structured interviews, semi-structured interviews and unstructured interviews. Regarding the number of interviewees in each interview, the interviews can be divided into one-to-one interview and group interview (Denscombe, 2007, p.177-178). According to the means of conducting the interview, interviews can be classified as face-to-face interview, telephone interview and on-line interview (Sekaran, 2000).

In-depth, face to face unstructured and semi-structured interviews were employed in this study to capture artists' working experience, for several reasons. Firstly, like many previous studies, an in-depth interview was chosen for this study because it is the most valuable source of evidence in seeking to understand complex phenomena or processes (Patton, 2002; Denscombe, 2007). In-depth interviews provide insightful investigations especially about individual's experience, emotions, opinions and feelings (Gillham, 2000, p.16; Denscombe, 2007, p.175). The in-depth interview was thus believed to be a very useful and appropriate method for this study, concerned as it explores the in-depth conceptions and opinions of artists, managers and property owners. It was expected that through in-depth interviews, artists working experience which was not simply observable could be easily explored. In addition, it was expected to explore how the creative clusters affected working experience and creativity of artists.

As researchers have argued, arts are at the heart of creative industries (Throsby, 2001). Artists hold a pivotal role and influence in creative industries (interviewees in this study are high educated professionals in visual arts). Interviewing them may often be seen to provide greater credibility to a scientific inquiry than asking other groups of people in the creative clusters.

Secondly, face-to-face interview was chosen for this study, rather than telephone or on-line interviews, because of its advantages of relatively 'high response rate', high 'validity' (Denscombe, 2007, p.202), and ease of adaptation as necessary (Sekaran, 2000). A face to face interview is generally prearranged and scheduled at a specific location and time. Thus it ensures a relatively high response rate than other interview means (Denscombe, 2007). Face to face interviews also allow the interviewer to check the accuracy and relevance of the data during the interview process. They allow probing questions to be used to obtain more details, clarify doubts and prompt correction of obvious misunderstandings and ensuring the accuracy of understanding of the interviewee's thoughts (Robson, 2002; Denscombe, 2007). Thus, they ensure high accuracy and validity of data.

Finally, the unstructured interview and semi-structured interview were chosen for this study for many reasons which are explained in the following sections.

Unstructured interview

The unstructured interview was chosen for the pilot study. "The objective of the unstructured interview is to cause some preliminary issues to surface so that the researcher can decide what variables need further in-depth investigation" (Sekaran, 2000). At the initial stage of the study, although the researcher might have a vague idea of certain issues in 'the broad problem area' (Sekaran, 2000), the critical issues were not recognized by the researcher. Thus, the researcher had to talk to several interviewees firstly to raise the specific research problems for the further study. The unstructured interview with broad and open-ended topics and themes (Sekaran, 2000; Denscombe, 2007) emphasises on exploring the 'interviewee's thoughts' (Denscombe, 2007, p. 176). It could provide the most allowance for the interviewee to "use their own words and develop their own thoughts ... [as well as] speak their own minds" (Denscombe, 2007, p.176) freely and openly. As Kvale (1996) argued, the interviewees were likely to tell their stories more willingly when the control over the interview situation was reduced. Meanwhile, it could also provide the most flexibility for the interview; thus the researcher could easily raise interesting topics and probing questions within the interview process to explore the critical issues of the study.

Semi-structured interview

During the pilot study, specific research questions were raised for this study. Thus the semi-structured interview with a planned sequence of detailed questions was chosen for the first and second fieldworks for many reasons. First, the semi-structured interview could provide appropriate control over the interview process which enabled the artists to respond in their own words freely without neglecting a specific important question (Robson, 2002). In addition, every interview question has several follow-up questions whenever needed, to make the question clearer and more detailed. Second,

semi-structured interview questions are mainly open-ended questions, which allow the interviewee to develop their own ideas and speak more widely in their own words on the issues raised by the researcher. Meanwhile, the semi-structured interview schedule of this study ended with an open question of additional information the interviewee wanted to propose in order not to omit any important topic. Third, with the semi-structured interview method, the interview process could be properly controlled within the scheduled questions, especially when interviewing artists who had years of working experiences in the creative clusters and had lots of stories to tell. In conclusion, the semi-structured interview technique provided the study appropriate balance of control and flexibility in the interview process, and encouraged sensitive interaction between the researcher and the interviewees.

In contrast, the structured interview with a list of predetermined questions and limited option of responses was not appropriate for this study (Sekaran, 2000). Structured interview involves “tight control over the format of the questions and answers” which implies the advantage of ‘standardization’ (Denscombe, 2007, p.175). Thus the structured interview is preferred in social surveys where “large volumes of data from a wide range of respondents” are collected (Denscombe, 2007, p.176).

Based on the methods chosen above, the researcher began to generate data for this study. This consisted of making fieldwork schedules, collecting the documents, selecting cases, defining the sampling strategy and conducting the interviews. In order to generate data, three fieldwork studies were carried out for this study. This process could be seen as an ascending, evolving process in which the findings of previous fieldwork were reflected and addressed in the next fieldwork. Each fieldwork is fully discussed in the following sections.

4.2 Generating data

This section explains the process of applying research methods in this study. It contains a step-by-step report on the data collection process. With the research questions and objectives in mind, and the research strategy

and methods chosen as discussed above, the researcher started to generate data. This section explains how the fieldwork schedules were made, why the cases were selected, how the access was gained, what the sample strategy was and how the interviews were conducted. After the documents and interview data were collected, the researcher needed to choose a method to analyse the qualitative data of this study (Denscombe, 2007). The process of data collection of this study is described in following sections.

4.2.1 Fieldwork schedule

In this study, a pilot study and two periods of fieldwork were carried out from January 2008 to July 2010. Between January 2008 and March 2008, interviews were conducted with two government officers from the district and street offices respectively, one cluster manager, one academic advisor and two artists in order to understand the background and policy of creative industries, the context of creative clusters and the contemporary situation of artists in Shanghai. Documents including government reports and cluster plan were collected. Meanwhile, two clusters were selected for the case studies for the further in-depth fieldwork. Between September 2008 and November 2008, 30 interviews with a list of specifically designed questions were undertaken with 27 artists, 2 cluster managers and 1 government officer. Between June 2010 and July 2010, 36 interviews with a list of detailed questions were undertaken with artists to collect in-depth information of their working experience.

The pilot study

The pilot study was carried out between 21st January 2008 and 31st March 2008. The primary object of this pilot study was to obtain an overview of creative cluster development in Shanghai and to identify the specific creative clusters for further research. In addition, although the researcher had read a considerable amount of literature on creative industries and visited a few creative clusters in the UK, she never visited a cluster in China because it was a recently emerged phenomenon in China since 2005. So the other aim of pilot study was to obtain a direct understanding of creative clusters in Shanghai. Before starting, the manager of SCIC was introduced by a friend

to help the researcher with her fieldwork. Meanwhile, a scholar from Shanghai Social Science Academy (SSSA) was introduced to the researcher by one of the previous supervisors. In the beginning, the researcher sent emails to them and asked if they could participate in her study and cooperate with her interviews. With their consent, two semi-structured interviews were carried out to gain an overview of the present situation and the research context of creative industries in Shanghai. Meanwhile, a few creative clusters in Shanghai were recommended by these two specialists. Finally, 15 creative clusters in Shanghai (15 of 75 creative clusters until 2008) were visited, as well as another 2 cluster managers and 2 artists being interviewed.

Based on the six interviews within the pilot study, the research questions were tested, revisited and redefined. The focus of this study was changed from a creative cluster as mechanism of urban regeneration to how creative industries and clusters adapted in the Chinese context. The objectives were refined to investigate the effects of creative clusters on creativity in China, to understand the cluster policies and strategies to develop creative industries in China, especially in Shanghai, to find out the origins, management, dynamics and changes of creative clusters, to explore the value of creative clusters for creative labour with reference to the artists' working experience in the clusters, and to discover the existing problems and hopefully to find a way out for the government policies by reflecting on the western experiences and theories.

Meanwhile, according to the review of the context in Shanghai, the fieldwork observations and interviews, the comments from supervisors, as well as the opinions from other academies, two creative clusters were selected for case studies for the further fieldworks. Additionally, a sequence of open-ended interview questions was designed for creative workers and creative managers separately in the first fieldwork. A further list of semi-structured interview questions for the second fieldwork was then designed, after the first fieldwork study.

The first fieldwork (9th Sep. 2008 to 27th Nov. 2008)

The first stage of fieldwork schedule was to design the interview questions. Two different interview schedules for the artists and managers respectively were designed. The first fieldwork study was carried out from 9th September 2008 to 27th November 2008. Two creative clusters, TZF and M50, were intensively investigated by the researcher. Altogether, 27 creative workers and cultural entrepreneurs, two cluster managers and one government officer were interviewed. These interviews were face-to-face semi-structured in-depth interviews (each lasted approximately 45 to 60 minutes, some lasted for hours). Considerable attention was paid to whether the questions were properly formulated by the researcher and adjustments have been made according to both the supervisor's comments and the interviewees' feedback.

The artists' interview schedule included questions on their demography and their general career background which was followed by questions on their views of the creative industries, their roles in creative industries, their views on their work, the working and social environment of the cluster, the value of creative clusters to them, as well as the policy issues and organisational problems of the cluster. The creative workers interviewed included painters, photographers, chinaware designers, package designers, arts gallery managers and other creative entrepreneurs. The main questions included the following information (see Appendix C-1):

- Views on creative industries and their own profession
- Views on creative clusters development in Shanghai
- The process to settle down in the cluster
- The factors to choose the cluster to settle down
- The infrastructure and services the cluster provides
- The use of the infrastructure and services in the cluster
- The roles of the clusters in creativity and business development
- Views on the creative milieu in the cluster
- The networks among the creative workers or entrepreneurs
- Views on government policies and the roles of government
- The conditions of finance and business management
- Suggestions on the existing problems and future development of the cluster

It is likely that such interviews could provide an insight into motivation and the value of clusters to the artists, the origins, development and management of clusters, as well as the problems and challenges the clusters were facing.

For the relative officials and managers' interview schedule, the main questions included their viewpoints of creative industries, their roles in creative clusters, their views on artists, the policy issues and the organisational problems of the cluster management. The creative managers the researcher interviewed included cluster managers, government officers and non-benefit intermediaries. The main questions included the following information (see Appendix C-3 and 4):

- Views on creative industries and creative clusters
- The process how the cluster was settled
- The planning of the cluster
- The management of the cluster
- The strategies to develop creative clusters
- The problems the cluster was facing
- The future plans to develop the cluster

It is felt that such interviews would provide an understanding of the governmental intervention in creative clusters planning and management.

The second fieldwork (20th June 2010 to 18th July 2010)

In order to collect systematic data on the artists' working experience, the second fieldwork study was designed to investigate the full spectrum of the artists' work. Thus this interview schedule contains 11 sections with closed and open-ended questions to collect information on following aspects (see Appendix C-2):

- The demographics information
- The career background information
- The working environment
- The working experience
- The business and social networks
- Their demands of the cluster
- Their evaluations of the facilities and service of the cluster

- The value and function of the cluster to them
- The role of government in the cluster
- The problems facing the artists and the cluster management

The semi-structured questions were mainly open-ended ones asking the interviewees to describe their working experience in the clusters, their feeling about the cluster, what were the value of the cluster to them, how did they choose the cluster, why did they locate in the cluster, how many years had they been working in the cluster, what were the reasons for them to stay, what were their working routines, how was their network in the cluster, what impact did the policy have on their work, what impact did the cluster have on their creativity, and what were the main problems and constraints of their work environment.

Interviewees were asked to reflect on what they thought of their work, how they networked with others, how they felt about the clusters, the meaning of creative clusters for them, and the extent they were satisfied with the working environment and the management of the cluster. The questions were designed to explore how they perceived their working environment by particular phrases, for example, 'why did you choose', 'how do you like', 'to what extent' and 'in what ways'.

All the interviewees were given the same interview questions sheet. Occasionally, the interviewees were encouraged to say more by asking them prompt questions with more details and explanation of the original question. Additionally, an open question was asked at the end, to encourage the interviewees to raise any questions they concerned with their working experience and creative cluster, in order not to miss any important data.

4.2.2 Selections of the sites

Two case study areas, TZF and M50 in Shanghai, China were selected for this study, in order to compare the institutional roles of different management strategies in the artists' creativity. These two creative clusters both have a long history of clustering artists. They were both spontaneous arts villages formed at the end of 1990s and were intervened by the local authority since 2005. Thus it is possible to investigate the influence of different management strategies on artists' creativity by comparing how they

changed after local intervention and discovering the reasons for the current difference.

As shown in Figure 4.1, TZF is located at the city center in Luwan District; whilst M50 is located along the Suzhou Creek in Putuo District. Each is briefly introduced as follows. TZF is the first and most famous creative cluster in Shanghai, which has been called 'SOHO in Shanghai'. It is located on 210 Street, Taikang Road, and has been transformed from disused manufacturing building of the 1950s and vernacular houses. Since May 2000, with the support from SMEC and Luwan District Government (LDG), these old manufacturing buildings were regenerated.

M50 is located on No. 50 on Moganshan Street. It is the most famous creative cluster in Suzhou Creek area. It was transformed from about 50 disused textile mills from 1930s to 1990s. TZF and M50 were both designated as creative clusters by SMEC in 2005. Contemporarily they are both the most famous clusters of contemporary arts in Shanghai, China. Lots of famous artists such as Yifei Chen⁴, Dongqiang Er, Jieyin Wang, Yi Ding and Tiehai Zhou were attracted to work there and opened their own studios. Meanwhile, many young artists followed these elites (famous artists) to the clusters to create their works. Therefore, these two clusters are the most typical and representative cases in Shanghai. By studying the artists in these two clusters, it is thus possible to have a better understanding of the contemporary artists and the dynamics of creative clusters in China.

⁴Yifei Chen was a famous Chinese artist who passed away in 2005. During his lifetime, he established the cultural industries which covered oil painting, film, fashion design, radio, media, ceramic and sculpture.

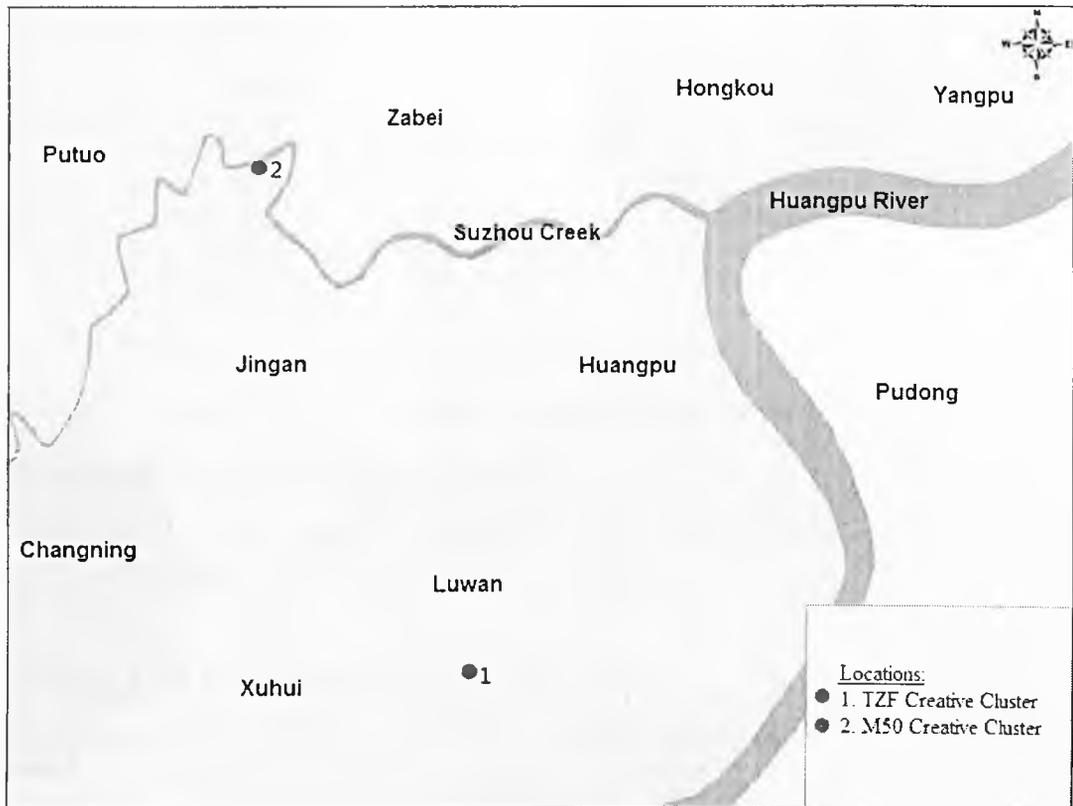


Figure 4.1 The Locations of TZF and M50

(Source: modified from Tong, 2009, p.5)

4.2.3 Sampling strategy

After the case study areas were selected and the semi-structured interview schedules were developed, the researcher started the sample process. A suitable sample strategy is very important for the study because “if the data are not collected from the people or objects that can provide the correct answers to solve the problem, the survey will be in vain” (Sekaran, 2000, p.265). Moreover, Sekaran (2000) defined the sampling according to five basic notions: population, element, population frame, sample, and subject, as in Table 4.3. He summarized the definition of sample as follows:

Sampling is the process of selecting a sufficient number of elements from the population so that by studying the sample, and understanding the properties or the characteristics of the sample subjects, it would be possible to generalize the properties or characteristics to the population elements (Sekaran, 2000, p.267).

Table 4.3 The definition of sample

Notion	Meaning
Population	A group of people
Element	A single member of the population
Population frame	Listing of all the elements in the population
Sample	A subset of the population
Subject	A single member of the sample

(Source: modified from Sekaran, 2000)

Therefore, it is important to identify the sampling frame of this study, as shown in Table 4.4.

Table 4.4 The sampling frame of this study

Notion	In this study
Population	The visual artists working in two creative clusters
Element	Each visual artist (mainly oil painters and photographers), creative cluster manager and government policy maker
Population frame	Difficult to access because of no statistics of this issue
Sampling units	60 artists and 8 managers in the two creative clusters in Shanghai (TZF and M50)
Subject	Each artist or manager interviewed by the researcher
Extent	About 1/3 to 1/2 of the population of the artists in each cluster
Time	Jan. to Mar. 2008, Sep. to Nov. 2008, Jun. To Jul. 2011

However, the population of this study was unable to be clearly defined, because most of the artists were self-employed and there was no statistics or registration of self-employed people in the clusters in China. In the TZF creative cluster, there were about 41 visual artists according to the researcher's counting. However, in M50 creative cluster the total number of visual artists were not accessible. The reasons are discussed as follows.

In this study, purposeful sampling and snowball sampling were employed in order to interview as many artists as possible. First, at the beginning of the

pilot study, the researcher fortunately met the artist (TZF artist 1) who had been staying in TZF creative cluster since 2000. He was one of the earliest artists to set up their studios in the cluster. The researcher was lucky to be able to interview him, not only because of his long history working in the cluster but also because of his extensive networks with other artists in the cluster. It was quite difficult to get contact with these artists, because they had very independent personalities and very flexible working routines. However, by using the snowball skill, TZF artist 1 introduced many friends in the cluster to the researcher. During the first field work, 23 artists were interviewed in the TZF creative clusters. During the second fieldwork, the other 18 artists were interviewed; however, 11 of them were the same interviewees as in the previous fieldwork. Therefore, the total number of interviewees was 30. The number of the sample was about 3/4 the total visual artists in TZF (30 out of 41). This means that the sample could represent the majority of the artists in TZF.

Meanwhile, the researcher was also lucky to meet artist TZF artist 17 and TZF artist 18 at TZF creative cluster because both of them also had studios in M50 creative cluster. They also introduced their friends who were working in M50 to the researcher. However, artists in M50 were even more difficult to interview, because many of them did not work in the clusters. They employed sellers to work in their galleries and sell their works. At last, 18 artists were interviewed in the M50 creative cluster, which was done to the best ability of the researcher during the first fieldwork. During the second fieldwork, the other 18 artists were interviewed, 6 of them were the same interviewees as the previous fieldwork. Meanwhile, 4 of the interviewees worked in both clusters of this study and were interviewed twice with one interview sheet for each cluster separately. Therefore, 30 artists were interviewed in M50. The number of the sample took more than 1/3 of the total visual artists in M50 (30 out of 84 art studio and gallery owners)

It may be argued that an appropriate sample size is essential to obtain enough data. Researchers usually considered a sample at least 20 is appropriate for a case study (Crouch and McKenzie, 2006). Thus, 30 interviewees in each cluster could be considered as an appropriate sample. Even in the case of M50, the total number of interviewees only took about

1/3 of the total artists and gallery managers, but this was not a small percentage of the total number of artists who worked in the clusters, and thus did not affect the credibility and validity of this study.

Moreover, with a purposive sampling method, the researcher could concentrate on a representative group of interviewees, who were the visual artists and had working experience in the creative clusters. Meanwhile, with the snowball sampling strategy, the researcher was able to interview the artists who probably had the required information and were willing to share in other interviewee's opinions (Kumar, 2005). Thus it ensured the valuable artists were interviewed. By using purposeful sampling and snow ball sampling strategies, the researcher was able to generate enough in-depth information from the artists, managers and government officers, and analysed the process of managing creative clusters, as well as explore the relationship between artists' working experience and clusters management strategy.

In conclusion, the interviewees of this study mainly constituted two groups: artists and cluster managers. The artists included in this study were mainly visual artists such as oil painters, ink painters, watercolour painters, photographers, designers who worked in these two clusters. The cluster managers included intermediaries, cluster managers, street officers and district officers. Most of the interviewees are highly educated middle aged male painters who had more than 5 years of working experiences. The typical interviewee was male, 48 years old, a college graduate and worked as an oil painter in his own studio in TZF. After graduating from college, he worked as an officer in cultural organization in his home town for several years. He quit the job more than 10 years ago. He had been to Beijing and then Shanghai to start his career as a professional oil painter. He came to Shanghai in 1999 and settled his studio in an arts village in early 2000. After the arts village was demolished by the government, he settled his studio in TZF in late 2000. Therefore, he had been working as an artist in TZF for more than 10 years, and had in-depth understanding of art creation, and lots of working experience within creative clusters.

4.2.4 Conducting interviews

After the fieldwork schedule was prepared, case studies were identified and the sampling strategies were discussed, during the pilot study and first fieldwork, in-depth interviews were conducted with 36 artists and 6 managers in two clusters by face-to-face, one-to-one method presented in previous sections. During the second fieldwork, semi-structured interviews were conducted with 36 artists in two clusters. All the interviews were scheduled at the time when it was convenient for the interviewees, and were conducted at a location that was comfortable for them, usually in their offices, studios or galleries.

At the beginning of the each interview, the researcher introduced herself, her identity as a PhD student, her interest of the study and the aims of the interview. Following this, an informed consent form and the interview questions sheet were given to the interviewee, reminding him/her the purpose of the study, the confidentiality of the interview and the sequence of the interview questions. The interviews were conducted in Chinese, which was the mother language of both the researcher and the interviewees.

The interview began with the most familiar area such as his job and his view of his painting work. This allowed the interviewee relax and settle down easily. Meanwhile the researcher could collect valuable background information about the interviewee (Denscombe, 2007). Then the main topics in the interview question sheet would be asked by the researcher. During the interview, the researcher sometimes had to adjust the order of questions according to the interviewee's convenience. Generally, the interviewees understood the questions well, and answered in their own words. Whenever needed, the researcher would ask them possible probing questions to clarify their thoughts and opinions.

Usually, the time of the interviews were controlled at around one hour, to make sure there was enough time for the interviewees to state their opinions thoroughly. It could be longer if the interviewees agreed. For example, sometimes the interviewees proposed new topics which were of interest to the researcher. The researcher would encourage them to talk more about those topics in order to collect richer data.

At the end of the interview, the researcher ensured the key issues had been stated by the interviewees, and invited the interviewees to raise any points they still wanted to cover, and meanwhile, encouraged them to suggest any issues they thought would be important to be covered but had not been mentioned in the interview questions. Finally, the interviewees were thanked for their time in participating in the research.

4.3 Data analysis

As has been pointed out, data analysis is one of the crucially important and the most difficult part of the study (Miles and Huberman, 1994). It is argued that data analysis is an ongoing process from the stage of data collection (Silverman, 2004). The data analysis method employed in this study is the thematic analysis (Flick, 2002). As one of the most commonly used methods of qualitative analysis, thematic analysis involves searching through data to identify, analyse and report the patterns (themes) (Flick, 2002). Themes or concepts usually come both from the inductive analysis of the data and from prior understanding of the related theories (Bernard and Ryan, 2010). It is usually used to investigate the different opinions and viewpoints on the same phenomenon or process from different social groups (Flick, 2002). Thus, thematic analysis is suitable for the comparison study of groups. In this study, thematic analysis is used to investigate the different opinions and conceptions of creative clusters from different stakeholders, such as artists, residents, managers and officers.

During the empirical work, rich qualitative data regarding artists' working experience and creative clusters management were collected for this study. The researcher classified those data into three main categories: documents, interviews and observation diaries. First, the documents were mainly secondary sources including published books and newspapers of the area, plans and annual reports from government departments, on-line articles from the creative intermediary organizations and research reports about the two case study creative clusters. Second, the interviews produced a wealth of rich primary data, including audio recorded information, as well as a few notes made by herself when the recording was refused by the interviewees. Third, observation notes of artists' daily working routines and social

interactions were also made when the researcher was invited to participate in artists' parties. These could provide some supplementary evidence for the interviews.

4.3.1 Classifying documents

All the documents collected for this study were permitted for use in the study. The main task was sorting and categorising. The documents were classified separately for each creative cluster. For each cluster, the documents were classified into a few topics, including cultural policy, plans, annual reports, the development history, management of the cluster, and reports of artists. These documents were mainly used as a point of reference to describe the conditions and governance of the creative clusters.

4.3.2 Transcription and translation of interviews

Interviews produced the most important data for this study. In the beginning, most task involved transcribing and translating the data. Transcription was the preliminary job of coding, which was to classify the meaning and relationship of the interview data. As the interviews were carried out in Chinese, the researcher transcribed them into Chinese in order to get the best understanding of the meaning of texts, as well as contextual meaning underlined in the texts. In order to pursue the contextual validity in the process of transcription, all the work was done by the researcher herself. In order to capture the original meaning of the interviews, all the words and phrases were kept as close as possible to the interviewees' original expression.

The researcher was aware that the study should be transparent so that the findings could be examined by other researchers (Maxwell, 1996; Mason, 2002). Thus it was necessary to translate the interviews into an international language, so that other researchers could see how the findings of this study were generated from the data. Then the researcher translated the most important parts of the interviews data into English. The supervisors have checked all the translated text of interviews. However, they were not included in this thesis because of the limit of the length of the whole thesis. The researcher also understood the language usage differences between English and Chinese, which might lead to misunderstanding of the original

meaning of the transcribed text in Chinese. Therefore, she tried to employ professional translator to verify her translation scripts, in order to validate their credibility.

4.3.3 Coding the interview data

As the researcher was familiar with all the transcribed texts, the second task was to code the data. Coding was first applied by Glaser and Strauss (1965) in their study on the handling of death and dying in hospitals. As Miles and Huberman (1994) commented, "Coding is analysis ... involves how you differentiate and combine the data you have retrieved and the reflections you make about this information" (Miles and Huberman, 1994, p.56). Thus coding is the process of recognizing, comparing, refining, deconstructing, conceptualizing and recombining data by using codes (Rubin and Rubin, 2005). In this process, the main task is to discover commonalities, differences, patterns and structures in the data, to produce the codes for the data, and to identify, categorise and summarise the data. The researcher tried to read the interview data carefully and repeatedly, in order to be familiar with the data and compare the data from different interviewees. She always kept the questions in mind, why this interviewee thought like this, while the other one said like that. For each thematic topic, she categorised the opinions on the same issue into one code. She tried to keep the original meaning of the interview data as far as possible, and discussed the reasons for different voices in the data analysis.

"Codes are tags and labels for assigning units of meaning to the descriptive or inferential information compiled during a study" (Miles and Huberman, 1994, p.56). Codes are used to retrieve and organize various chunks (words, phrases, sentences, or a whole paragraph etc.) (Miles and Huberman, 1994, p.56-57). It is the process of assigning units of meaning to pieces of data. The codes used in this study were the key themes, concepts and topics presented in the interview answers and emerged from the literature, thus enabling the researcher to review and categorise the data in a theoretical way.

The coding method employed in the study is called the thematic coding (Flick, 2002). Thematic coding is usually used for comparative study in order

to investigate the social distribution of perspectives on an issue (Flick, 2002). The main purpose of thematic coding is data retrieval. The coding of this study was carried out in a very traditional way with codes and tags on the printed interview transcripts. First, the researcher printed all the transcribed interview texts out in order to prepare the data for analysis. The coding and analysis of the data was based on the original transcription of interviews in Chinese in order to gain the best understanding of the original texts and avoid the possible misunderstanding brought by language difference.

Second, the researcher roughly read the data in order to identify the major issues. Notes were made where the interesting issues were discussed. During this process, the core issues were identified and categorised, such as policy, physical space, social networks, management and struggle.

Third, the researcher carefully and repeatedly read the texts in order to get familiar with the data. Constant comparison was made in order to analysis the similarities and difference. Notes and tags were given to each line or paragraph in the margin of the texts.

Fourth, based on the full understanding of texts, a number of sub-themes were generated by organising similar items into categories. The researcher tried to assign one phrase to the similar topics emerged from the texts, such as location, rent, fame, working environment, business climate, artistic milieu, infrastructure, service, social networks, creativity, intellectual property, arts market, management, planning and difficulties. Notes and tags were used to indicate each sub-theme.

Fifth, the researcher re-examined the texts and themes carefully in order to understand the relevance of each theme with the whole data. Meanwhile, any mistakes in organising data could be noticed and revised during this process.

Sixth, the researcher re-examined each theme by reviewing all the material relating to it. Name and definition of each theme were developed. Following this, the printed texts were cut into several separated sections and classified according to the themes they are related to. Finally, the material of each

theme were pasted together and coded with a tag in order to make the material organized and easy to be retrieved.

4.4 Validity and ethical issues

This part examines the stance of the researcher and the personal involvement in the research, in order to justify the validity of the study.

4.4.1 Status of researcher

The researcher acts as the key instrument in the qualitative study process (Hatch, 2002; Creswell, 2007; Densombe, 2007). The researcher in this study obtained a Bachelor degree in geography science, a Master degree in human geography and one year PhD study experience in cultural geography in China. Regarding her research background, the researcher decided to take a four years study in cultural industries in the UK, particularly on the research of artists in creative clusters in China. First, arts are the specific forms of culture. Second, creative clusters are popular urban planning phenomena in China in the last few years. Thus, the researcher expected to provide a cultural and social geography view into the artists' research.

Although the researcher did not have any relative working experience with artists before the present research, her research backgrounds in urban planning and cultural geography gave her a prior understanding of the context of this study.

4.4.2 Researcher-researched relationship

Generally the researcher and the interviewees didn't neither know each other nor meet in the future. This stance provided the researcher an insight into the artists' life in the creative clusters as an 'outward' without any subjectivity and prejudice.

4.5 Difficulties and limitation

4.5.1 Access difficulty

Artists are quite professional and independent persons, and usually have very flexible working routines. It is very difficult to find them because they always travel around to find the resources and inspiration for their works.

Some of them employ one or more employees to take care of their studios and galleries. Or they help each other with door keeping. Some of the galleries, although the researcher tried to visit them as often as possible, she still missed them because the artists were not there. They were very difficult to access. Moreover, some artists were very busy in creating work or business, or were not willing to co-operate with her study. Some of the managers, officers and artists refused to be interviewed because of their consideration on personal privacy issues, even when the researcher was introduced to them by their friends. However, the researcher sought as far as possible to interview as many artists as she could and asked them to recommend their friends to her. During the three fieldworks, she was able to conduct 41 in-depth interviews with 30 artists in TZF and 36 in-depth interviews with 30 artists in the M50 creative cluster.

4.5.2 Interview difficulty

Artists in China have been viewed as a special group of avant-garde autonomists, characterised by freedom and innovation; and most of them were anarchists (see chapter 3). Meanwhile, there were also non-stated regulations that sensitive topics or themes were prohibited by managers of the clusters. Therefore, given these difficulties, some of interviewees were not willing to respond to sensitive questions about government policies, and some didn't allow the researcher to record their speeches. However, the researcher did try her best to obtain their permission to make notes of the interviews.

4.6 Conclusion

This chapter has outlined the research strategies and methods implied in this study. More specifically, it discussed the qualitative nature of the inquiry, the case study strategy, the multiple methods to generate data, the means and process to analyse data, and the validity, difficulty as well as the ethical issues of the study. It first addressed the research questions and objectives of the study and, based on this understanding, the researcher considered the most appropriate way to tackle the research questions and achieve the

objectives of the study was to explore the artists' opinions and insights on the creative cluster management in-depth.

Thus, in-depth data was collected by multiple methods including documentation, observation, and unstructured as well as semi-structured interviews with artists and managers. The researcher situated herself as "outward", with the necessary understanding of urban planning and cultural geography background, while without any prejudice and bias of artists. These documents were classified as well as the observation dairies and interviews were transcribed and translated. Thematic analysis was used to code and breakdown the completed transcriptions in order to classify the data.

Finally, the research formulated a system of codes and developed to be a three-dimensional model of creative clusters according to the themes emerging from the segmented and categorised narratives of space. These codes cover several aspects of physical, mental and social space of creative clusters. Meanwhile, these narratives under the same code were compared and contrasted in order to achieve the coherence of the data. The reliability of the each narrative was also ensured. Moreover, each interview was considered as a complete narrative, and was read repeatedly in order to avoid misunderstanding of the segmented parts. The results of the data analysis are reported in the following chapters.

Chapter 5

Spatial practice: the evolution of physical space

The previous chapter discussed the research methods of this study. During the empirical work, three levels of space in the creative clusters have been detected, including the physical, mental and social space. This chapter mainly focuses on physical space in the two creative clusters respectively. As Lefebvre (1991a) has argued, physical space is the background of the picture. According to Lefebvre's triad model, the physical space refers to the material production of the space. In this way, the physical space of creative clusters should include the concrete buildings and infrastructure in the clusters, as well as the sites for social activities.

Physical space is not only the fundamental material environment but also the product of the social activities which happen in it. Therefore, this chapter investigates the spatialised habitus of artists within each cluster. In other words, by considering the cluster as a spatialised arts world, it will investigate artists' usage of the physical space and the influence of physical space on artists' creativity as well. Firstly, it presents the memory of old industrial or residential space. Shanghai was the origin of modern industry in China. Many excellent historical industrial buildings were left unused since 1990s. These industrial building presented the history of Shanghai urban development and industrial civilization since 1920s. They also represented the unique feature of Shanghai industries during different periods. These industrial buildings had artistic characters and scientific value as well. As Castells (2000, p.441) has argued, "Space is crystallized time." Therefore, it is necessary to discover the memory of the space in order to understand the current situation of the creative clusters.

Secondly, the reconstruction of the creative clusters under different stakeholders is discussed. Thirdly, the new physical space appeared in the process is introduced, as well as their effects on artists' creativity are investigated. Finally, the comparison is made between TZF and M50.

5.1 Physical space of TZF

5.1.1 Transformation from industrial space to creative cluster

5.1.1.1 Memory of space: the predecessor of TZF

As shown in Figure 5.1, one of the case studies ---- the TZF creative cluster, is located on 210 Taikang Road, Dapu Bridge Street, Luwan District in Shanghai, a small avenue measured up to 520 meters. TZF, called as the "SOHO" in Shanghai, was transformed from the six old street-owned factories built in 1930s (Xu, 2011).

Since Yifei Chen set up his studio in these industrial buildings in 1999, creative industries started to boom on Taikang road. Since 2005, creative industries sprawled into the historical vernacular houses, which were located along or next to Taikang road. These vernacular houses, which were built in 1920s, were the most characteristic residential building of Shanghai. As shown in Figure 5.1, contemporarily this area is encountered by Taikang Road, Sinan Road, Ruijin 2nd Road and Jianguo Middle Road. It comprises both industrial buildings and vernacular houses which together were designated as the TZF creative cluster.



Figure 5.1 The location of TZF creative cluster

5.1.1.2 Rebuilding the industrial space⁵

The primary Arts village

In the late 1990s, because of the adjustment of industrial structure and the relocation of the factories, about 20,000 square meters comprising six old factories and warehouses on Taikang Road were left unused. From 1999, TZF was transformed with the support of SMEC and LDG. With experience gained from his travel to 'SOHO' in New York, USA, the street manager - Rongfa Zheng planned to regenerate this area with culture (Zhang, 2009). In 1998, Mr. Zheng rented the factories and planned to transform this area to be as another 'SOHO' in the Shanghai, which comprising cultural organizations, and arts and crafts companies. A few months later, 'All The Best' Cultural Development Company specialized in handicrafts was established on Taikang Road. At the end of 1998, the famous Chinese artist Yifei Chen, who came back from America, was introduced to Taikang Road by his friend, Meisen Wu, one of the founders of TZF, Taikang Road (Zhang, 2009). Yifei Chen rented two of the factories on 210 Avenue, Taikang Road and transformed them into his studios, one of which dedicated to oil painting and sculpture, and the other as an arts club and ceramics studio.

Because of the great fame of Yifei Chen, many artists and designers followed him and settled their studios on Taikang Road. In 1999, there were more than ten famous artists on Taikang Road, including Yifei Chen, Dongqiang Er, Jieyin Wang, Jiajun Wang, Wei Zheng, as well as foreign artists from France, Denmark, America and Spain (Zhang, 2009). In 2001, the famous Chinese artist Yongyu Huang visited Taikang Road and gave the name 'Tianzifang' to 210 Avenue Taikang Road (Huang, 2010). Zifang Tian was the earliest painter in Chinese history and by using his name for this area, it expressed the wish to establish this area as the visual arts centre in Shanghai. TZF became one of the earliest spontaneous arts clusters in Shanghai.

⁵ This part is derived from personal interviews, relative literature, official reports and documents.

Urban planning

In 2004, the creative industries just started to boom in TZF, while many creative workshops and arts studios settled in TZF. However, the new urban plan was formulated by Shanghai Municipal Government (SMG), in which Taikang Road was among the urban regeneration agenda. The real estate company already put forward the whole plan that aimed to build up four tall residential buildings and one business center by pulling down all the old industrial factories and vernacular houses. The 'notice of demolition' was posted at TZF by Luwan District Land Governance Bureau. It said that this area would be demolished and there should be no more houses to rent, no more transformation and construction of the houses, no changes to the function of land, and no separate property lease (Zhao, 2004). This indicated the dominance of the local authority in urban land use planning. The existence of TZF was threatened by the logic of urban development in China.

Protection of space

Firstly, a few local authorities protected TZF. Because of the influence of financial crisis in 1997, the real estate development in Shanghai stagnated, which provided the opportunity for artists to settle in and transform these old factories into their studios. However, since 2002, TZF was under threat of demolition when the real estate development in Shanghai started to grow up very rapidly. The leaders of the SMG and LDG sold this area to a Taiwanese real estate development company (Zhang, 2009). In 2003, upon the appeal of the artists, scholars and the efforts of the previous street manager, TZF was protected (Xu, 2011).

Even in 2004, after the local authority made a few concessions to agree with protecting these old industrial buildings on Taikang Road, TZF was prohibited from extending to the vernacular houses. These vernacular houses were still to be demolished according to urban planning. On the one hand, the contract with real estate development company was already made in 2002. On the other hand, some of the residents in the vernacular houses also complained about the low life quality in old houses and wanted to improve their living condition by moving out. However, in street manager's

opinion, this strategy was just the government's trick. He considered the vernacular houses as organic parts of the creative cluster that could not be separated from it, because the old factories were rooted and embedded in the street and community. If the vernacular houses were demolished and developed to be top grade business buildings, the creative cluster rooted in the old factories would become an isolated island and eventually face the fate of demolition (Zhang, 2009). Therefore, he continued his protection of those vernacular houses in the next two years. Moreover, the street manager turned to scholars and the media to protect TZF. Shiling Zheng, Wuwei Li, Yishan Ruan (will be discussed in next paragraph) were all invited by him to write to the media to protect TZF.

However, because of the political struggle among government officers, the street manager was deprived of his position and redeployed to another department in 2004. In his new position as the director of Technology Bureau of Luwan District, he and his friend --- the manager of TZF established the 'Intellectual Property Protection Union of TZF', which provided him another way to engage in the protection and development of TZF. Even after his retirement, the street manager still actively engaged into the protection of TZF by founding his non-for-profit organization --- 'Chinese Culture Study Center', which was located nearby TZF and provided free consultation service for creative workers, researchers and anyone interested in TZF (Zhang, 2009). The street manager, as the planner of TZF, devoted his entire career to the development of TZF. Finally, in 2005, all his efforts during the last few years had been rewarded since TZF was designated as one of the creative clusters in Shanghai, which indicated the official approval from the government.

Secondly, some scholars also suggested protecting TZF. The Scholars from Tongji University in Shanghai, Shiling Zheng argued the cultural value of TZF from the view of old architecture protection, suggesting the government carry out culture-led regeneration to protect TZF. Mr. Zheng published his series of articles on protecting TZF (Zheng, 2004). Wuwei Li (2004), the head of Economy Research Center of Shanghai Social Science Academy, suggested the economic value of developing creative industries in TZF creative cluster. The famous Chinese expert on old architectures, the

professor in Tongji University, Yisan Ruan and his research group were also invited to institute a protection plan for TZF (Wu, 2004, p.122).

Thirdly, artists in TZF actively engaged into the protection of TZF. In order to protect TZF from demolition, Yifei Chen, the famous Chinese American artist who firstly settled his studio in TZF, organized more than 40 Chinese and foreign artists to write to the government leaders of SMG. Concerning the demolition, an American artist, who owned his studio in TZF, said:

This would be a mistake. We love the historical environment of those old factories and vernacular houses. If you pull them down, there will be nothing left...I work in China because I would like to use my artwork to tell people that a modern city should not only be a forest of tall building made of metal and concrete blocks. It is really a pity that people always throw away valuable old things. (c.f. Wu, 2004, p.122).

In his opinion, the old factories provided unique space for arts creation, while the living history of the original lifestyle in the vernacular houses provided the historical and cultural inspirations for the artists. If this area were to be demolished, not only the buildings were removed, but also the source of creativity would be destroyed (Wu, 2004).

Fourthly, some residents participated in protecting TZF as well. Generally, the residents who wish to protect TZF because their economic benefit is there, or they want to maintain the neighborhood networks in vernacular houses. TZFSC1, 61 years old, was living on No.210 Taikang road. He was the first resident to rent his house to creative workers, which indicated the beginning of creative industries in vernacular houses. He said:

I didn't expect TZF would turn into a creative cluster. At the beginning, I just want to earn a living by renting out my vernacular houses. I work here totally for free... I work here because my own house is in TZF. The future of TZF is also my future (TZFSC1, 2008).

Since then, he and a few residents organized the 'TZF Service Company' (which was previously called 'TZF Residents Committee' and contemporarily as a NGO organization). The company provided free service for both the residents and creative workers in TZF. He said:

I already create my new career after retirement, because I am part of the creative industries. I protect TZF in order to protect my own house. Because my house is in there, my benefit is in there. If the residents develop [their houses] well, the TZF creative cluster will be better and better. Therefore, my benefit can be ensured. (TZFSC1, 2008)

TZFSC1 has represented the opinion of most residents who wanted to protect TZF because they would like to make economic benefit from their vernacular houses by letting them to creative entrepreneurs. To protect TZF means to protect their economic benefit. Meanwhile, some residents insisted on protecting TZF because they merely wished to keep their lifestyles and the intimate social networks among neighborhood, and refused to move out. Most of them were the old people who had been living there for generations. Therefore, they also united to protect TZF. One of the residents, insisted to live in his old house, said that:

I am so old that I do not want to move around. Although the living conditions are not good, but you know, I really enjoyed the convenience living in the city center, [and] the familiar neighborhood is important too. (TZF Resident1, 2008)

In conclusion, the residents also played important roles in protecting TZF. On the one hand, their living conditions and economic status were improved; on the other hand, their lifestyles and social networking among neighborhood were maintained.

Finally, TZF gained legitimacy from SMG, which indicated the official approval of protecting TZF. In order to protect TZF from demolition, the most important factor was to gain the support from SMG. Wuwei Li, the vice Chair of the NPC Standing Committee of Shanghai, on the CPPCC Annual Session in Shanghai in 2004, made an overture to the SMG about protecting old vernacular houses and developing creative industries and creative clusters (Wu, 2004). He suggested importing the concepts of 'creative industries' and 'creative clusters' to Shanghai. He proposed protecting and developing TZF as the first 'creative industries cluster' in Shanghai for two reasons. On the one hand, he argued for the role of creative industries in improving Shanghai's competence. On the other, he suggested the possibility of TZF to be the first creative industries cluster in Shanghai because of its history and artistic milieu which attracted more than one hundred cultural organizations to settle there (Li, 2004).

In conclusion, under the great efforts of artists, residents, scholars and a few local officials, in 2005, TZF was designated as one of the first group of 18 creative clusters by SMEC, which indicated its acquirement of legitimacy

from SMG. In 2006, TZF was elected as one of the best creative clusters in Shanghai. Up until 2006, 153 creative companies and more than 800 creative individuals from 19 countries were attracted to settle in this area. The industries mainly consisted of interior design, visual arts as well as ceramics and crafts. The rapid development of TZF attracted great attention from SMG and LDG. In August 2006, the Municipality Party Secretary Liangyu Chen and the Mayor Han Zheng visited TZF and greatly praised the development of creative cluster. Since then, creative industries were put forward in the 'Eleventh Five-year Plan' of Shanghai (Anon, 2010). This indicated the significant priority and promotion of creative industries and creative clusters of the official policies.

It was in 2008 that the legitimacy of TZF was confirmed by LDG. Under the LDG, the TZF Management Committee (TZFMC) was established on Taikang Road in order to take charge of the governance of TZF. This indicated the start of the local authority taking over the management of TZF. Since then, TZF received legitimacy from the LDG.

5.1.1.3 New physical space

During the transformation from old factories and vernacular houses to creative cluster and tourist destination, new physical space were produced in TZF under the practice of artists, the residents' efforts, and the planning from the local authority. At the beginning, the spontaneous refurbishment and construction of the old space was carried out by the artists in order to adjust the old industrial space with their needs, including the interior refurbishment, the adjustment of the structure, and declarations of the space. Meanwhile, the managers of the cluster as well as some residents in vernacular houses also contributed to the construction of the public space in TZF, such as repair of the roads, the lighting in cluster, and construction of the public resting infrastructure (Tao and Luan, 2007). Since 2008, TZFMC took charge of the governance of TZF and new plans were made to construct TZF as the thematic practicing area for the World's Fair in 2010 in Shanghai and the 'AAA' urban tourism destination. The local authority invested 10 million RMB in order to improve public infrastructure in the cluster, such as roads, green land, architecture scene, as well as other

public sanitation infrastructure.

5.1.2 Artists as the spatial practitioners

After the presentation of the formulation of physical space in TZF, this section is concerned with artists – the practitioners of the space. As argued by Lefebvre (1991a), spatial practice is fundamental for the other levels of space. Spatial practice involves 'everyday reality', which, as was seen with Lefebvre, is based on individuals' spatial competence and performance, meaning, based on an intuitive understanding and perception of space in its various practical functions. Therefore, the artists as the main spatial practitioners, and their perception and practice of the creative cluster are discussed as follows.

Demographic information of artists

The demographic information of artists is derived from the third fieldwork carried out in 2010. The interviewees at TZF, mainly the artists, in this study were varied between 25 to 64 years old, as shown in Table 5.1. There was about 30-year gap between the youngest and oldest. More than 83% of the interviewees were aged between 35 to 64 years old. Most of them were male.

Table 5.1 Demographic profile of artists

Age	Number	Gender	Number
Over 65	0	Male	13
55-64	5	Female	5
45-54	6	Total	18
35-44	4	Highest qualification	Number
25-34	3	High School	0
Under 24	0	University/College Degree	18
/	/	Postgraduate Degree	0
Total	18	Total	18

The artists interviewed were asked to specify their educational qualifications. They all had graduated from university or college, as shown in Table 5.1.

The interviewees, mainly the artists, were highly educated professionals in visual arts and gallery management. They usually have strong personalities and expect to express their particular thoughts in their own words.

Career backgrounds of artists

As indicated in Table 5.2, all 18 interviewees were practising visual arts in their career. These included oil painting, ink painting, water color painting, logo design and photography. Most (n=15) of them were painters.

Table 5.2 Career backgrounds of artists

Career	Number	Years as artist	Number
Painting	15	Less than 5	1
Photography	2	5-10	2
Logo design	1	10-20	3
/	/	More than 20	12
Total	18	Total	18

All 18 interviewees had been working for years in visual arts. Most of them (n=15) had worked for more than ten years in their areas, as shown in Table 5.2. They were all professional visual artists. Meanwhile, according to the interviews, most of them were self-employed, while a few of them were employed in universities or cultural organizations as well.

An analysis of the time of every artist had been staying at TZF revealed that most of the artists has been here for quite a short time, with the majority having established their studios in the past seven years. Only two of them have been working at TZF for more than seven years as shown in Table 5.3.

Table 5.3 Years working at TZF

Years at TZF	Number
Less than 1	2
1-3	7
3-7	7

More than 7	2
Total	18

Everyday reality⁶

Following Lefebvre's advice, the physical production of space happens in places of everyday life (work, home and leisure) and in their connections (infrastructure, as well as economy and work); the questionnaire included a series of questions that tried to examine these different aspects. For example, the interviewees were asked what did they do and where they worked, and why they chose to settle their studios in TZF. Three main components of everyday reality were recognized: routines, trading and social activities.

Firstly, asking the interviewees to describe their daily routines and whether these would change at the weekends constituted an attempt to comprehend the difference and singularity of artists that typically characterize every creative class. These differences were expected to be particularly evident in the case of TZF, due to its dwellers' high self-employed rate. The term 'routines' describes sequences of actions within a day that are not necessarily linked to each other by the artists in the creative cluster.

The evaluation resulted in the acknowledgement of every differentiated working and living processes, according to the employment status of the artists. From a broad perspective, it was possible to recognize several groups of the dwellers.

First, the major parts of the painters were self-employed. They usually open up their studios around 11 am because there were very few customers in the early morning. They worked until mid-night and went back home for sleep.

⁶This session derived from private interviews and participant observations in their studios and parties. As most of their customers were foreigners, the author was invited to work as the interpreter in their studios when in need. By doing close observations in the studios, the authors obtained the first hand materials on artists' daily lifestyles, social networking and creation experiences. Moreover, those observations were also examined and proved by private interviews with those artists in depth. Interviews were done between 2008 to 2010.

Most artists worked in the cluster from 5 to 8 hours every day; while a few of them even worked more than 8 hours every day. Usually in the afternoon, they talked to the customers and did some social networking with each other. In the late afternoon, they had dinner together in the restaurants nearby the creative cluster. They generally worked in the cluster from the evening until the mid-night. Their studios were also used for galleries to exhibit their works. They came to the creative cluster every day. It became the 'lifestyle of artists'.

I came to TZF every day. I spend about most of my time in TZF every day. This is part of my life. This is my lifestyle. (TZF artist1, 2008)

Second, some artists came to the creative clusters in the afternoon only because most of the customers came to visit at that time. They usually worked at home in the morning and came to the creative cluster around 2 pm every day. They did not do any creation in the creative cluster, but only used the space as galleries. They worked in the cluster from 2 to 6 pm to talk with the customers or communicate with other artists, and returned home for creating, dining and sleeping.

I didn't do creation in TZF. I only sell my works here. I only stay in TZF at the afternoons because customers usually visit at that time. (TZF artist17, 2008)

Third, a few artists only worked in the creative cluster part-time. Most of them only came to the creative cluster 1 to 3 times a week, usually on the weekends. They had to work for their formal careers during the weekdays, such as in companies, government institutions or universities. They considered opening galleries in TZF as their hobbies in spare time. They did not work in the studios, but usually worked at home and used the space as their galleries to exhibit and sell their artworks only. They employed their partners or sellersto take care of their galleries during weekdays.

I did not work here. This is my gallery. I am a painting teacher in university and very busy with my work... my wife takes care of my gallery during weekdays, and I came here on weekends only. (TZF artist16, 2008)

However, almost all respondents claimed that they opened up their studios much earlier on weekends because many tourists came to visit on

weekends, there would be more customers, which also means more business opportunities.

Secondly, it was noted by the researcher that trading was an important part of artists' daily lives, including treating customers, buying materials, ordering frames, packages and postage service.

Treating and talking to customers was one of the major part of artists' daily routines in TZF. When the customer came to the studios, the artists usually warmly welcomed them by introducing their artworks or dispatching painting brochures. They behaved as entrepreneurs when they were treating their customers. Sometimes they were even over-ardent that the customers were frightened⁷. However, many artists claimed that they did not do anything (specifically) to cater for the customers' needs. One artist, who enjoyed creating in his isolated space, commented thus:

I only sell my works to the customers who love arts and understand my artworks. The person who understands does not need explanation. If he needs my explanation of my works, or my welcome, I prefer not to sell my works to him even he wants to buy them. (TZF artist21, 2008)

The other important trading activities included buying materials, ordering framing and packages. They usually bought everything they needed for their creation from the shops nearby other than inside the creative clusters. The framing service was also easy to access. Meanwhile, if some works were sold, they were often ordered to be posted because the sizes of paintings which were usually difficult to carry with. Therefore, it was very important for artists to get convenient access to these trading services nearby the creative cluster.

However, because of the high rent in the creative clusters, most relative shops such as color shops, mounts and frames shops, as well as express delivery companies could not survive in the cluster. Most of these service

⁷Participant observation during Sep. 2008 to Nov. 2008. It happened several times during the interviews. When the customers came to visit, the interviewee interrupted the interview and started to talk with the customers. Because of this reason, the interviews were always interrupted by customers. Sometimes the researcher was asked to join into their conversation as a translator because most of the customers were foreigners.

companies were located nearby the cluster and easy to access. Sometimes, they had to go far away to buy some particular materials they needed. As indicated by the interviewees, there was a street in the central business district of Shanghai specializing in selling painting materials.

Nevertheless, based upon the evaluation, it is possible to state that:

---- Artists had very clear ideas as to typical or specialized purchasing space --- for example, many could recommend in which areas to purchase colors, canvas and other tools.

---- There were convenient production and trading services nearby the creative cluster, for example the mounts and frames shops, as well as express delivery service companies. Whenever they needed service, these suppliers came immediately when called.

Finally, it is noted by the researcher that frequent social activities occurred among artists in TZF. Because most of the artists were gathering at the No.5 building in TZF, they were quite acquainted with each other. They usually share information on arts creation, exhibitions and arts market, and their personal lives.

The social activities could take place everywhere in the creative cluster, especially in their studios, as well as the restaurants where they usually had dinner together. Their social activities usually included teatime talk in the afternoon, dinning out together and organizing parties at one's house, as well as other random conversation happening in the corridor, on the road, or in any other circumstances.

5.1.3 The value of physical space

Space for creation

What emerged significant from the empirical work was that quite a large number of artists acknowledged the important role of creative cluster as the platform for artists to learn, create, exhibit and sell their works. The physical space for creation has emerged as one of the most important factors for artists in TZF.

Although the space is not ideal, it is too limited and too expensive. At least it provides me the space to work. Without the creative cluster, it is

quite difficult for artists to find a space to work together. (TZF artist1, 2008)

This suggests that the basic function of the creative cluster lies at that it provides the space for artists to work together. As discussed in Chapter 3, professional artists in China has been free from the institutions since 1980s and forced into the markets. They do not belong to any working units in China. They have to find their own working space. Since 1990s, many disused industrial buildings have become the space for arts and turned to be creative clusters in the last decade. Apparently, at least they provide the space for artists to work together.

Space for exhibitions and galleries

As discussed above (see Chapter 3), creative clusters play important role in providing the space for contemporary arts exhibition. Contemporary arts could not find their space in national galleries because of their 'advent-grade' and radical nature, especially the instrumental arts. Therefore, what emerged as the most important for artists was that TZF provided them the space to exhibit their works. The value of cluster has been stated by the interviewees:

At least the creative cluster provided me a space. First, I can create my works, exhibit my works here, sell my works and enhance my fame as well... Second, I can communicate with customers face to face to understand their opinions on arts, and make friends with them as well... Third, I can sell my works to improve my economic conditions... Fourth, it broadened my view by communicating with other artists. We can learn from each other. It improved my creativity and techniques, enhanced my accomplishments. Those altogether benefit me for my growth in arts. (TZF artist17, 2008)

I only use this space for exhibition. I exhibit my works here in order to attract more people who can understand and appreciate my arts. (TZF artist4, 2008)

Space for social activities

The studios and galleries were not only a space for creation and exhibition, but also for social networking. In Yifei Chen's gallery, there was a meeting room at the end of the gallery that was used for meeting friends. Contemporarily, studios and galleries became fashionable social sites for artists.

In the cluster, there is a small social space for customers and friends at every studio or gallery. It usually consists of a small tea table and two or more sofa or chairs. If the customers wish to sit down and talk more about the artworks in detail, they might be offered a seat and a cup of tea. Then, a conversation would be held in a very friendly and free environment. In the spare times, artists visit each other's studios and talk about any topic they are interested in. The studio or gallery is transferred to be social space for communication. For example, Dongqiang Er Arts Centre, Dongqiang Er Book Store and Dongqiang Er Han Culture Communication Center, where art salons or seminars were held regularly, became the famous gathering space for fashionable artists in Shanghai.

Finally, cafes and restaurants are also important supplementary parts of creative cluster by providing gathering space for workers and tourists in the cluster. In the evening, artists always have their dinner together at the restaurants nearby the creative cluster. This became one important part of the artists' routines⁸. During the dinner, sometimes they drink and talk about everything in their lives, such as arts, exhibition, market, government, rent and other topics about personal lives. This is the most relaxed time for artists because the busy day with customers has finished while the creation at the night has not started⁹. They enjoy the early evening as a break in their day. After dinner, most of them still work in their studios until mid-night. Evenings are the best time for artists' creative activities, because the cluster is much quieter than in the daytime.

However, they seldom drink or dine at the cafés or restaurants located in the cluster because they are too expensive, except when the customers propose to drink or dine in the TZF in order to experience the cultural milieu of vernacular houses. Therefore, cafés and restaurants are still important social space for them.

Space for business

⁸Derived from interviews with most of the artists in TZF, 2008 and 2010.

⁹Participant observations by joining artists' parties several times, 2008.

As a famous tourism destination in Shanghai, TZF provides space for artists to start their businesses. Some of the artists use the space for business only.

The only benefit for me is that the cluster provides me space to sell my artwork. Without the business climate, it is very difficult to sell artwork. We must have the coffee bars and pubs to attract foreign tourists to TZF. Foreign tourists are the most important customers for us.' (TZF artist3, 2008)

This place is too noisy and too small for arts creation. It is just the shop to sell my artwork because it has the business climate I need. (TZF artist30, 2008)

This room is just too small. I rented a bigger flat outside the cluster to work. I did not create here but only at home. This space is limited and I would like to leave more space for exhibiting my artwork here... Nowadays TZF is a very famous and popular tourism destination for domestic and oversea tourists. The more tourists come to TZF and visit my shop, the more famous it will be. It is the advertisement of my artwork. Although my painting is very artistic which is not suitable for declaration, it is great to have a space to advertise them. My brother and I still have other galleries in M50 and Beijing. This space is only used for advertisement. (TZF artist7, 2008)

The advantage of relatively lower rent of the cluster

The other important factor of creative cluster emerging from the interviewees was its lower rent compared with other business space, especially for the artists who own their studios in the old industrial buildings. On the contrary, the creative entrepreneurs who owned their business in the vernacular houses mainly complained about the unreasonable rent. Eventually, most of the artists were forced to move into the industrial buildings, except a few of galleries owner who required the business climate in vernacular houses area and could afford the rent as well.

This is because the industrial buildings were managed by a company authorized by the local authority; while the vernacular houses were privately owned and managed by individual resident. The local authority adopted a series of favorable policies on rent and tax. However, the residents increased the rent to unbelievable high level in order to achieve ultimate economic benefit. As indicated by an artist who had his studio in one of the industrial buildings:

Although the rent increased rapidly during last 5 years, it is still cheaper than other business building nearby. However, the rent in vernacular

houses becomes so ridiculous [high] that many galleries were expelled away. (TZF artist 18, 2008)

The locational advantage of the cluster

The good, convenient location of TZF at the city center is another reason that driven artists to settle down. Location at the city center means easy and convenient access to relative resources, for example, the galleries, exhibitions and materials. The concentration of these resources at the city center made it convenient choice for artists to get together and build up their social networks. As Currid (2007) argued, big city or city center generally provided more chance for artists. That is why artists usually prefer to gather in big city like New York in America. As one interviewee commented,

Compared with M50, although M50 has better and spacious rooms, I prefer TZF because its location at the city center. The transportation from my house to TZF is also easy... It is also very convenient to get reach of the service I need. Anything is just on a call; it will be delivered to my door. M50 is, however, not convenient. And in the night, it is almost empty. It is even difficult to find a place for dinner. (TZF artist 6, 2008)

Cluster as the source of creativity

As indicated by the interviewees, the sentiment of old Shanghai community, the memories of the old factories and vernacular houses, and the original lifestyle of old residents could be the source of creativity for artists.

I moved into TZF because of Yifei Chen' fame. Meanwhile, I like the residential community in the vernacular houses. There are vernacular houses, zigzag avenues, and the lifestyles of aged people. They are living history of Shanghai, which always bring me back to the old Shanghai. This is the living history which provides much inspiration. (TZF artist1, 2008)

Those old vernacular house always inspire me. When I first came here, I feel I went back to the old Shanghai in 1930s. As you can see, I had a series of photos of one hundred doors of vernacular houses in Shanghai. They were inspired by TZF. As many vernacular houses were demolished in Shanghai, I decided to take one hundred photos to record the memory of old shanghai... Nowadays, most of vernacular houses in my photos already disappeared. However, at least they exist in my photos, and forever. (TZF artist3, 2008)

Cluster as a source of infrastructure and service

The infrastructure of the creative cluster include the buildings and studios that transformed from old factories and vernacular houses, the streets and

avenues, as well as the other basic infrastructure such as water, electricity, gas and internet, etc. The basic service included security, cleaning, bills and rents collection, which is provided by an estate management company. Although those are very basic infrastructure and service, they are quite important for artists.

The infrastructure is very basic and the service is quite poor in TZF. However, at least it provides artists the space to create. Otherwise, it is not easy to find a space like this because of the shortage of land in Shanghai ... Everything is convenient in TZF. Although there is no related service in the cluster, the service companies are around TZF and easy to access. (TZF artist1, 2008)

Discussion

First, the limited space in TZF has been commented as one of the main defects. Space in TZF is quite small compared with other creative clusters. In order to retain more artists in these old factories, the big old workshops have been divided into several small rooms, about 20 square meters each. They were just too small for arts exhibitions. Meanwhile, as the space in TZF is very limited, almost all the industrial buildings and the vernacular houses have been occupied. There is, indeed, very limited space for future development. As indicated by the interviewees, TZF is not their ideal space because of its relatively small size and limited space.

It is hard to get the feeling and inspiration when you are working in a small room like this. Meanwhile, it is very noise because too many tourists coming and going. It is not suitable for creation. I only work at home (TZF artist25, 2008).

Moreover, the deficiency in infrastructure and relative service has been indicated as the other disadvantage. On the one hand, there was extremely deficiency in basic infrastructure. For example, there was no space for parking and a shortage of public hygiene device because the space was very limited in TZF. Second, the service provided by the TZF management committee was only limited within real estate management, such as collecting bills, cleaning and security service. The other important service such as promoting TZF, organizing cultural events and activities, or establishing the platform for exhibition, communication and sales, was not available. Both the limitation of space and deficiency in infrastructure and service have restrained its ability in delivering creativity efficiently.

5.1.4 Summary

The old factories and vernacular houses were transformed into artists' studios and galleries, fashion shops and design companies in TZF. During this process, new physical space was produced, providing artists the space for creation, exhibition, business and social activities. Meanwhile, TZF provided the basic infrastructure and service for artists. Last but not the least, these old factories and vernacular houses were also the source for creativity that inspired artists in TZF.

5.2 Physical space of M50

5.2.1 Transformation from industrial space to creative cluster

5.2.1.1 Memory of space: the predecessor of M50

The other case study was M50 located along the Suzhou Creek in the Putuo District, as shown in Figure 5.2. This area was the original place for the earliest national industries in China. With the biggest flour and woolen factories located there, this area was the most important part of the Suzhou Creek industrial district since 1930s. In the late 1990s, under the transformation of industrial structure in Shanghai, many factories were gradually shut down and left unused. Most of the old industrial buildings were removed due to urban planning. However, Shanghai Chunming Woolen Factory (SCWF), the predecessor of M50, was the only one that was protected, preserved and developed.



Figure 5.2 Location of M50 Creative Cluster

(Source: modified from Tong, 2009, p.74)

5.2.1.2 Rebuilding industrial space¹⁰

The primary Arts village

Since 1990s, because of the relatively low rents, some artists were attracted to those unused factories and transformed them into their studios, which were called 'arts warehouses' including arts studios, galleries, film factories, and advertising companies. Early in 1997, the Taiwanese architect Kunyan Deng set his design studio on 1305 Suzhou River Road, which was a 2,400-square-meter old warehouse under the name of 'the Shanghai star' Yueji Du (Yu, 2011). Until 2002, more than 30 old warehouses along the Suzhou River were transformed into 'arts warehouses', including more than 100 studios and companies for painters, designers, advertising agencies and film makers. However, in March 2002, according to the urban planning strategy of PDG, most of the old warehouses along Suzhou Creek were demolished, except the SCWF, the only old factory that was protected and developed to be one of the best creative industries clusters in Shanghai --- M50.

¹⁰ This part is derived from both of personal interviews and relative literature, newspapers and official reports.

M50, located at 50 Moganshang Road, was one of the earliest arts villages that were transformed from the SCWF built in the 1930s, with up to 41,000 square meters of historical industrial building. During the adjustment of the fabric industrial structure in Shanghai, CWF was finally shut down at the end of 1999. Since then, about 30 workers who remained at the factory carried out the refurbishment of old factories. Later several artists and arts organizations that engaged in creative design were attracted to settle there. An American graduate designer, Jidong Liu, rented 5000 square meters of a warehouse on the Suzhou River side as his design studio in 1999. Later he let part of his studio to other artists and attracted many famous design companies to set their offices there (Han and Yu, 2004). In 2002, because most of the old factories along the Suzhou Creek were removed, many artists moved their studios and companies to CWF. Since then, the CWF was transformed into the 'Shanghai Chunming Urban Industries Park' (Zhu, 2006). Eventually, an arts village was spontaneously formed at CWF by artists.

Urban planning

Since the artists settled down at the Suzhou Creek warehouses, the rise of arts warehouses along the Suzhou Creek has witnessed the growth of contemporary arts in Shanghai. It used to be an unofficial, non-governmental, spontaneous, bottom-up clustering of artists. The modern and avant-garde arts endowed new function and meaning to these historical industrial warehouses that had been left unused. Thus, since the very beginning of this process, it received great attention from the global media, including the official media. These historical industrial buildings provided a large amount of space for artists in a uniquely individual and multiform way, and provided space for Chinese contemporary artists to communicate with domestic and overseas artists, as well as constructed an interactive platform for understanding multiple cultures, history and the state of contemporary arts in China.

However, because of the adjustments in the municipal urban planning policies of Suzhou Creek, the arts warehouses on the bank of Suzhou Creek had faced the threat of demolition (Han and Zhang, 2004). Since 2001,

according to the urban planning given by SMG, these historical industrial factories and warehouses along the Suzhou Creek were planned to be pulled down in order to develop new commercial real estate project. Under the appeal of many artists and scholars who struggled to protect these warehouses along Suzhou Creek, although most of them were demolished as planned, a few typical industrial warehouses were protected, such as the SCWF, which turned to be the famous M50 creative cluster in the 2005.

Protection of space

In 2002, more than 30 industrial warehouses along the Suzhou Creek were transformed to be arts warehouses. However, this was just the spontaneous action in the transitional period. Because of the vigorous urbanization process and the entrepreneur philosophy employed by the government, most of the warehouses on the banks of Suzhou Creek were planned to be demolished. Instead, new tall residential building was to be built up. Different groups of people struggled to protect these warehouses.

On the one hand, from the Chinese government's point of view, the "pulling down the old and building up the new" model was the best way for urban regeneration (Zhang and Luo, 2006). On the other hand, from the perspective of artists and a few scholars, the organic forms of urban cultural space development was preferred, without destroying the social networks and mechanism of the area. Vigorous conflict appeared between the two modes of spatial construction. Therefore, the artists in the warehouses began to try their best to protect the creative cluster.

At the beginning, M50 was protected by a few artists who settled their studios in these industrial buildings. In 2000, on the west Suzhou road, 1131 and 1133 warehouses were quite famous arts warehouses in the world. Since the artists and galleries settled there, much protective transformation was achieved. Meanwhile, some significant international and domestic exhibitions were held there, which promoted Suzhou Creek as a famous arts village. In 2000, during the Shanghai Biennia, the famous artist Weiwei Ai and curator Boyi Feng launched the non-cooperation movement and held a 'Peripheral Exhibition' in these warehouses to fight against the Shanghai Biennia. This movement attracted advent-courier artists, as well as domestic

and foreign media to these warehouses, which made 'arts warehouse' famous from that point on (Han and Zhang, 2004).

However, in February 2002, the notice of demolition of these warehouses was given to artists in order to persuade them to cooperate with the urban planning requirements of the Suzhou Creek development by SMG. In order to protect these arts warehouses along Suzhou Creek, famous artists such as Yi Ding has collected a large amount of material about the roles of arts warehouses in urban regeneration and the value of industrial buildings on Suzhou Creek, and organized other artists in Suzhou Creek to write together to SMG. As he commented:

When I joined the exhibition in Japan, I saw one building which was similar like those warehouses on Suzhou Creek. It was also a red brick building designed by English in the same period. In order to protect this industrial building, Japanese considered it as the cultural treasure and applied for the World Cultural Heritage. It is even the same in Australia, the Clipsal brand, they protected the industrial building built in 1920s, which also has the same design and structure with those warehouses on Suzhou Creek, and transformed it into the museum of the factory that represents the history of the brand. We should learn the experience from others to protect these warehouses for both historical and cultural value derived from them. (Ding, 2000; c.f. Han and Zhang, 2004, p.33)

Danqing Chen, another famous Chinese artist, when visiting Shanghai and hearing the news that these arts warehouses would be removed on the TV, immediately wrote an article about how the SoHo area was protected and developed in New York, America, how SoHo gained get legitimacy from the government, and how we could learn from the American experience. This article was published on 'Southern Weekend' (Han and Zhang, 2004). Moreover, the media started to appeal to protect these warehouses in the urban development planning. The Planning Bureau of Municipal Shanghai also constituted a protection plan for Suzhou Creek.

Meanwhile, some scholars also supported their efforts. When the demolition threatened the warehouses of Suzhou Creek, Yuqi Han, an associate professor in Shanghai Technology College, was working on a project of Suzhou Creek in 2002. In 2003, during the fieldwork at M50, Han heard that three of the old factories would be pulled down in two weeks. In order to appeal to protect the industrial buildings on Moganshan Road, she organized a project group and wrote the 'Feasibility report on protection and

regeneration plan of industrial buildings on Moganshan Road, Suzhou Creek' (Han and Zhang, 2004). Through their effort, the demolition of industrial building on Moganshan Road was stopped. However, it was still threatened by the demolition in future urban development. In 2004, Yuqi Han applied for the research project 'Protection and Redevelopment of the Warehouses on Suzhou Creek' from the National Cultural Bureau (Han and Zhang, 2004). She and Song Zhang (2004) (Associate professor at Tongji University), took a large number of first hand pictures of warehouses on Suzhou Creek, and interviewed many artists in the warehouses. Finally, they edited these materials to be the book *The oriental Left bank of the Seine: the arts warehouses of Suzhou Creek*, which was published by Shanghai Ancient Press. A copy of this book was given to SMG in order to appeal to the government for protecting arts warehouses on Suzhou Creek. Since 2003, Yuqi Han has also settled her own studio in M50. She said:

I have witnessed the demolition of the No. 1131 and 1133 warehouses that were very valuable historical architecture, I felt very sad... Therefore, in the last few years, I endeavor myself to protect M50. I wrote this book in order to attract the attention of the society and the government to protect these excellent industrial building... finally, it was really a miracle that M50 was protected! (M50 artist 14, 2008)

The struggle for protecting the space represents artists' struggle for legitimacy. With the significant efforts of artists and scholars, the government organized a group of experts to investigate the cultural and economic value of these industrial heritages and instituted a new master plan for the Suzhou Creek development that took account of the environment, landscape and cultural value of Suzhou Creek. Through this effort, several typical historical industrial buildings were protected, including Kunyan Deng's studio and M50, which turned into the famous creative cluster in the last few years. However, other warehouses on the bank of Suzhou Creek, including No. 1131 and 1133 warehouses were finally pulled down as planned.

At last, M50 attracted the attention from a few local authorities and gained its legitimacy from SMG. At the beginning of 2002, Zhuangzhi Yan¹¹, Zhongxin

¹¹He was also the co-professor in Shanghai University.

Wu and Rangquan Wu, who were the committee members of the CPPCC¹², submitted the No. 832 proposal of protecting the arts warehouses along the Suzhou Creek on the Shanghai City People's Political Consultative Conference. Later in 2002, SCWF was designated as 'SCUIP' by SMEC. In 2004, it was changed to 'Chunming Arts Industries Park' (CAIP). In April 2005, it was designated as one of the first group of 18 creative clusters by the SMEC and named 'M50' according to its location on 50 Moganshan Road (Geng, 2007, p.48). Since 2011, it has been legally transformed to be the M50 Cultural and Creative Industries Ltd. Company (M50CCIC), as a branch company specialized in artistic production of STLC.

5.2.1.3 New physical space

Since the artists spontaneously established the arts village in M50, the function of architecture was transformed from industrial buildings to creative studios and galleries. This was the primary stage of transformation of M50, which was an automatic, spontaneous process without external interruption and plan. At that stage, the original architecture was generally protected.

Since 2005, the transformation from industrial buildings to creative cluster has been a continuous, well-planned and step-to-step process. The cluster was divided into six functional areas: galleries, studios, creative shops, activities area, creativity incubation and entertainment area. In each functional area, the architecture was transformed according to its requirement. The principle of transformation was to properly maintain the characters of this area and completely protect the industrial architecture style. According to the manager of M50, Weidong Jin, when 'M50' was designated as the 'creative industries cluster' by SMEC in 2005, the first thing was to make the master plan and transform the industrial buildings to creative cluster (Chen, 2008). In 2005, the Shanghai Chunming Woolen Factory (the management organization of M50) started the transformation process. Finally, the DAtrans design company in M50 cluster obtained the opportunity to carry out this work. The first stage of transformation was finished in 2005, including roads and tubes, squares, green land and

¹²The Chinese People's Political Consultative Conference.

refurbishment of the old buildings. Meanwhile, the visual images were designed, and a series of identification system was confirmed. The design manager of DAtrans, Xudong Chen emphasized that,

Our concept was a kind of 'critical regeneration', neither the conservatism protection, nor the pragmatism of functional reconstruction. We tried to consider the value of the space from the historical factors, which means the 'field spirit'. I always have the impulse and desire to create new things from the old ones, or to prohibit the loss of memory. (Chen, 2008, p.158)

Meanwhile, the project manager of DAtrans, Yang Chen expressed the same idea of transformation of M50, he said,

At that time we just wanted to protect and maintain the original features of the buildings ... Our primary idea was, from the user of the space as well as the designer's view, because this building was the architecture of 1930s, we hoped to respect the old architecture and protect the old elements in order to distinguish from new ones. Meanwhile, we also hoped to use modern technology to express the old elements as well as produce new functions. (Yang Chen, 2008; c.f. Chen, 2008, p.104)

In 2008, a master plan was made for the whole Moganshan Road area by local government and experts from Tongji University. Since then, the second stage of transformation was carried out, including infrastructure, identification system, transformation of some important buildings and the refurbishment of the old buildings. New physical space was produced in these transformation processes. First, the entrances and the roads were redesigned. Second, the public space was reconstructed. Third, the architecture and sculptures were rebuilt. Finally, symbols and graffiti were produced as well.

5.2.2 Artists as the space practitioners

Similar with TZF, the profiles and habitus of artists in M50 creative cluster are illustrated as follows.

Demographic information of artists

The demographic information of artists was derived from the third fieldwork carried in 2010. The interviewees at M50, mainly visual artists in this study, varied between 20 to 64 years old, as shown in Table 5.4. There was about a 40-year gap between the youngest and oldest. More than 70% of the interviewees were aged between 25 to 54 years old. Most of them were male.

The artists interviewed were asked to specify their educational qualifications. Most of them (n=15) had graduated from university or college, as shown in Table 5.4. The interviewees, mainly the painters, were highly educated professionals in visual arts and gallery management.

Table 5.4 Demographic profile of artists

Age	Number	Gender	Number
Over 65	0	Male	13
55-64	2	Female	5
45-54	6	Total	18
35-44	4	Highest qualification	Number
25-34	3	High School	2
Under 24	2	University/College Degree	15
/	/	Postgraduate Degree	1
Total	18	Total	18

Career backgrounds of artists

All 18 interviewees were practising visual arts and design in their career. These included oil painting, gallery management, design, advertisement, art crafts and photography. More than half (n=10) of them were painters, as indicated in Table 5.5. All of them were self-employed artists.

Table 5.5 Career backgrounds of artists

Career	Number	Years as artist	Number
Painting	10	Less than 5	4
Galleries manager	2	5-10	6
Art crafts	1	10-20	3
Photography	3	More than 20	5
Design and advertisement	2	/	/
Total	18	Total	15

As shown in Table 5.5, all 18 interviewees had been working for many years in visual arts. Most of them (n=14) had worked for more than 5 years in their areas.

An analysis of the time that every artist had stayed at TZF revealed that most artist had been here for quite a long time, with the majority (n=16) staying in M50 more than three years, among which four of them had been working in M50 for more than seven years, as shown in table 5.6.

Table 5.6 Years working at M50

Years at M50	Number
Less than 1	0
1-3	2
3-7	12
More than 7	4
Total	18

Everyday reality

Firstly, the daily routine of artists in M50 was investigated by the researcher. The routines of artists in M50 may be divided into two categories. First, the majority of them use the space as their exhibition halls, galleries or shops. They usually open their galleries in the afternoon only from 1pm to 6pm. This is because very few customers come to visit in the early morning, except weekends. They work in the cluster 3 to 5 hours a day.

Second, some of the artists who owned their studios came to M50 every day. They work more than 8 hours from morning until evening. Half of the interviewees (9 out of 18) indicated that they work in the cluster from 8 to 12 hours every day. "It is just like my job. I come to M50 to work in the morning and return home in the evening. This is my lifestyle." (M50artist 16, 2008)

Third, a few artists set up their galleries but seldom came to M50. They employed staff to take charge of their galleries, and visited M50 less than once a week.

Secondly, trading was found to be one of the main activities of artists in M50. As most of the interviewees owned their galleries (some of the galleries were used as studios as well) in M50, the trading activities were the major part of their daily routine. Most of them opened their galleries in the late morning (around 11 am) and closed at the late afternoon (around 6 pm). During the daytime, they stayed at their galleries and waited for customers. If the customer needed to talk, they usually invited them to sit down and have a talk; almost in every gallery, there was a meeting space especially designed for visitors. In the nighttime, most of the galleries were closed, except for a few studios where artists worked until late. Most of the interviewees worked at home rather than in the cluster. Therefore, the galleries in M50 are mainly for business and trading purpose.

The other trading activities included buying materials, package and delivery. There was one color shop in M50 and several material shops nearby M50. There were also several artworks package and delivery companies in M50. All the services were convenient to access in M50 creative cluster.

Finally, social activities were also important for artists in M50. What emerged as different in the empirical work in M50 was that there was relatively less communication among the artists within the cluster. Social activities only took place among small groups of artists. As revealed by an interviewee:

There is very little communication, except for close friends. However, the exhibitions held in M50 provided some opportunities to communicate and learn from each other. (M50 artist1, 2008)

5.2.3 The value of physical space

Space for creation

Contemporary artists pursue the effects of big size. Indeed, the old industrial factories and warehouses provided huge space for their needs. What emerged as one of the important factors of M50 cluster was that it provided space for the creation for artists. About half of interviewees indicated that the big space attracted them to establish their studios at M50.

"I chose to set up my studio in M50 because the space is open and tall; meanwhile, the M50 area is big enough to be a cluster of artists." (M50 artist16; M50 artist15, 2008)

The space is big enough. When I am creating, I feel more convenient to move around and open-minded. It is difficult to open your mind when you are working in a small space...Most of my paintings are very big, 3 or 4 square meters or even bigger. It is impossible to create them in a small space. (M50 artist6, 2010)

A few artists chose to settle in M50 because of the special needs of their creation. M50 artist17, a famous Chinese artist said that:

My works are about ashes. I have to use fire to burn something during the creating process which is very smoky and a bit dangerous. Therefore, I need a space which is big, open and breezy. That is why I chose M50. (M50 artist17, 2008)

In conclusion, big, tall and open space transformed from the old industrial buildings have been claimed to be the most important factor which attracted modern artists to settle at M50. Meanwhile, the space was also used for exhibitions and galleries, which emerged as the other important factor for artists.

Space for exhibition

What emerged as significant for the interviewees -- and made M50 the most popular among artists -- was that it provided huge, tall space for arts exhibitions. The importance of the huge and tall space for arts exhibition was indicated by all the respondents.

I really love this space. When I first visit here, I didn't hesitate a second [to get it]. Is there a better place than this in Shanghai? This is the best! It is very difficult to find a big space like this [in Shanghai]. My artwork is in big size. M50 has the big space to exhibit any of my artwork. (M50 artist6, 2008)

I like M50 because the high roof, large space is very suitable for arts exhibitions. It is big enough for exhibiting large oil paintings. However, because of its industrial structure, the light condition is not good...I prefer to create artwork in natural light...That's why I use it for exhibitions only. (M50 artist1, 2008)

Exhibition was the most important function of M50 for the arts galleries as well as studios. The old industrial structural buildings were transformed to be exhibition space under the practice of artists and arts entrepreneurs for their needs.

Space for business

As the most famous arts cluster in Shanghai, and even in China and overseas, M50 is an important business space for the 74 galleries, as well as other creative and design companies.

The agglomeration of galleries could be the most important factor that attracted professional arts collectors to M50. It is important for Shanghai to have a space like this. (M50 artist12, 19, 2008)

Especially for the creative arts or design companies, the most important factor that attracted them to settle down in M50 was their business needs. On the one hand, they engaged in business networking with other companies or galleries in M50; on the other hand, compared with the business buildings in the city center, the rent in M50 was much cheaper, which helped them reduce cost. As a manager of an advertisement company, commented that:

At the beginning I was the only company majored in design and advertisement at M50. Most of our orders are from the galleries [at M50]. It is important for creative businesses to get together because agglomeration means more cooperation and more business opportunities... (M50 artist11, 2008)

The advantage of relatively lower rent of the cluster

A further important factor indicated by interviewees was the relatively lower rent of M50 creative cluster. Although the rent increased very rapidly, at least ten times during the last ten years, it is still cheaper compared with other business buildings in the city centre. Especially for the earliest artists who settled in M50 before 2005, the rent was maintained at a very low level, in order to retain them at M50. This was one of the most important reasons they remained at M50.

When I first came here in 2003, there were only some arts studios and a few galleries, altogether about 50. The rent was very cheap, about 0.7-0.8 RMB per square meter per month. Nowadays it is increased to 2-3 RMB per square meter per month. It is difficult for us especially this year, the sales decreased a lot because the world economic crisis. (M50 artist 1, 2008)

However, this rent was still much cheaper than other businesses and companies in M50. The flexible and differential rent system in M50 gave the artists and galleries a low or medium level in order to help them survive, and have the opportunities to examine their products in the market. Although the rent increased year by year, it was still cheaper than other business

buildings. That is one of the important factors M50 still attracted lots of artists and designers. "The rent increased a lot during the last 3 years, although it is still much cheaper than other business buildings." (M50 artist11, 2008)

The locational advantage of the cluster

What emerged as one the most important factors for the artists was the great location and easy access of M50, which provided most facilities for the artists to work and live.

At the beginning, I was looking for a space for my studio in Shanghai in 2001. I wanted a space that was large enough and located in the city center. It is also very close to my house. When I found this old industrial building, I did not hesitate a second to get it. (M50 artist17, 2008)

I came to M50 because it is big space and fantastic location on the bank of Suzhou Creek as well as the city center. The location is great and the transportation is very convenient. (M50 artist25, 2008)

Cluster as the source of creativity

Memories of these old industrial buildings could be the source of creativity for artists at M50. One of the interviewees, a famous Chinese painter who primarily settled in M50 said that:

The huge, tall and clear space, the primary architecture styles, as well as the Shanghai history along the Suzhou Creek, provided an infinite creativity source for artists. (M50 artist15, 2008)

Another famous architecture designer who set up his studio in M50, noted that,

These old buildings have history and culture in them. They are very imaginable... like a very deep well where the resources of culture and design creativity could be drawn. My best design works were all finished here. (M50 artist20, 2008)

One of the interviewees, a designer of metal arts craft, commented on the role of M50 as the important resource of creativity. He said:

Most of the materials used in my works are originally from the old factories. Many metal parts from the old factories were left unused as garbage. People usually throw out useful things... I find them very useful in my crafts. I use these industrial metal parts to create different kinds of features... the meaning is to re-present the industrial history and spirit of industrial workers. (M50 artist29, 2010)

Discussion

On the one hand, as indicated by the interviewees, the industrial buildings had some restraints on the usage of the space. For example, because there were only small windows in the industrial buildings, most of the interviewees indicated the poor lighting conditions of their studios and galleries in M50, and the poor situation of air circulation. Lighting and air circulation are important for art creation and exhibition in order to keep the art works in good conditions.

On the other hand, most interviewees indicated the lack of infrastructure in the M50 creative cluster, such as parking space, the basic recreational facilities, the dining service and the direction system. In particular, the respondents suggested that the direction system, direction symbols and the map of M50 should be perfected in M50.

5.2.4 Summary

In the M50 creative cluster, old industrial buildings were transformed and protected by artists. These old buildings provided huge, tall and open space for arts creation and exhibitions for the artists, and relatively cheap space for galleries and other companies. Meanwhile, they were also an important source of creativity for artists.

5.3 Conclusion

From the memory of the space, both TZF and M50 creative clusters were transformed from old buildings. While the former was transformed from small old factories and vernacular houses, the latter was transformed from huge industrial buildings.

Both TZF and M50 faced threats of demolition under the urbanization process. However, both were protected under the efforts of the artists and scholars, and a few responsible government officers and managers.

New space was produced during the processes of transformation from old buildings to creative clusters. However, the process was easier to plan and control in M50, while there were lots of difficulty and conflict in the development of TZF because of the complex situation of the property ownership in vernacular houses, which were hard to manage.

Therefore, contemporarily, M50 turned to be an artistic creative cluster that mainly consisted of arts galleries and studios, photography, advertisement and design companies. TZF was out of control to a certain extent, and became a tourist destination that consisted of many restaurants, coffee bars, pubs and fashion shops, as well as a few small arts galleries and studios.

Chapter 6

Social networks: sociality and the evolution of cluster space

In this chapter, attention shifts away from the production of physical space and its effects on the artists' creativity (see Chapter 5); towards the social networks, sociality and the evolution of the cluster space. The social networks investigated in this chapter refer to the 'social field' or 'social space' of the creative cluster. This chapter investigates the ownership of the space, the management and administration structure of the clusters, different representations of space appeared during the process of evolution, the struggle between different stakeholders in the social field and their influence on creativity.

As Keane (2009a, p.221) has argued in his research of the adaptation of creative clusters in China, "a substantive remaking of the social contract between officials, entrepreneurs, local residents, academies, and most important the cultural producers" has emerged during this process. In this study of the two selected clusters, the social networks mainly present between three groups of stakeholders: the local authority, the managers (and residents), and the artists.

As Lefebvre (1991a) has argued in POS, the (social) space is a (social) product. In his book, he contemplates the coexistence of various social space, each produced by respectively different sociological relations, but all are linked and overlapping. This understanding determined the preference of his model for the survey of the coexisting social fields of creative clusters (See Chapter 2). Bourdieu has also contributed to the knowledge of social space, which means the so-called 'field' in his theory. He defines the field as the space where different capital struggle with each other. Bourdieu has stated: "Different combinations of forms of capital operates in 'fields' (economic, political or artistic i.e.)" (c.f. Bridge, 2004, p. 60). The position of an agent or a group of agents in the society depends on the quantity and structure of capital it owns. In other words, the different structure of capital owned by individual agent or a group (of agents) works in different field (space). Bourdieu has further argued that each agent would struggle in the

game to transform or maintain the field. "No one is out of the game". In this chapter, Bourdieu's theories on capital and field are used to explain the social space of creative clusters, and their influence on artists' creativity (See Chapter 2). The application of these theories discussed above in this chapter is introduced as follows.

First, creative clusters are politically and socially constructed space based on various ownership. Although the space has material attributes, it is not a natural space. A purely natural space does not exist (Lefebvre, 1991a). It is the human practice that attributes the space with 'meaning'. As Lefebvre (1991a) has argued, the production of space is similar to the production of any other products. It is integrated within the property relations, especially the ownership of land. The ownership and usage of space constitutes the meaning of space. The ownership relationship has been regarded as the basis for other kinds of relations in the space. Therefore, this chapter investigates different stakeholders' ownership of the space in the two creative clusters.

Second, local authority or the managers of the creative clusters play important roles in China. As Lefebvre (1991a) has argued, everyone is a producer of space, while some actors have more power than others. Mental space carried out by scientists, planners and other intellectuals plays a dominant role in the production of space. It is represented by a system of signs that 'represents' the space (See Chapter 2). Thus, this chapter investigates the management and administration structure of the two creative clusters.

Third, the conceptual (mental) space of creative cluster is the product of the representational activities of the different stakeholder groups (i.e. local authority, managers, residents and artists) in the creative clusters. This chapter discusses the various conceptions and implementations of 'creative cluster' in each context, and their effects on artists' creativity. The representations of space also constitute part of the ideology, power and knowledge (Lefebvre, 1991a). In the case of creative clusters, it is appropriate to speak of ideologies in the plural form, which mean the different claims and representations of creative clusters made by various

stakeholders according to their structure of capital (i.e. political, economic and cultural) embedded in the cluster. Therefore, this chapter investigates the various representations of creative clusters from different stakeholders, such as the local governments, the artists, the entrepreneurs and the property owners.

Fourth, different stakeholders in the creative clusters have continuously struggled in the social field. During the continuous struggle, different stakeholders attempt to identify and protect their own space. Using Bourdieu's capital and field theory, because of the different forms of capital owned by various stakeholders, their roles in and perceptions of 'creative cluster' (field) could vary. In other words, different representations define who has the right to the creative cluster, and thus has the power to determine the current usage and the future development of the creative cluster. For example, artists who own more cultural capital but less economic or political capital play a significant role in the artistic field. Therefore, their representation of the creative cluster could vary from other agents who own more economic or political capital. As a result, the conflict of different representations bring forward the struggle among different capital owners in the social field, such as local authority, artists, and property owners, which are further investigated in this chapter.

Finally, a comparison is made for the two cases, and the conclusion is drawn. It is concluded that creative cluster is not only a space of culture and economy (Mommas, 2009), but also a space of social relations and a space of political ideology which represents the power and political performance of local government.

6.1 TZF

6.1.1 Space of ownership

Because of the socialist public ownership of the land and the special ownership of property in China, the TZF creative cluster was the result of negotiations among three stakeholders involved in the development process: the government, residents and artists. The government played a dominant role by constituting a master urban plan and policies that support

the protection of old industrial buildings and vernacular houses. The 'Five Changes and Three Steadiness' policy was adopted in the redevelopment process of the TZF creative cluster, meaning that:

The industries, organizational structure, workers, management and culture will be changed, while the architecture, property ownership and the land ownership will be kept the same (Lou, 2011).

The researcher discusses the relationship of ownership of TZF in more detail as follows.

Government ownership

According to the Land Administration Law of the People's Republic of China, China implements the socialist public ownership of the land, which means the ownership by the entire/whole people and the collective ownership of the groups. However, the ownership by the whole people in China does not mean the entire people or groups of people directly. It is the typical public ownership that the country and the governments at all levels own the production material on behalf of the public. In other words, "the entire people ownership is... actually the government ownership... in other words, State ownership" (Ge and Jin, 1998, p.110-111). The public ownership of the land actually means that all the land in the country belongs to the government, and the SCC exerts the ownership on behalf of the country. According to the 'Urban Land Use Regulations'¹³ instituted in 1992, the land of cities belongs to the nation; while the local municipal government has been awarded the right to use the land. The government ownership of land asserts the dominance of the local authority in urban land use and development.

Regarding TZF creative cluster, the government ownership of the land determines the dominance of political capital in its governance and development. Under the power of political capital, TZF was transformed from a spontaneous arts village into a planned space where local authority involves in its businesses directly.

Company/private property rights

¹³Land Administration Law of the People's Republic of China.

Although the land belongs to the government in China, the property owner owns the property for a defined period. For example, the property rights of new commercial residential house in China is usually limited to 70 years. This means that the owner only has rights over the property during the statutory period.

In TZF, the ownership of the buildings was divided into two categories: factories and vernacular houses. The factories belonged to the street office, which was part of the local authority. The vernacular houses were private houses, which meant the residents owned the property rights of their houses. These property rights of the buildings endow economic capital to the property owners.

Artists as the users of space

Artists in TZF rented the space from the factories manager or the residents and only owned the right to use the space during the leasing period. They attributed the space with new meaning through every day usage. The old industrial and residential buildings were transformed into art worlds. They represented the cultural capital of the creative cluster.

6.1.2 Management and administration

6.1.2.1 The management structure

As shown in Figure 6.1, the management and administration of TZF creative cluster was special and complicated, because of its particularly intricate ownership of the properties. Generally, TZF consisted of two parts: the industrial buildings and the vernacular houses, which together were authorized as the TZF Creative Cluster by SMEC in 2005. This indicated the initial governmental intervention in TZF, which unified industrial buildings and vernacular houses as a whole. However, the management of vernacular houses was still out of order because of the common phenomena of illegal subletting. The houses were rented to those who paid the highest rent --- no matter they were creative entrepreneurs or not. Consequently, the artists who could not afford the frequently increased rent would be expelled. Thus, this place was taken place by mainly the bars, restaurants, fashion shops and souvenir shops.

Therefore, in order to negotiate the contradiction and regenerate this area with a holistic perspective, in 2008 TZF creative cluster was taken over by the TZF Management Committee (TZFMC)¹⁴ --- an official organization that was established under the LDG. It was mainly in charge of the legitimacy process of functional transformation from vernacular houses to commercial use. It provided planning, intellectual property protection and a public facility service for TZF in order to maintain the sustainable development of TZF. This was of significant meaning, because it indicated the official intervention of district authority in TZF. Meanwhile, there were also non-official organizations that participated in TZF management, mainly including the Taikang Arts Street Management Company (TASMC), TZF Service Company (TZFSC), and the TZF Intellectual Property Protection Union (TZFIPPU), as shown in figure 6.1. As indicated by the one of the officers, the relationship among these organizations was complicated:

In 1998, at the beginning, the TZF Committee was established under the street office in order to regenerate this area without demolition. Later in 2000, TZF was taken over by TZF manager to implement commercial management. Then TZF manager voluntarily established the TZF Development Union in order to deal with the conflict among local authority, residents, artists, entrepreneurs and companies. However, it failed because it could not gain authorization from the government. TASMC was established in 2005, in order to manage the tenants in the industrial buildings. In 2008, the TZFMC was established by the district authority and started to implement its dominant role in TZF development...Although there was a TZF Residents Committee which was representative of local residents, it became the sub-organization of the government...actually there is no independent organization. All the organizations are subjected to the wills of the upper government. (TZF officer, 2008)

¹⁴Its predecessor was TZF Creative Industries Cluster Management Committee. It used to be a NGO organization. However, since the struggle of TZF became serious and serious, and the cultural consumption became obvious; the local authority took over this organization and changed it to be an official administration organization, in order to gain the legitimacy of the management of TZF.

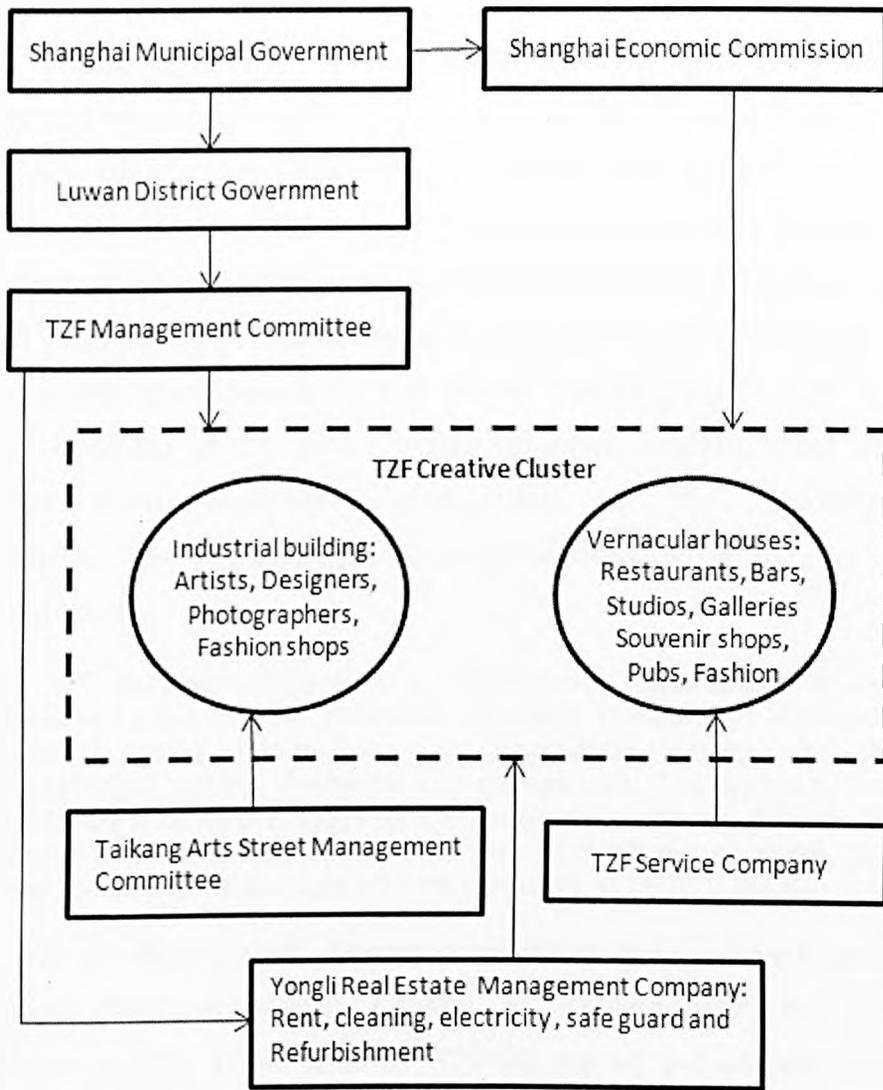


Figure 6.1 The management structure of TZF creative cluster

In conclusion, currently the management of TZF consisted of four main organizations. First, TASMCM was in charge of the tenants in the industrial buildings. These old industrial buildings were owned by the street, and leased by the previous street officer --- Mr. R.F. Zheng. However, they were managed by his friend --- Mr. MS Wu --- a Shanghai born entrepreneur who came back from Canada (Zhang, 2009). As the business manager of TZF, he had to balance the economic value of space and the cultural value of arts in a masterly way. Thus the TASMCM was established by him in order to provide service for the tenants in these industrial buildings. In 2006, in order to protect the intellectual property of the artists and designers in TZF, the TZFIPPU was organized by Mr. Zheng and Mr. Wu (Zhang, 2009).

Second, the TZFSC was in charge of the housing information of vernacular houses. These vernacular houses were privately owned by the local residents and rented by creative entrepreneurs. TZFSC was a non-for-profit intermediary organization autonomously established by the residents. It provided housing information to both residents and business people. It also constituted the requirements of the business activities permitted in TZF and unwritten regulations of protecting and maintaining the vernacular house features, which were based on the official master plan of TZF in 2008. However, because of the active illegal subletting market, most of these regulations were completely disregarded by the residents and entrepreneurs. The management of those activities in vernacular houses was very difficult.

The TZF service company is a not-for-profit organization. It was established by two local residents, including myself. We voluntarily provide housing information and negotiation service for the entrepreneurs, artists, residents and government. The company has contributed a lot as the bridge for communication between government and residents. Because of the intimate neighborhood networks, it is easier for us to communicate with the residents. (TZFSC1, 2008)

Finally, Yongli Real Estate Management Company was an authorized organization that represents TZFMC in dealing with the property maintenance of TZF. To summarize, TZFMC played a dominant role in the governance of TZF creative cluster, while all the other organizations cooperated and implemented its decisions.

6.1.2.2 Legitimacy through official certificates

The administration of the local authority was implemented by endowing TZF with legitimacy, instituting strategies and formulating development plans for it. In 2005, TZF was designated as the creative cluster by SMEC. In 2007, it was designated as both a creative cluster and a tourist destination in the Master Plan of TZF (2008-2015) instituted by LDG and experts from Tongji University (Shanghai). This plan particularly stressed the mixed functions of culture and commerce, creativity and tourism of TZF. Despite its designation as a creative cluster, TZF was planned as an urban culture tourist destination with bohemian culture, a place to experience international culture and foreign sentiment (Anon, 2011). Thus, TZF was designed by the local authority as a combination of creative cluster and tourist destination, with the

intention of merging cultural and commercial functions, as well as integrating the cultural production and consumption in order to achieve a broader effect of urban regeneration.

Creative cluster

2004 was a turning point for TZF. Before 2004, it was illegal to transform the function of the land from the industrial and residential to business usage. According to the urban plan made by local authority, this area was planned to be demolished. Since the concept of 'creative industries' arrived in China in the late 2004, TZF gradually gained attention from the central government and SMG. In 2005, the mayor Zheng Han and the previous premier Lanqing Li of SCC came to TZF and personally visited the vernacular house of Mr. Zhou. Mr. Zhou's vernacular house was the first one rented by creative entrepreneurs. The previous premier strongly affirmed the autonomous bottom-up urban regeneration model carried out by residents in TZF (Zhao, Cheng and Wang, 2009). Later the other leaders of SMG also visited TZF. The visit and affirmation of the high-grade government officers indicated great support from governmental policies. Contemporarily, 80% of the 670 vernacular houses have been transformed to be creative shops (Zhao, Cheng and Wang, 2009).

In new master plan of TZF (LDG, 2007), the central idea of the plan was to merge the commercial and cultural functions of TZF by 'taking business as the base and culture as the soul in order to develop tourism industry'. The plan was divided into three stages as following:

First, in order to welcome the World Exposition in 2010 in Shanghai, improving the creative industries cluster on 210 Taikang Road which included both the traditional and modern; constructing the urban cultural recreational destination on 248 and 246 Taikang Road.

Second, keeping the residential function of the vernacular houses; refurbishing and protecting the original buildings; constructing the new community which combines the residence with industries, 'Shanghai School culture', lifestyles and the avenues features.

Third, improving the living conditions of the residents by importing culture and creativity, tourism and recreation, as well as technical innovation. The whole plan will be finished until 2015(LDG, 2007).

Moreover, unclear criteria of the industries allowed in TZF were given in the new plan (LDG, 2007) in order to redevelop TZF as a creative cluster and a tourist destination. These were used by the TZFMC and TZFSC as guidelines for the selection of temporary and long-term tenants:

First, the hair fashion and design were not allowed because they are special industries, which may involve sexual industry in China. It is very difficult to manage. Second, Chinese restaurants were rejected because they use fire and cause smoke, which may pollute the environment. Third, the massage shops and internet bars were also rejected because they are difficult to manage. Finally, pet shops were rejected because they may pollute the environment as well. (LDG, 2007; TZF officer, TZFSC1 and 2, 2008)

These regulations gave guidelines as to what kind of industry was prohibited in the TZF creative cluster. However, they did not have regulations on the industries approved in TZF. Actually, they had very weak control on the industries that could join in TZF due to the common illegal subletting. Although there were regulations of designating creative clusters instituted by SMEC (see Appendix B.2), these regulations were merely met and mostly neglected in practice. Consequently, everyone who could afford the rent could join in TZF.

The 3A tourist destination

In 2008, LDG invested 10 million RMB in order to develop TZF as the 'Thematic Experimental Area' for the World's Fair in 2010 in Shanghai and the 'AAA' urban cultural tourism destination according to the new master plan instituted by the district office. Later '3A tourist destination' certificate was awarded to TZF Creative Cluster by the National Tourism Administration of P.R.C (NTAPRC)¹⁵. Meanwhile, TZF was also awarded the 'Historical Feature Protection Area' in 2010. It was through these official certificates that TZF gained legitimacy and protection from the local authority. These strategies adopted by local authority were dominant for the future development of TZF creative cluster as an urban cultural and historical tourist destination.

¹⁵The 'xA' tourist destination is an evaluation system constituted by National Tourism Administration of P.R.C.

To summarize, one officer stated:

The governance of TZF is complicated. First, the Shanghai Municipal city gives rights to the districts; then the districts give rights to streets. There is residence committee under the street, but mainly the street office is in charge. There is TZF management committee which was an individual organization established by the district authority. (TZF officer, 2008)

From this statement, it may be concluded that the hierarchy of the space from Municipal city, District to Street, represented the distribution of power through the hierarchy of space. In this way, it realized the continuum of power through the continuous hierarchic space, and finally realized political control over the space. As Foucault (c.f. Soya, 1989, p.19) has argued, space was the carrier of power. The local district authority finally implement their dominant role in TZF and affected the creative entrepreneurs by endowing legitimacy and constituting development plans for continuous hierarchic space listed as follows: the Municipal city --- District --- Street --- creative cluster. The relationship among them could be discussed as follows. First, the municipal government involved in management by policies and legitimacy. Second, the local district authority plays a key role by directly involved into the governance of TZF and instituting master plan for TZF. Finally, the other organizations in the cluster are generally representative of the wills of local district authority.

6.1.3 The representations of cluster

6.1.3.1 Owners' space: economic and social representation

This paragraph presents different representations of the cluster from the residents' viewpoints, as they emerged during the empirical interviews. The questions were produced as follows (See the contextualizing questions in Appendix C-5):

- What do you understand by the term "creative cluster"?
- How do you like the TZF creative cluster?
- What are the advantages/disadvantages of creative cluster development?
- What are the influences of creative cluster development on your life?
- What do you specially enjoy/dislike of creative cluster?

Cluster means the economic benefit

The old industrial buildings represented the benefit of the workers who became unemployed because the factories became bankrupt. All these workers had to survive. These bankrupted factories faced the reality that they had to pay their living expenses and all kinds of other welfare. Therefore, the rent of these industries building became the most important income for the workers.

Meanwhile, for the residents in vernacular houses, the rent is also their main income. Mr. Zhou was the first resident who rented out his vernacular house to a fashion designer. He started the non-for-profit company for the better development of TZF. He said,

I didn't expect it to develop as a creative cluster. Actually I rent out my house in order to resolve the living difficulty. After I retired from Xinjiang and returned to Shanghai, I got only 300 RMB a month as my retirement salary. When I saw all the old factories were rented by artists and turned into design companies, galleries and arts studios, etc. I decided to refurbish the ground floor of my house which was only 18 square meters. When the refurbishment was just half-finished, a famous fashion designer signed the contract with me and turned it into a fashion design shop. I gained 4,000 RMB per month from the rent and another 1,500 RMB to work in the fashion shop...This greatly improved my economic condition and living status... Knowing the economic value of the old vernacular houses, many neighbors in the vernacular houses let out their houses to creative workers. (TZFSC1)

Moreover, when the first resident in TZF realized the economic value of his vernacular house, the other residents immediately copied his road to change their vernacular houses to be suitable for creative shops. For the local residents, the primary idea to let out their houses was to improve their economic status and living conditions. The interviewee TZFSC2 was the deputy manager of TZFSC. He expressed his great appreciation for the development of TZF that improved his economic conditions a lot.

Since my brother and I rented out houses to a creative company, our economic condition has been improved a lot. Nowadays, we rent another flat nearby. I can pay the bills, the expense of everyday life, as well as my son's tuition fee. (TZFSC2, 2008)

Place means their home memory and neighborhood networks

For most of the residents in vernacular houses in TZF, this place means their home memory.

I do not admit TZF. This is the idea of those people who have benefit in it. This is my home, my house. We have been living here for several generations. I have all my memories here. I don't want to move out. (TZF resident2, 2008)

The other aspect emerged as important for the residents was that this place meant their neighborhood networks for generations. They had very close friendship among each other and wanted to maintain the neighborhood by staying in their own vernacular houses.

I will not move out. This is my home. I have been living here for several generations. Even the living condition and the infrastructure are not good; the neighborhood network is very nice and important for us. We usually chat with each other... help each other... I am too old to move out... (TZF resident 3, 2010)

Discussion

The most important conflict indicated by the residents was the influence of business activities on their lives, especially the restaurants, coffee bars and music pubs that brought lots of disturbance to their lifestyles. As suggested by a resident who actively involved in the protection of vernacular houses:

I really wish the government had some control over the rent or some policies to deal the residents' living status. The rent increased so rapidly that it became a tourist destination, rather than creative cluster... There should also be some control over the business activities in TZF. There are too much restaurants and it seems like a food plaza nowadays. This will hazard the sustainable development of TZF in the future. (TZFSC1, 2008)

6.1.3.2 The planned space: political representation

This paragraph presents the different representations of the cluster from the local authority and managers' viewpoints, as they emerged during the empirical interviews, formal speeches, reports and other literature. During the interviews, the pertinent questions are mainly reproduced as follows (see Appendix C-3 and C-4):

- What do you understand by the terms creative industries and creative cluster?
- What are the governments' roles in creative cluster?
- What is the management structure in TZF?
- What is the advantage/disadvantage of developing creative cluster?
- What is the problem facing creative cluster?

- How is the creative cluster planned?
- How the creative cluster will develop in the future?

Representation of political performance

As argued by Bourdieu (1989), political power plays a dominant role in the highly concentrated regime like China. The authoritative and mandatory power dominance, and the interest interchange based dominance are tightly integrated in China. The political power and the property power are synergetic, while the administrative command power and the market exchange power are united. These are the most remarkable character of the political governance in China (Zhou, 2009). In other words, trading power-for-money is the general rule of the administrative system in China (Bao, 2008).

Therefore, the 'rights' provided by the property, tend to become a kind of representation of power in the reality. The violence, coercion and inequality of the state power gives rise to the obstinate expansion of government power. State ownership of the urban land in cities results in the country and government shaping the urban space and society completely according to their own wills (Gu, 2004). Thus, the creative cluster as a kind of urban space is the representation of the local government's will. Meanwhile, it was also being considered as a representation of political performance under the entrepreneur government philosophy (Kang, 2006). As stated by an anonymous creative cluster manager,

Creative clusters become a kind of political performance for the local authority. They are merely acted on policy. The local government develops creative clusters because they are promoted by the central and municipal policies. (TZF manager, 2008)

With the intervention of political power, TZF was gradually transformed from a spontaneous arts village to a creative cluster as well as a tourism destination. As the street manager stated,

TZF is a great success of creative cluster case. We didn't have any financial support from the District government. We successfully transformed 6 street factories and old vernacular houses into a creative cluster. This is a great success of the cooperation of the government, the market, the residents and the creative workers. (TZF officer, 2008)

When the TZF creative cluster became famous in Shanghai and even abroad, lots of praise was received from all the upper governments and became the TZF model. Zheng Han, the Mayor of Municipal Shanghai, when he visited Shanghai, said, 'TZF model is a great success of soft urban regeneration. We should learn from its experience and promote its model in Shanghai' (Wu, 2006). Moreover, TZF was also promoted as a famous tourist destination, as well as a great successful model of urban regeneration through cultural and creative industries in China. It received many business tourists from other local governments, who were arranged to visit and learn from TZF model in order to make their own 'TZF's.

Cluster means the economic contribution

In the case study of TZF, in addition to the political power which provided macro scope planning and controlled the direction of TZF development; economic capital was the other important factor that affected the specific usage of space: in other words, the micro production of space. The role of economic capital in constructing the space in TZF was represented by the increased rent and the administration of the business activities in the cluster. During this process, the local government and residents both realized their economic capital. Moreover, as argued by Zheng (2010), creative clusters became the business projects, which generate revenues for the local governments. Both brought tremendous threats to creative entrepreneurs and artists who owned more cultural capital but less political and economic capital.

As a Municipal government officer commented on the role of artists, "according to our statistics, only contributed 1% in the creative industries. We don't really care about them.' (Officer 1, 2008) The manager of TZF expressed similar opinion,

I don't really welcome artists in my cluster...we adopted a system of unstable rent in order to increase the quality of the creative entrepreneurs in our cluster and wash out the weak ones. Only the ones survived in the market could stay. This is called 'the sand was washed out by the wave and the gold will remain'. (TZF manager, 2008)

In their opinion, arts or artists were not welcome in creative cluster because of their relatively lower economic contribution. To survive in the market or to

create economic benefit has been the main criterion in selecting creative entrepreneurs in creative clusters. As Zheng (2010) has argued, local governments had a strong entrepreneurial nature in Shanghai. They involved into the creative cluster-related businesses directly as the market player. In this way, creative clusters were transformed from spontaneously emerged urban cultural space into a new mechanism generating revenues for both urban growth and their own economic benefit.

Cluster as the tool for managing artists

Keane (2009a) has argued that creative clusters are used as the tool to manage artists by the government in China. As Ryan (1992; c.f. Keane, 2009a) pointed out, it was since the 19th century in the UK and Europe, a new class of business intermediaries and agents were needed in order to organize and manage the irrational and usually non-productive habits of artistic and creative labor. In this way, Keane (2009a) has argued that, creative clusters in China contribute to the management of artistic labor in that it is easier to keep a record of what people are doing and maintain a rein on artistic sentiment. Especially, the contemporary artists have been considered as the avant-garde groups in China.

As you can see, there are policemen all over TZF. There are even plainclothesmen in the cluster who pretend to be tourists in order to suspect the reactionary ideology from the artists or their exhibitions. We all knew that political issues are very sensitive in China. There were un-written regulations that sensitive topics were forbidden in our creations or exhibitions. (TZF artist 1, 2008)

In the long Chinese history, arts have been used for political propaganda. Artists have been under strong control under the government. They were sustained in the arts academy founded by the government and were supervised all the time (Wang, 2000). Especially during the Cultural Revolution from 1966 to 1976, most of the cultural workers had been suspected, supervised, insulted and brutally tortured. A few of them were endowed with political power and worked in the government as the creator of aesthetic value for political purpose (Cui, 2009). However, since 1980s, because of the Reform and Opening Policy, as well as the reform of cultural system, many artists were free from the political system and became self-

employed (Han, 2010). These free artists have been considered as the potentially unstable group of people in China (Zhou, 2009).

On the one hand, it is because most of the artists are self-employed, which is contradictory to the majority working in 'work units', where working, living and social networks are provided and supervised in one place (See Chapter 2, p.99). For self-employed or freelancers, no one could be supervised. As Keane (2009) has suggested, creative cluster provides the possibility to make a record of these artists and maintain a constriction of artistic sentiment.

On the other hand, the nature of Chinese contemporary arts is avant-garde, open minded and freely expressive, which requires the free environment for creation. Meanwhile, most of the interviewees have stated that they are anarchical. Moreover, some of the artists may create special works to reveal the dark side of the past or contemporary society in a very critical and satiric way. These restricted themes include political issues, the contradiction of demolition in cities, the life of the social vulnerable groups, and other social problems such as poverty, wandering children and criminals on streets¹⁶. Therefore, from this point of view, the creative cluster which provides working space for artists is also the space which provides concentrated control over the behavior and ideology of artists in China.

¹⁶To some extent, these topics are untouchable and under strong media control in contemporary China because of their potential to rise up self-awareness of the public. In respond to the social movement in 1989, the previous leader of P.R.C [Xiaoping Deng] has suggested, 'Stability is of overriding importance' (Deng, 1989). Since then, this thought has been stressed by several generations of political leaders in China. In 2005, the president of China, Jintao Hu has developed the concept of maintaining stability and put forward the notion of 'building a harmonious society' (Hu, 2005). However, most of these thoughts are just to present a false picture of peace and prosperity of the society and fool the people. For example, in 2011, the famous and radical Chinese artist Weiwei Ai was arrested during the Germany 'Enlightenment Arts Exhibition' held in Beijing. To summarize, although the openness of the society and the individual freedom has been improved a bit because of the popularity of internet in China, to certain extent, free speech or free express of individual thoughts is still under strong control.

Concerning managing the artists, the researcher had some special experience during the empirical study in TZF. A security man dropped in when the researcher was interviewing one artist. He interrupted the interview and had a private conversation with the artist. A few minutes later, the artist came to the researcher and asked her to delete the audio record of his interview. He said it was not allowed to talk about the problems in TZF because the managers were worried about the complaints of the increasing rental and the commercialization of the cluster. Thus, the researcher lost important information from this interviewee.

6.1.3.3 Artists' space: cultural representation

This paragraph presents the results of the different representations of the cluster from the artists, as they emerged during the empirical work. The pertinent questions are reproduced as follows (see Appendix C-1 and 2):

- Do you like the creative cluster? What are the roles of creative cluster for artists?
- Why did you move to TZF?
- Which advantages and disadvantages (in terms of infrastructure, service, milieu etc.) does TZF offer?
- What are your suggestions for the future development of TZF?

The aim of these questions was to discover the 'overall attitudes' of artists in terms of the value of creative clusters. A series of dispositions regarding the city, the creative cluster and the working space, from which actual conceptualizations affecting the artists' representations of space could emerge. During the evaluation, the answers were used and analyzed as a whole.

Symbolic value: creative cluster as the brand making

A large amount of interviewees mentioned the symbolic value of creative cluster as the brand making for artists. First, the fame of the famous artists who firstly settled down in TZF was emphasized as the most important factor that attracted other artists to settle in TZF. Secondly, the fame of TZF in the art worlds and as the famous tourist destination was also stated as the significant factor that attracted artists to settle down. This confirmed the

value of 'reputation' in Kong's study of cultural cluster in Singapore. She argued the 'reputation' of the cultural cluster was of great significance for artists (Kong, 2009).

TZF is a quite famous art centre as well as tourism destination in Shanghai. There are also some advertisements for TZF by the media and government. The fame of my gallery is improved as well. It is the brand making effect. (TZF artist 8, 2008)

I chose TZF because it was famous in Shanghai, and even abroad. Yifei Chen was still alive at that time. He made lots of advertisement for TZF and made it famous. However, his studio was not open to the public. Tourists were attracted to TZF by Yifei Chen's fame. They came here but failed to visit his studio. Thus, they walked around to visit their studios. I was the earliest artist in this building. I think most of us 'borrowed' the brand from Mr. Chen. (TZF artist 1, 2008)

Yifei Chen was very famous. His fame also benefited us to build up our own brand. (TZF artist 7, TZF artist 20, TZF artist 9, 2008)

TZF is quite famous in Shanghai, even in China and the abroad. Its fame is also a kind of promotion of my own gallery. (TZF artist 22, 2008; TZF artist 24, 2010)

Cluster as the business climate

The business climate emerged as another important factor for the interviewees. The business climate usually consists of the fame of TZF as a tourist destination, the flow of tourists to TZF, the location in the city centre and the assorted business environment. The business climate is very important for artists to sell their artworks, which improves their income, helps them survive in the creative cluster and creates more artworks.

Many interviewees indicated that the flow of tourists to TZF created by the clustering of multiple businesses is a major benefit.

Because it is famous, it attracted many tourists here, which means more customers and business opportunities for us. The popularity is very important for doing business. (TZF artist 17, TZF artist 20, TZF artist 7, 2008)

Although the artistic milieu is destroyed nowadays and doesn't remain much, I still think TZF is a great place because lots of tourists visit us. That's what I need, the popularity. (TZF artist 7, 2008)

It is very important to have the business climate for us. As a famous tourism destination, TZF attracted many tourists, especially the foreign tourists. Meanwhile, there are many entertainment places such as pizza shops, clubs, café bars etc. that provided eating, entertaining and

shopping for tourists. Those are important factors for business climate. Without this climate, it is hard to do business. (TZF artist 3, 2008)

However, on the other hand, the business climate of TZF cluster may hinder the creativity of artists as well as the development of creative industries.

Cluster as the test bed for creativity

The last paragraph has shown that for most interviewees, an important factor of creative cluster is the business climate, which often means 'whatever makes the artworks go to the market and realize their economic value¹⁷'. It is thus a positive feature, which can be directly added to the representation of the creative cluster as the space to realize artists' dreams, as well as the place that examines their creativity.

As argued by Caves (2000), one of the characters of creative industries was that its value was not derived from the products, but from the markets. Brown etc. (2000) also argued in their study of music industries in Manchester in the UK that creative clusters provided an important market place for the artists to examine their works.

In this case, the TZF creative cluster can be considered as much more than a miracle, because its promise seems to have been realized for most of the artists survived in the creative cluster on the one side. On the other side, the artists who could not survive in the creative cluster at least had their artworks examined in the market. In the majority of the cases, almost all the artists came to TZF because they had the same dream --- to have their own studios and become famous, or even at the least to make a living by arts.

Since I quit my job as a government officer in a local cultural department which was boring to death, I went to Beijing, Shanghai to realize my own dreams. At last in 2001, I settled down my own studio in TZF. This is what I wanted --- my own studio and gallery. (TZF artist 1, 2008)

I could not have achieved what I have today if I didn't come to Shanghai. TZF provided me the chance to realize my dreams. (TZF artist 15, 2008)

I am very happy that it provided a place for me to realize my dream of my own studio. I was very boring and confused after I retired. I had

17 Derived from interviews.

been depressed all the time. Since my dream came true, I have been happy again. (TZF artist 12, 2008)

However, not every artist could realize his or her dream. On the contrary, most of the artists who came to TZF could not survive more than 12 months. (TZF artist 15, 18, 2008) The high failure rate indicated the competition in the market was very vigorous. The market became the test bed which examines the value of the artworks of artists.

The creative cluster provides a platform of competition. It is a place to examine the value of artists. On the one hand, they learn and stimulate each other. On the other, they compete with each other. The market is the best place to examine the value of the artworks. The popularity of the artists was presented by the price of their artworks. It also reflects the creativity of the artists. (TZF artist 15, 2008)

The creative cluster provides a market for artists. It is absolutely a marketization space that examines the value of the artworks. It was impossible in the past decades. (TZF artist 1, 2008; TZF artist 16, 2008)

It is a space to examine the value of the artists. Many people who came here could not survive more than six months. Generally speaking, 50% of the artists could not survive for a year. The rent is quite high. The economic pressure is quite heavy. The artists who could survive for more than a year, that means he is successful. (TZF artist 18, 2008)

Cluster as exhibition and public aesthetic education

Therefore, another important function of creative cluster is that it provides the space for free arts exhibition and education to the public. As there are not enough arts galleries to satisfy the citizen's needs in China, contemporarily, the arts clusters play the role of contemporary arts galleries to educate the citizens. Liu's studio was set up in 2003 in TZF. He indicated that the aesthetic education was one of the important responsibilities of contemporary artists.

The image of a city is from its citizen. However, if a city doesn't have enough art galleries, the citizens can't get enough chance to learn about arts. The most important role of arts is to help people build up their aesthetic ideology, and the moral ideology. Art is the only thing that can stimulate the same emotion among different people. Only when the citizens have the appropriate aesthetic ability, the city will be a better place. Actually, the creative clusters such as TZF play the role of arts galleries and museums in abroad. Because compared with the abroad, a city like Shanghai should have 100 arts galleries. However, we only have a few galleries for the public. (TZF artist 5, 2008)

Discussion

Despite these important symbolic meaning of the TZF creative cluster, as discussed above, there was evidence of disagreement from the artists as well. Most of the interviewees indicated that they might leave TZF because of the unaffordable rent and/or the disappeared arts milieu.

Firstly, the illegal subletting which results in rapid increasing rent, has been one of the significant challenges to the management of TZF. Many people rented the space at a lower price and sublet it to others in order to make a profit. Some rooms were sublet up to seven times in a short time (TZF artist 3, 2008). The price was increased every time. Thus, the management over the housing market, especially the strict control over illegal subletting in TZF was very necessary.

Moreover, the balance between business development and artistic milieu has been the other challenge to the management of TZF. TZF became one of the famous urban tourist destinations in Shanghai. TZF became famous because of its artistic milieu and the living history of the original lifestyle in Shanghai vernacular houses. However, since more and more restaurants and fashion shops opened in TZF, the cluster became a much commercialized tourist destination with the disappeared artistic milieu and changed lifestyles in the vernacular houses. Therefore, in order to achieve the sustainable development of TZF as a creative cluster, the direction of the future development should be assured, appropriate control over the organizations in TZF is needed, and management over the function of space should be essential.

At first, it was very artistic. Nowadays TZF became famous which brought advantages and disadvantages for us. First, it became a tourism destination which had more than one hundred of restaurants, coffee bars and shops. The cluster is in disorder and very noisy which is not suitable for artists' creation. Second, the function of the space changed from studios to galleries. Because the rent increased rapidly, individual studios couldn't survive, while only the galleries which had strong financial background could bear the rent. Third, the rent was increased unreasonable rapidly because of the vicious competition among the entrepreneurs. For example, on 210 Taikang Road, the rent was up to 20,000 to 30,000 RMB a month. Even galleries couldn't bear the rent and was taken place by restaurants, souvenir shops, jewelry, fashion shops which had lower creativity in them. (TZF artist 15, 2008)

Eventually, as indicated by the interviewees, it may be concluded that the decreasing artistic milieu and the commercialization of TZF creative cluster have caused side effects on the creativity of artists.

At the beginning, it was planned as a creative industries cluster; however, nowadays it became very commercial. Since the commercial thing came into TZF, the rent increased rapidly, which in consequence brought the artists lots of pressure, affected their working mood and attitude, and as a result would affect the style and content of their artworkss.(TZF artist 20, 2008)

When the artists face the market, it is difficult for them to calm down. They are harebrained in the market. As an oil painter, you have to calm down if you want to create great works. When the artists face the market, they have to eat and survive, so they will pursue economic value rather than the artistic value of their creation. Thus they will cater for customers' tastes to create the artworkss which are popular in the market. Therefore, their creation becomes commercialized.(TZF artist 8, 2008)

6.1.4 The social field of capital struggle

In the last decade, TZF was transformed from industrial factories and vernacular houses to arts village, then designated as creative cluster in 2005, and planned as a complex tourist destination since 2007. TZF has undergone not only a physical transformation, but also a mental and social change. This change reflects the ever-present and on-going capital struggle in the social field of TZF.

As argued by Lefebvre (1991a), the obvious difference between a (social) space and a natural site is that social space is not a simple juxtaposition, but probably interposed, interlinked and overlapped; and sometimes they are even interfered and collided. Thus, it is valuable to reveal the other hidden social field and the embedded artistic field of TZF, in order to understand the mechanism of the creative cluster.

As Bourdieu (c.f. Bridge, 2004) has argued, the position of each agent in the field is depended on the amount of the capital and the structure of the capital. Every agent in the society has been struggling to maintain or transform its field (space). In this study of creative clusters, the struggle among different stakeholders reflects their struggle for their legitimacy and the right over the space. As discussed in chapter 5, there were mainly three subjects emerged during the analysis of the spatial practice of TZF, which

included the local authority (political capital), the property owners (economic capital) and the artists (cultural capital). Each subject plays a different role in the power struggle of the social field according to the quantity and structure of capital owned by the agent(s). The relationship and power struggle among various agents are discussed as follows.

6.1.4.1 Marketing the space through economic capital

Commercialization of the space

As Harvey (1989) stated, "the strength of capital facilitates the big scale plagiarism of cultural consumption". Harvey (1989; 1990) has argued for the role of capital circulation in the production of space in the global world. He has suggested that the same economic logic has been used in the development of different places and space in capitalism. This makes the characters of these places into general consumption space. Post-modernism is not only completely involved in the metropolitan culture and organized into the everyday lives, as well as dominates and controls the content and rhyme of everyday lives. Urban governance has also changed from administration to entrepreneurship. Harvey has revealed the dialectic relationship between the capital acumination and the global urban space production (the homogenous effect), and indicated this relationship has affected and dominated the everyday lives and urban governance agencies.

TZF, as the new emerged urban space in China, has been embedded in the holistic urbanization process of Shanghai. Because of the philosophy of entrepreneurship employed by Chinese government, TZF has also undergone the process of commercialization. The space of TZF has thus been the object to be capitalized on. The commercialization of TZF has been accomplished through the continuous increasing rent, which consequently led to the struggle for space among the artists and other entrepreneurs. Among the struggle, artists who owned less economic capital were expelled and taken place by entrepreneurs who owned more economic capital and could afford the rent. Therefore, on the one hand, the character of economic capital is to search for ultimate benefit. The increasing rent in the old industrial buildings and the vernacular houses drove the artists and arts

galleries away from the cluster. Artists who owned the cultural capital were expelled by entrepreneurs who owned the most economic capital.

On the other hand, in order to maintain artistic milieu of TZF which has been promoted as one of the most important attractions to tourists, the government had a few preferential fixed rental policies for the artists who settled their studios in TZF before 2003 (TZF manager, 2008). Only a few artists such as TZF artist 1, 18 and 22 could benefit from this policy. However, for artists who came after 2003, the rent increased 20% percent every year (TZF artist 1, 2, 7, 17, 18, 2008). Every year, more than 50% artists could not survive and moved out.

Consequently, the artists faced many risks because the rent was very flexible and the leasing period was usually limited to 1 year or less. The rent increased year by year. This was especially the case with vernacular houses that will be particularly discussed as follows. Because illegal subletting was very common in TZF, and the rent was increased every time when sublet, the artists who could not afford the increasing rent were expelled by the lords. One artist complained that:

Because the land is owned by government, and those buildings are belonging to the street, they have the power to decide whether to protect TZF or not, and who can stay in TZF. They are the lords and we are just tenants... the government knows nothing about arts. They only want to make the most benefit from those old buildings. They don't really care about arts or artists. (TZF artist 1, 2008)

Regarding the vernacular houses, the housing market was even more complicated, and was devoid of appropriate management. Because of the private property right of these houses, the price was up to each owner. Meanwhile, many houses were under illegal subletting. Some of them were even sublet for two to seven times. In order to make a profit, the rent was increased every time. Vernacular houses faced serious commercialization because of the unreasonable increasing rent. As one interviewee stated,

The lords are unreasonable. They only want more and more money. They don't care about us. For example, I had a contract with the lord for three years at a fixed rent. But every two or three month, the lord came to talk with me and asked to increase the rent. Otherwise, he would expel me and let the house to others. As a result, the rent of this house increased from 6,000 RMB per month to up to 30,000 RMB now... the contract does not secure anything... It is impossible to get legal support.

They are the lords; they only rent the houses to the one who pays more money. (TZF artist 3, 2008)

We do have contract with the owner of this house. But he breaks up the contract and increases the rent very often. If we do not agree, they will expel us because there is a long waiting list of entrepreneurs who want to open their shops here. (TZF artist 19, 2008)

Therefore, the housing market of vernacular houses was out of control. The leasing contract did not protect the artists from the threat of unreasonable increasing rent. During this process, the space became a product that was only available to the people who paid a higher price. The economic capital played a dominant role over the political and cultural capital during this process. Consequently, the cultural milieu was taken place by the business milieu in TZF.

On the other hand, the artists who survived in the cluster had to earn enough money (economic capital) to cover their costs. Some of them changed from artists to cultural entrepreneurs. A souvenir shop owner, who used to be a painter and gallery owner commented:

If I didn't sell the tourism souvenirs, it is very difficult to cope with the rent. We used to have an arts gallery which sold our own works as well as paintings from others. However, the rent was increased by the lord every year, even every a few months. We couldn't survive by selling artworkss only. Nowadays, we are mainly selling tourism souvenirs. (TZF artist 19, 2008)

Moreover, some of the artists changed to start other businesses in the TZF. A photographer, who used to be an oil painter, said:

I used to be an oil painter and owned my own gallery on 210 Taikang Road. However, the rent was increased rapidly every year... [Nowadays] it is more than 20,000 [RMB] a month for a space around 15 square meters... As you know it takes a long time to finish one piece of oil painting, and it is very hard to realize the economic value of the oil painting... I couldn't maintain [my gallery on Taikang road] and moved [my gallery] into No.5 building...it was much cheaper at that time... I used my own photos as declaration for my gallery. However, some customers showed more interest in my photos, other than my oil paintings. I have been an amateur photographer for about 15 years. Thus, I started to sell photos instead of oil paintings. As you see, photos can be reproduced very easily and rapidly. The profit is also much higher than oil painting... this is why I stay in the TZF. (TZF artist3, 2008)

Eventually, some of the artists successfully survived in the market through appealing to the audience's tastes, which finally affecting the presence of creativity in their artworks.

We must appeal to the market and consider the fancy of customers. At the beginning, I spent half a year in the furniture shops and interior designer company in order to find out the style of artworks that is suitable for the needs of customers. In other words, what kinds of artworks are suitable to decorate their houses? (TZF artist1, 2008)

The lords who did not welcome tenants

The TZF case study was particularly interesting, because it represented a new model in cultural management of creative cluster in the market economy with Chinese characters context. As discussed above, the housing market was not complete in TZF because the local government had certain control over it. However, the manager of TZF wished to gain as much profit as possible. The manager of TZF said:

I do not welcome artists in my creative cluster. From my point of view, artists are not part of creative industries because, on the one hand, their 'creativity' were not protected by the intellectual property; on the other hand, the 'industry' means the companies which operated by more than two people. Artists do not meet up any of the two conditions. However, arts galleries are part of creative industries. (TZF manager, 2008)

He further explained that he neither considered TZF as a cluster of design and arts, nor considered the old vernacular houses as parts of the creative cluster. He said:

I considere TZF as two separated parts. First, the old industrial building area is mainly composed of creative arts and design industries, which have 136 companies until now. Second, the vernacular house area is mainly composed of restaurants, fashion shops, and a few creative companies, which have in total 144 companies... It is unrealistic and impossible to do arts business in a 20 square meters space which charged for 20,000 to 30,000 RMB a month.... The aim of developing vernacular houses was to contribute to the tax, enhance the business climate, drive the tourism development and improve employment. (TZF manager, 2008)

In terms of the management and control of the business activities in the creative cluster, he further explained:

Three categories of people are welcomed in my cluster: the foreigners, returnees and successful women because of the two-faced reasons. On the one hand, foreigners and returnees from abroad may bring new cultural elements into TZF and make it a more international space to attract foreign tourists. On the other, successful women could be

attractive, and they are usually very diligent to do better businesses. (TZF manager, 2008).

This suggested that the manager emphasize more on the role of economic capital in achieving success of business activities in TZF. Artists, who usually had more cultural capital but less economic capital, were considered very risky and unrealistic in a commercialized creative cluster like TZF.

The conflict

The most significant conflict was among the residents who stayed at TZF, the residents moved out and the business entrepreneurs moved in. Vernacular houses were small linked houses with 3 or 4 floors. The structure of the buildings determined the frequent intervention among the various users of the space. Most of the residents on the first floor moved out and rented their houses to creative entrepreneurs. However, the residents on the upper floors had to stay and endure the noise and disturbance. It was difficult for the upper floors to be leased out because of the poor accessibility.

On the one hand, residents who remained at TZF were jealous with their neighbors who could move out and had better living conditions by renting their houses to entrepreneurs.

I used to open my gallery which now is changed to be a souvenir shop. I rented the first floor of the house. The residents on second floor were very jealous. They asked me to rent the second floor as well. But I really didn't need that big space and I couldn't afford it. At last, they sat in front of my shop and disturbed my business... This kind of things happened many times. It was annoying. (TZF artist19, 2008)

On the other hand, the local residents also complained about the entrepreneurs who interrupted their lives, especially in the nighttime.

We do not object the development of creative cluster. We object the bars and pubs which affect our lives. Although the government said, they would ask all the shops to close up at 10pm. It did not work at all. They just started their businesses at that time. (TZF resident1, 2010)

6.1.4.2 The dilemma of political capital

Firstly, the local authority dominated the development of TZF. As argued above, the governance of TZF creative cluster was composed of four main organizations, among which TZFMC represented the power of local authority

and played a dominant role. Although the other three organizations had their rights in the microscope, their rights were limited and subjected to the local authority's wills. When talked about the relationship among these four main governance organizations, a government officer said,

The local district government decides the development of TZF. The others (three organizations) all become the brothers with the [local] government. They implement the rights on behalf of the local authority. They are the 'throat and tongue' of the government (TZF officer, 2008).

However, although the TZFMC was dominant in TZF, its rights were distributed to several organizations, such as YREMC, TASMC and TZFSC. Especially TZFSC, whose predecessor was "TZF vernacular houses owners' management committee", turned to be a non-for-profit organization established by a few owners of the vernacular houses. Because of their intimate networks with the residents, this organization could solve the conflict among governments, residents and tenants easily. It became an important intermediary organization for TZF. The main function of this organization was manifold. First, it provided information regarding housing availability for creative entrepreneurs who intended to open their studios in TZF. Second, it solved the problems between the house owners and creative entrepreneurs. Third, it solved the problems among the house owners. Fourth, it provided supervision on the refurbishment and utility of the vernacular houses (TZFSC1, 2008).

Therefore, the dilemma of the local authority lay at that they had to settle the conflict among the residents, and guarantee the space for artists in the cluster. That was because cultural capital such as arts and artists were considered as the most important attractions for tourists. As indicated by a local officer, the aim of developing tourism in TZF was to resolve the rising conflict among local residents, as discussed in the former section.

It is very difficult to attract creative entrepreneurs to the upper floors. However, those residents living on upper floors have to endure the disturbance from the businesses on the ground floors. They are jealous and always make troubles. Now in the new Master Plan, these vernacular houses will be transformed into domestic hotels for tourists who wish to experience the lifestyle in vernacular houses...We also know the artists have complains about developing TZF as a tourist destination. However, we have to consider the benefits of residents and

to regenerate the whole area of TZF¹⁸. It is not realistic to develop creative industries in the vernacular houses because of the ridiculous high rent. We have to combine the function of creative cluster and tourist destination together in TZF.(ibid)

In conclusion, in order to achieve a broader effect of urban regeneration, tourism development has been adopted into local government's policy. The local authority (political capital) played a dominant role in the direction of TZF development, as well as a negotiator role between the creative workers (cultural capital) and the property owners (economic capital).

6.1.4.3 Artists' defence through cultural capital

As discussed in Chapter 5, in the early stage of TZF creative cluster, artists contributed their strength to protecting the space. However, it was the governmental power that finally approved its legitimacy. As discussed in former sections of this chapter, representations of TZF from the local authority were quite different, and even contradictory from artists. Therefore, even TZF was protected, artists still had to struggle in order to maintain TZF as the creative cluster of contemporary arts and prevent it from being commercialized during the tourism development.

As discussed in the former sections, the creation of creative clusters was an intentional product of government policies. In this process, arts and artists, especially famous artists (called as 'Elite artists'¹⁹) were used as the attraction or catalyst to stimulate the creative clusters. They were used as advertisements to attract investments and tourists. For example, the TZF creative cluster was planned as an 'urban culture tourism district' in the master plan. It was promoted as a tourist destination for its exoticism and bohemian lifestyle. It has been very popular to go to TZF to see the lifestyle of artists since 2005 when it became famous because of the death of Mr. Yifei Chen. However, since TZF became famous, the artists' studios and

¹⁸In this new plan, the big TZF area is consisted of the industrial buildings, the vernacular houses, as well as the commercial business areas around them. It included the whole area from Taikang Road to Sinan Road, from Shanxi South Road to Jianguo Road (see Figure 5.1).

¹⁹The artists in the clustered were classified into different classes and differentiated rents applied for each class.

galleries were expelled by the tourism related businesses, such as bars and restaurants, fashion and souvenir shops.

They used us [artists] to enhance the fame of TZF. Now it is famous and the value of artists is used up. We are useless for them, and even impeditive for them. They don't really respect arts or artists. They increase the rent in order to expel the artists. The aim of keeping the earliest artists is to attract tourists... At the beginning, tourists came to TZF to visit Yifei Chen; nowadays, they come to visit his studio and other studios to see how artists work... Once it develops well, we will be expelled...some new creative clusters also want to attract artists by providing preferential rent policy. However, this is just a trick. They only want to use artists to promote their clusters and attract investments. If you really go there, you will be expelled soon by the other businesses. (TZF artist1, 2008)

The rent increases very rapid every year. We tried to negotiate with the managers. They didn't care about us. If you move out, there is a long waiting list of who wants to come in. We are thinking to write a letter to the upper authority or refuse to pay the rent next month. We need the bridge to communicate with the government. (TZF artist7, 2008)

The strength of artists is very weak in China. We are the grassroots, the disadvantaged minority in the society. The government does not really care about us... At the beginning, it was Yifei Chen that protected TZF from demolition. However, since he died in 2005, everything changed... We watched the changes happen but we have no power to get it right. (TZF artist15, 2008)

From these statements, it is suggested that cultural capital has been used as the catalyst for TZF. Arts or artists have been considered as the resource that attracts investments and tourists. The artists were forced into this game with wake defense. They were marginalized in the power struggle of the social field of TZF. They were neither welcomed by the lords, nor supported by the local authority. They were forced to act in a passive situation. As Foucault has argued, the space and its discipline always have an oppressive power (Foucault, 1979). In this context, artists' bottom-up defense of the space is usually local and microcosmic, which will finally bend to the power of market and government. However, there is still hope for the artists. As Lefebvre (1991) would argue, social space is the space of defense. Mental space is depressive and full of political ideologies, whilst social space is the only space leading to the social and individual revolution. In this way, the researcher may suggest that the only way of the artists to defend their space is through the social networks based on cultural capital in the arts field (arts world). It will be discussed in the next chapter.

6.1.5 Summary

The ownership

In conclusion, the development of TZF has been influenced by three different powers: the government, the market (residents and managers) and the society (artists). TZF was spontaneously formed by the strength of artists and the market. However, because of the ownership of the land, the local authority played a dominant role in the process of developing TZF. Since the local government (district office) took over the management of TZF, the government achieved absolute control over the space by endowing TZF with the legitimacy and constituting the master plan. The market finally negotiated with the management of government, despite part of the vernacular houses were slightly influenced by the official intervention. The artists compromised with the governance of local authority. Although they pretended to be indifferent to this issue, they showed their strong wish relying on the government to secure the space for artists, ensure the direction of TZF as a creative cluster, improve the facilities, manage the companies in cluster, improve the milieu of cluster and control the rent.

Representations

In the case of TZF creative cluster, the representations of the space for artists were different from the representations of the owners and local authority. The former considered TZF as the space of mixed meaning including brand making, business climate, lower rent, experiment space, exhibition and public education and as a loft living lifestyle as well. However, the latter represented the space differentially. The owners of the buildings considered it as the source of income, home memory and neighborhood networks. The local authorities considered the space as the representation of the political performance, the source of economic contribution, and the management tool of artists as well.

As argued by Bourdieu (2000), political capital plays a dominant role in the regime of highly concentrated power. Economic capital is the basic form of capital, and is the essence of political capital and cultural capital. Therefore, in China, the political capital is the dominant form of capital, while the

economic capital incorporates with it. The aim of political capital is to generate economic benefit by power-for-money model (Zhong, 2003; Zhou, 2006; Bao, 2008). The other aim of political capital is to improve the political performance, which in turn strengthen its own position. It is important in political evaluation system in China. Consequently, in this study the creative cluster became the cahoots of both the government and the market. As Zheng (2010) has suggested, creative cluster in China becomes the engine to generate revenue for both the city growth and the local authorities themselves.

Struggle among capital

In the social field of TZF, the creative cluster was the collusion of the political power and the economic capital. However, artists, who were central to the creative industries, were marginalized or expelled from it. Because of the dominance of the local governments in the development of TZF, artists did not play an active role among the social networks with the public sector and the managers. They were placed in a very passive position in the social field. The non-governmental organization --- TZFSC, which was established by the residents in order to protect their own benefits, however, turned to be a sub-organization of the TZFMC eventually.

This could be explained by 'field' and 'capital' theories of Bourdieu. As Bourdieu (1979) has argued, the strength of each element in the social field depends on two elements, the amount of the capital and the structure of the capital. The local governments, who own the most political capital as well as economic capital --- the land, play dominant role in the field. The creative cluster managers and the residents both own the economic capital in forms of the property ownership, and collaborate with the local government in order to get the most benefit from their economic capital. The artists, who own more cultural capital while less economic capital, are marginalized in this social field. Their situation is very unstable, because they have to rely on the government and managers (residents) to take them into account.

As Bourdieu has argued, even the political capital would prefer the cultural capital; the cultural elites still could not change their position as the ruled class of the ruler class (c.f. Turner, 2001). In this way, culture has become a

kind of tool or instrument for the political capital owners to improve their political performance. As argued by scholars (Wang, 2006; Keane, 2009; Yu, 2011), the creative cluster of China became merely acted on by policy. When the cultural/creative industries were promoted by the central policy, cultural capital became the index of political performance, the local authority started to engage into cultural development. When creative clusters were promoted by the Shanghai Municipal government, the creative clusters became political competition among local authorities. In this study of TZF, the artists' struggle for the affordable space reflected their struggle for legitimacy through cultural capital.

Finally, the researcher suggested that the only way for artists to defend their space in the power struggle of social field, is to strengthen their cultural capital by forming the arts world in the dynamic context.

Conflict: influence on creativity

The conflict caused by different representations has side effects on artists' creativity. First, the rent increased very rapidly because both the residents and the managers attempted to achieve the ultimate benefit from their properties. Second, the direction of TZF creative cluster was to develop tourism, which merged the culture and commercial functions together. This led to the commercialization of the cluster and had many side effects on artists' creativity. The artists showed the tendency to cater for the tastes of customers. They appreciated the commercial rather than artistic value of their artworks. Moreover, it led to the plagiarism of creativity, as will be discussed in the next chapter.

6.2 M50

6.2.1 Space of ownership

The ownership of M50 consists of three aspects, the land is owned by the nation; the buildings are owned by the company (STLC); the space is used by artists. Each is discussed as follows.

Government land ownership

As discussed above, similar as TZF, the land of M50 creative cluster also belonged to the nation and local government. The local government owns the direct right of the usage of the land.

Company property right

These old industrial buildings were belonged to STLC, which was a state-owned enterprise (SOE). These buildings were part of the state-owned assets (SOA). Contemporarily, the M50 creative cluster transformed to be M50CCILC, which was a branch company of STLC. Therefore, M50 has to generate economic benefit by letting out the SOA in order to compensate the living expense of unemployed workers from STLC and the maintaining fee of these old buildings. Therefore, compared with TZF creative cluster, M50 was directly managed by an enterprise company.

Artists as employees of M50

As M50 creative cluster was managed by M50CCILC, artists were considered as the employees of the company. For M50, the input was the artists, while the output was the creativity presented in artworkss. The most important economic benefit was generated from the rent of space. As the manager indicated,

All the artists are welcome to M50. They are the employees for us. We are developing branches for our brand of M50, such as M50 Top Creative Cluster that is specific on instrumental arts, electrical arts and artists' studios. The more artists join, the better M50 will be. (M50 manager, 2010)

For artists working in M50, most of them had a strong sense of belonging to M50 and considered themselves part of M50, especially the ones who stayed there for a long time. One of the interviewees stated,

I have been here since the beginning of M50. It has special meaning for me. I considered it as one of my best works. It is like my child. Even during the most difficult years facing the threat of demolition, we tried our best to protect it, and we will continue to protect it in the future. (M50 artist 16, 2008)

6.2.2 Management and administration

6.2.2.1 The management structure

The M50 creative cluster belonged to STLC, which was a state-owned enterprise. All these old industrial buildings were state-owned assets. Thus its development was strongly affected by governmental policy. Early at 1999, this area was planned to be demolished. In 2002, it was designated as 'Shanghai Chunming Urban Industrial Park' (SHMEC, 2002). In 2004, it was changed to 'Chunming Arts Industries Park'. In 2005, it was designated as 'M50 creative cluster' (Geng, 2007, p. 48) which was one of the primary creative clusters in Shanghai.

The management structure of M50 could be illustrated in Figure 6.2. During the last a few years, M50 has experienced the transformation from industrial buildings to creative cluster, and to a registered creative industries company name as 'M50CCILC', which contemporarily also develops several branches in Shanghai, such as M50 Top. Compared with TZF creative cluster, M50 creative cluster was managed in an enterprise model with the dominance of M50CCILC.

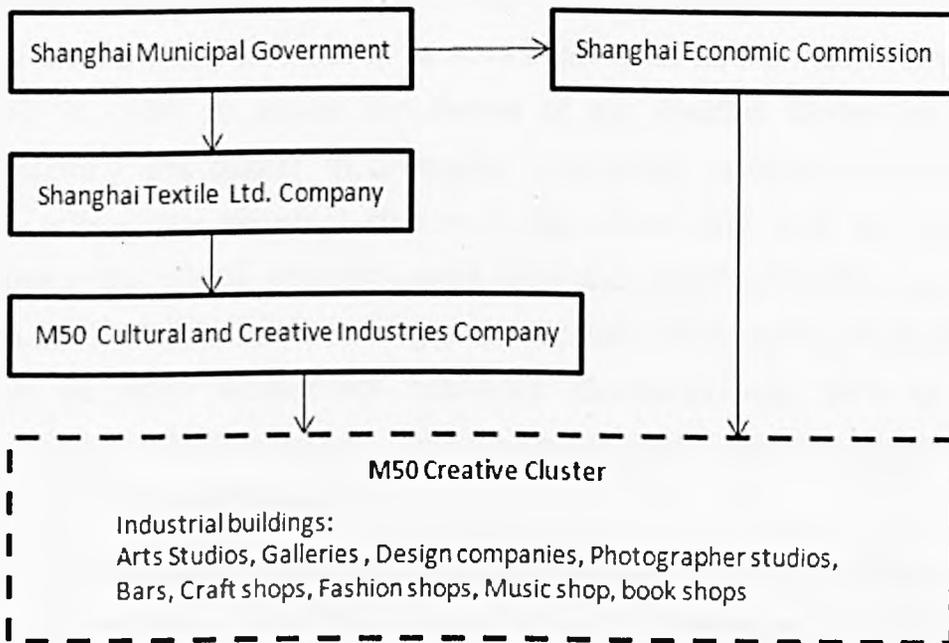


Figure 6.2 The management structure of M50 creative cluster

M50 manager, as the key person in M50, he was instrumental in the protection and development of M50 by making a serial of policies on

controlling the organizations in M50 and establishing the differentiated rent system for different types of industries in the cluster.

Firstly, he instituted a differentiated rent system for different industries in M50. He objected to increase the rent in M50 merely in order to achieve greater economic benefit. Although M50 faced the reality to support the unemployed workers who used to work in SHCWF; meanwhile, as the SOA of SHTLC, M50CCILC also faced the difficulty to meet up the economic aim set by the head quarter of SHTLC, a flexible rent system were adopted for different organizations in M50. First, in order to retain the most famous artists to maintain the artistic milieu and fame of M50, the earliest artists and galleries in M50 could benefit at the lowest rent and a minor increase in the future. Second, the other artists or galleries were charged at the medium level of rent in order to 'make the artists or galleries float' and to examine their creativity in the market. Therefore, the artists or galleries that could survive would be kept while the wake ones would be expelled²⁰. Third, the design companies and other recreational shops in M50 were charged at the highest rent in order to keep them as the minority in M50.

Secondly, he suggested a strict control on the types of organizations in M50. First of all, the visual arts industries were considered as the main industries in M50, in order to assure the theme of the creative cluster as 'the contemporary arts cluster' in Shanghai. Meanwhile, in order to form the artistic milieu, the industrial chains among visual arts and the mix of functions in the cluster, other industries were also permitted in M50, such as design, film, advertisement, training and education, book stores, music clubs as well as other recreational industries. Contemporarily, 65% of the organizations in M50 were arts galleries and studios, while the other 35% were majored in other industries.

Finally, when the economic crisis came into China in 2008, many arts studios and galleries faced the dilemma of survival. However, the manager of M50, Mr. Jin decided to reduce the rent to half price for some of the

²⁰They called it 'fossicking gold in tide'; the gold will be remained after washing in the tide.

galleries and studios, as well as promised to maintain the rent (no increase in a year period) for other companies to help them get through the hard time. He also made the regulations that all the rents in M50 should be permitted by himself only until the end of 2009. He said,

Creative industries need to be protected because of their special characters, such as the unstable market, the risk of investment and lack of timely profit. As part of the SOA of SHTLC, although we should derive economic benefit from these buildings, the money should be produced in a reasonable way. ...a cluster which only makes profit through increasing rent is a complete failure. In order to achieve the long term goal, what we should do is to form our brand of M50 creative cluster by providing the service for artists and the platforms to support creativity. (M50 manager, 2010)

6.2.2.2 Legitimacy through official certificates

These management policies played very important role in guaranteeing the direction of future development of M50 creative cluster. Contemporarily, M50 has become the most successful creative cluster in Shanghai, and is even very famous abroad. According to the manager of M50, as the famous arts cluster, M50 was also awarded the '3A' tourism destination by NTAPRC. However, its intention was not to develop M50 as a tourist destination in the future. The primary intention was to protect M50 and attract customers to M50. As indicated by the manager,

The intention of gaining this award was to protect M50 from demolition in the future. The more official certificates we get, the more insurance M50 has. As an arts cluster, the primary direction of our company is to develop cultural and creative industries. Meanwhile, the other benefit of developing tourism is to attract customers and open the market for artists. The more tourists that know about M50, the more possibility it will survive. (M50 manager, 2010)

6.2.3 The representations of cluster

Like TZF, the same interview questions were used in M50 creative cluster during the empirical work. Different representations of the M50 were identified by the owners, local authorities and artists.

6.2.3.1 Owners' space: cluster means the economic profit

At the beginning, the aim to develop creative industries was to cope with the economic difficulty of those unemployed workers who used to work for SHCWF. As indicated the manager of M50, "since the factory completely stop production, in front of us there was the account book like this, there

were more than 1,200 unemployed workers in our factory, up to 86 million RMB debit, and lots of products overstock in the warehouses, as well as more than 1600 retired workers' welfare" (Huang and Gong, 2005).

Since 1999, the factory has faced the great burden of maintaining the living of unemployed and retired workers. Meanwhile, these industrial buildings were planned to be demolished and developed as luxury residential buildings in the Master Plan of Shanghai. However, because of the disagreeable price of the land, the plan was put off several times. In 1999, some artists happened to rent these factories as their studios. In facing this economic difficulty, the manager decided to lease these factories temporarily to artists. In the beginning, artists' studios, printing, fashion, advertisement and express delivery companies, as well as newspaper and magazine publishing companies were introduced (Jin, 2009). However, leasing the industrial buildings to artists was a provisional plan to deal with the economic difficulty. In 2005, the factory was officially designated to be M50 Creative Cluster that signified its acquirement of legitimacy from the local government.

6.2.3.2 The planned space: political domination

The evolution process of M50 creative cluster indicated the policy dominance of the government in M50 development. During its transformation process from SCWF, SCUIP, CAIP to M50, and contemporarily M50CCILC, although the artists, scholars and other media played important roles in protecting of M50, the final destiny of M50 was determined by the local government power. Since 2004, the creative industries and creative cluster were put forward in the governmental policies, M50 gained the legitimacy to be protected and developed from the local government. As indicated by an anonymous officer,

The most important support was from the government. Without the government, it was impossible to do a thing like this in China. The final decision to protect M50 was made by the district government. (M50 officer, 2008)

Cluster as the representation of economic capital

The economic benefit generated by the rent is the main income for M50 creative cluster. However, the rent is negligible, compared with the price of

the land. The primary value of M50 creative cluster was evaluated by its increasing land price. As indicated by one anonymous district officer,

Nowadays M50 only contribute 7.5 million for tax, if this area was developed as residential buildings, the economic contribution would be ten times larger...We should pull down those old warehouses and build up new residential buildings, in order to improve the living conditions of residents. Artists should not be the minor group of people who lie in the way of the development of history. (c.f. Han and Zhang, 2004)

During the last ten years, the price of the land increased many times, as the manager of M50 said,

The development of M50 was the struggle of protecting the land. The price of this piece of land is unpredictable today and it will still increase a lot in the future. We should continue our protection of this land. (M50 manager, 2010)

Even in the long-term vision, for the local authority, the existence of M50 creative cluster might be considered as the tool to protect the land in order to make a better deal in the future.

Maybe one day the price of this area will increase to an unbelievable high level, then I am not sure M50 creative cluster will still exist or not in the future...it is all depended on the will of local authority. The local authority changes every a few years and you cannot predicate what policy will be adopted by the new authority in the future. It is all depended on their political credos. (M50 manager, 2010)

As have argued by scholars, under the philosophy of 'entrepreneur government', trading power for money is the under table rule for local authority (Zhang et al., 2006). Therefore, the destiny of M50 in the future is still controlled by the local authority, and to some extent unpredictable.

Cluster as the tool for managing artists

Keane (2009) has argued that creative clusters had been used by the government as the tool to manage artists in China (see 6.1.3). This was also testified by the interviewees in M50 creative cluster. In 2008, the first branch of CPC in creative clusters was established in M50. This branch was established by the Communist Committee in Changshou Community (Street office), PDG (district office), as well as the Communist Committee of SHTLC, in order to promote Socialist culture and build up cohesion of community (Zhao, 2008).

This branch constituted 11 CPC members. They were also the designers, artists and consultants working in M50. Their main responsibility was to promote the thoughts of CPC among other artists in M50 by organizing activities or lectures on moral education and ideological propaganda. On the one hand, these communist members in M50 acted as models and tried to influence other artists. Their responsibility was to set the models for other artists in the cluster. On the other hand, they also supervised other artists' activities in the cluster (M50 CPC branch, 2008). This was also testified by the artists in M50.

You know the political issue is very sensitive in China. They consider artists as the abnormal people because usually we are more creative and advanced in thoughts. Most of us believe in anarchism. That's why they try to control our thoughts through establishing communist branch inside the M50 creative cluster. (M50 artist5, 2010)

There are lots of police men in normal dress in M50 creative cluster. Some topics were prohibited here. You even don't know when you will get caught. But we know they are there... just a few weeks ago, one of my paintings about Chairman Mao was removed by them. (M50 artist6, 2008)

The ideological control over artists has been contradictory to the nature of contemporary arts, which was avant-garde, open and free, sometimes even critical and radical. Therefore, most of the artists expressed their fundamental antipathy to the ideological control from the CPC in their own way. However, they did not really fear about it. Instead, they just avoid any sensitive themes or topics that might be prohibited in the cluster, which is similar with the case in TZF.

6.2.3.3 Artists' space: cultural representation

Symbolic value: Creative Cluster as the brand making

Compared with working at home or companies, artists obtained more opportunities to promote themselves through opening their own studios or galleries in creative clusters, especially when the creative cluster is already mature and famous, such as M50. The fame of M50 in China and even abroad could also benefit the artists to enhance their fames and popularity. Meanwhile, the cluster provided the space for artists to get together, know each other and meet arts collectors, which helped enhancing their social and symbolic capital as well.

Clustering is very important for artists. The collectors all over the world could easily find you when you are in a famous cluster. M50 is very famous in contemporary arts in Shanghai and even abroad. Most of the collectors know it. It helps enhancing the fame of my gallery. (M50 artist18, 2008)

I moved to M50 because it is the most famous arts cluster in Shanghai... [Working in] a famous cluster means you have more opportunities to meet big arts collectors, high quality customers and even chances to be employed or promoted by big galleries... the value of artworks is up to the market, actually the most famous artists have all been hyped up by some collectors or galleries... the most important thing is who you know and how lucky you are... (M50 artist5, 2010)

The other factor related to the big fame of M50 was that it also provided the advantage in building up the business environment than other places. This is important because artists have to convert their cultural capital to economic capital through the market. In other words, they have to transform their artworks into money in order to make a living. Clustering usually means the chance to meet more and better quality customers. As indicated by a studio and gallery owner in M50,

Clustering can attract more customers, especially big collectors. M50 is the most famous arts cluster in Shanghai... It is well known by lots of collectors and foreigners. Opening my gallery here means the chance to meet good quality customers and collectors. If you open your gallery separately, it is difficult for you to meet them and from them to find you. (M50 artist 12, 2008)

Cluster as the market to examine creative activities

The cluster also provided the place where the creativity could be examined. For the artists, gallery managers, designers as well as craft workers, creative clusters were the important experiment fields for their enterprises. As explained by the manager of M50 creative cluster,

Because of the characters of creative industries, the value of the artworks is depended on the market. The artists need to do experiments in the market to know the value of their creation. M50 provided the space to carry out their experiments. (M50 artist11, 2010)

Great creativity means great business... you have to put your idea into the market to see how much is it worth... (M50 artist5, 2010)

For the artists or designers, opening their own studios or galleries were the most common ways to carry out their enterprise experiments in M50. An artist stressed the risk of art market:

Especially for a mature creative cluster like M50, the market is very risky. The average expense here is 150,000 RMB a year. If you do not have the necessary economic support, do not try it. However, if you succeed, the return will be great too. (M50 artist1, 2010)

M50 also provided other means for the beginners of arts to start their enterprises. For example, in order to promote the new creative workers, the 'Creative Markets' project, 'Creative New Talent Contest' were held every year by the creative cluster. An artist of M50 introduced:

Creative Markets' project in M50 provides the college students the opportunity to sell their own creative designs... The 'Creative New Talent Contest' is held once a year. One new talent will be selected in the competition. A free studio in M50 will be provided for the winner to start his career as an artist. (M50 artist11, 2010)

As introduced further by the M50 manager,

This [Creative New Talent Contest] is the special program of our company in order to detect new talent... Many young people have shown their creativity and passion in arts and design. This program plays important role in cultivating the new talents for the future development of M50 creative cluster. (M50 manager, 2010)

Cluster as the free contemporary arts center

During the last 5 years, there were about 300 arts exhibitions on average held in M50 every year (M50 manager, 2010). It became the most important contemporary arts museum in Shanghai. Meanwhile, compared with other art galleries in Shanghai, M50 was free and open to the public. It was the frontier of contemporary arts. It played an important part in Chinese contemporary arts as the platform for exhibition and communication. M50 artist 19, a famous gallery manager expressed his opinion,

M50 creative cluster is actually an arts space for public. No matter how many tourists [visit here], the primary motivation is to see the arts. If you want to see arts in Shanghai, M50 is the best place because there are free exhibitions every day. (M50 artist19, 2010)

Through providing free arts exhibitions for the public, M50 has built up the bridge between contemporary arts and the audience, and acquired its fame among the public. In other words, it successfully transformed its cultural capital into symbolic capital. Contemporarily, M50 has become a famous brand of cultural and creative industries in Shanghai. It has also been considered as the one of the cultural landmarks of Shanghai (Xiao, 2007). As Han (2006) has commented on M50:

I wish M50 will be constructed as the symbolic cultural venue of Shanghai. It is not only an arts cluster, but also an organic part of the whole Shanghai. The value of M50 lies at its contribution to the cultural construction in Shanghai, rather than how much its economic value is. The best way to support its development is to let it go and grow naturally. (Han, 2006; c.f.Zhuang, 2006).

Discussion

Some of interviewees indicated that they might leave M50 because of the increasing rent and the gradually disappearing artistic milieu.

Foremost, similar with TZF, the main problem facing M50 was the increasing rent. Many artists and gallery owners complained about the increasing rent and indicated that they would leave M50 when the rent became unaffordable or if they got better choices. Although the differentiated rent system was adopted in M50, only the artists and gallery managers who settled down at the beginning of the cluster could benefit from the fixed lowest rent policy. The artists who joined M50 later than 2005 paid a much higher rent. Moreover, because illegal subletting was very common in M50, some people settled down earlier took advantage of the preferential policy to get a large space and sublet it to other artists at a higher price. This also led to the continuously increasing rent of M50.

The increasing rent brought great economic pressure for artists working in M50 creative cluster. As a result, the burden of survival made the artists place greater emphasis on the commercial value of their works rather than the artistic value. As indicated by one artist,

The initial aim is to survive. It cost at least 100,000 RMB every year to maintain an individual gallery in M50. It is different from working at home. It is an investment... The arts market is very risky. Especially this year, because of the financial crisis, the market is stagnant. In order to survive, we must be sensitive with the arts market. Otherwise, we will be expelled from the cluster... and galleries or design companies that have a stronger financial background will take our place. Actually, during the last few years, the number of galleries has increased a lot, while the number of artists has decreased a lot. (M50 artist1, 2008)

6.2.4 The social field of capital struggle

6.2.4.1 The dominance of political power

As discussed above, M50 has also experienced a transformation from spontaneous arts village to creative cluster designated by the local authority.

The legitimacy process from the government indicated the identification of M50 from the local authority, which included the designation of 'creative cluster', '3A tourist destination' and 'industrial protection pilot area'. As the manager said, 'the more certificates we get, the more insurance M50 has' (M50 manager, 2010). These certificates approved by the local authority provided legitimacy and protection for its legal existence. Therefore, political power still played a determined role in the development of creative clusters.

However, because M50 is legally a branch company of STLC which is a SOE, contemporarily it adopts an enterprise model in management. The local authority involved in its governance through policies and regulations, as well as the moral education of artists, rather than direct intervention into the businesses. Therefore, compared with TZF, M50 has a certain extent of autonomy. This allows the managers to exercise their rights over the space, other than completely subject to the wills of local authority.

6.2.4.2 Marketing of the space

Contemporarily, M50 is managed by M50CCILC. It is a registered company transformed from its predecessor -- SHWF -- a branch of SHTLC. It adopts an enterprise model in management. The space is the most important product for sale. The most important economic benefit is generated from the rent of space. Therefore, artists are considered as the consumers of the space.

Commercialization of the space

As discussed above, as a branch company, M50 has faced the economic pressure to maintain the company and the welfare of the unemployed workers. As a branch of SHTC, it also has to meet up the economic requirement from the upper company. Thus, in order to generate greater economic benefit, the company has an unwritten rule that the rent increases by 10-20% very year. Although the differentiated rent policy was adopted in M50, only a few artists who settled down before 2005 could benefit from this. Most of the artists, as well as other creative companies, must face the continuous increasing rents.

Early up to 2000, the rent was about 0.3-0.4 RMB per square meter per day (psmpd). At that time, only a few arts studios and galleries settled in M50. However, since 2005, more and more galleries and design companies came into M50. Until 2010, the rent increased to 3-4 RMB psmpd, while for some companies, the rent is about 5-6 RMB psmpd. The rent increased more than ten times during the last ten years. As indicated by the manager,

The rent in M50 is reasonable, though it is inevitable that some of the artists have to move out because of the unaffordable rent. In order to attract the best artists and companies in M50, this is the way to wash out the weak ones. (M50 manager, 2010)

The changed components of creative entrepreneurs

The other effect of spatial marketing has been the changed components of creative entrepreneurs in M50. As discussed in above section, the artists' studios were replaced by galleries during the last few years. As indicated by an artist who settled at the early stage of M50,

When I first came to M50 in 2004, there were about 50 organizations in M50. Except a few galleries, such as Shangri-la Arts Gallery and Being Arts Gallery, most of them were studios of artists. However, the organizations in M50 increased to about 130 in 2005. Most of them are galleries and design companies. The rent increased considerably during the last 3 years. In 2004, the rent was 0.7-0.8 RMB psmpd. Nowadays it is 2.2 RMB psmpd. However, because of the preferential rent policy for the earliest artists, this is still cheaper than new tenants in M50 who are charged for 3-4 RMB psmpd. (M50 artist 1, 2008)

He explained in detail,

Because of the increased rent, many artists were expelled from M50 and taken place by arts galleries. The artists who remained at M50 also changed their studios into arts galleries. Nowadays more than half of the organizations in M50 are arts galleries. (M50 artist 1, 2008)

6.4.2.3 The negotiation between artists and M50

In order to cope with these shortcomings in the process of M50 development, the manager suggested several means to improve in the future. For example, in order to maintain the forms of entrepreneurs in M50, a stable relatively lower rent will be guaranteed for the studios of artists. M50 manager said:

Artists require a quiet environment for creation. In the future, we will establish an organization such as 'Artists Committee' to communicate with us. For example, it may be possible to invite some famous artists

together to discuss about the development of M50 and share their opinions on cultural activities in M50. (M50 manager, 2010).

His statements indicated the possibility of artists' involvement into the management of M50 creative cluster in order to achieve a better negotiation between artists and M50 in the future.

6.2.5 Summary

The ownership

The ownership of M50 creative cluster is clear, compared with the TZF creative cluster. Contemporarily, it is managed by M50CCILC with an enterprise model. The central aim of the company is to develop creative industries in the cluster and produce creativity. The primary role of the company is to provide facilities and services for artists working in the cluster. The main income of M50 is from the rent and the branch brands developed from it. The local authority involved in the governance through establishing a branch of CPC in M50 which was mainly in charge of the ideological propaganda among artists, other than the enterprise management.

Representations

The representations of M50 creative cluster were generally agreed by most of the artists and the managers. For the manager, M50 was defined and managed as a creative industries company. For the creative entrepreneurs (artists, gallery managers, designers and photographers), the representations of M50 was considered to be the symbol of arts centre, the brand of arts, the loft living lifestyle, comparatively lower rent, the experimental space and the free contemporary arts museum. However, the local authority gives a potentially different opinion. Although the destiny of M50 is still arguable in the future because of the underlying dominant role of the local authority as the landowner, contemporarily M50 has been comparatively successful in creating the representation as a creative cluster.

Struggle of capital

In the social field of M50, the M50 CCILC played the dominant role. Although the local government played a critical role in designation and ideological propaganda among artists, it did not directly involve in the

management. Therefore, M50 adopted an enterprise model in management by which the artists were considered as the consumers of space as well as the employees of the company. The economic benefit was mainly generated from the rents. The output of M50 was creativity. Thus, in order to get the balance of economic profit and creativity production, the negotiation between artists and M50 Company could be achieved. This led to the win-win effect for artists and M50 Company.

Conflict: influence on creativity

The most significant conflict in M50 was the illegal subletting and the increased rent. These brought heavy burden for the artists to survive in M50. As a result, some of them had to create artworks for the market, while the others may be took place by galleries or other companies. This indicated the necessity of enforcing stronger control over the illegal subletting market and the possibility to expand the implication the of preferential rent policy.

6.3 Conclusion

6.3.1 Capital and representations

In conclusion, as shown in table 6.1, different stakeholders owned various types of capital and thus attributed different representations to the creative clusters. This table only listed the main form(s) of capital owned by different stakeholders. Meanwhile, as Bourdieu (1986) has argued, different forms of capital could be transformable and convertible between each other with great efforts. For example, the artists owns mainly the cultural capital in forms of cultural production - which could be transformed to be economic capital (money and business) and political capital (in terms of the role of arts in promoting public arts education, artists, especially famous artists could own political capital to express their voice). In this way, it is suggested that the symbolic capital should be introduced. For instance, famous artists in the creative clusters are always considered the symbol of success and used for promotion. In this way, cultural capital has been symbolically illustrated.

Table 6.1 Capital and representations of the space

Stakeholder	Capital	Representations
Property owners	Economic	Incomes Home memory Neighborhood
Local authority	Political Economic	Political performance Economic benefit Management tool
Artists	Cultural	Brand making Business climate Test bed of creativity Public arts museum

6.3.2 The institutional roles of management

Concerning management, the TZF creative cluster was dominated by the local authority. It was planned as an urban cultural tourism destination, which combined the function of creative cluster and emphasized the role of creative industries as the tourism attractions. Its initial aim was to regenerate this area through the combination of culture and tourism. It was managed by TZFMC which was established directly by district authority. It regulated the businesses in TZF by establishing policies. However, in practice it actually did not have strict control over the industries permitted in the cluster. This allowed the cultural and commercial functions to coexist much easier. However, consequently, arts and artists were gradually marginalized, and alternatively, many restaurants, bars and pubs, fashion and souvenir shops, as well as domestic hotels overspread in the cluster in order to attract tourists and achieve its function as a tourist destination.

Comparatively speaking, M50 creative cluster was managed by an enterprise model. From the viewpoint of planning and management, it stressed arts as its essence. It had strict requirements of the industries and companies allowed to join in M50. It formed a creative cluster, which was mainly constituted by arts galleries and visual arts studios, as well as a few

companies majoring in photographs, design, advertisement, and film and music industries. Its representation as the creative cluster was recognized by both the managers and the creative entrepreneurs. It also expanded its brand of M50 into several branch creative clusters which could be considered the success in creating M50 as a representation of creative cluster.

Moreover, M50 also showed great advantage in creating a creative milieu in terms of holding a large amount of arts exhibitions and organizing cultural activities. It was initially considered to be the biggest arts center of Shanghai. However, in TZF creative cluster, there were only a few spontaneous and arts exhibitions and activities. Its cultural milieu was completely replaced by the commercial milieu and business climate. Its representation as a creative cluster decreased, and took place by the new image as the urban cultural tourism destination in Shanghai.

However, TZF and M50 both faced the problem of increasing rent and commercialization of the creative cluster. TZF showed a stronger character of commercialization that brought great side effects on creativity, such as the changed professional identity of artists and the plagiarism of creativity. Although M50 adopted a differential rent system, it also faced increasing rent on a small scale. Generally, it created a successful creative milieu for the artists. However, it also indicated the possibility of improving its management in the future.

6.3.3 Social networks

Regarding social networks, both clusters presented strong struggle among different stakeholders in the social field. However, in TZF, the political (local government) and economic capital (property owners) played the most important role, while the cultural capital (artists) were neglected in the social field. In M50, the economic and cultural capital has achieved balance to certain extent.

Chapter 7

The Art worlds: embedded creative field

As discussed in Chapter 5, new physical space was produced in the creative clusters, which provided the fundamental space for arts creation, exhibition and source of creativity. In Chapter 6, the various conceptions and representations of creative clusters, and the struggle among different stakeholders in the social field were discussed. In this chapter, the attention pays to the art worlds. It brings together the spatial practice and social fields and provides reflections on the spatially and socially located and grounded 'art worlds': the embedded creative field. This chapter investigates the social networks among the art worlds, and their influence on artists' creativity.

In 1980s, Becker (1982, p.34) published his book *Art Worlds* and argued that the artistic creativity was a collective process, other than a product of individual artist. He stressed the cooperative and collective characteristics of the art worlds (See Chapter 2). In this study of the two selected creative clusters, the art world consisted of the artists and the related people, such as the suppliers, the cultural entrepreneurs and the customers. However, because of the difficulty in gaining access to suppliers and customers, the data used in this study are mainly generated from the interviews with artists. Based on the interview data, this chapter investigates both the social networks and the trading networks in the art worlds. Using Bourdieu's theory, this chapter then discusses the roles of habitus and capital in forming art worlds of artists. Finally, this chapter investigates the spatially and socially embedded creative field and its influence on artists' creativity.

7.1 TZF

Since Yifei Chen settled his studio on Taikang road in 1998, more and more artists came to this area to set up their studios and galleries in TZF, where an art world was gradually formed. In this study, the concept of the 'art world' is used to describe the artistic field formed by the various artists in the cluster. The art world in TZF was composed of mainly three parts as follows. First, the arts studios produced artworkss. Second, the arts galleries where

artworks were sold. However, most of the studios were also used as galleries as well. The artists played the roles of both arts producers and entrepreneurs. Third, other agents involved in arts production and consumption as well, such as intermediary agents, professional curators and customers. Finally, regarding other entrepreneurs in TZF, rare networks were found between artists and them. They were not considered part of the art world.

7.1.1 The art worlds

An analysis of the cultural organizations in the TZF creative cluster underlines the dynamic nature of the entrepreneurs. Therefore, it is quite difficult to describe the whole nature of creative entrepreneurs in TZF. TZF artist 1, who firstly settled his studio in No.5 building, watched so many artists come and go in the last seven years.

I settled here in 2001. I am the only one who has stayed here since 2001. The houses in TZF are very popular. People come, people go. The creative entrepreneurs in the cluster changed very fast. Sometimes, if you did not come to visit TZF for a month, you would find some shops were replaced by new ones (TZF artist1, 2008).

Some artists even could not survive for a month, some for two or three months, some for half a year, left than 50% could survive for a year. Thus, the artists in TZF are very dynamic. I settled in TZF in 2003. At that time there were more than twenty artists came to TZF at the same time. However, nowadays only four of us stayed here. Artists come and go very frequently in TZF. As the old saying goes, "Fixed barrack, floating soldiers" (TZF artist18, 2008).

Except a few artists who are rich enough, most of them came here to make a living. Those artists who could survive for 18 to 24 months were successful. Most of them even could not survive in TZF for 7 months; some of them could survive from 7 to 18 months but finally failed. The people here are flowing very frequently (TZF artist15, 2008).

In conclusion, the creative entrepreneurs in TZF were very dynamic. The high turnover rate was mainly due to the unreasonable frequently increasing rent. The other reasons included the limited space at TZF and the disappearing artistic milieu, as discussed in the previous chapters (see Chapters 5 and 6). As indicated by the interviewees, the economic pressure of increasing rent is the most important reason for these who left TZF. However, it seems impossible to get into touch with artists who already left TZF. Thus, it is only possible to get a general understanding of the structure

of creative entrepreneurs in a limited period. As shown in Table 7.1 and 7.2, the forms of entrepreneurs in industrial buildings and vernacular houses are different from each other.

Table7.1 Creative companies in the old factories

Category	Number	Percentage (%)
Galleries/Studios	56	41.5
Art craft shops	25	18.5
Design/advertisement	12	9
Fashion shops	16	11.9
Bars/ restaurants	8	6
Photos/media	5	3.7
Trading/consulting	11	8.1
Music	1	0.7
Artists' Chamber	1	0.7
Total	135	100

(Statistics by the researcher in Nov. 2008)

Table7.2 Creative companies in the vernacular houses

Category	Number	Percentage (%)
Fashion	79	43.7
Restaurants	48	30.3
Painting/photos	4	2.5
Furniture	8	5.1
Arts crafts/Souvenirs	27	11.1
Media	1	0.7
Design	1	0.7
Total	158	100

(Statistics from the TZFSC in Nov. 2008)

As shown in the above tables, altogether, there are 56 arts studios and galleries in TZF until Nov. 2008. This means arts galleries and studios took

about 19% of all the creative enterprises in TZF. These arts galleries and studios are classified into two categories. On the one hand, most of the private arts studios are also used as galleries as well. The cluster is a space for both arts production and consumption. Artists are the producer as well as the traders of artworks. Most of the artists consider themselves as both artists (artisans) and businesspersons (from interviews). They create, exhibit and sell their works at the same place --- their studios. That is to say, it is the 'front shop and back factory' model (TZF manager, 2008) of arts production and consumption.

On the other hand, some of the arts galleries are operated by individuals or professional agents. They are the trading platforms of artworks, where the artworks and consumers are connected. However, what emerged interesting from the interviews is that, the professional arts galleries in TZF do not have any trading networks with the artists in the cluster. They prefer trading with the artists outside TZF.

In conclusion, artists and arts gallery managers constitute the most important parts of the arts world in TZF. However, apparently they do not form a complete art world in the TZF. Other elements should include curators and customers. It is argued that artworks are completed not only during the process of production, but also through consumption. Thus, the professional curators and customers also play important roles in the art world. According to the interviewees, the social networks among artists, curators and customers are also important.

7.1.2 The social space of artists at TZF

It has been argued in the literature that social networks play an important role in creative clusters in terms of formulating creative milieu, sharing tacit knowledge, building trust and reducing risks (see Chapter 1). This section presents the role of social networks for artists. Interview questions were presented as follows, in order to collect information on the frequency of social interactions, the people to socialize, the reasons and effects, and their opinions on social networks (see Appendix C-1 and 2).

- Did you make friends in the cluster?
- Who do you contact in the cluster?

- How often do you contact with others in the cluster?
- Where do you meet each other? What activities do you have in the cluster? What do you usually communicate?
- What are the advantages and disadvantages of social networks in the cluster?
- How do you describe your social networks in the cluster?
- Do you have enough opportunity to know other artists in the cluster?
- What are your suggestions for social networks?

In this section, the social space of artists has been divided into two categories (see Chapter 1, p. 14): the social networks and the trading networks. Because of the deficiency in statistic of arts collaboration in creative clusters, the main focus has been on the social networks among artists, whilst the trading networks will be briefly discussed in the next section.

Social networks were very common in the TZF creative cluster. Most of the interviewees (13/18) indicated that they had frequent social networks with others in the cluster. The social networks were facilitated by the geographical concentration of artists in the industrial buildings, especially No.5 building in TZF.

Currently, there was no formal organization of artists in TZF. Social interaction generally took place on an informal basis. As indicated by the interviewees, small groups of artists were spontaneously formed in terms of the same birthplace, the relationship of classmates or colleagues, and the private friendship. Based on Bourdieu's habitus, field and capital theory, the formation of informal social groups in TZF will be discussed as follows.

In Bourdieu's theory, habitus has been defined as the structured behavior that is structured by one's past (social origin) and present circumstances (taste acquired through learning). In this study, it is suggested that similar habitus plays significant role in forming close networks among artists.

Firstly, birthplace was identified as a very important factor of social networks for Chinese people. In Chinese culture, birthplace has important meaning. People who come from the same birthplace are called 'fellows'. Fellows not only mean the people from same place, but also mean they have the similar

social origin, language, cultural background, sense of the place and self-identity. It is also connected to nostalgic study. The fellow concept of Chinese people designates to who miss home, attach to his hometown, identify to his hometown dialect, mutual help between fellow actors and even fellow behavior among organizations (Fei, 1987). Therefore, fellow should be considered part of the 'habitus' of a group of social agents. In this study, as indicated by the interviewees, artists mainly relied upon their birthplaces to form their groups in the creative cluster.

Secondly, being classmates was indicated as another important origin of social networks in the cluster. This usually means having a similar experience during certain periods of life. It also means having the same interest and educational background. In terms of Bourdieu, qualification is part of the cultural capital. The artists who have same educational background could suggest they own similar cultural capital. In the empirical study, the social networks of artists in the clusters usually form among the artists who owned similar cultural capital.

Thirdly, private friendship was another form of social networks among artists. Pre-existing friendships is considered a strong tie among artists. Most interviewees indicated that they were introduced or attracted to the TZF by their friends. This kind of strong tie helped them involve into the art world, build up trust among each other, and reduce the risks of survival in the vigorous arts market. Currid (2007) has argued that it is important for artists to know somebody, which also suggests the significant roles of social networks in accessing to the arts world.

Fourthly, artistic creativity in the cluster may be considered a collective process. No one is isolated (Becker, 1982). Although creativity in visual arts has been considered to be highly individualized (Drake, 2003; Kong, 2009), Becker (1982) has argued that artwork is still a product of an essentially collective process in the art worlds.

Finally, different amount and structure of capital owned by different artists, could become a barrier for social networks. As one of interviewees, a professor in a famous university near Shanghai stated,

I don't have any friend in the cluster because we are in the different levels of understanding of arts. Networking only exists among the artists who are in the same level. I have communication with my friends in the university I am working at. Meanwhile, I am more familiar with my colleges in the university. This gives me more trust to communicate with them (TZF artist 16, 2008).

Therefore, the different understanding of arts by each artist might be the important barrier for social networking in the cluster. The similar conclusion was drawn from Hellmanzik (2010). In his study of visual artists, he has argued that the cluster premiums rely upon the quality rather than quantity of peers in the location.

Case study: The Jiangsu Group

This group consisted of four artists from the Jiangsu province, which is near to Shanghai, and two artists from Shanghai. Because the special location of Shanghai surrounding by Jiangsu province, many Shanghai people have their origin in Jiangsu. Thus, they are considered one group. In terms of Becker, they formed an art world. They have been very active and socialize with each other very often. They usually have dinner together. For example, some of them shared studios. Some of them take their turns to take care of each other's studio.

I have been here for about 1 year. I used to be an arts teacher in college. After I retired, I felt bored at home. My friend TZF artist 13 introduced me here. He shared half of his studio with me. We help each other to take care of the studio... TZF artist 1 also helped me a lot to get involved in TZF... We are all from the same home province, including TZF artist 11 and 3... We eat out together very often. (TZF artist12, 2008)

Case study: The Sichuan University group

This small group consisted of three artists from Sichuan University. Their galleries in TZF are located next to each other. They usually take turn to take care of each other's gallery. Most of the time, only one of them stay in TZF to take care of their galleries, while the other two are working at home. They share opinions on arts creation and the information of market. They also have much in common in their social lives. This kind of close social network benefits them from several aspects. First, it allows easy access to information by sharing knowledge and experience, so that they can learn from each other. Second, it helps them to save time to deal with customers

at the gallery and do more creation at home. Finally, this kind of close social bond helps them build up strong sense of belonging within the group.

We have known each other for more than ten years. She was one of my classmates in the university. Since I came here in 2003, I introduced her to TZF to open her own gallery. ... We are very close friends so that we help each other. As you can see, her gallery is just opposite to mine. Therefore, I can take care of her gallery when she is out and she does so for me as well... We have another friend, who gallery is next to her. We three take turns to look after our galleries. (TZF artist7, 2008)

Case study: social networks of TZF artist 1

TZF artist 1 was the first artist to be interviewed in the TZF, and the first to settle in the No.5 building, which turned to be the arts building now. Most of the artists were clustering in No.5 building. He used to be an officer in the cultural institutions at his hometown nearby Shanghai. He quit his job and wanted to realize his dream as a professional artist. He went to Beijing in the beginning. However, he soon left Beijing because of the barriers to enter the art world of artists in Beijing. He then stayed at an arts village in Pudong district of Shanghai for half a year. However, this arts village was demolished at the end of 2000 because of urban planning. Finally, he found TZF the best place and moved into TZF in 2001. It was just behind Yifei Chen, the famous artist in China who settled his studios in TZF. He said:

It was at end of 2000. The arts village in Pudong District was demolished. Yifei Chen was working in TZF at that time. There were many reports on him. Many people came to visit his studio. A few friends of mine and I decided to visit as well. His studios were settled in No. 1 and 2 buildings at the entrance of TZF. When I first visited TZF, although Mr. Chen's studios were not open to public at that time, I liked the arts milieu here and did not hesitate to get the space in No. 5 building. I thought even his studios were not open, tourists would walk inside and visit other's studios... Then a few of my friends from the arts village in Pudong District moved in TZF. We had five artists in No. 5 building at the beginning. However, four of them left at last. I am the only one who has been staying here for 7 years (TZF artist1, 2008).

Therefore, TZF artist 1 knew about the process of TZF development very well, and had broad social networks in the cluster. He was also a very warmhearted man, who helped many artists who came to TZF to start their studios. TZF artist 11, who came from the same birthplace and was a colleague at the same work unit with Mr. Liu, expressed his appreciation to TZF artist 1:

We used to be colleagues at our hometown. TZF artist 1 quit his job and came to TZF earlier than me. He suggested me open up my own studio in TZF when we met again on a party at our hometown. This decision changed my life thoroughly. Otherwise, I might spend all my life in the governmental institution. When I firstly came here, I did not know what to do. TZF artist 1 also helped me a lot identify my own style. I really appreciate his help a lot! (TZF artist11, 2008)

TZF artist 2 who had friendship with TZF artist 1 for a long time, also came to TZF because of TZF artist 1's recommendations.

I knew TZF artist 1 for a long time, more than ten years. I used to teach at a college. I also worked in Beijing for a short time. In 2005, Mr. Liu introduced me to TZF. At the first year, I did not have a studio because the available space was rare. There was a long waiting list. I worked for a gallery for a year. Later I got the space and became a neighbor with TZF artist 1. We are very good friends. We help each other take care of the studios. We eat out together every day. We have lots of social interaction. We also share information on arts market and communicate about each other's works. For example, when I have an idea, I will share with Mr. Liu to have his opinion. If I have a piece of artwork, I would also ask Mr. Liu to give me some comments. These networking activities are very important for us. I am very lucky to have a friend like him (TZF artist 2, 2008).

TZF artist 14, who was a new artist in TZF, also commented on her social interaction with TZF artist 1.

TZF artist 1 is a very warmhearted teacher²¹. As a new artist who has been here for only three months, I received lots of help from him. He shared a lot of information on arts market and discussed about arts as well. He also introduced other artists in the cluster to me. These are very important for a new artist to get involved in the 'arts circle'²². It is especially important that you know someone (TZF artist 14, 2008).

TZF artist 1 also had social networks with other artists in the cluster. About half of the interviewees were introduced by him, while the other half of the interviewees were introduced by his friends.

²¹Teacher is used in China to express honourable respect to the elder person.

²²In Chinese, 'artistic circles' (Yishu Quan) is a similar word to 'art worlds', which means the social networks of artists. To expand, there are several different 'circles' in the society, such as 'entertainment circle', 'sports circle'. Hereby the circle is equal to 'world' of Becker and 'field' of Bourdieu.

7.1.3 The trading networks

The interviewees revealed very little structural collaboration or trading networks between among organizations located in the TZF. The trading collaboration between the artists and galleries in TZF was very rare.

As revealed by Gallery manager, Miss Wang,

I do not have any clients in TZF but only sell works from the outside. As you know, if I have cooperation with the artists in TZF, we may have a different price system. The customer may possibly negotiate the price with the artist by himself and usually get a better deal. It is difficult for us to do the business then (TZF artist8, 2009).

This opinion was supported by most of the artists as well. As recounted by one of the interviewees,

I do have cooperation with arts galleries, but not in TZF. In TZF my studio is also my gallery. The customer can buy the artworkss directly from me. The galleries always charge a higher price because of the increased management cost... Meanwhile, it is difficult to deal with galleries in China. They are not trusty. It is very risky to cooperate with them. First, they ask for a high management fee. Second, they ask the artists to bear all the risks. Sometimes they even do not pay us... (TZF artist1, 2008)

However, a few trading networks do exist among some painters, designers and fashion shops.

I am a painter as well as a logo designer. I designed lots of signboards, name cards, brochures and advertisements for the artists, fashion shops and galleries in TZF. Most of my customers are from TZF... I have 20 years working experience in printing industry and 7 years in advertisement. It is easy to find cooperation here. (TZF artist23, 2008)

7.1.4 The embedded creative field

What emerged significantly from the empirical work was the creative field embedded in the social networks of the artists. The creative field consists of the history and artistic milieu, sharing tacit knowledge, building up trust and risk, and facilitating communication.

Cluster means the history and artistic milieu

What emerged as the significant for the interviewees--- and made clear the difference between TZF as a creative cluster and other place --- was a complex set of factors that, in the evaluation phase, was grouped under the word 'milieu'. 'Milieu' was used as an umbrella for different features that are

peculiar for a creative cluster, from the historical background, through the cultural activities and unique declarations and symbols of each studio, up to the popularity of creative cluster and networks among artists.

The cultural/artistic milieu has been emphasized by the interviewees as being the most important factor that attracted them to TZF. In particular, the provision of cultural activities and social networks constituting the most significant factors of the creative cluster was particularly commended by interviewees who own their studios in the cluster.

I came here in 2001. As introduced by a friend that Yifei Chen was here, I came to visit his studio. Although his studio was not open to public at that time, I found the artistic milieu was very good here. That's what I wanted --- my own studio. Therefore I settled my own studio in No.5 building. However, since Yifei Chen passed away in 2005, everything changed. At the beginning it was a perfect place for arts which was constructed by the artists. Nowadays, more and more commercial shops opened here and the rent increased very fast. Lots of artists and galleries couldn't survive and were expelled by the commercial shops, because the artistic milieu is very important for us. I'm thinking that, sooner or later, all the artists moved out of TZF, it will be very difficult to build up a new one like this, because it takes long time to form the artistic milieu of a place. (TZF artist1, 2008)

When I first came here, Yifei Chen, Yongyu Huang et al., several famous artists were still here, the artistic milieu in the cluster was excellent! That was the reason I chose to set my studio here...in summary, in order to survive, artists have to get together and root in the social networks, and then form their own 'social groups' and involve into the arts world. We must have the artistic milieu. For example, I used to work in Song village in Beijing, why thousands of artists were attracted there? Some of them could not even earn a living, but they like to stay there. Because they enjoy the arts milieu there, when you are a part of it, you have inspirations from other artists when you chat to others or watch the exhibitions. You can create great works when you are in the arts village. (TZF artist7, 2008)

The creative cluster is important for artists. At least it provides the possibility for them to work in arts because it creates the environment for arts creation. Meanwhile, the infrastructure is also improved. Otherwise, where can artists go? It is very difficult to create studios all by the artists themselves. Even you can afford the space in the business building; you cannot get the clustering environment for artists. Anyway, artists like to gather in a place. The power of individual is limited. Getting together is their way to survive. (TZF artist16, 2008)

It is important for artists to get together. They need this kind of environment. Some artists left here to other places but all failed to survive. Although there are a lot of creative clusters in Shanghai, there are quite a few clusters where artists can survive. If I open my studio by myself, or share with a few friends, without this clustering environment, it still doesn't work. (TZF artist9, 2008)

In these interviews, the artistic milieu in TZF was the most important factor to attract artists to settle down. TZF was described as the place for creating, exhibition, communication and social networking.

Cluster as the place for information and tacit knowledge

The artists in TZF usually shared information on arts creation, arts market etc. They learnt from each other's experience. For example, if an artist has an idea to create a piece of work, or if he already created a piece of artwork, he could invite his friends to talk about his idea or comment on his artwork. During this process, the idea or the artwork is examined, the creative process is shared and the knowledge is exchanged.

One of the advantages of clustering is that, it inspires my ambition. Artists work together in the cluster and communicate very often. For example, one artist sold several works today. I will think why he could sell his works. Which kind of works did he sell? What are the new points of his works? Maybe I will find he employs new methods of composition, etc. Thus, he provides the latest arts techniques and market information for me... That is how we learn from each other. Otherwise, if you stay at home and create all by yourself without any communication with others, you will neither improve your skills nor understand the market. Therefore, in this way, the market forces you to be creative! (TZF artist1, 2008)

Social networks were also important to obtain experience and 'tacit knowledge' to survive in TZF. As indicated by a new artist,

When I graduated and opened up my gallery in TZF, at the beginning I learnt a lot from TZF artist1. He shared lots of experience with me and introduced me to the arts world. These experiences were very important for beginners. (TZF artist14, 2008)

Space of trust and risk

Social networking among artists in TZF was very common. As discussed above, the social networks among artists in TZF were mainly based on birthplace, friendship, classmates or colleagues, and existing among small groups (art worlds). The intimate social networks helped them involve into the art world and build up trust among each other.

I made many friends here, including artists, customers and tourists from all over the world. It helped me extend my vision, communicate with others, learn from each other, increase my design and creativity in my works, improve my skills and my own cultural accomplishments. All these benefit my growth in arts (TZF artist17, 2008).

However, social networking could also be risky for artists, as indicated by a few interviewees,

It is very risky. Before I did trust others and communicated with them quite often. However, I changed my mind since I experienced the plagiarism of my work. He was one of my close friends who helped me with operating my photo gallery when I was out. One day I found another shop open on Taikang Road which sold totally the same photos as mine. No, they were my photos! He stole all the photos in my computer and opened his own shop. This was a big shock for me. I learned a lot from that lesson that I should not trust even the best friend in the doing business. (TZF artist3, 2008)

The risk of communication has been the main barrier for social networking.

I seldom contact with others in the cluster. I do not create my works here. I think it would be better not to share your ideas or let others see the process when you create your artworks. It is very risky because the creativity or techniques used in your works could be easily plagiarized by others on the one hand; on the other, it is risky also because if your customers watch the process of creation, they may lose the interest to buy your works. (TZF artist5, 2008; TZF artist16, 2008)

Therefore, social networks could be of great significance in building up the trust in the art worlds, in order to reduce the risks such as plagiarism. TZF artist 1, who had the experience of being plagiarized, said that:

It's important to build up trusts among the artists. The hidden rule is that, if one artist plagiarizes another's artworks, he/she will be isolated by other artists in the art world. Therefore, very few artists will take this risk. (TZF artist1, 2008)

Clusters as platforms for communication

Communication has been indicated as another important part of social networks in TZF. Creative cluster has been described as the platform for communication and learning in multiple ways. Interviewees have greatly commented on the significance of communication among artists and customers. They said:

TZF is the place where different people mix together. I met friends from all over the world. As you can see, on this notebook, many visitors left their contact information on it. They are from different countries. Some of them became my close friends. (TZF artist1, 2008)

The creative cluster provided the opportunity for the artists to contact the customers face to face. It was rare in the past. The good interaction between artists and customers could be beneficial for the artists. The more you understand the customers, the more chance you may succeed in the market. (TZF artist1, 2008)

Most of my customers are from the overseas, as well as Hongkong, Macau and Taiwan. Most of them are returned customers. Some of them are collectors. We were familiar with each other. Sometimes they buy artworks from my gallery, whilst sometimes they directly order the custom-made works from me. I seldom cooperated with galleries. However, sometimes I participate in arts exhibitions. The curators are also acquainted with us. The world of artists in Shanghai is not big. Exhibitions are also important for promotion. (TZF artist1, 2008)

The creative cluster provided a platform for communication. On the one hand, it is the platform for artists to communicate with each other. Artists from all over the world could get together to create their work. On the other hand, it is also the platform for artists and customers or tourists who are interested in arts to communicate (TZF artist15, 2008)

Cluster as the self-employed loft-living lifestyle

Most of the interviewees were self-employed, while some of them were employed at universities or government offices as well. Self-employed and the loft-living lifestyle became the important factor for artists to get together and build up their art worlds in the creative cluster because it provided them the ultimate freedom and flexible working style that allowed their creativity to be stimulated and expressed.

I used to be an arts editor in government office. I quit my job in 2000 because the dull working environment almost killed all my passion of arts creation. I really enjoyed the lifestyle in TZF because it provides the most freedom --- do what? When to do it? Who to work with? Etc. I can decide everything according to my preference. As an artist, I need this kind of free environment to inspire and exert my creativity at the most. (TZF artist 1, 2008)

I totally agreed with Mr. Liu. I like the lifestyle here. What can we do if we return to our work units? We can't look back. It was boring. We can't adapt to it any longer. (TZF artist 2, 2008)

I was born in Shanghai. I came to TZF because I like the lifestyle here by which lots of artists get together. I worked as a painting teacher in a college for many years. After retirement, I was idle at home for a year. I was so bored and I didn't want to waste the rest of life in doing housework. A friend introduced me here. It is amazing that there was a space in Shanghai where artists could open their own studios. I really enjoy the current lifestyle. I made many friends here and we usually talk together, have dinner together. We do lots of communication. I feel like I am a part of the society again. (TZF artist 12, 2008, 2010)

7.1.5 Discussion

Competition and plagiarism

Most of the interviewees have indicated vigorous competition among them. On the one hand, the vigorous competition existed between the artists and the commercial entrepreneurs. Artists who could not afford the rapid increasing rent were expelled by the more commercial entrepreneurs. On the other hand, the competition also existed even among the artists themselves. One photographer indicated that he faced vigorous competition from the other photographers in the cluster and this competition forced him to work harder and be more creative in order to survive in the TZF. He narrated his experience in detail:

One of the disadvantages of clustering is that, once you have a new idea in your works, you will find another similar one in the cluster immediately. As you can see, there is another photo shop just opposite mine. When I was in M50, I shared half of his studio. At that time he was an interior designer. I sell my painting works and photos in his studio. Later he opened three photo shops by himself... In TZF, he opened his shop just opposite mine. Lots of his photos were copied from mine. For example, like this one, this is one of best photos in the shop. He had the similar one in his shop just two days after I published my photo in my shop... He also plagiarized my photos of one hundred vernacular house doors. He learnt the techniques of picture processing effect. Such as this one, it makes the background black and white but the object very colorful in order to make the object stand out of the picture. I was the first one to use this skill. If you look around his store, you will find many photos are treated in this style... However, the only benefit is that this environment forces me to be creative! I usually change my themes and styles every month in order to keep my works away from copying. In Shanghai photography shops, no one is better than me. (TZF artist3, 2008)

In conclusion, the effects of competitions were two-faced. On the one hand, the structure of the organizations in TZF was replaced by more and more commercial entrepreneurs as well as fewer and fewer artists and galleries, because the later were more sensitive to the increased rents. On the other hand, they forced the artists to be more creative and formed their own characters in the market. Those artists that survived in the TZF were examined and proved to be creative and successful. Thus, the total quality of the artists working in TZF was enhanced.

TZF artist 1, who has invented his original style of painting New Shanghai, has also experienced plagiarism in TZF. He explained:

There was one artist who copied my work. One day a customer took a piece of work he bought from the other artist to my studio... I was shocked that when I saw that piece of work with my name on it. It was a

facsimile of my work, but it was not mine... At last the customer knew he was cheated. I went together with him to negotiate with the seller on the first floor. I was even more shocked that he had many facsimiles of my work. I argued with him and tried to ask for policemen's help to deal with this problem. However, the policemen said it was not their business. At last the seller agreed to leave TZF if I wouldn't sue him to the court. (TZF artist1, 2008)

When asked how to deal with the plagiarism in the cluster and why he did not seek protection from the law, TZF artist 1 commented that it would be difficult to seek for help from the law and it took a long time because of the difficulty of obtaining proof. In conclusion, these experiences also implied the necessity to establish the comprehensive intellectual property protection laws and provide convenient service for creative workers to protect their intellectual property.

Commercialized cluster and disappearing arts milieu

Vigorous competition also existed between artists and the other commercial entrepreneurs. Artists who could not afford the rapid increasing rent were expelled by the commercial entrepreneurs. This resulted in the commercialization of the cluster and the disappearing arts milieu.

The artistic milieu of TZF was changed a lot since Yifei Chen passed away in 2005. At the beginning the milieu was really great. Nowadays it has completely disappeared. I would like to say it is a tourist destination and recreational resort, rather than a creative cluster. (TZF artist1, 2008)

I came here in 2004. Yifei Chen was still here at that time. The artistic milieu was very thick. I would like to find a place for my own studio. Firstly I settled my studio in No. 15 on 210 Taikang Road because I loved the historical vernacular house there. However, since lots of commercial shops came into TZF, the rent increased rapidly that I couldn't survive. At that time there were four galleries on 210 Taikang Road, but none of them survived until now. I came here because of the artistic milieu, however, nowadays I couldn't feel it any more...for me, there is nothing left....Then I moved into this gallery in No.5 building. Compared with outside, the artistic milieu is rather ok here. However, the space is very limited, thus only allows small gallery to settle down. Artistic milieu is very important for arts galleries. Without the artistic milieu, it is impossible to survive.(TZF artist7, 2008)

On the contrary, some interviewees expressed their preference of M50 in terms of better artistic milieu. They stated the great artistic milieu of M50 as the most attractive factor. As indicated by an artist who also had experience working at M50,

I chose TZF because there was no empty space in M50. Actually, I prefer M50 more than TZF. It is quite different from TZF. It felt so great to work there. The space is much bigger. There were many famous arts galleries, as well as a lot of activities and exhibitions. Compared with M50, TZF became a souvenir market and tourist destination. (TZF artist7, 2008)

Other interviewees, such as TZF artist20, TZF artist17, TZF artist18, TZF artist1, 2008, also expressed similar opinion. Those comparison descriptions of TZF and M50 by the artists indicated the artists' preference of artistic milieu of the creative cluster. The comparison of these two creative clusters will be discussed more in detail in the next section.

7.1.6 Summary

The art worlds of TZF have presented the dynamic character with a high turnover rate of artists. The dynamic character determined the importance of informal social groups and networks in the cluster. The social networks in TZF were mainly about friendship and spontaneous acquaintance.

It is suggested that the roles of social networks were two-sided for artists. The informal spontaneous social networks among artists played important roles in terms of forming the creative field, creative milieu, the knowledge field, forming the space of trusts and reducing risks, forming the sense of belonging, as well as the platform for multiple communications. However, it also presented the shortcomings in terms of plagiarism and the disappearing artistic milieu.

7.2 M50

7.2.1 The arts worlds

Compared with TZF, the creative organizations in M50 creative cluster were very stable. As shown in the Table 7.3, the total number of organizations did not change a lot since 2005. However, from the long-term view, it also presented the dynamic character.

As shown in Table 7.3, until 2005, there were 131 organizations all together, including 13 galleries, 57 studios, 7 arts crafts, 26 arts companies, 2 arts education and training organizations, 15 arts and creative institutions, 2 entertainment shops, as well as 9 other kinds of companies (Zhu, 2006).

The famous galleries included the Swiss Shanghart Gallery, Italy Biz Art Centre, French Gallery, The British Consulate arts and culture studio, Canada gallery, as well as galleries from Israel and Hongkong.

Until 2008, the total number of organizations in M50 did not change a lot. However, the structure of entrepreneurs was slightly changed. The number of galleries increased, while the number of studios and design companies decreased respectively. It is suggested that until 2010, there were 74 galleries in M50 because most of the studios were changed to galleries,²³ or were used as both galleries and studios. The statistics from M50 Management office (see Table 7.3) distinguished the studios from galleries by their names. However, most of the studios were used as galleries as well. Thus, it is hard to tell which is a studio and which is a gallery. The researcher suggests considering studio and galleries in the same category.

Table 7.3 The forms of organizations in 2005 and 2008 in M50

Category \ Year	2005		2008	
	Number	Percentage (%)	Number	Percentage (%)
Studios	57	43.5	52	39.2
Galleries and arts centres	13	10	34	25.6
Art education	2	1.5	2	1.5
Design/advertisement companies	26	19.8	19	14.3
Bars/ restaurants	2	1.5	2	1.5
Arts and creative institutions	15	11.5	/	/

²³The list of galleries in M50. <http://lizhiyong.blsh.com>. The author gave a detailed contact list of 74 arts galleries in M50 by his own statistics. Shanghai M50 creative cluster. <http://www.artslinkarts.com>. This website provides a detailed list of 74 arts galleries in M50. By comparison with the data gained from M50 management office in 2008, most of the galleries did not change; however, some of the studios were also taken into account. According to the interviews with artists in M50, most artists suggested they do not create in the cluster and use their studios as galleries. Therefore, the statistics of 74 galleries of M50 creative cluster could be considered as reliable.

Trading/consulting	/	/	3	2.3
Arts craft/culture companies	7	5.3	9	6.8
Music	0	0	2	1.5
Other (material/delivery)	9	6.9	10	7.5
Total	131	100	133	100

(Source: statistics from Zhu (2006) and M50 office until Nov. 2008)

As shown in Table 7.3, the arts studios, galleries and arts centers take about 65% of all the organizations in M50 until 2008. They compose the majority part of M50. The other industries included the design and advertisement (14.3%), arts crafts and cultural products companies (6.8%), as well as other industries including material shops, package and delivery companies, music, bars, consulting and investment companies (14%). This indicated the main function of M50 was an arts and design creative cluster. Meanwhile, it also suggested the primary industrial chain has formed in M50 creative cluster.

7.2.2 The social space of artists at M50

The same interview questions discussed in the TZF creative cluster were used in the empirical study of M50. The roles of social networks of artists were presented by the interviewees as follows. More than half (9/17) of the interviewees indicated that they had frequent social networking with other artists in M50. However, the other half of the interviewees implied very limited social contacts with others. Similar with TZF, informal social groups are the main forms of social networks in M50. The social networks were generally formed by birthplace, education background and personal friendship. Meanwhile, some of the artists also have frequent social networks with their friends in TZF.

Case study: the Northeast group

This group consisted of at least 5 artists at M50, and 5 artists from TZF. They all came from the northeast of China, spoke the same dialect and socialized very often. The researcher was invited to join one of their parties and allowed to interview a few of them. They called themselves the 'Northeast School'. They had close friendship among each other.

Sometimes, they had party together for the special occasions, such as Mid-autumn day, or other festivals to celebrate together. The researcher joined one of their parties. During their party, on that afternoon, they walked around the arts studios and galleries in M50, to see what was going on in galleries and to exchange views on the new artworks, or have a conversation together which could be formal or very informal. The whole trip was very friendly, but also very inspirational with lots of discussion, communication and comments. On that evening they went to the restaurant nearby to dine and drink together, and exchange information about the trend of arts, skills and arts market as well. These conversations were carried out in a very relaxed atmosphere. This was the whole process of a party.

These frequent and close social networking benefitted them a lot in terms of sharing studios, resources, knowledge, information, and helping new artists to get involved in the art worlds. One recently settled artist, who shared one of the fellow's galleries, commented:

M50 artist 1 is really a nice friend. It is very difficult to find a space in M50. He generously shared his gallery with me. And it is for free. Although it is just half of the wall, it is important for me. Because the arts market is very risky, you never know who your customer is. It usually takes some time finding out your style, and whether it is accepted by the customers or not... However, it is worthy trying. Nowadays, I work at home and exhibit my works at his gallery to have a try... He also invited me to the party and introduced many of his friends to me. This is helpful for me to build up my own social network... (M50 artist 26, 2008)

Case study: social networks of M50 artist 1

M50 artist 1 came to M50 and opened up his studio in 2003. He used to be an arts teacher in a college at his hometown. He quit his job since 2002 in order to realize his dream of being an artist. He also worked in Beijing for a short time as a professional artist. Introduced by his friend in Shanghai, he finally settled in M50. His family still stayed at his hometown. They didn't meet up often. He was doing his business all by himself.

Contemporarily, he owns a studio at his house and a gallery at M50. The gallery was shared by the other three friends in order to share the bill. The space was about 150 square meters. It was divided into four sections and shared by four artists including himself. At the entrance, there is the

reception area with sofa and tables around. It is the space for them to have a chat, as well as the place to communicate with customers.

One of his friends, M50 artist 2 was introduced to M50 by himself. They were from the same hometown. Usually they help each other to take care of the gallery in turn. M50 artist 2 was taking charge of her husband's gallery. Her husband was working in a city nearby Shanghai. She was also a painter herself. Her husband only came to M50 at the weekends.

M50 artist 1 also had a long term of friendship with the other two friends. One is working in the college and opens up his gallery together with him. The other is also a professional artist. Here were the four artists in the gallery. The gallery has a common name, which was agreed by all of them. Usually, they cooperate with each other and take turn to look after the arts gallery. They share the bills equally. In their spare time, they can enjoy dinner together at the restaurant nearby M50.

M50 artist 1 also had some other friends in M50. He knew most of the artists there. However, he only has close contacts with about some of them. M50 artist 1 was the first artist the researcher interviewed in M50. Most of the interviewees were introduced by him.

Moreover, M50 artist 1 has some friends in TZF as well. They all came from the same hometown --- northeast part of China. As stated above, they had strong social networks among each other. Sometimes, if only one or two friends came to visit, they usually had a cup of tea at M50 artist 1's gallery or his house nearby M50. They mainly enjoyed the leisure time together, talking about their social lives, and sometimes exchanged information regarding the arts market as well.

7.2.3 The trading networks

Although uncommon, the trading networks were presented between artists and galleries in M50. The example was from the Shangri-la Arts Gallery, which had cooperation with several artists in the cluster. Shangri-la Arts Gallery settled down in M50 in 1999. It greatly supported and facilitated the development of contemporary arts in China by cooperating with more than thirty famous artists in China. As indicated by the manager,

I had many networks with the artists in the cluster, such as M50 artist9 and M50 artist15, as well as Yifei Chen in the past. At that time there was no private arts galleries in Shanghai. Shangri-la Arts Gallery was the only one survived. Shanghai Arts Gallery was the only official gallery in Shanghai; however, there should be more arts galleries in Shanghai. Shanghai is still far away from a mature arts market that should have good artists, galleries, collectors, arts magazines and museums, etc. In the future, I wish there would be more galleries in M50 to make it a specialized arts center in Shanghai (M50 artist19, 2010).

Meanwhile, the other famous artists, such as Chunya Zhou and Song Xue also had trading networks with the galleries in M50. All these trading networks brought a win-win effect for both artists and galleries. On the one hand, the artists could enhance their fames through famous art galleries. On the other hand, the galleries could enhance their own fames through the artworkss of famous artists, and gain economic benefit as well. As indicated by one artist:

I cooperated with a gallery in M50 at a small scale. I sell 3 or 4 pieces of artworkss at that gallery every year. The gallery has their own way of promotion in the market, such as exhibition and advertisement. It enhances my fame and expands the market. (M50 artist5, 2010)

However, since 2008, most arts studios were transformed into galleries during the last few years. The artists became the producers of arts, as well as the traders. Contemporarily, except a few famous artists, most of them only had cooperation with the other galleries in M50 occasionally. For example, there is 'Joint Exhibition of Arts Galleries in M50' every year, which means all the arts galleries and studios cooperate and open at the same day in order to promote their artworks.

Meanwhile, for some of the design companies in M50, cluster means the trading network opportunities with the advertisement and design companies in M50. For example, the Matrix Advertisement Company majored in design, exhibition, photography and public relationship, and had lots of cooperation with the galleries and studios in the cluster. As the manager indicated,

It was the first advertisement company in M50. At the beginning, there were only about 50 organizations together. Although we also had orders from the outside, most of the orders were from the galleries in M50. We had great cooperation with them. (M50 artist 11, 2010)

The other case was from the DAtrans Architecture Design Company (Chen, 2008). It settled in M50 in 2003. At the beginning, the artist Yi Ding invited

this company to design the 'Shanghai Tu'ao warehouse of furniture', which was a space for a furniture exhibition. This project was the first design of DAtrans Company. Later, it won the project of M50 creative cluster design (Chen, 2008).

7.2.4 The embedded creative field

Cluster means the history and artistic milieu

What emerged as the most significant for the interviewees was the thick artistic milieu in M50. Compared with TZF, where most of the artists complained about the disappeared artistic milieu, almost all the artists in M50 highly praised the 'thick' artistic milieu remaining in M50. The milieu was used to describe the history of this area, the background of these industrial buildings, and the arts creation and activities in the cluster.

As indicated by Mr. Jin, manager of M50 creative cluster, the cultural milieu is a field to cultivate creativity in a creative cluster.

Most of the organizations are galleries and studios, as well as design and advertisement. We have strict control over the tenants in M50 creative cluster in order to make a good cultural milieu for artists because creative cluster should be the field to cultivate creativity. (M50 manager, 2008)

The importance of artistic milieu was also stressed by the artists, designers and gallery owners in M50 creative cluster.

The most benefit was that we could firstly contact different people and thing in all kinds of arts, and directly experienced the tide and change in the society and culture. This could encourage my design because we could be truly rooted in the creative field and express those interior things in our design. (M50 artist20, 2008)

The most important factor which drove me to M50 creative cluster was its thick arts milieu. I used to work in TZF creative cluster which is totally commercialized nowadays. I am very happy with my new studio in M50. This is the space I wanted for years, it finally come true. (M50 artist5, 2010)

The importance of milieu was also expressed by interviewees, such as the history and culture, the embedded culture of these industrial buildings. As indicated by the designer, M50 artist20 said,

I love these industrial buildings. I enjoy creating new from the old. Those old buildings constituted the cultural milieu for creation. I enjoy creating new from the old. Thus, when I first visited M50, I decided to stay here. Most of my best works were created in M50 creative cluster. (M50 artist20, 2008)

Cluster as the self-employed loft living lifestyle

What emerged as important for the artists in M50 could be categorized under the word 'self-employed loft living lifestyle'. In the interviews, the word 'self-employed lifestyle' appeared to be used as an umbrella word for all kinds of freedom and advantages opposite to be employed in institutions, companies or governments. Most of the interviewees were self-employed, while a few of them were employed in colleges. These self-employed artists from different industries had indicated the most important advantages of working in the M50 cluster, such as ultimate freedom in creation, flexible working routines, the potential space allowed expressing individual creativity, the feeling of accomplishment and the economic benefit.

I used to be an oil-painting teacher in the college at my hometown. The work was boring because I had to teach all the basic things on the textbook, such as the colors and structures. The payment was so low that it was difficult to support my family. My wife left me.... At last, I quit my job and decided to open my own studio. I came to Shanghai in 2003... I really enjoy my current lifestyle in M50. It provides me the ultimate freedom in my creation. I decided everything in my creation all by myself. My talent and creativity has been fully realized here. Meanwhile, I also gained unexpected economic rewards. Nowadays I own one studio here and one gallery on other street in Shanghai. (M50 artist5, 2010)

As a photographer, I usually have to travel around to discover new scenes and take new photos. I opened my gallery here and employed some staff to take care of it. I came to M50 every weekend. I used to be an interior designer in a company. However, I prefer my current lifestyle. It provides lots of freedom in my creation. It is also very flexible, whenever I want to travel, I can do it. I enjoy travelling. It is part of my life. (M50 artist21, 2008)

Space of trust and risk

Social networks were comparatively weak in M50. About half of the interviewees indicated that they usually communicate with each other in the cluster, while the other half suggested that they seldom communicate with others.

The reason for comparatively weak communication among the interviewees in M50 creative cluster was that most of artists' studios were replaced by art galleries. These art galleries usually employed professional arts sellers to work for them. The competition among these galleries made it difficult for them to build up trust and communicate with each other. Contemporarily,

there are more than 70 galleries in M50, and most of them do not communicate with other galleries.

On the contrary, social networks were more important for the individual artists who owned their studios in M50. As indicated by an artist,

I made many friends here, including painters, designers, arts collectors and tourists. This is a space where you can communicate with different people. (M50 artist1, 2010).

The earliest artists, who settled their studios since 2001, became close friends in M50.

We are the earliest artists in M50. We contact each other very often because our studios are very close to each other. We invite each other to comment on artworkss, share market information and talk about social life as well. (M50 artist9, 2010)

The other kind of strong social networks presented among small groups of artists who came from the same hometown or already had social relationship before they came to M50. These complex social networks help the artists to reduce the risk when facing the unstable arts markets.

I was introduced to M50 by my friend, M50 artist1... We could benefit from his experience and didn't need to bare much risk... We came from the same place in Northeast China. We have four artists to share this gallery as it is too big. We usually communicate with each other and take turns to take care of the gallery. You know, that's what friends mean, you can trust each other. For other artists in M50, we seldom communicate with them... (M50 artist2, 2008).

This statement revealed the important role of social networks in building up trust, carrying out communication and reducing risk among the artists.

Cluster as the knowledge pool

Social networks also played significant roles in sharing knowledge, inspiring creativity and enhancing skills. The cluster worked as the knowledge field, from which everyone could benefit. The most important roles of the social networks in the cluster claimed by the interviewees were as follows:

- The platform to share knowledge, information and experience;
- The networks to communicate and learn directly or indirectly;
- The creative field which inspire creativity;
- The role in enhancing creation techniques and skills.

Some of the interviewees explained:

Art is the production of the lifestyle and experience. I am very lucky to get the opportunity to contact or observe many famous artists with unique characters in M50. They helped me a lot in learning from them and forming my own understanding of arts. (M50 artist3, 2010)

The important role of the cluster is that it provides the space to get together and the platform for direct or indirect communication and learning from each other. As there are many exhibitions in the galleries in M50, you can visit anytime you like. Most of the studios are open to the public as well. These are the important windows to know the trends of arts and learn from others. All those inspired my own creativity and enhanced my skills. (M50 artist27, 2008)

The cluster is important because it provides the space to share information. As you can see, at the entrance to M50 there is lots of information on exhibitions in M50. You can easily know what's going on in contemporary arts. As there are quite a few modern arts galleries in Shanghai, M50 became the important space for artists to share information. (M50 artist19, 2010)

Space for arts communication

Social networks also played significant roles in arts communication. As indicated by interviewees:

I can meet people from all over the world. People who come to M50 are generally interested in arts. No matter artists, collectors, tourist, they can all find their interest here (M50 artist 1, 2008).

M50 is the space for arts communication. On the one hand, it introduced the western contemporary arts to Shanghai by attracting foreign investor to open their galleries here; on the other hand, it also promotes contemporary Chinese arts to the world by attracting famous arts collectors. This platform is very important because it builds up the bridge for arts communication between China and the West (M50 artist 5, 2010).

However, some artists indicated that more communication is needed in the cluster.

The problem is the cluster could not provide a good atmosphere for artists to communicate. Because of the continually increased rent, there are more and more galleries while less and less artists. Since the artists moved out, the social networks were broken. Moreover, those galleries are operated in a very commercial way. It is impossible for us to communicate with them. Because there are less and less artists in the cluster, it is quite difficult to communicate each other. Although artistic creation may be very individual, we do need to communicate with each other about the creation and market information, as well as other social networks, etc... I hope there will be more arts exhibitions or activities to facilitate the communications among artists, not only in M50, but also in a broader way (M50 artist1, 2008).

7.2.5 Discussion

Cluster means competitions

What emerged as the most negative factor of creative cluster was the vigorous competition in the cluster. Because of the increased rent, all the artists and galleries had to struggle for survival. Thus, they learn from each other's experience. "If one style of artworkss became popular, you will soon find it in others' galleries. They are very sensitive to market information." (M50 artist 1, 2010)

As a result, this competition led to the plagiarism of creativity. When the researcher walked around in M50, she found several galleries selling the artworks of the same style, such as the Maoist style, the Cultural Revolution theme and the post-modern arts such as exaggerated emotions on the faces. When discussed about the issue of plagiarism with a gallery manager who also created artworks as well, he noted:

It is very common in M50 or other places. As you know, the rent is quite high because of the large space we needed. For each studio, the normal expense is about 150 thousand RMB a year in M50. The most important thing is to survive. The advantage to open my gallery is that I can learn the arts market information immediately. Once the style is popular, you will find many similar styles in the cluster. For example, the famous artist who created the style of 'big mouth' oil painting, once her works were exhibited in one gallery, lots of similar works of the same style came out immediately (M50 artist 1, 2010).

However, the artists did not bother about this issue very much. As indicated by another artist:

I do not mind if my works being copied by others. Actually, my style is very difficult to copy. If my works are plagiarized, it means I do better than they do. The facsimile works usually are sold at a lower price. Different works have different markets. The real collector will buy the original artworkss other than the facsimile ones. However, the facsimile works do have their markets. As you know, most of the works of the most famous artists in the arts markets are facsimile ones. Because the original ones were all collected by the riches, the facsimile ones are for the commonalty markets (M50 artist 5, 2010).

Commercialized cluster and decreasing arts milieu

Art galleries have gradually replaced studios throughout the M50 creative cluster. In 2008, there were about 74 galleries in M50, which accounted for about 65% of all the companies. However, the number of arts studios decreased to 32, which only took 15%. A significant proportion of the arts

studios were transformed into galleries for several reasons. First, the rent increased 10-20% every year. Some artists sublet part of their studios to other artists in order to share the burden of increased rent. In order to create more space for exhibiting their works, they changed their studios to galleries. As told by an oil painter (M50 artist1, 2008), "for a space like this size, about 150 square meters, usually three or four artists share it together."

Second, as some artists indicated, because of the poor air and light conditions of some industrial buildings, the space was not suitable for studios but only for galleries.

Especially for the ground floor, the air circulation and light condition are not good. I can only use this space as my gallery. I did not do any creation here. This is just the space for exhibition and selling my works (M50 artist29, 2010).

Third, some artists who could not afford the increased rent were expelled from M50 and took place by arts galleries which had strong economic background. Therefore, M50 creative cluster became a cluster of arts galleries. This leads to the decrease of arts milieu in M50 because of the deficient communications.

Deficient communication

The other consequence of vigorous competition and commercialization of M50 creative cluster was that communication among artists was deficient. As indicated by an oil painter,

At the beginning there were only a few galleries; most of them were arts studios. We could visit each other often. However, since more and more galleries entered into M50, some artists were expelled. The social networks were broken as well (M50 artist1, 2010).

As discussed above, arts gallery managers seldom communicate with each other because of the competition among each other. Therefore, more cultural avenues and activities were suggested by the interviewees in order to facilitate the communication among artists.

The decrease of creative passion

Some of the artists indicated that another problem of being an artist in creative cluster was that it decreased the creative passion of the artists.

Once you stay here for years and get used to the lifestyle as an artist --- usually with lots of freedom and idleness, you will feel satisfied with the current situation and have no passion to do better creation because most of your friends in the cluster live in the similar conditions as you. (M50 artist25, 2010)

He explained in further detail that,

For artists, you need the unstable factors, the conflict of your thoughts to make you creative. A stable life kills your passion. Staying in the cluster, you can improve your techniques but not the creativity. (M50 artist25, 2010)

7.2.6 Summary

The entrepreneurs of M50 have been comparatively stable since 2008. The stable character may serve to facilitate the formal networks in the cluster, for example, the artists' blog and forum on internet, and the planned "Artists' Committee". Compared with TZF, organized social networks and informal social networks have both presented in M50. The organized social networks based on arts and cultural activities in the cluster have played important roles in terms of forming the creative field, creative milieu, building up trust and reducing risk, sharing the knowledge, as well as establishing the platform for communications among artists and customers.

M50 achieved a better creative milieu by controlling the components of creative entrepreneurs in the cluster. These creative entrepreneurs in M50 primarily formed the industrial chain including arts galleries and studios, design and advertisement companies, material and delivery services, as well as arts and cultural companies, arts education institutions, business consulting, bars and restaurants. Therefore, M50 could be considered as a successful model of creative cluster.

However, it is also suggested the shortcomings in terms of competition, commercialization, deficient communication and decreased creative passion.

7.3 Conclusion

With the comparison of TZF and M50 creative cluster, they had some similarities. First, both clusters showed the dynamic character of creative entrepreneurs. However, TZF had a stronger dynamic feature of

entrepreneurs because of the vigorous competition brought by the rapid increased rent.

Second, regarding social networking, the informal social networks played important roles in both clusters. These networks were mainly based upon similar habitus in terms of birthplace, education and personal friendship. It is argued that these informal social networks play important role in sharing tacit knowledge, facilitating creativity, building trust and reducing risk, and exchanging information and experience. Artists built up their art worlds through the intensive social networks.

However, it would be interesting to compare the social networks in the two clusters. TZF presented very intense social interactions among artists. However, these networks were mainly about friendship and acquaintance that focused on social lives. On the contrary, in addition to the spontaneous social interactions among artists, M50 presented organized social networking as well. For example, in the TZF, there were only a few activities on culture and arts, including individual arts exhibitions. Social networks among artists usually took place spontaneously. On the contrary, there were much more cultural activities in M50. On average, every year there were about 300 arts exhibitions, seminars and other activities such as 'Creative New Talents' and M50 Creative Bazaar. These activities built up the platform for artists to communicate formally and create a better artistic milieu through the collective learning process. This could be one of the reasons for the different performance of two creative clusters in delivering creativity. Compared with TZF, M50 has achieved a better performance on producing perceived creativity by artists. Therefore, it is suggested that in addition to the spontaneous social networks, organized social networks would play a significant role in facilitating knowledge and information sharing as a platform. Through various exhibitions and activities held in the cluster, artists could learn from each other as a collective creating process.

Third, M50 created a successful creative milieu by controlling the components of creative enterprises in the cluster. It adopted a differentiated rent system, in order to maintain arts galleries and studios as the main parts in M50, while design and advertisement as complements, as well as keep

restaurants and shops as the minimum. Compared with M50, most of the interviewees at TZF indicated that the arts milieu had completely disappeared because of the commercialization brought by tourism development. However, through attracting tourists to TZF, it provided the business environment for the artists.

Fourth, trading networks were rare in both clusters. The industrial chains were formed outside the cluster. Relatively speaking, a primary arts industrial chain was formed in M50 creative cluster, including material shops, arts studios, galleries, and artworkss express delivery companies.

Fifth, they both faced different extents of commercialization. The commercialization of creative clusters could due to different reasons, such as the illegal subletting, increasing rent, vigorous competition and wake management. As the manager of M50 indicated,

Contemporary some artists became much more commercialized and went into the wrong direction. In particular, the illegal subletting, in order to make the most benefit, some artists rent the studios at a low price and lease out at high. This contradicts the primary aim of creative cluster and brought many side effects on M50. (M50 manager, 2010)

Finally, the creative clusters in Shanghai entered the dilemma of economic benefit and the production of creativity. On the one hand, these industrial buildings or vernacular houses have to realize their economic value for practical reasons. On the other hand, because of the economic pressure brought by the increasing rent, the small creative enterprises such as individual studios and galleries which really need support from creative clusters were expelled from the clusters. Under the marketization, the creative clusters should be demolished and taken place by new business and residential buildings. However, with the dominance of local authority in promoting cultural policies, creative clusters became the result of these old factories.

Chapter 8

Conclusions and discussions

This chapter summarizes the main conclusions of this study. The main purpose of this study has been to investigate the dynamics of creative clusters in China and explore their influence on artists' creativity. Through analyzing extensive interviews conducted with 60 artists and 8 governors, the study investigated the dynamics of creative clusters through three aspects: the physical space, the social networks and the art worlds. The findings also provided a structured and systematic description of each aspect associated with their roles in creativity. Meanwhile, the relationship among artists, managers and local government was explained. This concluding chapter summarizes the findings in relation to the research aims and objectives (see Introduction and Chapter 2). Then, the study discussed the emergent problems, challenges and issues of creative clusters, with a comparative analysis between China and the West countries. Finally, it discussed the limitation of this research and introduced the recommendations for future research.

8.1 Overview of the significant findings: bring them all together

How is the concept of creative cluster adopted in China and how and in what ways it affects artists' creativity? The main purpose of this study is to investigate the dynamics of creative clusters in China and how and in what ways these affect artists' creativity. The study produced a number of findings, which are related to its key objectives. Based on Lefebvre, Bourdieu and Becker, It established the original theoretical framework of capital, space and creativity in order to investigate the dynamics of creative clusters in China. It investigated the creative cluster through three dimensions: the evolution of physical space, the social networks and the arts world. The relationship among them was also discussed. It constructed an explanatory model of creative cluster mechanism through the theory of production of space (physical, mental and social), and identified the

characteristic features of each space in order to understand the interrelationship between the space and creativity.

Although previous studies have conducted valuable pioneering research regarding creative cluster, governance and creativity, they have failed to consider the cluster as a unitary space and neglected to investigate the relations among them (for example, Montgolory, 2003, 2004). While they have been helpful in providing a dispersive hypothesis for understanding creative clusters, they have not contributed to our deep understanding of the general mechanism of creative cluster. Especially they have seldom considered the situations of different social and political systems. For example, China has a very different context from the Western countries because of the dominant political power and incomplete market economy system (the so called market economy with Chinese characteristics). This study claims originality in the following respects.

First, it attempted an original investigation of creative clusters through a combination of social and philosophical theories, including Lefebvre on the production of space; Bourdieu on habitus, capital and field; as well Becker on arts world. It introduced a new perspective of space analysis into the study of creative clusters. Creative cluster has been considered as a space which is not only physically constructed, but also mentally conceived and socially experienced. By applying this main thread, a conceptual model of creative cluster has been established. Based on this model, it investigated the dynamics and relations among the creative clusters.

Second, it is the only comprehensive study of the dynamics of creative clusters in China and constitutes a unique attempt to evaluate the creative cluster policy through an investigation of the dynamics and value of creative clusters in delivering creativity. This study investigated the practice of physical space, the organization and administration of the space, the social networks and the arts world of artists in the creative clusters. Some studies have been conducted on creative clusters in China (Deng, 2006; Gao, 2007; Liu, 2007; Xiao, 2007; Wang, 2007). However, they are mostly focused on the economic impact, the roles of creative clusters in urban and regional development and regeneration, and the spatial mechanism of clusters. The

social dynamics in creative clusters and their influence on creativity have been little investigated in China.

Third, this study investigated the mechanism of creative clusters through examining the roles of different stakeholders and the interrelationship between them. By applying Bourdieu's theories on capital and field, and Becker on arts world, it discussed the struggle among different stakeholders. It is thus different from previous studies. Previous studies have been conducted on the locational features and clustering mechanism of creative clusters from the (economic) geographical study (for example, Chen, 2006; Huang, 2006; Fan, 2006; Wang, 2007; Zhu, 2009; Zhou, 2009; Tong, 2009), with a particular focus on the formation of physical space. However, the social field, social networks and arts world have been little understood. On the contrary, they are mostly descriptive and cannot provide applicable recommendations regarding creative cluster designation and management on current issues, such as the governance of creativity, the dynamics of arts world and the roles of local government in constituting cultural policies and urban practices.

Fourth, this study gathered a considerable amount of empirical data on the impacts of the creative clusters on artists' creativity through in-depth qualitative research methods. It investigated how different aspects of the creative clusters affected artists' creativity. The findings supported a small number of studies reporting similar issues (Banks et al., 2000; Brown, O'Connor and Cohen, 2000; Drake, 2003; Kong, 2009). Although the influences of physical space, the roles of social networks and art worlds have been greatly stressed in the study of creative clusters, China has shown some different characters because of its special social, economic and political system. For example, this study found that the strong social networks played important roles in the formation of art worlds. It suggested that artists in the creative clusters build up their art worlds through strong social networks which based upon social origin, education background and friendship. It is different from the existing studies which emphasised the importance of loose social tie and criticized the weakness of rigid social networks in China (see Keane, 2007; O'Connor, 2009).

Finally, the study investigated the governance of creative clusters in Chinese context. Although the governance of creative industries has been intensively investigated by some researchers (for example, Pratt, 1997a, 2004b, 2008, 2009; Pratt and Gornostaeva, 2009), China has shown different evidence because of its different social, political and economic system, compared with the Western countries. The governance of creative clusters differs in important respects from those in the Western. The local government plays important role in designating and managing creative clusters through direct involvement in the management or establishing cultural policies and development plans. The effects of political involvement were found to be common throughout the management of creative clusters (see Chapter 6). In addition to the similar result reported by the previous studies that creative clusters in China are acted on by policy and become projects which generate economic benefit for both city and local authority (Wang, 2004; O'Connor, 2006; Keane, 2009; Zheng, 2010), this study further argued that creative clusters also represented the political performance for local authority. Thus, this study has expanded the field through its investigation of creative cluster governance in China.

Moreover, the study found the various effects of different management structures of creative cluster on creativity production. Base on the extent of involvement of local authority in the management, this study classified the two creative clusters into the local government dominated model and the enterprise dominated model. The TZF creative cluster adopted a government dominant model, where the local authority plays a decisive dominant role in the administration and development of the cluster. Although it provided a diversity of entrepreneurs in the cluster and a great business climate, showed less evidence of creativity. M50 creative cluster adopted an enterprise management model. Although the local government also involved into the development of creative cluster by instituting regulations and urban plans, it did not directly intervene the management of M50. Therefore, M50 formed a great artistic milieu and a primary creative industries chain by adjusting the structure of entrepreneurs through a differentiated rent system, and showed more evidence of creativity.

In what follows the researcher next explains the findings of the study with reference to its research question and five objectives as presented in Introduction and Chapter 2.

The first objective was to develop an explanatory model of creative clusters in Chinese context. Based upon theories of Lefebvre's theoretical framework on the production of space, Bourdieu on capital, habitus and field, and Becker on art worlds, this study investigated how the creative cluster was formulated in terms of physical space, social networks and art worlds. As argued by previous studies, creative clusters were practiced on by policy in China (see chapter 1). However, they not only created physical space for artists, but also provided the space for social networks and formulated the art worlds for artists. First, this study investigated the evolution of physical space of creative clusters, in order to provide a background picture for the investigation. It discussed how the industrial buildings or residential vernacular houses were changed under the practice of artists, local government and property owners.

Second, in order to explain the mechanism of creative clusters in China, this study investigated the social networks and struggle between different stakeholders during the protection and governance of creative clusters. The study found that the success of creative cluster was the result of cooperation between the local government and market. The local government achieved the political performance through creative clusters, while the markets realized its economic profits. However, the government still played a dominant role in this cooperation. Although the creative clusters didn't contribute much economic profits as desired, the government determined and legitimated their existence because of their contributions in terms of political performance. During the continuous struggle, the role of artists was generally margined and neglected.

Finally, this study investigated the art worlds spontaneously formulated by artists, and physically and socially located and embedded in the creative clusters. They provided the platform for artists to communicate with each other, to share resource for creativity, to build up trust relationship and reduce risk. All these factors facilitated the innovation and creativity of artists

and helped them survive in the creative clusters. These three aspects were related to each other and should be considered as a whole. They presented a unitary investigation of the dynamics of creative clusters in China. Each aspect is further explained as follows.

The second objective of this study was to discover the characteristic features of Chinese creative clusters and compare them with those found by previous studies. As listed in Table 8.1, the main features of the Chinese creative clusters were found to be similar with those proposed by previous researchers in Western theories: the value of space, milieu, networks and examination of creativity (Brown, O'Connor and Cohen, 2000), as well as reputation and lower rent especially suggested by Kong (2009). Foremost, two of the key features of Chinese creative clusters were similar to that found in previous studies of arts village in Singapore with Kong (2009): the lower rent and reputation. In other words, the artists in creative clusters were mainly driven to the clusters by the relatively lower rent and the reputation of the clusters. These two factors seemed to be the most important factors for artists to survive in the market. In addition, the other two key features were the milieu and social networks (Brown, O'Connor and Cohen, 2000). However, in terms of milieu, the artistic milieu was emphasized in M50 while the business milieu in TZF.

Table 8.1 Comparison of main features of creative clusters in China with those of previous studies

	Previous studies	TZF	M50
Physical space	Source of creativity	Space for creation and exhibition Space for business Source of creativity Infrastructure and service	Space for creation and exhibition Space for business Source of creativity
Social networks	To examine creativity Lower rent Reputation	Brand making Business climate Lower rent To examine creativity Public aesthetic education	Brand making Lower rent Business climate To examine creativity Arts museum

Art worlds	Milieu Networks Trusts and risks Information and tacit knowledge	History and artistic milieu Information and tacit knowledge Trusts and risks Lifestyle	History and artistic milieu Trusts and risks Knowledge pool Lifestyle
Note: These factors given in TZF and M50 are in the order of significance indicated by the artists.			

However, in addition to these general findings, this study found the unique characters of creative clusters in China. First, regarding networks, although the trading networks in both clusters were very rare, the strong informal social networks were identified by artists in both clusters. Second, the study found that the creative clusters played an important role as free arts museums and public aesthetic education, which was not found in Western. Finally, to the study noticed that symbolic meaning of creative cluster was stressed by both the artists and the local authority in China. On the one side, the symbolic capital of cluster in terms of reputation, popularity and famous brand, implied the chance to improve their social capital and cultural capital. For example, as suggested by the artists, working in a famous cluster usually meant the chance to meet up famous curators and collectors, and make good quality friends. On the other side, the symbolic meaning of cluster added cultural capital to the cluster and gave legitimacy to the cluster. For example, the famous artists in the cluster played important roles in protecting and maintaining the space. Moreover, they also contributed to improve the fame and popularity of creative clusters among tourists which in turn strengthened the cultural capital of cluster. Creative cluster became a symbol of culture which meant bohemia, fashionable, romantic, advent-courier and exotic, which were attractive to customers.

The third objective of this study was to investigate the evolution of physical space and its effects on artists' creativity. The study found that the creativity of artists was affected by the various factors of physical space. First and the most of all, creative cluster provided the physical space for artists to create and exhibit their works. This was the basic value of clusters for artists. Second, the creative cluster provided the possibility for artists to start their businesses. This was also important for artists to realize the economic value

of their artworks. Third, the creative cluster also provided the source of creativity by mixing the old and traditional with the new and cutting edge culture. Finally, creative cluster provided the site for artists to communicate with each other, and with customers as well.

However, on the contrary, the limitation of the physical space also restrained the creativity in several aspects. First, the small or dark space limited its use for arts creation. Second, the insufficient infrastructure and service limited its function as a 'cluster' --- despite the social networks (informal) formed in the cluster, the trading networks (formal) were seldom present in both clusters. This implied the direction of improvements for both clusters.

The fourth objective of this study was to investigate the dynamics of the social networks and its influences on the artists' creativity. Especially, the study found a new and distinctive type of organizational factor related to the specific Chinese context: the symbolic factor in terms of cultural and political capital. Nothing similar has been reported in the Western, and it seems to be a product of China's particular history, culture, political and economic backgrounds. On the one side, for the artists, the symbolic meaning referred to the fame, brand and reputation of the cluster, which in turn enhance their own fame and social capital in the arts world. On the other side, the symbolic factor meant the governmental intervention in the creative clusters and the ideological control over artists. Even in the more enterprise model of M50 case study, a branch of CPC was established in the cluster for the political purpose. For local authority, the cluster represented the political performance in terms of contribution to local city marketing, branding and promotion in terms of flagship and image projects. Moreover, in a broader aspect, the cluster contributed to the urban regeneration and the local competition power.

The country's political regime system influenced the administration and governance of creative clusters by officially instituting cultural policies and urban plans. A different aspect of organizational influences could be seen in the controlling of enterprises in the two cases of creative clusters. On the one hand, the TZF creative cluster was administrated by a committee directly established by the local authority. The study found that political

capital played a dominant role in planning and promoting TZF as both a creative cluster and a tourist destination, which in order to achieve the bigger and broader effect in urban regeneration. This contributed to the fame and popularity of TZF among customers, and allowed the cultural and commercial functions to coexist easily, and thus enhanced the diversity of forms of entrepreneurs settled in the cluster.

However, it brought side effects as well in several aspects. First, artists and arts galleries were expelled from the cluster because of the continuously increased rent of the cluster and the decreased artistic milieu. Second, the artists survived in the cluster bear lots of pressure from survival and became less creative but more commercial. For example, in order to survive in the vigorous competition of the market, artists may consider the economic value of their works other than the artistic value. Moreover, some artists might plagiarize the popular artworks in order to make a living easily.

On the other hand, the M50 creative cluster was managed by a company which was transformed from its predecessor --- the industrial factory --- SHCWF. M50 became a brand of creative industries company majored in visual arts and established a few branches in Shanghai. Compared with TZF, it successfully provided the artists a creative milieu and function of cluster through managing the usage of the space of the cluster and mixing the functions of the cluster. For example, first, regulations were established and implemented in order to maintain the visual arts as the major part of the creative entrepreneurs, while the other part could consist of relative industries and necessary supplementary service industries. Second, a differentiated rent system was established in order to keep the visual arts as the major part of the cluster whilst the service industries such as bars and restaurants as the minority. Third, lots of arts exhibitions and cultural activities were held in M50 every year, which contributed to enhance the fame of the cluster, attract famous collectors, facilitate the communication and build up social networks. For the artists, these in turn helped them enhance their symbolic, cultural and social capital. Therefore, to be compared, M50 creative cluster currently successfully forms an arts cluster in Shanghai.

However, the study also suggested that M50 had deficiency in several aspects. First, the physical distance became the barrier of intense social networks. Second, the relatively steady composition of the creative entrepreneurs made artists easy to be satisfactory with the situation and less creative in their work.

The fifth objective of the study was to investigate the situations of art worlds and their influences on artists' creativity. The study found that artists' creativity was partly woven from various influences of social networks in the cluster. In both cases, the study found intensive social networks among small groups of artists and loose social networks among different groups presented in the creative clusters. Further, the study found that habitus and capital of artists in terms of birth place, fellowship, friendship and similar education qualifications played significant role in forming social networks in the clusters. Inside each group, the strength of strong tie was articulated in several aspects, such as facilitating communication, sharing experience and tacit knowledge, building up trust and reducing risk, as well as building up attachment and sense of belonging to the cluster.

This finding is contradictory to Kong's (2009) argument in her study of arts village in Singapore that social networks among artists have not presented and are even unnecessary for creative clusters. However, the finding of this study is coordinate with the previous study that social networks play an important role in creative clusters in terms of facilitating the transfer of knowledge and information (both codified and tacit), encouraging trust-based cooperation and handling risks, and leading to collective learning and spurring innovation, as well as validating and testing cultural capital (see Chapter 1 for more detail).

However, the difference between this study and previous research lies at that the previous researcher stressed the strength of loose social networks or weak tie in creative industries; while argued the weakness of strong tie in prohibiting creativity and innovation because the difficult access from the external world (Hansen, Asheim and Vang, 2009). This may also be reflected on the critique of the side effects of 'Guanxi' (a rigid private relationship) in the western literature of creative industries in China (Keane,

2007, 2009a; O'Connor, 2009). It is argued that the rigid networks prohibit creative being really creative because the space is only available to those who own money or have the cooperative relationship with local authority (Keane, 2009a; 2009b).

On the contrary, this study found that, it was the strong tie formed within the small groups of artists that facilitating the creativity. The artists shared the resource for creativity by forming their strong and tight social networks in the creative clusters. The strong networks facilitated artists' creativity by providing the platform of sharing information, communicating skills and examining each other's artworks. It was the way that artists built up their art worlds and survived in the market.

Moreover, in addition to the spontaneous social interactions that take place in artists' daily routines, the study found that organized social networks which formed during the arts exhibitions, cultural activities and events, played an important role in facilitating the sharing of knowledge and information, forming a collective learning process and stimulating creativity. Therefore, is the study suggested the management company or committee of creative clusters should take a more active role in promoting cultural and artistic activities and events in the clusters.

8.2 Discussions

This section discusses possible directions in which cultural policy may move forward, and what the policy makers, local authority and cluster managers might do to facilitate creativity. Knowledge of the relationship between creative clusters and artists' working experience such as this study provides should be useful for understanding a wide range of dynamics in creative clusters and its governance. Such study is assumed to be useful in addressing cultural policies and the governance of creative clusters. For example, is cultural policy transferable? Is creative cluster the right template to promote? Concerning more specific questions, is creative cluster creative? How to promote creativity in creative clusters? Policy makers and cluster managers may become too greatly concerned with the economic

contribution and neglect the role of creative clusters in promoting creativity. A valuable corrective of such issues are discussed as follows.

8.2.1 Chinese cultural policy: policy transfer?

The researcher opened the thesis with the question of how did the concept of creative cluster adapt in Chinese context and in what ways did they affect the artists' creativity. This intended to evaluate the efficiency of 'policy transfer'. As Pratt (2009a, p.9) has put forward in his study of cultural policies, "can policy be simply applied in different social and political conditions and have the same outcome?" Indeed, the question still remains in Chinese context as: is cultural policy transferable? Is there a model of creative industries to follow? Is creative cluster the right model?

Since the cultural policies have been imported to China, hundreds of creative clusters, parks, zones, bases and precincts have mushroomed in China during the last decade. As Keane (2009) has concluded, 'creative cluster' has been identified by Chinese government as the template to 'take in'. O'Connor (2006) argued that, the priority of 'cultural districts' in the big Chinese cities was draw upon the assumption that such facilities will produce an 'innovative milieu'. However, the fast growth of creative clusters in China has received much critique from many scholars (Wang, 2004; Keane, 2007, 2009a, 2009b; O'Connor and Gu, 2006, O'Connor, 2009). They have criticized that the concept of creative cluster is practiced discursively in China and most of the clusters are acted on by policies. Creative clusters presented the local governments' respond to the central cultural policies and turned out to be the real estate development at the end. There are many projects of 'duplicate construction' which have little innovation (Keane, 2009b). Indeed, this is the big problem facing most of the creative cluster designation and construction in China.

This study found no clear theories in cultural policy which guided the practice of creative clusters in China. As the old saying goes, the policy makers and cluster managers "wade across the stream by feeling the way". In other words, they learn by doing. The policy makers learnt these concepts from Western countries and put them into practice and learnt from the practice as well. Thus, the practice of creative clusters in China had been

continually facing different challenges and problems. As discussed in the study, although there were some regulations on construction of creative clusters, they were adopted very discursively by local governments, real estate developers and managers. As a consequence, on the one hand, most of the creative clusters became the other form of commercial real estate development which could take advantage of the preferential policies of creative industries and creative clusters (Zhong, 2011). On the other hand, it also became the representation of political performance for the local authority in terms of improving the city image by constructing flagship projects (Zhu et. al., 2009). Thus the competition of constructing creative clusters has been overwhelmed by different local governments. In conclusion, creative clusters represented the cahoots of economic and political power with the underlying trading power-for-money regulations in China. As Keane (2009, p.221) said, the creative cluster in China "are mostly driven by real estate developers working in the partnership with local government officials".

As a consequence, contemporarily, some of the creative clusters became completely business districts which had nothing to do with creative industries. Some of them were shut down because of the low occupation rate. Some of the creative clusters were deprived of the names designated to them (Zhang, 2009). As some researchers have concluded, creative clusters cannot be planned (Comunian, 2007). Creative clusters were the networks embedded in the place (Banks, et al, 2000). Creative clusters were not only about the buildings and facilities, but also more importantly about the milieu, atmosphere, networks and urban context (Banks, et al, 2000; Comunian, 2006). Therefore, the study concluded that the creative clusters in China could not be designated or planned merely by the will of local authority. Creative clusters should be rooted in the local economic development, culture and history environment.

8.2.2 Artistic clusters: creative or not?

Although both of the clusters were facing the danger of commercialization, M50 and TZF were still the most well-known sites of visual arts landscape in Shanghai, and even worldwide. Indeed, despite the decreasing space and

increasing rents, artists were reluctant to give up their space in M50 and TZF creative clusters. In this study, most of the interviewees had practical reasons to stay in M50 and TZF, such as the relatively low rent, the fames of the clusters and the art worlds formed among artists. First, although the rent increased every year, it was still cheaper than the average price of business estates in Shanghai. The affordable rental was identified as one of the most important factors which drove artists to these creative clusters. Second, the concentration of the artists in the creative clusters, especially the well-known artists, generated a reputational effect so that the artists in the creative clusters could benefit from enhancing their cultural, economic and social capital from location in the cluster. For example, they could improve their fame (cultural capital) and attract more potential customers (economic capital) because of the fame of the creative clusters. Finally, artists benefited from the strong social networks within the arts world. It is important to know someone to enter into the arts world. Social networks helped them survive in terms of building up trusts among artists and reducing the risks of doing arts businesses. Social networks also fascinated the information exchange and communication with customers. Thus, creativity could be stimulated during the collective learning process.

In conclusion, this study demonstrated the dynamics of creative clusters in China, both the agglomerative benefits and the problems. As suggested above, they presented similar features of creative clusters as discussed in the Western literature. Contradictory to the problems criticized by some scholars, such as little innovation and another form of real estate development (Keane, 2009a), both clusters presented strong evidence of creativity and proved to be successful in promoting creativity to different extents. Both the clusters used to be artistic villages which spontaneously formed and rooted in the special physical space. They provided not only the physical space for artists, but also the strong artistic milieu and social networks at the beginning. Each cluster faced different extents of changes because of the various intervention strategies of local authority. Contemporarily, M50 presented more evidence in creating the artistic milieu, while TZF presented more evidence in providing the business milieu.

However, the unique features of two selected clusters in this study should be considered. First, this study focused on the visual artists, mainly in fine arts. This heightens the independent nature of the work, the importance of milieu and social networks for artists. However, the trading networks among the industrial chain are not emphasised. As Kong (2009) has argued, the nature of visual artistic work is independent. This is distinct from many other industries which require a chain of inputs from various actors, such as film and television (Kong, 2009). However, this study has been different from Kong (2009) in that artists still benefit from strong social networks in creative clusters in China.

Second, the relative spontaneity and organic origins of both clusters should be considered as well. Spontaneously or organically evolved clusters seem to have a different dynamic, compared with the designated clusters. As Kong (2006b) has argued, organic clusters usually have more spontaneous congregation. In this study, compared with other designated creative clusters, TZF and M50 have shown advantages of the spontaneous social networks and strong artistic milieu.

8.2.3 Creative cluster: space for economy or culture?

The challenge both clusters had been faced with, was the dilemma of balancing the culture development and economy benefit. This opened up the question of the relationship between culture and economy. As discussed in this study, on the one hand, to a various extent, both clusters had been facing with the problems of increasing rent, the commercialization of the cluster and the decreasing artistic milieu. On the other hand, most of the artists asserted the importance of creativity in their artworks, and the pressure of increasing rent and side effects of changed artistic milieu on their creation.

Actually, in this study of Shanghai, the policies on creative clusters were instituted by both the economic and cultural sectors in Shanghai. These creative clusters were designated as 'cultural industries base' as well. Creative clusters were employed as both the economic and cultural strategies by local governments. The local policies represented the features of 'culturalisation' of economy and 'instrumentalisation' of culture (Pratt,

2009b). Traditionally, the relationship between culture and economy has been considered as a dualism, where each is put into the contradictory positions. However, as Pratt (2009b) has argued, it would be seen as a 'co-construction', a 'duality'. Most interviewees confirmed this opinion. They considered cultural capital and economic capital transferable. As one interviewee commented: "great creativity means great money" (TZF artist 5, 2008).

However, although both the economic and cultural sectors involved in establishing the cultural policies on creative clusters, it was the economic sector that mainly took the responsibility for the governance of creative clusters. Therefore, this study suggested policy makers should pay more attention on cultural effects of creative clusters. The public sectors should not only establish regulations which are useful for cultivating the cultural milieu of the clusters, but also make sure the correct implementation of these policies and regulations.

8.2.4 Governance: whose cluster?

The study found the dominant role of local government in the spatial practice of creative clusters in China. The designation of creative clusters was the result of collusion of economic capital of the market and political power of the local government. The local authority played a dominant role in the construction of creative clusters. The aim of political capital was to gain the economic benefit and the political performance in China. The economic capital achieved its ultimate profit through the cooperation with political power. Meanwhile, the political power realized its control over creative clusters through the continuous hierarchical political system of the Municipal --- District ---- Street offices.

However, artists, as the major culture producers in creative clusters, were marginalized in the social field and considered the disadvantaged minority in the creative clusters because they owned the least political and economic capital. They were even expelled from the social field of creative cluster, although they contributed their strength in protecting the physical space and formed their art worlds through strong social networks. However, these clusters were finally protected through the legitimacy from the local

government, and developed under the official plans constituted by the local authorities. Therefore, different stakeholders in the clusters had continuously struggled for their 'field'.

In this way, the struggle for space represents the struggle for their legitimacy. It defines whose cluster is it? This is an on-going issue regarding the governance of creative clusters. Pratt (2004b) has suggested a holistic perspective in the governance of creative industries (see also Pratt, 1997a, 2008, 2009b; Pratt and Gornostaeva, 2009). In his account, governance is not about the firms and its organization, and the regulations, but also about the networks they operate within. Therefore, in this study, not only the policy makers and local authorities, and cluster managers/agents, but also the artists and the social networks among them should be considered in the governance of creative clusters.

However, the study found that the governance of clusters mainly relied upon the policies established by local authority or cluster managers and focused on the physical space and basic infrastructure. Although artists were critical cultural producers whose cultural capital was considered the most important resource of the two artistic creative clusters, they could seldom express their opinions on governance of the cluster. The artists were passively involved into the social field of creative clusters. Instead, the artists in both case studies spontaneously formed their arts worlds and mainly relied on personal social networks to access the resource for creativity.

Therefore, the suggestions for the cluster governance are as follows. First, it may be concluded that both creative clusters in this study are still at the primary stage. The researcher suggests that the governance of creative clusters is not only about managing the buildings; it is more about the organization of people and activities in order to cultivate the milieu facilitating creativity. In order to achieve this, the researcher suggests in the future it is necessary to improve the soft infrastructure of creative clusters in terms of building up social networks and industrial chain, providing business support and training, as well as promoting cultural activities and events. Second, artists should be considered in the governance of creative clusters. It might be possible for artists to actively participate in the organization and

development of creative clusters in the future. Finally, the governance of creative clusters should be cluster specific because of the various situations of property ownership and different extents of local intervention.

8.3 Limitation of this research and recommendations for future studies

8.3.1 Taking individual personality into account

As argued in the literature, the creativity is influenced by both the individual personality and the environment (Amabile, 1996). This study put focus on the influence of creative clusters on artists' creativity. It didn't take the individual characters of each artist into account. Thus in the future, the influence of artists' individual personality on creativity may be researched.

8.3.2 Different creative labours

Jeffcutt and Pratt (2002, p.293) state: 'creativity requires contextualization and organization'. Scott (2002) also argues that creativity is very domain specific and needs to be contextualized. Thus the creativity in different industries may be various and the governance of different creative labours may be diverse as well. This study only researched the workers in visual arts industry, with a particular focus on oil painters, photographers and designers. The creativity of other kinds of creative labours could be investigated in the future.

8.3.3 Different creative clusters

It is concluded that in China different creative clusters were managed in different models. For example, there are government dominant model, enterprise model, and combined model (Hitters and Richards, 2002). Meanwhile, creative clusters also vary in the different stages of development (Keane, 2009). This study only researched the government dominant model and the enterprise model. Therefore, in the future, the creative clusters which are governed in other models could be researched and compared.

8.4 Conclusion

This study began with the assumption that the creative clusters play important roles in facilitating creativity. In this study of two artistic clusters,

the artist, as the main cultural producer, was the most important individual in creative clusters. In recent years, creative clusters have been faced with increasing and conflicting demands from both realizing the economic benefit and facilitating creativity, and critics from the outside community -- the commercialization of creative clusters. All these constrain the practice of creative clusters in China.

Meanwhile, the creative clusters in China became the projects which not only generated economic benefit but also represented the political performance for local government. Local authority plays a dominant role in the designation, administration and governance of creative clusters through legitimating, planning and regulating the creative clusters. These are similar to previous findings that creative clusters in China were practiced very discursively and acted on by policy (Wang, 2004; Keane, 2009a; O'Connor, 2009).

Despite these general findings, the findings of this study were clear. First, this study asserts the significance of creativity in creative industries in China. One of the original findings of this study is that creativity does exist and play important roles in these creative clusters. Contrary to the assertion that China is lack of creativity (Wang, 2004; Ross, 2006; Hutton, 2007; Keane, 2009; O'Connor, 2009); creativity has been emphasized by the artists as the most important value of their works. Although the economic value of artworks has been stressed because of the pressure of making a living through arts, the economic value was considered deriving from the original creativity of artworks. Therefore, individual creativity has been considered as high of cultural capital which may be transformed to economic capital in the market.

Second, the creativity of artists has been facilitated by the strong social networks in the clusters presented in both clusters. It is through the strong informal social networks that the artists obtain the resource for creativity. The social networks among arts world play important roles in facilitating creativity through sharing market information and experience, commenting and communicating skills, building up trust and reducing risks through small social groups.

Finally, the creativity of artists has been influenced by different governance strategies of creative clusters. TZF creative cluster under the governmental model shows more advantage in creating a successful business environment by allowing the different entrepreneurs (both creative and less or non-creative) coexist in the cluster; while the enterprise model shows more advantages in creating a successful artistic milieu by mixing the creative functions of cluster through controlling the ratio of different creative entrepreneurs in the cluster. Compared with TZF, M50 under the enterprise model shows more evidence of creativity from the artists. Therefore, it may be concluded from this study that the creativity may be constrained in a governmental dominated creative cluster. On the contrary, it is suggested that an enterprise model may be successful in delivering more creativity.

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List of Abbreviations

Abbreviation	Full name
CPC	Communist Party of China
CPPCC	The Chinese People's Political Consultative Conference
LDG	Luwan District Government
M50	M50 Creative Cluster
M50CCILC	M50 Cultural and Creative Industries Ltd. Company
NBSC	National Bureau of Statistics of China
NTAPRC	National Tourism Administration of P.R.C
OSC	Office of Shanghai Chronicles
PDG	Putuo District Government
PRC	The People's Republic of China
SCC	State Council of China
SCIC	Shanghai Creative Industry Centre
SCWF	Shanghai Chunming Woolen Factory
SMEC	Shanghai Municipal Economy Commission
SMG	Shanghai Municipal Government
SMTB	Shanghai Municipal Tourism Bureau
SOE	State owned enterprise
SSSA	Shanghai Social Science Academy
STLC	Shanghai Textile Ltd. Company
TZFASMC	TZF Arts Street Management company
TZFIPPU	TZF Intellectual property protection Union
TZFMC	TZF Management Committee
TZFSC	TZF Service Company
TZF	Tianzifang Creative Cluster
WTO	World Trade Organization

Appendix A

Definition and classification of creative industries in Shanghai

Here is a list of the classification of creative industries in Shanghai. As shown in the Table, creative industries have been classified into five main categories, including research and development; consultation and planning; architecture design; culture and media; and fashion design and consumption. This classification has shown a strong focus on design industries. As indicated by an officer:

Actually, design is the most important part of Shanghai creative industries. We have lots of policies on investment. We are aiming at 'the capital of design' (Officer 1, 2008).

Category	Code	Name
Research and development creativity	6211	Basic software service
	6212	Applied software service
	629	Other software service
	611	Computer system service
	602	Web information service
	4211	Sculpture arts craft
	4212	Steel arts craft
	4213	Lacquer work craft
	4214	Flower arts craft
	4215	Natural fabric knit work
	4216	embroidery arts craft
	4217	Tapestry arts craft
	4218	Jewellery arts craft
	4219	Other arts craft
	3145	Household glass ware and container
	3153	Household ceramic ware
	3159	Garden, display and other ceramic ware

	75	Research and experiment
	744	Advertisement
	745	Intellectual property service
	769	Other professional technology service
Consultation and planning	7432	Market survey
	7433	Social economic consultation
	7439	Other professional consultation
	7491	Conference and exhibition
	7499	Other unlisted business service
	694	Security analysis and consultation
	703	Insurance accessory
	619	Other computer service
	629	Other software service
	772	Technology intermediary service
	779	Other technology service
	908	Culture and arts broker and agents
Architecture design creativity	7671	Engineer management service
	7672	Engineer investigation design
	7673	Planning and management
	8120	Urban green land management
	490	Architecture decoration
Culture and media creativity	881	Newspaper
	882	Publishing
	891	Broadcasting
	892	Television
	8931	Film making
	894	Video making
	901	Literature, arts creation, performance

	905	Museum
	909	Other culture and arts
Fashion design and consumption creativity	824	Hair salon, beauty and health service
	826	Wedding service
	828	Photography and printing service
	921	Indoor entertainment
	923	Leisure, gym and entertain activity
	748	Tourist service
	813	Tourist destination service

Appendix B Policies on creative industries and clusters in Shanghai

B.1 The policies for creative industries development in Shanghai

Policies	Content	Year
Outline plan for accelerating the development of modern service industry	This is the basic policies for SMG to enhance the development of modern service industry	Feb. 2005
Important guidelines for the development of Shanghai creative industry	This is the policies that SMG made for the five major fields of creative industry	Nov. 2005
The eleventh five year plan of creative industries in Shanghai	This is the policy of SMEC to promote creative industries	Nov. 2005
Outlines for Shanghai's strategy enforcement of prospering with science and technology	This is the policy for SMG to implement the national policy of developing science and technology	May 2006
Policies and opinions of Shanghai municipal government on accelerating the development of creative industries	This is the detailed policy of SMEC and PMSMCCPC to promote the development of creative industries	Jun. 2008
Administration measures market of Shanghai copyright trades	This is the policy for SMG to develop the market of copyright trades.	Dec. 2009
Guidelines for the application of cultural policies	This is the policy of SMG to apply the national policies	n.d.

Shanghai Tenth Five-year Development Outline	This is the policy of SMG to apply the national policies	2001
Shanghai Eleventh Five-year plan	This is the policy of SMG to apply the national policies	2006
Shanghai Twelfth Five-year plan	This is the policy of SMG to apply the national policies	2011
The regulations for Construction and Administration of Creative Industries Concentration Areas in Shanghai	This is the policy of SMEC to promote creative clusters	Jun. 2008
Suggestions on accelerating the development of cultural industries in Shanghai	This is the policy of SMG to implement the national policy on promoting culture development	2009

(Source: based on Li and Hua, 2009)

B.2 The regulations for construction and administration of creative industry concentration areas in Shanghai

- (1) It (the creative cluster) should have a complete cluster construction and development plan, and the plan should be coordinative with "the tenth five year plan of Shanghai creative industries development plan";
- (2) It should have finished transformation and the leasing rate should be more than 70%;
- (3) It should have a characteristic industry, and this industry must be coordinative to "the keystone guideline for the creative industries development in Shanghai"; meanwhile, it should also have several dominant industries and those industries should take no less than 70% of the whole quantity of industries in the cluster;
- (4) The acreage of the creative cluster should be more than 10,000 square meters;
- (5) It should have legal and normative administration and management organizations which could effectively organize and carry out the construction, management and enterprise establishing;
- (6) It should provide appropriate working environment, matching infrastructure and service functions for the creative industries development;
- (7) The leasing of properties in the creative cluster should be managed by

the creative cluster administration and management organizations in order to make sure the use of space could coordinate with the requirements of the industrial function of the cluster. Without the permission of the administration and management organization, the property should not be sublet;

- (8) The architecture structure of the property should coordinate with the relative architecture standards of Shanghai, the external feature of architecture should be cohesive with the urban architecture form and the surrounding environment;
- (9) The matching infrastructure of creative cluster should not be more than 20% of the total architecture acreage;
- (10) The cluster should protect the historical architecture according to the laws and policies of the nation and Shanghai Municipal government;
- (11) The fire control, safety, energy saving, environment protection and hygiene should meet up the relative standards.

(Source: <http://www.creativecity.sh.cn/wangshangbanshi4.aspx> [accessed 12-10-2011])

B.3 The standards for outstanding historical architecture in Shanghai

An architecture which has been built up for less than 30 years and has one of the following standards could be designated as outstanding historical architecture:

- (1) It should have architecture arts characteristic and scientific research value in terms of the mode of architecture, construction technique and engineering technology;
- (2) It should reflect the historical and cultural features of domestic architecture of Shanghai;
- (3) It is the representative work of famous architect;
- (4) It is the representative workshop, market, factory or warehouse in Chinese industrial development history;
- (5) It is the outstanding architecture which has other historical and cultural meaning except other stated above.

(Source: the protective regulation of historical and cultural feature areas as well as outstanding historical architecture in Shanghai.)

B.4 The requirement for 3A tourist area

- (1) Tourism transportation
- (2) Tour arrangement
- (3) Tour safety
- (4) Hygiene
- (5) Post and telephone service
- (6) Tourist shopping area

- (7) Enterprise management
- (8) The tourism resource and environment protection
- (9) The attractiveness of tourism resource
- (10) The attractiveness to the market
- (11) It should have received more than 300,000 domestic and foreign tourists per year.
- (12) It should have a satisfactory level in the tourist sample survey.

(Source: National Tourism Administration of P.R.C.

<http://www.cnta.gov.cn/html/2008-6/2008-6-27-20-31-36-5.html> [accessed 15-10-2011])

Appendix C-1

The first study interview schedule with artists

Note: The interviews will follow this list of questions. The italicized notes will be mentioned to the interviewees, the artists, as an introduction to each section. The interviews will be conducted in a flexible way, according to the conditions of the interview and the conversational flow.

1. What are your views on creative industries and their own profession?
2. What are your views on creative clusters development in Shanghai?
3. What are your process to settle down in the cluster?
4. What are the factors that attracted you to settle down?
5. What kind of infrastructure and services does the cluster provide?
6. How often do you use the infrastructure and services in the cluster?
7. What are the roles of the clusters in terms of generating creativity?
8. What are the roles of the clusters in terms of business development?
9. What are your views on the creative milieu in the cluster?
10. The networks among the creative workers or entrepreneurs?
11. Views on government policies and the roles of government?
12. The conditions of finance and business management?
13. Suggestions on the existing problems and future development of the cluster?

Appendix C-2

The second interview schedule with artists

Note: The interviews will follow this list of questions. The italicized notes will be mentioned to the interviewees, the artists, as an introduction to each section. The interviews will be conducted in a flexible way, according to the conditions of the interview and the conversational flow.

Part 1: Background information

I would like to ask you about your background information.

1. Are you working in this cluster?

A. What do you do?

2. How long have you been to Shanghai?

3. How do you like Shanghai?

A. Where are you from?

B. Why did you come to Shanghai?

C. Which characteristics of Shanghai attracted you?

D. What do you particularly like/dislike about Shanghai in terms of your career?

4. How long have you been working in the cluster?

5. Why did you choose the cluster?

A. How did you hear about the cluster?

B. How did you settle down in the cluster? Could you please tell the process?

6. Which characteristics of the cluster attracted you?

A. Do you enjoy your time in the cluster?

B. What did you particularly enjoy/dislike about the cluster?

7. How often do you use your space at the cluster?

8. How long do you work every day?

A. What's your routine?

Part2: Working environment

I would like to know your opinion about the working environment.

9. What do you understand by the term 'creative industries', 'creative clusters'?

A. To what extent do you think you are belonging to creative industries?

B. What is your opinion on creative cluster designation?

10. How do you understand the term "creativity"?

- A. Is creativity important in your job? Please explain the reason.
- B. Is creativity important in your life? Please explain the reason.
- C. Are your works creative? To what extent are they creative?

11. Is your working environment creative?

- A. How often do you feel creativity when you work?
- B. Could your creativity stimulated in the process of creation?

12. Do you concentrate when you work?

- A. how often are you disturbed when you work?
- B. what are the reasons to be disturbed?

13. What facilities does the creative cluster provide?

14. What services does the creative cluster provide?

15. How do you like your working environment?

- A. What are the advantage and disadvantages?
- B. To what extent, and in what ways, does creative cluster satisfy your needs in terms of creation?
- C. How does the cluster affect your work? What are the most important factors? Please give reasons for your answer.
- D. Is there anything else you would like to discuss about your working environment?

16. Have worked in other creative clusters before?

- A. Where did you work before?
- B. How do you like it?
- C. What are the advantage and disadvantages of the previous cluster?

Part3: Career development

Now I would like to ask you about your career development.

17. How long have you been working in this area?

18. Are you self-employed?

- A. If yes, why? What did you do before? How did you start as a professional artist?
- B. If not, what is your main career?

19. How do you like your career?

20. How do you think about your identity?

- A. Do you consider yourself an artist?
- B. Do you consider yourself a businessman?
- C. Do you consider yourself both of above?
- D. Else. Please imply and explain the reason.

21. How do you like your income? Is it enough to support your life?

22. How do you think of the rent of your working space?

23. Will you leave the cluster in the future?

- A. If yes, why? What are the reasons? Please explain.
- B. If not, why? Please explain the reasons.

Part4: Social networks

I'd like to ask about your views about your social networks.

24. Do you have social networks in the cluster?

- If yes, how do you know each other?
- If not, why?

25. How often do you communicate with others in the cluster?

- A. Who do you usually communicate with?
- B. Why do you socialize with them?
- C. Where do you usually socialize?
- D. What do you communicate?
- E. If rare or no communication, why?

26. How do you like your social networks in the cluster?

- A. How do you describe your social networks in the cluster?
- B. What do you particularly enjoy/dislike about your social networks in the cluster?

27. Do you have trading networks with others in the cluster?

- Do you have cooperation with galleries in the cluster?
- Where did you buy materials? Do you have access in the cluster?
- How do you arrange delivery for your works?

28. What are the value of the networks in the cluster?

Part 5: Function of cluster

I would like to have your opinions on the functions of cluster with regard to the facilities.

29. To what extent you are satisfied with the facilities and infrastructure the cluster provided for you?

- A. What are your suggestions for the facilities and infrastructure?

30. How do you like the creative milieu of the cluster?

- A. What is a good creative milieu for you?
- B. What are your views on the diversity of cultures?
- C. How do you like to work together with different people from different areas?

31. What is your imagery of the creative cluster?

Part 6: Support and services

I would like to have your opinions on the function of the cluster in terms of it support and services.

32. Which kinds of services does the creative cluster provide for you?

A. To what extent you are satisfied with the service the cluster provided for you?

B. What are your suggestions for the service?

33. What kind of cultural activities does the cluster have?

34. Have you ever experienced intellectual property protection problems?

A. Do you know the intellectual property protection law?

B. Does the cluster offer any law protection for you?

35. Does the cluster provide any other service for you?

A. Which kind of service is the most important for you?

B. Which kind of services do you need in the future?

36. To what extent do you think the creative cluster promote your business?

Part 7: Cluster management

I would like to ask about your views on cluster management.

37. How is the creative cluster managed?

Do you have the right to express your ideas?

38. How do you view the government policies and strategies in developing creative industries and clusters?

39. What are your opinions on government intervention in the development of creative industries and clusters?

40. Have you benefitted from any government policy in developing creative industries?

41. Have you benefitted from the preferential policy in creative cluster?

42. Do you have anything to discuss more with regard to the management of cluster?

Part 8: Creativity

I would like to know how you generate creativity in your works.

43. To what extent do you think the creative cluster facilitate or stimulate creativity?

A. What are the most important aspects of the creative cluster which impact upon levels of creativity?

B. What are your priorities in relation to facilitating creativity?

44. What are the main constraints with regard to creativity in your creation?

45. What do you think should be the most important elements for ensuring creativity within your creation? Please give reasons for your answer.

46. How do you evaluate creativity in your works?

47. Which is more important, the creativity or the commercial value of your works?

A. Why? Please explain your answer.

48. Do you have anything to discuss more with regard to creativity?

Part 9: Relative importance of creative cluster

I would like to ask about your views on the relative importance of each parts.

49. Which of the areas we have discussed are the most important for your creation? Please give reasons for your answer.

[Prompts if necessary: working environment, social networks, functions of the cluster, cluster management]

50. Which of the areas we have discussed are the least important? Please give reasons for your answer.

[Prompts if necessary: working environment, social networks, functions of the cluster, cluster management]

51. How do you balance arts creation and business?

A. Which of these two things do you see as the more important?

B. How do you put this into practice in your career?

Part 10: Concluding questions

I would like to close this interview with a few more questions.

52. Generally, what are the value of the cluster for you? Please give reasons for you answer.

53. Among these, which are the most important three factors? Please explain.

54. Generally, how satisfied are you with the cluster? Please explain.

55. What is the most difficult thing about your creation?

56. What is the most enjoyable part of your creation?

57. Generally, how satisfied are you with your creation?

58. What qualities do you think are required to make a good creative cluster?

59. Have you any other comments or suggestions to the cluster you would like to make?

Part 11: Demographics information

I would like to ask you about personal information.

Your gender: (1) Male (2) female

Your age: (1) Under 18 (2)18-24 (3)25-34 (4) 35-44 (5) 45-54 (6)55-64
(7) Above65

Your education background

(1) postgraduate (2) graduate or college (3) High school (4) primary school
(5)other

Thank you for your co-operation!

Appendix C-3

Interview schedule with officials

- 1. What do you understand by the term 'creative industries', 'creative clusters'?**
 - A. What is the situation of creative industries and clusters in Shanghai?
 - B. What is the classification of creative industries in Shanghai?
- 2. What are the specific strategies to develop creative industries?**
 - A. What is the policy support for creative industries?
 - B. What is the strategy of developing creative industries from the local authority?
- 3. What are the policies to develop creative clusters?**
 - A. How is creative cluster designated?
 - B. What are the standards for creative cluster?
 - C. What is the policy support for creative cluster?
 - D. What are the models of creative clusters?
- 4. How is the creative cluster managed?**
 - A. Who are involved in the cluster management?
 - B. What is the role of each organization?
 - C. How is the relationship among each other?
- 5. What kind of businesses has been settled in the cluster?**
 - A. What are the requirements for the businesses allowed in creative cluster?
 - B. How are those requirements constituted?
 - C. How are those requirements implemented in practice?
- 6. How does the government deal with small enterprises?**
 - A. How do you think of the small enterprises in creative clusters?
 - B. Does the government have specific policies to support small enterprises?
- 7. How do you think of artists in creative clusters?**
- 8. What are the strength and weakness of creative clusters?**
- 9. What kind of problems do you face in developing creative clusters?**
- 10. What are the future plans for developing creative clusters?**
- 11. Do you have any other information of creative clusters?**

Appendix C-4

Interview schedule with managers

- 1. What do you understand by the term ‘creative industries’, ‘creative clusters’?**
 - A. What is the situation of creative industries and clusters in Shanghai?
- 2. What are the policies to support the development of the creative cluster?**
 - A. Why is creative cluster designated?
 - B. What is the policy support for creative cluster?
- 3. How is the creative cluster managed?**
 - A. Who are involved in the cluster management?
 - B. What is the role of each organization?
 - C. How is the relationship among each other?
- 4. What kind of businesses has been settled in the cluster?**
 - A. What are the requirements for the businesses allowed in creative cluster?
 - B. How are those requirements constituted?
 - C. How are those requirements implemented in practice?
- 5. What kind of infrastructure and service does the cluster provide?**
 - A. What is the infrastructure provided?
 - B. What is the service provided?
- 6. What is the main income of creative cluster?**
 - A. What is the rent of the creative cluster?
- 7. Does the cluster have preferential policies to support artists?**
- 8. What are the functions of creative cluster in developing creative industries?**
 - A. What are the advantages and disadvantages? Why?
- 9. What are the value of creative cluster, especially for artists?**
- 10. What are the strength and weakness of creative clusters?**
- 11. What kind of problems do you face in developing creative clusters?**
- 12. What are the future plans for developing creative clusters?**
- 13. Do you have any other information of creative clusters?**

**Appendix C-5
List of interviewees**

(1) TZF interviewees			
Code	Profession	date	Length
TZFartist 1	Oil painter	4 th Mar 2008	1h
		23 rd Oct 2008	2h
		1 st Jul 2010	1h
TZFartist 2	Oil painter	27 th Sep 2008	2h
		1 rd Jul 2010	1h
TZFartist 3	Photographer	29 th Sep 2008	1.5h
TZFartist 4	Oil painter and Gallery Manager	8 th Oct 2008	1h
		29 th Jun 2010	1h
TZFartist 5	Oil painter	8 th Oct 2008	30m
		29 th Jun 2010	1h
TZFartist 6	Oil painter and Gallery Manager	10 th Oct 2008	40m
TZFartist 7	Oil painter	11 th Oct 2008	1h
		2 nd Jul 2010	1h
TZFartist 8	Gallery Manager	13 th Oct 2008	1h
TZFartist 9	Oil painter	15 th Oct 2008	1h
		2 nd Jul 2010	1h
TZFartist 10	Photographer	15 th Oct 2008	45m
TZFartist 11	Oil painter	18 th Oct 2008	1h
		2 nd Jul 2010	1h
TZFartist 12	Oil painter	19 th Oct 2008	30m
TZFartist 13	Oil painter	19 th Oct 2008	30m
		5 th Jul 2010	30m
TZFartist 14	painter	24 th Oct 2008	30m

TZFartist 15	Oil painter	24 th Sep 2008	2h
TZFartist 16	Oil painter	28 th Oct 2008	30m
TZFartist 17	Oil painter	29 th Oct 2008	1h
TZFartist 18	Oil painter	29 th Oct 2008	1h
		5 th Jul 2010	1h
TZFartist 19	Oil painter, gallery and business owner	30 th Oct 2008	1h
TZFartist 20	Oil painter	31 st Oct 2008	1.5h
TZFartist 21	Oil painter	3 rd Nov 2008	3h
		5 th Jul 2010	1h
TZFartist 22	Oil painter	11 th Nov 2008	1h
TZFartist 23	Pink painter	12 th Nov 2008	1h
TZFartist 24	Gallery manager	25 th Jun 2010	1h
TZFartist 25	Oil painter	25 th Jun 2010	1h
TZFartist 26	Gallery manager	27 th Jun 2010	1h
TZFartist 27	Oil painter	27 th Jun 2010	30m
TZFartist 28	Oil painter	30 th Jun 2010	1h
TZFartist 29	Oil painter	30 th Jun 2010	1h
TZFartist 30	Oil painter	3rd Jul 2010	30m
TZFSC1	Manager of TZFSC	13 th Nov 2008	1h
TZFSC2	Deputy manager of TZFSC	23 rd Nov 2008	1h
TZFofficer	Street manager	24 th Nov 2008	2h
TZFmanager	Manager of TZFASMC	24 th Nov 2008	1h

(2) M50 interviewees			
Code	Profession	Date	Length
M50artist1	Oil painter	2 nd Nov 2008	2h
		26 th Jun 2010	2h
M50artist2	Oil painter	2 nd Nov 2008	30m

M50artist3	Painter	2 nd Nov 2008	1h
M50artist4	Photo designer	4 th Nov 2008	1.5h
M50artist5	Oil painter	27 th Jun 2010	2h
M50artist6	Oil painter	6 th Nov 2008	1h
		4 th Jul 2010	1h
M50artist7	Oil painter	6 th Nov 2008	2h
		4 th Jul 2010	2h
M50artist8	Oil painter	7 th Nov 2008	30m
M50artist9	Oil painter	7 th Nov 2008	1.5h
		6 th Jul 2010	1h
M50artist10	Oil painter	10 th Nov 2008	2h
M50artist11	Advertise business	10 th Nov 2008	1h
M50artist12	Oil painter	10 th Nov 2008	1h
M50artist13	Oil painter	12 th Nov 2008	1h
M50artist14	Oil painter	12 th Nov 2008	1h
M50artist15	Oil painter	15 th Nov 2008	2h
M50artist16	Oil painter	15 th Nov 2008	1h
M50artist17	Oil painter	18 th Nov 2008	1h
M50artist18	Oil painter	20 th Nov 2008	2h
		6 th Jul 2010	1h
M50artist19	Gallery manager	6 th Jul 2010	1h
M50artist20	Architect designer	8 th Jul 2010	1h
M50artist21	Photo designer	8 th Jul 2010	30m
M50artist22	Gallery manager	8 th Jul 2010	1h
M50artist23	Oil painter	10 th Jul 2010	1h
M50artist24	Gallery manager	10 th Jul 2010	1h
M50artist25	Oil painter	10 th Jul 2010	2h
M50artist26	Oil painter	12 th Jul 2010	1h

M50artist27	Oil painter	12 th Jul 2010	1h
M50artist28	Oil painter	12 th Jul 2010	1h
M50artist29	Crafts designer	14 th Jul 2010	30m
M50artist30	Oil painter	14 th Jul 2010	30m
M50manager	Company Manager	12 th Jul 2010	45m
M50officer	Deputy officer of M50	14 th Jul 2010	1h

(3) Other interviewees				
Code	Profession	Location	Date	Length
Officer 1	Secretary-general	SCIC	17 th Mar 2008	1h
Officer 2	Deputy secretary-general	SCIC	17 th Mar 2008	1h
Scholar1	Professor	SSA	18 th Mar 2008	2h
Resident 1	anonymous	TZF	5 th Jul 2010	15m
Resident 2	anonymous	TZF	9 th Jul 2010	30m
Resident 3	anonymous	TZF	9 th Jul 2010	20m

(Without notice, all these interviews were held in the interviewee's studios, galleries or offices in Shanghai for their convenience.)