

深圳创意产业

IMPLEMENTATION FROM ABOVE?

The Conditions for Cultivating the Creative Industry in Shenzhen, China

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The Conditions for Cultivating the Creative Industry in Shenzhen, China

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The Conditions for Cultivating the Creative Industry in Shenzhen, China |

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Abstract

Since Shenzhen became a Special Economic Zone in the 1980s, the city has experienced enormous economic growth and is currently in the shifting process from a manufacturing economy into a service based economy and developed already from a rural town to a ten million mega city in only thirty years. In doing so, the government, like many other cities, tries to promote itself as a creative city resulting in a proliferation of creative industry parks. This thesis explores the conditions under which creative industry is being developed in Shenzhen by doing qualitative research. Because current theory available on creative industry is mainly derived from a western context, this thesis puts to question to what extent current theory on the conditions for creative industry to emerge is also applicable to the distinctive case of Shenzhen. To do so, the development processes of six different cases of creative industry that represent the development process of creative industry in Shenzhen were reconstructed. In conclusion, conditions for creative industry in Shenzhen differ and therefore it is impossible to predict what conditions are required to become a creative city.

Keywords

Creative Industry, Creative City, Conditions, Development Process, Stakeholders, Shenzhen, China



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Marie F. Krop

Amsterdam. August 2013

**“Yes, everything is called ‘creative’ because
creative means policy and funding.”**

Jane Zhang, architect,
2013

“Something is called creative (art) depending on its context.”

William, philosophy student (UK) travelling
through China, 2013

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Introduction



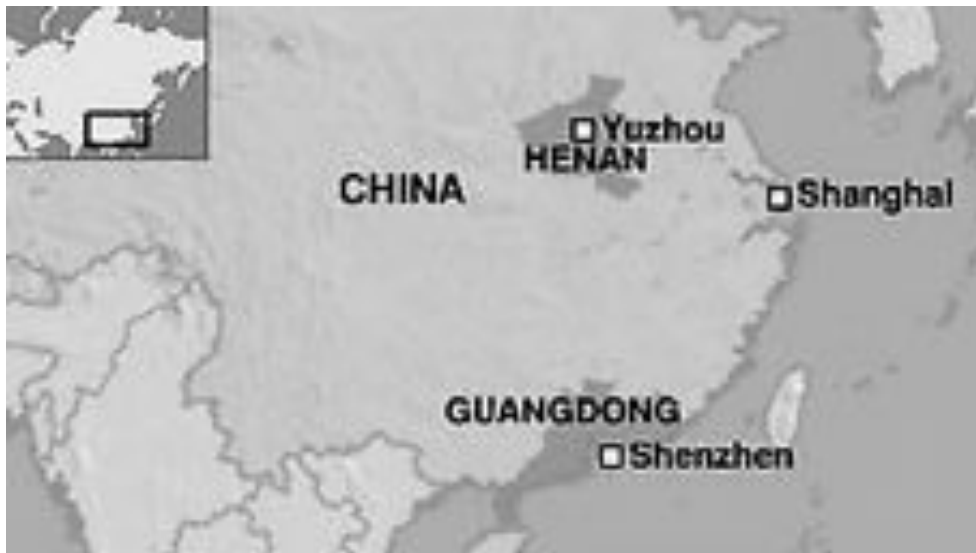


Figure 1 Location of Shenzhen in China

1 Introduction

'Nowadays more than half of the world population lives in cities. The concept of 'Creative Cities' is based on the belief that culture can play an important role in urban renewal. Policy makers are increasingly taking account of the role of creativity when planning economic policy. As creative industries contribute to a city's social fabric, cultural diversity and the quality of life, it also strengthens a sense of community and helps define a shared identity.'

UNESCO, 2013a

It was in the year 2008 when Shenzhen, as the first Chinese city, became part of the UNESCO Creative Cities network in the 'City of Design' category. Nowadays, besides other Chinese cities such as Beijing and Shanghai, this network includes cities from all over the world such as Buenos Aires, Berlin, Montréal, Graz and Saint Etienne (UNESCO, 2013a). The Creative City network helps cities 'to promote the development of local creative industries and to foster worldwide cooperation' (website UNESCO, 2013a). Indeed, in a shift from industrial towards a knowledge-based economic system, many cities nowadays are promoting creative industry in order to save their strategic worldwide trading position. Today, Shenzhen has undergone quite some striking changes. It was, however, not long ago when the history of this Chinese city started.

Shenzhen – 'A Miracle of City Reform'

Not more than 30 years ago, Shenzhen, which is located in China at the border with Hong Kong still was a rural town. This, however, changed when China's national leader of that time, Deng Xiaoping, decided to choose this area as the first experimental special economic zone (SEZ) in the 1980s. Shortly afterwards the area started to develop its manufacturing industries and many migrants moved into the city. By 2007, the city already housed over 13 million inhabitants. Moreover, the 'Shenzhen Miracle' can be considered the vanguard of China's opening up and reform policy, functioning as the port for China's foreign trade. As part of the success wages and land prices increased and factories were relocated to the outer city. As a consequence, Shenzhen's government

in 2003 established the strategy for a ‘cultural-based city’ (UNESCO, 2009: 2-3) in particular by promoting creative industry (Zacharias & Tang, 2010). Ten years later the urban landscape of Shenzhen already contains a wide variety of so-called ‘creative parks’. However, the changes in Shenzhen had been taking place in such a high pace, and still are, that has made planning for this city rather complicated.

Problem of Focus

Across the world there is a lively policy and academic debate about the essential conditions to develop new economic activities, mainly focusing on knowledge intensive sectors and creative industry. Many cities, especially in China, are planning to become creative. Moreover, Shenzhen, being one of the fastest developing cities nowadays, is often an example for development of known and less known cities in the rest of China who all need to address the changing economic conditions now that mass production does not make them enough money anymore. Also *The Creative City* as a concept is developing at a high pace. As Landry (2008) acknowledges in his book with the same title that introduces this concept: ‘I am aware that if the book were written completely from scratch again, different examples might be used’. It comes as no surprise that the creative industry in China is currently of high interest under academic researchers (e.g.. Chen, 2012; Bontje, 2013) and is at risk of becoming a ‘holy grail’, i.e. ideal solution without clear academic backing.

Different economic practices have been related to various forms of city development. This would mean that creative industry will be different in each city and that one cannot speak of ‘cut and paste’ policies. One could even argue that not every city should attend to promote creative industry at all. There are different theories that could explain the essential conditions that enable cities to promote creative industry (Bontje et al, 2011: 80-81). Therefore, the way creative industry is developed seems to be dependent on the preconditions that cities can offer. However, currently available theory on the conditions to develop creative industry is not very clear defined as a lot of things are happening under the name of ‘the creative city’, and also this theory is predominantly developed in a western context. As Shenzhen is a relatively young city with a very different historical path of development compared to Western cities, this raises the question how this city has developed towards becoming a creative city until now and which conditions were essential in doing so.

Aim of the Research

The aim of this research is to explain how Shenzhen until now has developed towards becoming a creative city and identify under what relevant preconditions this has happened. Furthermore, this

thesis aims to compare theory on the essential conditions for promotion of creative industries that is developed in a western context to the context of Shenzhen. As there is currently a lack of theory about developing creative industry and its implications for China (Chen, 2012), by exploring the conditions in Shenzhen, theory can be extended and current hypotheses can be further fine-tuned to be helpful for urban planning policy and social intervention and contribute to the current policy debate.

The outcome of the research is a conclusion that further extents the current theory available on the conditions for developing creative industry in Shenzhen. In the end, the outcomes may lead to the question: is there a Chinese way of developing creative industry?

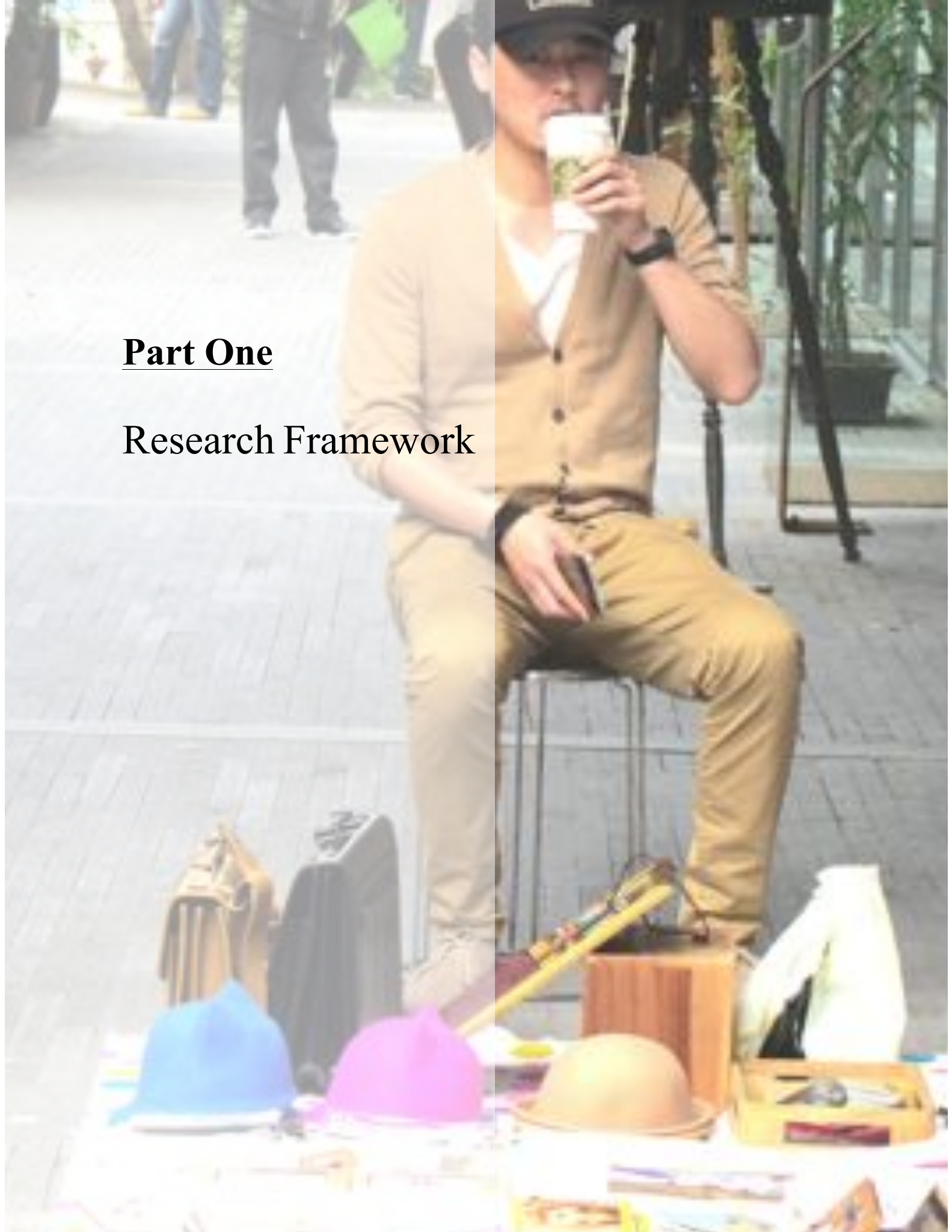
Thesis Outline

This thesis is divided into three main parts, in which each accounts for one of the three main steps of the study. First, *Part One Research Framework and Approach* explains the *Theoretical Background (2)* and the *Research Methodology (3)* which respectively outlines the current available theory and the steps taken in doing this research. Furthermore, *Part Two Research Findings* provides the results of the data collection and analysis in the following sequence: *Shenzhen's Pathway towards the Creative City (4)*, *Cases of Creative Clusters (5)*, *The Development Process: Role of Stakeholders (6)* and *Conditions of Creative Industry (7)*. At last, *Part Three Conclusions* discusses the research *Conclusions (8)* and *Discussion (9)*, but also provides some recommendations for further research and future policies.



Part One

Research Framework



2 Theoretical Background

This chapter introduces a short summary of the current state of theory available on creative industry and the conditions under which creative cities are developed. It conceptualises the idea of the Creative City and the Creative Class. It describes the purposes of creative industry. It explains the role of stakeholders in the development process. Foremost it outlines the conditions that, according to currently available literature, are necessary to become a creative city. As Charles Landry puts it: ‘When change is needed it is crucial to understand the underlying dynamic’ (Landry, 2008: xviii)

2.1 Introduction to Creative Industry

Although creative inventions have always been important for economic innovation, creative industry has become almost iconic for our time. First emerging in areas such as Soho Area in London and Greenwich Village in New York during the 1970s and 1980s, where refurbished industrial and residential areas within high density neighbourhoods developed into favourite spots for local arts and the alternative scene firstly, creative industry implied the course for various waves of gentrification, and a rise in number of companies in the cultural economy and of the size of the urban middle class population (Zielke et al., 2012). The last few decades the emerge of creative industry has reflected the trends of the development of the service-sector and deindustrialisation in western societies that were associated with the post-industrial area. That is, through processes of globalisation new geographic scales, i.e. the global and the locale scale, have become more relevant. Cities nowadays function as urban regions with multiple cores that relate to each other in a complementary form, resulting in less mono-centric oriented cities. Due to technology and information innovations allowing firms and city regions to reach a far wider area, cities became more competitive on knowledge and resources on a global scale. Consequently, a distinctive character of a location became more important implying that the local scale also has gained importance, a phenomenon that is also referred to as *glocalisation*. The implications of glocalisation force cities to specialise in specific sectors (Marcuse, 2006). Local environments that manage best to connect to global trade networks will on the long run be the most innovative and economically successful (Bontje et al., 2011). Moreover, the specialisation from manufacturing towards a more knowledge-based economy has resulted in different modes of production and a new division of labour as such in the skills that are generally required. Therefore, the changing character of the

economy, society and culture at large requires adjustments in local and regional institutions and has generally resulted in new (spatial) ambitions (Bontje & Musterd, 2009). It is in this debate about competitiveness between cities that *creativity* has received a growing interest (Bontje & Musterd, 2009). As old industries are disappearing, the value added in cities is created less through what is manufactured and more through intellectual capital applied to products, processes and services. Consequently, many cities have responded by formulating new ambitions to become a creative city or area (e.g. the cities in the UNESCO Creative City Network).

Often the creative industries are defined in terms of an industrial classification of what they do, what they produce and how they produce it. In their definition UNESCO identifies a distinction between cultural and creative industries. According to them the term ‘cultural industries’ refers to industries that combine the creation, production and commercialisation of creative contents, which are intangible and cultural in nature. Typically, these are protected by copyright and can occur as a good or a service. Examples are printing, photography, publishing, design and multimedia yet can also include theme parks or casinos. ‘Creative industries’ exclude the former as they only involve creative intervention (Landry, 2008: xxiv). The creative industries are those lines of work in which the product or service contains a substantial element or artistic creative endeavour (UNESCO, 2008). Rather than being industrial, creative industry should be looked at as a kind of market economy because most of the creative industries share many characteristics with service economy (ibid; Bontje et al., 2011). In conclusion, creative industries are vast in scope dealing with a wide variety of sub sectors, which vary from traditional knowledge and cultural heritage, for example arts and crafts, to more technology and services-oriented sub sectors such as audio visuals and the new media (UNCTAD et al., 2008: 2013). As this definition of creative industry remains quite vague, it is open for each city’s own interpretation and has resulted in a wide variety of ‘creative cities’.

2.2 The Creative City

In 2000 Charles Landry published a book called *The Creative City: A Toolkit for Urban Innovators* in which he argued that creative and innovative solutions are needed in order to deal with the dramatic economic, social and cultural transformations taking place during that time in European cities and subsequently in cities all around the world. ‘With the old intellectual mind set [of city development] focusing on hard infrastructure the same obstacles will come up against’ (Landry, 2008: xvii). Therefore, *The Creative City* was a call for open-mindedness and imagination for new ideas, with the intention to have a dramatic impact on organisational cultures within cities (Landry,

2008). To add, it is not just the artists or those involved in the creative economy that ought to be creative. In fact, creativity can come from anyone dealing with urban issues in an innovative way. In *The Creative City*, with the right mix of attraction and distribution of power, resources and talent, power brokers, investors, industrialists, property developers will be attracted. A creative city shows itself in economic, political and cultural power, or the ability to shape the urban processes, and thus performance and level of wealth (Landry, 2000). In conclusion, there is not necessarily a need for 'creative industry' as part of the creative city.

In being creative many cities have focused on the argument of Richard Florida. His book published in 2002, *The Rise of the Creative Class* argues that the 'creative class' functions as the engine for developing the creative city. The concept of the 'creative class' already emerged during the 1970s. It was Scott (2006) who in 1979 wrote about the 'rise of the new class'. Briefly, Florida's basic argument is that cities in order to be successful need to attract talent by providing the right conditions to attract them. Either these people will work for companies that serve to the creative class or they will set up their own businesses and prosper the economy (Musterd & Murie, 2010). Florida refers to the often cited Jane Jacobs (*Death and Life of Great American Cities*, 1961) claiming that creative and talented people prefer to live in city regions that offer a diverse population and lively atmosphere (Bontje et al., 2011). This atmosphere attracts many people that come for shopping and spending leisure time and money (Florida, 2011). Florida does not argue that creativity in the formation and growth of cities is new, but that with the decline of physical constraints on cities and communities in recent decades, creative industries have become the principal driving force in the growth and development of cities, regions and nations (Florida, 2005: 1). Therefore, many policy makers started looking after the same type of 'industry' investing in higher education, research, networking or lobbying institutions and promoting spin-off companies to become attractive places to live for creative knowledge workers or 'the creative class' (Bontje & Musterd, 2009). Cities do not only need to promote themselves and attract a new group of labour to define their strategic position, but also creative industry in itself has a consumption side. The types of products have a symbolic value (Galloway & Dunlop, 2007) and are typically used by people to give shape to their individuality (Landry, 2008). This means a commodification of products that were once cultural public goods (Potts et al., 2008). Cities are typically places where this type of consumption occurs and where the social identification of different groups of people take place. Therefore, creative cities are related to the cultural identification of cities too. This proves that

creative cities are not only dealing with economic and political but also social and cultural issues (Evans, 2003).

When should a city be considered a 'creative city'? To be creative as a city, different cultures and interests involved need to be brought together in some coordinated way. At a lower level, the creative organisation, creative people and other types of skilled people are needed to make the organisation work as whole. However, at the city level, the level of complexity increases exponentially, since it contains a very wide variety of individuals, organisations, cultures, aims and attitudes which need to be brought together. Therefore, the task of the urban leaders is to find an overarching set of ideas or a vision that takes the city forward and stresses how rules can help to engage between differences of opinions. This can be done by a wide variety of infrastructures, such as promotion strategies and education ('soft infrastructure') or physical preconditions ('hard infrastructure') to help change people's mindsets. Some cities have been more successful in adjusting to the changing conditions than others. Successful cities seem to have a handful of factors in common, such as visionary individuals, creative organisations and a political culture sharing clarity of purpose. The recognition of a culturally informed perspective seems to be important as well as the ability to bridge the divisions between disciplines, ideas and institutions (Landry, 2008). Yet, shifting this idea upside down: the question 'what are the requirements for a city to be called creative?' seems to be a remaining issue. Famous example of creative cities can be found in the UK and also Berlin is often referred to as a creative city. In these cities creative industry often occurs as a gentrification process, where creative people explore new, cheap places that as a result of the gentrification process become interesting for further development. The creative people will have to move out and will search for a new location. There are concepts such as the Cultural Capital (European Union), the Creative City Index (Landry, CCI, 2012) and the Creative Cities Network (UNESCO), that assign cities with these types of developments a title of creativity, yet, they each have their own mind set and requirements (European Commission, 2011; UNESCO, n.d.). Furthermore, it does not prevent cities from calling themselves a creative city. In practice, this often just means cities have put creativity and promotion of creative sectors high on their policy agenda (Bontje, 2013). However, this does not necessarily provide insight in whether strategies have been either successful or creative.

Nevertheless, in the academic world there still remains high scepticism regarding creative industry and their meaning for urban and regional competitiveness (e.g. Lovink & Rossiter, 2007; Bontje &

Musterd, 2009), e.g. it remains unclear what groups receive the benefits of such development. One-sided neoliberal investments might only benefit the elite of higher educated, well paid professionals, while at the same time these policies result in a decline of other activities, social polarisation and poverty, which makes it a less useful tool for redevelopment of neighbourhoods (Peck, 2005). Moreover, some say creativity was of great importance in the medieval time too and should not be treated as a new trend (Bontje & Musterd, 2009). Yet, as Peck (2005) argues in Florida's theory creative industry seems to have become a brand, a commercial activity with the risk of an emerging model in which a singular recipe based on experiences in complex and contested geographies is not applied in the right way (Bontje et al., 2011). Finally, 'creative class' is regarded as simplification and individualisation of a complex and hybrid phenomenon. The risk occurs of a hollowing out of the concept (Landry, 2008).

2.3 How to Become Creative? – The Role of Actors in Urban Development Processes

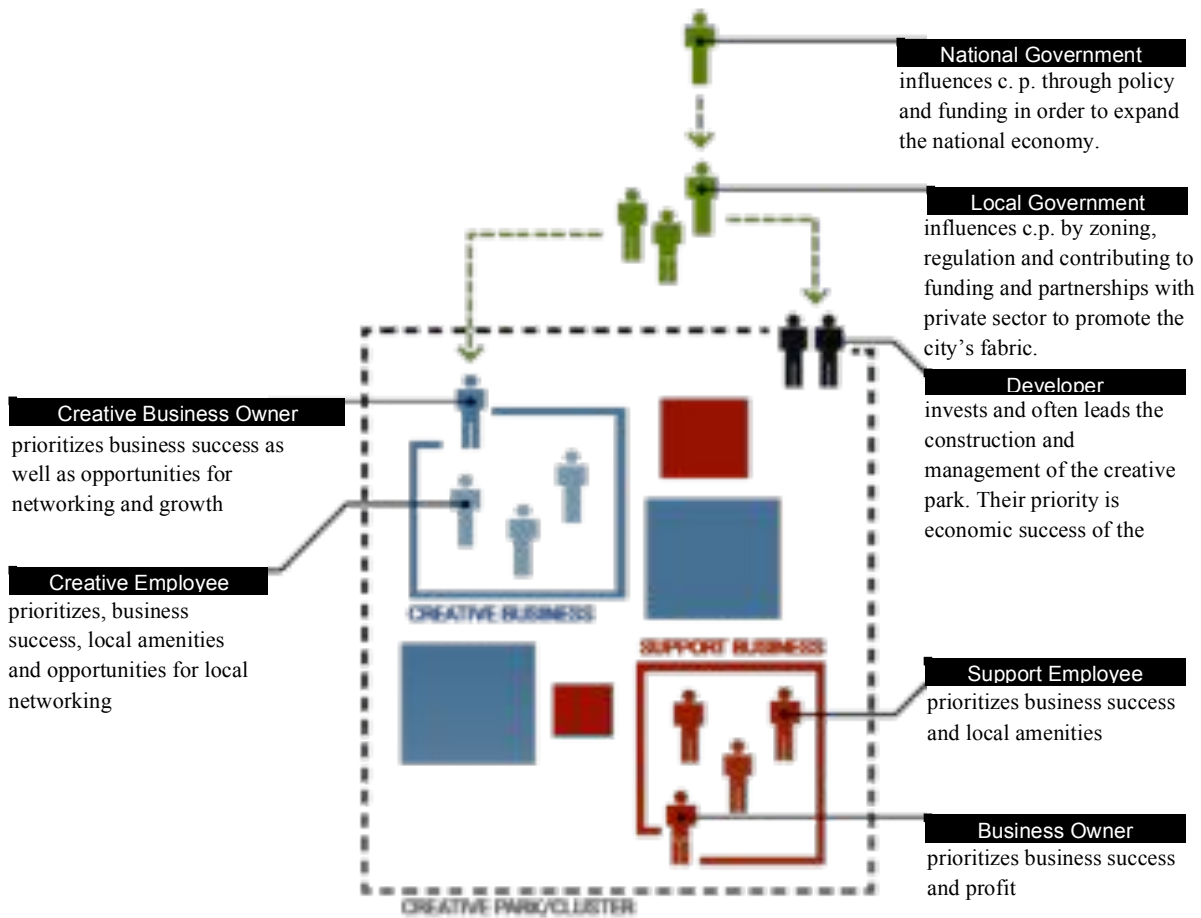
How do you plan for a creative city? *The Creative City* opens with the sentence: 'It (the book) does not provide definite answers, but seeks to open an 'ideas bank' of possibilities from which innovations will emerge.' Almost any city has opportunities to develop into a creative city, but in many cities this potential is blocked (Landry, 2008: xi). Urban space is the physical outcome of a dynamic social process involving all aspects of society (Carmona et al, 2010). The outcomes can be influenced by strategic planning processes. The Creative Strategy is a cyclical process based on the following stages (Landry, 2008):

1. Preparation and Planning Phase: in which the problem is identified
2. Assessment of Potential and Obstacle: in which local resources, conditions and constraints are identified
3. Measuring Successes and Failure: in which indicators for, first, how far the city has reached the criteria in the cycle of urban creativity and, secondly, the success of the specific project
4. Execution: in which the project will be executed dealing with bureaucratic structures and pilot projects will be used for mainstreaming the ideas
5. Communicating, Disseminating and Reflecting: in which the results will be communicated to guarantee its sustainability

In each phase there are key analytical tools, creative planning tools and indicators to measure their success involved. Promoting and developing creative industry is an outcome of mutual actions of different actors. The government plays an important role in facilitating requirements in order to

attract economic activity. Creative industries deal with multiple governmental levels, the private sector and local citizen (Comunian et al., 2009). This can be done at different scales: the neighbourhood or cluster level (1) or the city level (2) (Landry, 2008). Figure 2 shows a more detailed list of involved stakeholders as were identified by Urbanus (2012). To this the local public can be added (Carmona et al, 2008).

Figure 2 Stakeholders in the Promotion of the Creative City



How the collaboration works out in practice is based on different factors and can be seen as flows where things come together at the right location, on the right time and under the right conditions. Examples of collaboration models are: co-option, cooperation, consultation, collaboration, co-learning and collective action. These types of collaboration can be subdivided into three categories: municipality led models, business-models or models of growth and, somewhere in the middle, partnership-led models. Each of which has its own purpose of development (Landry, 2008). The

urban process is an outcome of the collaboration between these actors based on their strategic position and interests. The theory is supported by Fritz W. Scharpf (1997) who wrote a book in 1997 *Games Real Actors Play* arguing that game theory is especially appropriate to apply to constellations of actors that occur in empirical studies of policy processes. As Scharpf puts it: usually there are a limited number of actors, for example governments, ministries, unions, companies et cetera, that engage in a purposeful action under the conditions in which the outcomes are a joint product of their separate choices. Politics are beyond the actions of individuals. Thus, policy actions can be seen as strategic interaction between independent individuals or corporate actors. All actors act based on their interests which lies underneath their strategic position. These people act on the reality they perceive. They do not only act on based objective needs but also on the basis of preferences reflecting their subjectively defined interests and valuations and their normative convictions (Scharpf, 1997: 19). Regarding this assumption it would be impossible to identify some sort of theory of public action. However, Scharpf assumes that individuals, as in game theory, in general behave rationally trying to maximize their own economic interests based on full knowledge. It is the institutional setting that shapes the outcomes. This concept is also known as *actor centred institutionalism* (Scharpf, 1997). Regime analysis views power as fragmented and regimes as the collaborative arrangements through which local governments and private actors assemble the capacity to govern. It also describes formal and informal power relations. The primary reason for the fragmentation of power is the division of labour between market and state (Stoker, 1995).

The outcome of the process is a mutual interaction where all the stakeholders are influencing each other. Considering each actor's power the decision will be made (Carmona et al, 2008). In the development process the stakeholders try to imagine a city and what the boundaries and constraints are (step 2) that prevents the city from developing in this way to get to their desired outcome (step 1). Yet, sometimes the desired outcome is not known before a project, especially in the creative process. Bontje et al. (2011) wonder whether each city has indeed the opportunity to become creative. In the execution of the project all the stakeholders are involved (step 4), but the success can only be measured in case the goals are agreed (step 3) for which communication is essential (step 5). As urban development should be seen as a social process, the formation of urban space is a dynamic process between actors (Agiurre, 2007: 5138). Nowadays, under influence of processes of globalisation planning has become more complicated and uncertain as it has increasingly become important to connect local needs with global production networks. Planning for the creative city

also demands for a shift towards a new planning paradigm. For this reason, academics in the field of urban planning more and more argue the planning process should be more open to public involvement and less top down organised. This has created a new dilemma; is it easier to get things done in a top down way without consulting the public, but will these types of development be resilient over time?

Communication and Framing

The facilitation of creative industry depends on how a government communicates its approach, but also how they are being picked up. A communicative approach is based on the meaning of collective consciousness. Movements are seen as carriers of ideas and meanings that automatically grow out of structural arrangements, unanticipated events or already existing ideologies. This signifying work is being referred to as ‘framing’ and the result of this action is referred to as ‘collective action frames’ (Benford & Snow, 2000). This is also how trends can emerge. For this reason rhetoric and other symbolic uses of language or icons are very important as they institutionalise discourses. Planning tools are tropes that are used in order to let opinions prevail. Therefore, the planner must be prepared for a certain audience as symbols need to be understood. Symbols could for example be iconic buildings. However, this institutionalisation of symbols is a political practice as well, and thus will face counter arguments (Throgmorton, 1993). In case there is no action, this means that there is no collective action frame. Regarding the creative industry this means that the way creative industry is communicated (framed) is very important for how it will be used in projects. Also, creative industry itself can be a symbol to achieve certain outcomes, i.e. solving urban problems as they were defined.

A self-consciousness of a crisis challenging a city is often the starting point for considering creative solutions (Landry, 2008), and it furthermore depends on the potential provided by the condition a location has to offer.

2.4 The Conditions for the Creative Pathway

City-regions differ in their potential to attract the emerging economic activities depending on the conditions each has to offer (Bontje et al., 2011). The conditions are integrated in the five steps of the planning process and required for it to happen, otherwise actors will not act. There are a number of preconditions, providing opportunities and constraints for a city to be truly creative and for creativity to be imbedded in the organisational structure (Landry, 2008: 105). This section provides

a summary on the current thought of possible conditions and the theories that are influenced by these conditions. These conditions can refer to more concrete factors such as spatial qualities, which are the hard conditions, or to more intangible concepts which can be referred to as soft conditions (Musterd & Murie, 2008). The validity of each condition can be tested by raising the question whether a city could be creative without it. Cities do not need all the preconditions, but will operate their best in case they are all present (Landry, 2008: 104-106).

2.4.1 Hard and Soft Conditions for Creative Industry Development

Musterd and Murie (2010) agree there are hard and soft conditions for the development of creative industries. Hard conditions are referred to as *classic conditions theory*, in which the availability of capital (markets), specialised employees with adequate skills, a proper institutional context, tax regimes, up-to-date infrastructure and accessibility are regarded as playing the major role in explaining the development of firms. As argued by Evans (2009), most of the creative areas originate in once declining urban and former industrial districts, because of hard conditions that are quite beneficial, such as existing buildings that can easily be reused. Furthermore, soft conditions are more abstract conditions for human settlement, such as quality of life, quality of environment and urban atmosphere, well-functioning housing markets and factors such as tolerance, openness and diversity (Musterd & Murie, 2010). These are more difficult to measure and should be operationalised in concepts such as quality of the housing stock and the functioning of the housing market. However, the emergence of creative industry and the supported rise of the creative class suggest that these soft location factors play an increasingly prominent role. Florida (2002) as well as others such as Landry (2000) stress public and semi-public spaces as necessary for a world city to attract talented people.

The Creative City (Landry, 2008) provides a more detailed list of required preconditions; these relate to material things, activities, matters of attitude, and perception and organisational concerns:

1. Personal Qualities

A city needs creative individuals, thinking openly, resourcefully and flexibly, willing to take intellectual risks and experience a cycle of learning. A handful of creative people brought into play at strategic point can transform the city as whole. Yet, creative people need to be supported by others, who are perhaps less obviously creative but who can help exploit ideas.

2. *Political Will and Leadership*

The creative city needs people who feel responsibility to be creative. Will in itself is not enough on its own; it should be supported by a wide range of people and generally be understood by them. This requires leaders with good capabilities and strong visions.

3. *Human Diversity and Varied Talent*

Social and cultural diversity increases understanding, interaction, openness and learning rather than it supports xenophobia, because a lively civil society often depends on a history of tolerance. Therefore, in diverse societies there is more opportunity for innovative thinking.

4. *Organisational Culture*

The organisational structure should be open for innovations and take action to let creativity flourish. Most environments provide obstacles to learning, thus the capacity to break established rules and procedures is essential. Failures should be used as learning lessons. In this, open governance is perhaps the preconditions for preconditions. To increase the ability of communication and public discussion, a transparent democratic institutional setting is required.

5. *Strong Local Identity*

Establishing a cultural identity is crucial as celebrating distinctiveness in a homogenising world requires cities to distinguish themselves. Creating new traditions is equally important, so that the city's identity does not remain in the past but keeps innovative and attractive. Historical cultures can texture layers of uniqueness, but also be a constraint for innovation.

6. *Urban Spaces and Facilities*

Public urban space is both a physical setting where exchange can occur through physical formal and informal meetings as well as an arena for communication through a wide variety of media. The quantity and quality of public facilities is crucial for encouraging urban creativity. In this the research capacity, information resources and cultural facilities are especially important as they all contribute to the creative process. Cultural resources can establish a creative environment, which encourages the urban regeneration process, where artists are dispersed in cheap but interesting places as near to the centre as possible. A good example for this would be London or Berlin. In these two cities, increased property values have pushed artists outwards, making place for more successful media companies. The artists here function as the kick start

for the gentrification process. On this level also factors such as accessibility and location become relevant.

7. *Networking and Associative Structures*

The access to relevant networks is also an important requirement (Musterd and Murie, 2008). There are two aspects of networking: within a city and between different cities. The nature of networking is changing as communities have become more mobile and interchanged due to technological innovations. Networking is important as the greater the number of nodes in a system the greater its capacity for reflexive learning.

Richard Florida (2002; 2012) refers to reasonably the same requirements, but uses a more clear distinction into three T's: Talent, Tolerance and Technology. Talent relates to high-skilled populations, tolerance refers to a diverse community and a 'live and let live' ethos and technology refers to technology infrastructure that enables an entrepreneurial culture. According to Florida a place must meet all three factors to be essentially innovative. When cities fail to grow they have failed to meet these three requirements. Therefore, the three T's are interdependent. Other authors tend to focus more on the economic aspect of creative cities. For example, to these factors Yawei Chen (2012) adds: demand, as there needs to be a market for creative products and intellectual property protection, which helps cities to remain unique. Also, looking at the examples of London and Berlin often factors such as right ambiance and culture are called as the explaining factors that have made these city creative.

2.4.2 *Pathways and Path Dependency*

City forms and city development have always been related to different phases of economic development (Bontje et al., 2011). According to path dependency historical factors influence the ways in which urban economics undergo transformation. There are always local factors that were the outcomes of previous patterns of development and the current situation will also influence future development (Musterd & Murie, 2010). Pierson proposes the idea of increasing returns by arguing that 'the probability of further steps along the same path increases with each move down that path' (2000: 252). Besides historical patterns, path dependency also involves cultural and institutional dimensions. In doing research on path dependency in creative industry, Bontje et al. (2011) consider the role of informal and formal institutions extremely important to understand entrepreneurial and corporate practices in the fields of production, communication and learning. Furthermore, path dependency can be found in cluster theories as well as reconstruction of

evolutionary paths of city regions development and its consequences for future development. Consequently, path dependency theory stresses scepticism about the view that all cities can become 'creative' as some cities possess advantages that have historically grown, whilst others lack these (Bontje et al., 2011). In being creative there is a high focus on cultural resources given that being distinctive is vital in an age of homogeneity. These cultural resources are embodied in people's history, habits and past knowledge. Creativity is needed to exploit these resources that make a city unique (Landry, 2008). However, the government is dependent on past developments (Musterd & Murie, 2010).

2.4.3 Cluster Theory and Embeddedness

In relation to 'glocalisation', Malecki (2000) concludes that fundamental to understanding both the agglomeration and clustering of economic sector activity and the ability of city-regions to increase their competitiveness is based on a system of shared conventions and social relations leading to collaboration as well as competition. *Cluster theory* assumes that activities cluster together where they use the same location benefits such as infrastructure, customers, manufacturers of complementary products, skills, technology, governmental and knowledge institutions and trade associations (Porter, 1998) and as such benefit from each other's presence and their mutual relations (Musterd and Murie, 2010). However, the theory has not been met without criticism. As Turok (2004) notes, city-regions are part of a wider economic system, and external business connections, which should be taken in account. Besides that the concept is too often taken for granted by policy makers, becoming too fuzzy (Martin & Sunley, 2003; Bontje et al., 2011).

The cluster concept is often combined with the closely related concept of *embeddedness* of economic activities, in which Granovetter (1985: 158) argues that '(informal) social relations, rather than institutional arrangements or generalized morality, are mainly responsible for the production of trust in economic life.' Furthermore, the social relations have such an extensive influence on the behaviour and institutions of actions that they should always be taken in account. This is supported by the argument of Scharpf, who refers to the relevance of social interaction (Scharpf, 1997).

The creative clusters can be considered as a physical outcome of creative industries as they are often put in practice to regenerate deprived or formerly industrial areas. Subsequently creative industries became part of a wider strategy to promote the city as whole. In sum, there are two main typologies of planning practices that are grounded on the activation of cultural creative industries:

1. Culture Quarters: areas that are attractive to the creative class, with bars, cafes and restaurants as they combine consumption space with creative production. Another important aspect is variety existing from small and medium sized businesses that not only trade with the consumer, but also with other supporting businesses that operate within the creative industries. In this particular typology one finds some overlap with the creative districts.
2. Creative Districts: these are economic clusters which are planned for groups of interconnected and independent businesses and institutions, being manifestations of the idea of clustering and innovation. They are often perceived as a distinctive area.

In practice, the boundary between these two types of creative clusters is very blurred and they should therefore be considered as ideal typologies for the urban creativity model (Costa, 2013). Successful creative clusters combines infrastructure, cultural and economic planning and achieves the right mix of assets, investments and organisations (Costa. 2013; Urbanus, 2012). However, producing of authentic neighbourhoods by upgrading and restructuring policies seems hardly possible (Jacobs, 1961).

2.6 Creative Industry in a Chinese context

A few years after the creative boom in Northern America and Europe China also explored creative industry as a potential goldmine. China has its own influential scholars, such as Michael Keane and Li Wuwei. Creative industry in China is still predominantly focused on creative companies, business models, clusters and their importance for economic development (Bontje, 2013). Important examples of creative industry in China are 798 in Beijing and M50 in Shanghai (Urbanus, 2013; Zielke et al., 2012). Urbanus is currently working on a typology of creative industry parks in China to indicate what types of creative industry parks are developed.

According to Keane (2009) creative industries in China are mainly seen as an alternative to the manufacturing based economy. Because China has a very controlling government, policies are often implemented from above, so you could ask yourself the question whether there is enough room for being 'creative'. Keane also puts to question whether China is able to understand the concept of being creative as it was developed in a Western context. Yet, there seem to be some tendency towards a shift in thinking, but such change is incremental and should prove itself over time.

2.7 Conclusions

In conclusion, creative industry is a topic that already has been widely researched, but there is still a lack in clearness of the concept in both the Chinese and the Western context. At the same time planning has become more uncertain and more actors have become involved in the development process due to recent globalisation processes. In the promotion of the creative city, creative industry often has the role of urban regeneration to make the city more attractive as a whole in some sort of cosmopolitan way, but there are many preconditions that could lead to opportunities and constraints of development. Therefore, the way creative industry is developed seems to be dependent on the type of preconditions that cities can offer. The current literature of Bontje et al. (2011) implies that all cities can develop creative industry as long as they invest enough money but that there are some cities that would be favourable in developing creative industry. As there are many cities with very different backgrounds and paths of development that to some extent have been successful in developing creative industry there seems to be no standardised recipe for what cities in the end are able to become a creative city. That is why it is impossible to lay down some hypotheses in this research concerning preconditions for Shenzhen. Moreover, most of the theory in the literature is derived from cases in Europe and the United States. In the case of Shenzhen, therefore, the conditions for creative industry to emerge have to be provided by my research.

3 Research Methodology

3.1 Research Questions

There is a very wide variety of possible constraints and conditions that could determine how creative industry develops in different contexts. The aim of this study was to explore the way creative industry is being developed in Shenzhen and to explain the factors that influence the way Shenzhen is developing by applying western theory on the conditions of creative industry to the context of Shenzhen. Therefore, the main research question of this study is:

How is Shenzhen currently developing its creative industries, what are the relevant conditions in doing so and to what extent is western theory applicable to the case of Shenzhen?

Sub Questions

In order to address this main problem statement, the following sub questions, also providing the structure to the thesis, were identified:

Stakeholders and Development Process

1. What is the path of development and what is its outcome?
2. What is the development process and how are relevant stakeholders involved in different cases of creative industry in Shenzhen?
3. What is the role and interest of the stakeholders in the general development process and under what conditions does this happen?

Conditions

4. To what extent are the conditions and opportunities derived from the current literature applicable to the case of Shenzhen?

In order to answer the main question, chapter 4 answers the first sub question. Sub question 2 is answered in chapter 5 by describing six different case studies. Sub question 3 and 4 are answered in a more general contextual perspective in respectively chapter 6 and 7. Chapter 8 provides some thoughts on the future development of creative industry and therefore is also related to first sub question again.

Current Hypotheses

In their study Bontje et al. (2011) already tried to identify the conditions that could possibly influence the development of creative industry. This study identifies theory on developing creative industry and applies this to several cases in Europe. The study concludes with several hypotheses. In their view, the development of creative industry is influenced by the past development in each city. They categorised four types of cities. In my study, however, I argue Shenzhen should be considered a separate category as Shenzhen is a relative young city, but also has a very different type of governance. Considering this paper of Bontje et al. (2011) and the theoretical framework the following hypotheses were formulated in advance of going into the field:

1. Attracting a New High Skilled Group of People

In relation to path dependency, cities known as national or international political and economic decision making centres have a better chance of innovative restructuring than cities without a prominent decision making function. Shenzhen, being a fully industrialised city since not long ago, has more difficulty to attract the creative industry than cities with an early service profile. Shenzhen is a welcoming city for migrants, but has more difficulty with attracting high skilled people that are required for a diverse population. This relates to the argument of Florida about the creative class (Florida, 2002) that is needed for becoming a creative city. One of the main causes is that Shenzhen lacks the historical and cultural character and facilities to be able to attract these high skilled people.

2. Understanding of the Creative City Concept

The chances of success for a creative and innovative policy partly depends on the lasting impact of policy decisions that were recently made. Active, well formulated, properly financed, and well organized and managed creativity, innovation, and/or technology policy may be a powerful force in positive restructuring, emphasizing the advantages or overcoming the disadvantages of the past economic pathways. This means the government in Shenzhen needs to be powerful in implementing policies. As there is a lack of understanding of the social side of developing creativity of the local government this might head into the wrong direction. Communication and framing become important as a lack of understanding of the idea of creative industry might result in the failure of collaboration of the private sector and the public.

Normally, exploratory research does not have hypotheses, but as they were already formulated by Bontje et al. (2011) in a western context, it is interesting to compare them to the context of Shenzhen. This is why, even though the theoretical background implies that no hypotheses can be formulated, this chapter still provides some hypotheses. As it is necessary to vary institutional settings in comparable studies as it is not possible to vary isolate variables, due to the extremely large number of variables that is involved in society. This means that forward looking hypotheses should be formulated that specifies a causal model that is proved by empirical evidence (Scharpf, 1997).

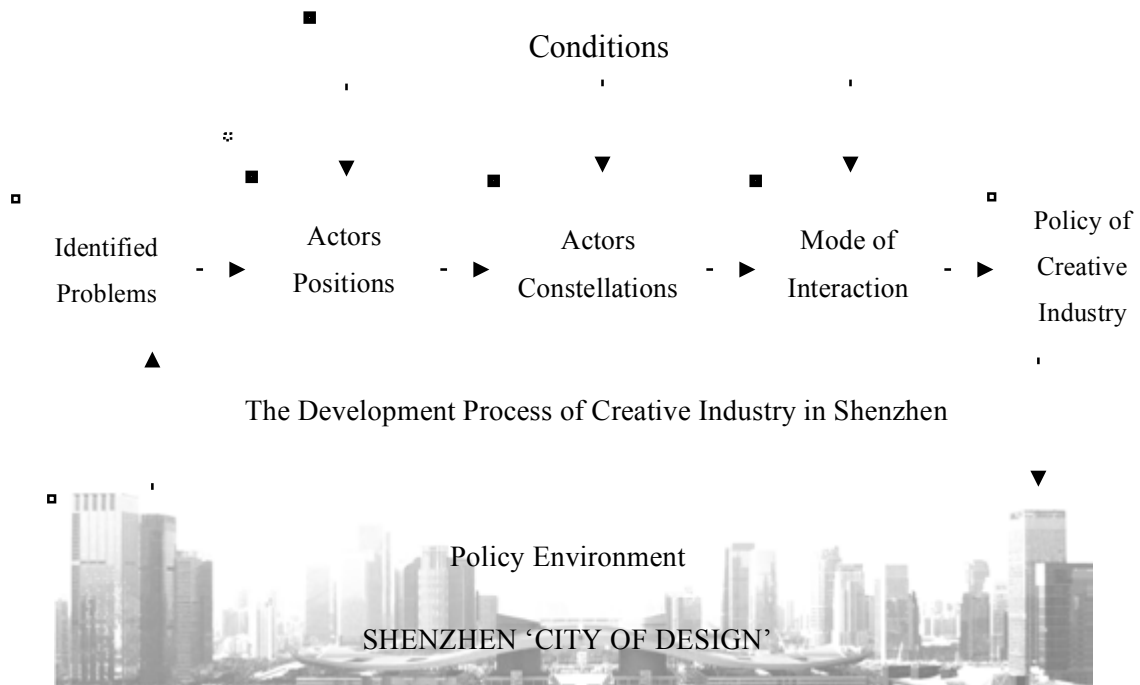
3.2 Operationalization

3.2.1 Conceptual Scheme

A conceptual framework for policy intervention was designed by Scharpf (1997), see figure 3. First of all he describes the institutional setting. This setting influences the actors' positions, the constellation of actors as well as how they will interact. Therefore, the outcome of the policy intervention is as well influenced by the institutional setting. The policies will be designed and implemented, but as social space is always dynamic, these types of interventions will always lead to new problem, keeping the process going. Interventions might also change the institutional setting in the long term (Scharpf, 1997).

For the purpose of this study the development process starts with an identified problem. There is a certain constellation of actors that is involved. The actors that are involved each have their own position. The mode of interaction is based on their position and their power. Together these factors will lead to a certain outcome of policy that will (or will not) promote creative industry. Each of these three factors are influenced by the conditions, such as governance and resources that are available. The final policy outcome will influence the policy environment, in this case Shenzhen. As Shenzhen is changing by policy intervention also the identified problems will also change, resulting in new actor positions, constellations and, thus, modes of interaction. To conclude, there is a continuous process of city development. This relates to the path of development.

Figure 3 Conceptual Framework



source: based on Scharpf, 1997

3.2.2. *Defining the Main Concepts*

The main concepts that are relevant for this study are derived from the conceptual scheme (figure 3) and are below:

1. Creative industry: there is no clear definition of creative industry available, besides an indication of different industries that have some creativity in them. For this study it is useful to keep the definition this open, as the way creative industries is defined in Shenzhen will influence the way creative industry is developed. Actually, the way creative industry is framed is one of the outcomes of the study as it the way the policy aim is defined influences the result of the development process.
2. Conditions: existing circumstances that affect the way people live and work (Oxford Dictionary, 2013), they will provide opportunities and constraints in the development process .
3. Actors Constellation: the actors that are involved in the decision making process
4. Actor Positions: actors will have positions in the development process. This position will frame their desired outcome. Yet, the actors have a strategy in the process to get to this position. In the

end, the underlying interest is basis to their position and based on the current knowledge that is available to them (Fisher et al., 1991).

5. Modes of Interaction: this is the setting and staging in which the development process takes place and in which the actual decisions are made (Scharpf, 1997).

3.3 Research Methods

3.3.1 Research Design

The aim of the study is to get a broad overview of the way creative industry is currently being developed, which actors are involved and what the essential conditions are for this process. The particular research problem that is being investigated is the association between ‘conditions’ and ‘the development process of creative industry in Shenzhen’. To address this issue this research is a single case study of the case Shenzhen. In order to address the creative industry of Shenzhen as a whole an embedded case study was used (Yin, 2003). This means a limited number of creative parks(clusters) was selected to represent the creative industry of Shenzhen as a whole. The creative parks, then, are the units of analysis of this research. This can be justified because these clusters are typically where the development policies of the government mainly focus on and which is also seen as a requirement for the creative city. However, also city wide policies and development processes are being researched as to understand the cases also the city wide context should be considered. Therefore, this is not a multiple case study. A case study enables to do a more in-depth study and to apply multiple methods of data collection and thus will lead to a more varied result and more nuanced conclusion.. A case study is especially useful in situations where little is known so far.. By doing a case study existing theory on the conditions for creative industry can be applied to case of Shenzhen. Furthermore, as the research takes place in a real life situation of events that can be little influenced by the researcher, a case study is the only justifiable research design (Wolsink, 2013; Yin, 2003).

Therefore, the research approach is also typically explorative. Exploratory research is used in situations where there is a lack of theory such as is the case in Shenzhen. Because there are so many factors that could possibly influence the way creative industry is developed, it is probably hard to prove what factors are really the explaining conditions. This is a typical problem for case study research. For this reason, exploratory research can provide insight in the basic details, settings and conditions, a well-grounded picture of the situation and help develop new ideas for future research,

assumptions, and theories (Wolsink, 2013; Stebbins, 2001). Indeed, the outcome of this study will be a new set of hypotheses that are applicable to a Shenzhen context.

3.3.2 Selection of the Cases

The choice for Shenzhen as the case for this study seems to be a very obvious one, because Shenzhen is such a unique case of creative industry. Shenzhen is unique in the sense that it is the first Special Economic Zone in China so far. In the future this case could function as an example for other cities in China. However, the decision for this case was made another way than usual, as this research first started with a case - being part of the research project in Shenzhen organised by the International New Town Institute- and then the problem of focus was found. However, INTI had already done some preliminary research and could help to understand the context of Shenzhen resulting in the current research questions. Yet, although the study is representative for Shenzhen, it also provides some insight in how creative industry is developed in some other fast growing (Chinese) cities with a similar kind of governance and path of development. However, generalisation is typically an issue in case study research and a problem that can only be addressed by researching as many cases as possible or developing theories that can be tested on a larger scale. By describing the cases also an interesting, more specific picture of the way Shenzhen deals with development of the creative industry is provided.

The case that were selected for this study are:

1. OCT Loft
2. Shekou
3. Dafen Art Village
4. Wutong Mountain
5. Da Lang Fashion District
6. ID Town

3.3.3 Selection of Units of Analysis

As it is impossible to examine all the creative industry parks, a selection had to be made. Yet, when should a creative park be labelled as creative cluster? One can conclude there are many and they are very much spread out over the whole city, but can mostly be found in areas close to the border with Hong Kong. The identification of creative clusters might have become equally difficult to define because of the lack of a clear definition. It is pivotal that in some of the cases even Urbanus was not

able to find some required information, such as who the developer is. Therefore, after talking to the researchers of Urbanus and some site visits of creative industry parks in Shenzhen a short list of creative areas that covers the whole list of types of creative clusters was chosen to represent the development of creative industry as a whole. Another important factor in the decision for selecting these cases was the consideration whether it would be possible to collect the required information.

3.3.4 Methods of Data Collection

This study uses a mixture of methods of collecting data. A good metaphor for exploratory research is setting the agenda for a meeting. Agendas are usually set in advance of the actual meeting and consist of a number of points to be considered. Yet, the meeting itself can also put new topics on the table (Stebbins, 2001). The theoretical framework of this thesis is quite long and merely used as a way to be able to compare this theory to the findings in Shenzhen instead of describing theory about a correlation that should be examined (Wolsink, 2013).

The main approach for this study was to conduct semi-structured interviews with key stakeholders who are involved in the development process of creative industry in Shenzhen and particularly in these cases. The list of interviewees included people such as: planning officials, private developers, designers, business owners in the creative parks and an owner of a NGO. As is typical for exploratory research as many of the involved stakeholders as possible were interviewed who all were involved in the creative industry. In the end, fourteen interviews were conducted with sixteen different key informants (see a full list of the respondents in appendix x). The minimum durations of these were at least 45 minutes, with some taking up to over 2.5 hours. All these interviews are fully transcribed (see appendix x). Most of these interviews were conducted in English, and some of them were conducted in Chinese with the help of students from Shenzhen University to translate. The starting point for finding respondents was Urbanus, an architectural and design company located in OCT Loft, which is the most famous creative industry park in Shenzhen and also an example for many other projects. The difficulties in searching for respondents proved how important a personal network is as getting into contact with new people in high positions of companies is not easy, especially in China where people tend to be more suspicious towards strangers (in my experience). A lot of new respondents were found at a meeting at the Shenzhen planning department (Shenzhen Centre of Design). The new respondents were found via other people present aforementioned meeting and through the network of INTI. Some additional interviews were conducted during observations in the areas. Observations were made with a small

topic list of aspects to take notice of, and by taking pictures and writing down notes; Questionnaires and Observations Schemes can be found in Appendix x Operationalization. Lastly, additional data was retrieved from some official policy documents of the local government to improve a thorough understanding of the city wide context (Stebbins, 2001; Yin, 2003; Bryman, 2008).

3.3.5 Methods of Data Analysis

The data were analysed by making use of a list of conditions, each represented by a colour. One category was 'new condition', see appendix x. In the transcribed interviews all relevant answers were marked and could be used for identifying the influencing conditions. These types of quotes were found in all interviews and in the notes of the observations. The cases were all described by making use of the notes of the observations and the interviews with the key informant that were informed about the separate case.

3.4 Constraints and Limitations

For the purpose of this research some constraints and limitations had to be taken into consideration. This section points out what choices have been made in order to deal with these limitations.

- 1. Different cultural and political background:** in 2003 the Freedom House argued that 'China is one of the most authoritarian states in the world'. Opposition parties are illegal, the Chinese Communist Party controls judiciary and ordinary Chinese enjoy few basic rights' (Haynes, 2007:165). As this research was done in a different cultural context, there were some feasibility constraints. This can only be overcome by trying to understand Chinese society as well as possible, though, for example, reading newspaper articles. It was advised to meet informants several times, to provide the opportunity for them to increase mutual trust and thus get more reliable information. This, in practice, turned out to be more difficult than expected. Still, some of the respondents were met more than once. Also, discussing interpretations with fellow (Chinese) students helped to understand better society and local planning systems. It should be taken in account that the role of urban planners and researchers in China is not separate and therefore their answers should always be addressed critically. To get a critical view it was important to talk to people that are not involved in official institutions. This piece of work has been written from a Western perspective, which brings its own consensus and understanding of phenomena in society. Ideas about the creative city may differ widely in the Asian, African or

South American context. Some of these views are shared worldwide; maybe others not and thus ought to be considered carefully

2. **Language barriers:** because the local language, Chinese, it was difficult to get access to the right information. Furthermore, there is also the risk of misunderstanding, which could be further extended by the earlier noted cultural and political differences. The extent to which Chinese people were able to speak English differed. Collaboration with Chinese translators came to our aid, after these translators were informed about the purpose of this examination to avoid possible misunderstandings and misinterpretations. Moreover, one of the Chinese students explained that older Chinese people typically try to avoid answering the questions directly, that is why sometimes people were talking in Chinese for fifteen minutes and then the translations were only about two minutes
3. **Lack of quantitative data:** China is an example of a country that does not provide easy access to their statistics, a problem that is further increased by language barriers.
4. **Time constraints:** there was only a period of six weeks of data collection and then only a period of eleven weeks to write up the whole thesis. When the research period had been longer, there would have been time to do more research, speak to more respondents and improve the understanding of Chinese society. A local network is very important to receive trust. Due to a lack of time it was difficult to build up such a network. Therefore, not all cases in this lecture have full information and their selection has been quite random. However, as the aim of this research is to get a broad understanding and there is a large number of cases, this is not necessarily a problem.
5. **Reliability and validity:** another recurring issue with exploratory research is the reliability as researchers often tend to stumble in the dark and act without strategy. Therefore, this research was guided by the conditions that are identified in the theoretical background. To further extent reliability all respondents are traceable (see appendix 1 List of Respondents) and all sites can be revisited. Also, the interviews are all documented, so can always be reread. Also the methods of data analysis were structured in order to make it easier to redo the research and find the same type of outcomes.

Part Two

Research Findings



4 Shenzhen's Pathway Towards the Creative City

Although very diverse, compared to the paths of developments of western cities Shenzhen provides a unique case. This chapter reconstructs Shenzhen's path of development towards the creative city answering to following question: *What is the path of development and what is its outcome?*

4.1 Political and Economic Development from the 1980s

The year **1978** is often seen as a very important point in China's history. It was in this year that China's government decided to reform its economic policy towards a more liberal market. Before, political crimes of Mao had done much harm in the country. However, since Mao died in 1976 the economy has been increasingly opened to foreign investments and the economy was liberalized resulting in massively increasing growth rates of the Gross National Income (Kambhampati, 2004: 171-173). China's resistance to democracy enabled it to repress labour, keeping wages low and giving the country important comparative advantages in low-wage manufacturing (Rapley, 2007: 9).

In **1979** Deng Xiaoping, the leader of the country at that time decided to establish several Special Economic Zones (SEZs) in the Pearl River Delta, of which Shenzhen was the first of China. In the early seventies Shenzhen still was a rural village, located at the border with Hong Kong. Mainland China still was a closed country with an isolated economy. The country was led by the communist party. Shenzhen had resources of cheap labour, but lacked capital, technology and management (Yitao&Zhiguo, 2012: 1-2) Special Economic Zones already existed outside of China, for example in Taiwan, and were established to attract foreign investment (Chen & De Medici, 2010). This was also the time the globalisation processes were first signalled. The aim of Deng Xiaoping's decision was to reach liberalisation of markets. Shenzhen in this way became an experiment for the rest of China. That decision of Deng Xiaoping has had very far-reaching consequences for the whole further path of development in Shenzhen, as the economy of Shenzhen started to flourish from this moment on and the population started to grow in a pace that was not seen before.

In **1982** the first overseas bank of China was located in Shenzhen. This was the beginning of foreign intervention in Shenzhen. Soon industry in Shenzhen started to grow in a very high pace. As Jane Zhang (Interview, 2013) explains there were three main pillars of development in Shenzhen. First, in Shekou (1) there used to be an important shipping port with many shipping and trading

activities. Furthermore, in Overseas Chinese Town or OCT (2), located in Futian, there was an industrial zone. Here, overseas companies were invited by attractive policies from the government to start their business. These factories could employ a Chinese labour force. The third pillar was Luohu (3), where the old railway from inner China arrived in Hong Kong. Nowadays this still is the most important place to cross the border. Therefore, this place became the most important hub for trade (see also figure 5).

Figure 5 Map of Districts in Shenzhen



In this way Shenzhen started to become the window to the rest of the world as it was the place where all goods from mainland China were transported out of the country. This also meant an important change in the way of thinking, as Chinese can be very suspicious towards the outside world as a result of the isolationistic policies in earlier periods in their history. As Jane Zhang (Interview, 2013) explains:

“Investments mainly come from the overseas Chinese, not from the western world. Because the Chinese still not trust the western world. They are still looking into China and they don’t know what will happen, so they panic.”

Because of its location Shenzhen was able to benefit from the economy of Hong Kong, where the relocation of factories started in an earlier phase (Interview Jason Wong, 2013; Yitao & Zhiguo,

2012: 1-2). The most important economic sectors were technology manufacturing, animation and gold jewellery (Liu Zhigang, Interview, 2013), The industrialisation was top down planned through large scale master plans and the implementation of economic clusters (Zacharias & Tang, 2010).

In **1987** Shenzhen was the first region in China to allow property ownership. As a result there was much of confusion about the ownership of all land and real estate. Today, the effects of this act are still visible as still not all the land ownership is sorted out (Zacharias & Tang, 2010).

By the **1990s** Shenzhen had become an industrialised city with an average annual growth rate of 31.2 percent and was one of the leading ‘world factories’. China has always been mostly self-sufficient until it came to a point that for further development the export rates had to increase (Bao & Woo, 2003: 7-14). This resulted in a new economic policy referred to as ‘the socialist market economy’ (Kambhampati, 2004: 176). However, also this economic development took place under strong control of the government (Rapley, 2007: 5). Decisions about the economy are predominantly made by the government. The state has control over large volumes of resources, which makes it able to command the whole economic system. The development strategies are organized through longer-term political-economy plans that are operationalised in short-term investments plans with specific target goals per sector and per each enterprise within it. There is actually very little spontaneity in this process. Because Shenzhen was the first city to become a SEZ, its development always has been an adjusting type of experiment. The optimal industrial mix and the shift from a planned economy towards a market economy and the change to a welfare oriented society have continuously been explored by ways of trial and error (Zacharias & Tang, 2010).

From the year **2000** the success of the city started changing. Wages and land prices started to increase and many factories were relocated to areas more up north. The economic development in Shenzhen made many people question how they should continue and what they should do with all the empty factory space. The first waves of investments to promote the creative industry started from this moment on (Zacharias & Tang, 2010).

4.2 Steps Towards Becoming a Creative City

‘So you can’t really jump from an industrial city to a creative city. This is why they talk about the 2.5 industry. It is still manufacturing zoning, but you are doing creative industry.’

Tat Lam, researcher at Urbanus (Interview, 2013) here describes the current phase of creative industry in Shenzhen. Much development has been taking place, heading into the direction of a creative city and there are many more developments to come. The development of creative industry in China was mainly driven by some key actors. Two among them are Liu Shifa, vice-director of the Market Development Department within the Ministry of Culture and Liu Wuwei, a senior policy advisor. In Shifa's article "Implementing the creative century plan; developing the creative China campaign" published in 2004 and Wuwei's book "How creativity is changing China" published in 2009, they set guidelines for Chinese creativity-led development that rapidly became the main reference for the Chinese discourse of creativity. This discourse mainly focuses on creative industry as a new economic growth sector and resource for national competitiveness. The first Shanghai Creative Industry Forum in 2004 was the beginning of promoting creative industry in China, a course of action that soon accelerated. Shenzhen, due to its particular history and growth model, is a city that has extensively embraced the knowledge economy upgrading process and is being redesigned to become a creative city that can be compared to cities such as Shanghai and Beijing. The main aims of promoting creative industry are: resource transformation, value upgrading, optimisation of current creative economic sectors and market expansion. An enormous market potential was assigned to the creative industries (Costa, 2013).

In becoming creative the year **2008** was a very important as this was the moment Shenzhen was assigned a City of Design by UNESCO, which is part of the Creative Cities Network and increased international collaboration. The creative industry sector's revenues reached 13 billion RMB in 2011. This is an increase of 12.8 per cent compared to 2010. In the first six months of 2012 the sector generated 6.8 billion, which is an increase of 8.5 per cent from the year before (China Daily, 24 September 2012). In comparison to other areas such as Shanghai and Beijing, Shenzhen has been relatively late with adapting to creative industry (Keane, 2009), but policies have been top down from the beginning (Zielke et al., 2012). At the moment, Shenzhen is still in the process of becoming a creative city. Urban planning in China is very top down organised. The central government makes a comprehensive plan each five year. This plan provides the land zoning and is very inflexible (Interview Xiao Chun, 2013). Local plans have to fit into this land zoning map. On the other hand due to processes of globalisation the local government has increased its decisive power, but always acts in the framework as applied by the central government. Therefore also the local government developed policies to promote creative industry. This is underlined by the fact that Shenzhen has become a City of Design. Only cities with long term policies on promoting

creative industry are in the position to become this status. However, the web site of UNESCO does not provide a clear list of requirements and the wide variety of city that each have very different characteristics does not seem to support a statement that there is any clarity about which cities can become a City of Design (UNESCO, n.d.). According to Michael Patte (Interview, 2013) becoming part of the Creative Cities Network is very much dependent on your negotiation skills. The government of Shenzhen does have some policies for promoting creative industry. For example, in the year 2008, when Shenzhen became City of Design, the government published a document about redevelopment by promoting creative industry of three types of old areas; former factory sites, urban villages and the old town (=down town) which was constructed since the 1980s by promoting cultural and creative industry. This document mentions different types of policy instruments:

1. Promotion: communication of the aim to become a creative city and its benefits
2. Tax benefits: motivation of developers to choose to invest in the creative industry
3. Land use policies: use land use to allow only certain types of developments, former industrial sites can be developed under the flag of 'creative industry'.
4. Providing a platform: by organising all sorts of biennales and fairs where companies can present themselves, areas can become lively and therefore attractive for development
5. Funding: funding can be given to individuals or companies
6. Education: encourage employment and skills
7. Incentive: increase incentive by giving priority to the creative industries
8. Safeguards: by sharing risks and monitor investment

However, this document does not describe how these policy instruments are used. In the '2011-2015 Plan to Boost Cultural and Creative Industries' the government communicates its aim to become a creative city: "high, new, soft, excellent characteristics of the modern industrial system accelerate the transformation of economic development and promote innovation." Thus, the government does agree with the importance of soft power (Shenzhen government, 2008). However, also this document does not provide a clear strategy, but does state the industries that should be promoted: design, software, animation and games, new media and information services, digital publishing, film and television, cultural tourism, heritage, printing and arts and crafts (Shenzhen government, 2012). Because technology, jewellery and animation are important economic sectors in Shenzhen (see chapter 4) it seemed to be an obvious choice to focus on creative industry as the fourth economic pillar as they all are closely related in scope (Interview Liu Zhigang, 2013).

4.3 Shenzhen: Current City Profile

China's development at this time is still heavily controlled by the government. The policy of the government is therefore pivotal. The economic policies of the government are still predominantly based on export. The urbanisation led to more pressure in the local government. In the context of the fast growth process of the city, the local government of Shenzhen has a lot of complicated issues to deal with and is constantly trying to keep up with the pace of development. The first master plan in 1986 was made for a city with an official population of 800,000 people. However, by 1988 the population already contained over eight million people. The city, thus, grew much faster than expected. In 2012 the population contained over 13 million people, but the master plan only considered 10 to 11 million people. As a result, the problems the Shenzhen government has to deal with are scarcity of water resources and land, but the city also has to deal with major pollution problems, lack of affordable housing and a lack of public facilities (Zacharias & Tang, 2010). Each of these issues has major impact on the planning of the city. The government has made plans to completely redevelop some of the central located ones but is challenged by the fact that this land is collectively owned by the villagers. Housing from the 1980s is being redeveloped because they are poorly constructed or do not provide enough space (Zacharias & Tang, 2010).

Because of economic development Shenzhen is losing its advantage of having relatively low wages. For this reason, instead of quantity the quality of products is becoming more important. One of the most important pillars of the development aims are from 'Made in China' to 'Created in China' meaning that the city is starting to focus on production of own products (Interview Leo Zhigang, Interview, 2013). The government needs to deal with an enormous amount of abandoned industrial sites. Currently there are large numbers of empty factories, and this number is only expected to increase. The government does not seem to know the exact number of empty factory space (Jansen, 2013). In conclusion, it is difficult for the government to understand the progress of the city and to keep up with its speed of development.

5 The Cases of Creative Clusters

According to chapter 4, being a creative city in Shenzhen means being a city with creative clusters. This is a reason why the Shenzhen government is mainly promoting its creative industry. This chapter provides insight in the current state of art of the creative industry by exploring the development process of six cases of creative industry in Shenzhen through answering the sub question: *What is the development process and how are relevant stakeholders involved in different cases of creative industry in Shenzhen?*

Figure 4 Creative Industry Parks in Shenzhen



Source: Urbanus, 2011

Figure 4 shows a number of creative industries as were identified by the research of Urbanus in orange. The numbers represent the cases that are described in this chapter.

1. OCT Loft
2. Shekou
3. Dafen Art Village
4. Wutong Mountain
5. Dalang Fashion District
6. ID Town

5.1 The Case of OCT Loft

Figure 7 Impressions of OCT Loft



In 2002 OCT Culture Development invited Urbanus, a well-known design company in Shenzhen, to move their office to a former industrial land zone. Today, more than ten years later, OCT is one of the most famous cases of creative industry in Shenzhen and is often referred to as an example for many other cases of creative industry parks.

OCT Loft – a description of the area

Once an isolated district giving space to manufacturing companies and storage, nowadays OCT Loft (Overseas Chinese Town) is a known creative area where leisure and business activities take place. The area mainly consists of design studio offices, restaurant, bars and American style coffee shops. During the holidays the area is crowded by people walking around, taking pictures of each other and sitting down for food. At night there are concerts and music events. Ferrari shows, high class art galleries and an average beer price that is even for western standards quite high create a feeling that this is not an area for poor migrants. And there are many expatriates walking around. However,

there are still some local activities that are rudiments of the area it once was. This means there are some residents in the area, but these are mostly situated at the border of the area in old flats, and they make use of some local food shops and a supermarket. Because OCT Loft is located at the south of Shenzhen and in the middle between Shekou and Luohu, the location of the area is actually very central (Nowek, 2013).

Development Process of OCT and Current Outcomes

In 1985 OCT Group was founded as a state owned company in order to develop the area that is now known as OCT Loft. OCT was state owned and was therefore able to get the land for free. Nowadays, OCT Group is independent but still has strong connections with the government (Interview Jane Zhang, 2013). The company owns more creative parks in China and is also owner of Konka, the television production factory and some gated apartment buildings that are all located near OCT. OCT happened was built in two stages and now contains around 150,000 square metres (Zielke et al., 2012). The aim of the government was to redevelop the whole area. As Zhang Han, Vice General Manager at OCT Loft Culture Development (Interview, 2013), explains there were some small factories in the area during the 1980s, but later on their focus shifted and they decided to focus on large scale manufacturing companies (Interview, 2013). However, during the 1980s and 1990s when manufacturing in the area became too expensive some factories decided to leave by themselves, whilst others were closed or forced to move. At this point, OCT decided to make plans to do something else with the area. Because the location of OCT Loft is central, it was economically interesting to develop this area. In the end, OCT Group decided to build a creative park and invited some architects and designers to come up with new ideas. In 2002, one of the most famous architecture offices in Shenzhen, Urbanus, was invited to move their office to OCT. In this way Urbanus became involved with the whole project planning for the area. OCT Group is still the major decision maker in the area. Tat Lam, head of the research department of Urbanus, explains (Interview, 2013):

"So in 2002 the developer [OCT Culture Development] came to us. At this time our office was located somewhere else in Shenzhen. The developer came to us because of some recommendation. They said: 'oh we actually have got this industrial area. We would like to develop this later, because if we do it in ten years we can sell it for a better price.'"

As Tat Lam already said, the aim of OCT is to build a temporary creative park in order to capture the value before any future developments can be implemented, such as housing and high rise offices

that will gain more interest. These types of large scale projects are actually very typical for China (Zacharias & Tang, 2010). OCT Group did in the area were renovations in the area to all the former industrial buildings to prepare them for use as office space. The companies that are now inside the buildings built their own offices in the rented parts of the building. OCT Group invited some artists from the area as well as other parts to set up some artistic projects in the area, such as creating art objects in public spaces or making paintings on the buildings to make the area look more interesting and artistic. OCT Group also organises a lot of events, such as Ferrari show cases or markets and exhibitions during the weekends. OCT Loft has also already been the location for the Shenzhen & Hong Kong Bi-City Biennale twice, which was the reason for building some of the venues that are now still in use. Examples of these buildings are B10 and OCAT (Shenzhen & Hong Kong Bi-City Biennale, 2011) They also founded OCET, an architecture exhibition space. The area offers space to the first and only modern art museum of Shenzhen (Interview Tat Lam, 2013). As Zhang Han explains (Interview, 2013):

“We do everything in OCT Loft. That includes we did the renovation and the whole general development plan of OCT Loft. Also, we do the recruitment of artists, designers and institutes, companies or studios to be in the area. And we organise a lot of artistic or cultural events. That is majorly what we have accomplished in OCT.”

There are three important reasons OCT was developed into a creative park. First (1), OCT Loft area is in the land zoning plan of Shenzhen still industrial land. Only industrial uses are possible, which is why everybody talks about creative industry. That is a way of framing. Secondly (2), another important issue is the land ownership. When Shenzhen became a Special Economic Zone in 1979 it also became possible for citizen to own land. In the past all land was always owned by the government. However, it appeared to be very complicated to divide all the land and property ownership (see chapter 4). This is the reason why there are still unused shop spaces, while the area is very desirable among creative companies. These shops are owned by other companies who are close to bankruptcy and do not have any resources to do something with these spaces. They are aware the value of these properties will increase eventually so they do not want to give them up. Yet, as OCT Group wants to develop to whole area at once they need to wait until all the ownership is sorted out (Interview Jane Zhang, 2013). These processes can continue for years (Interview Jane Zhang, 2013). Thirdly (3), there is governmental support and funding available for creative parks. This is also used for the development of OCT and makes developing creative parks more attractive.

Constraints and Opportunities in OCT Loft

What makes OCT so successful is the fact that it is branded very well. People want to be located in this area, because it will help with the promotion of their image. It is also one of the most important strategies of OCT Culture Development. They transformed the area to look like a squatted place, while in fact they invited some artists to make the space look like as such. The artists that work on these projects are not necessarily based in the area as this is all part of the area's branding strategy. The developer did not invest a lot of money in the maintenance of the buildings, because the raw look of the area actually is part of its image. This means sometimes elevators are not working or staircases are very dark because there is no lighting. As part of the branding strategy only creative companies are accepted in the area. However this can include a wide variety of things, such as architecture offices, shops, bars, restaurants, music venues, galleries, a youth hostel et cetera. As Zhang Han (Interview, 2013) explains:

“The urban events we organise are very successful and are getting very good, with a lot of support from the public. Why it is successful is not because of one event, but it is repeated success. All these events need a lot of energy and investments. We have managed to continue this for many years. But no other companies can do this (...), because this kind of events needs a lot of energy and a lot of professional recruitments and skills and also a lot of investments (...) Other companies may just do this for their own marketing, they want to get immediate feedback. They want to gain direct profit. We are not too much emphasised on this.”

Thus, the continuous investments are considered to be part of the success. The actors within the area do not collaborate for their own projects but they do know each other. They collaborate for organising events in the area. This is explained by Tat Lam (Interview, 2013):

“No. They do not really. I mean we have lots of friends here and we have a very close relationship to the developer. We talk to them to organise a lot of exhibitions around this place. I mean everybody here, we know each other. It is like artists and then we organise things together and so on. There is collaboration, but it is not the first criteria to start an office around here”

This argument is supported by Doreen Heng Li (Interview, 2013), who owns an architecture office in OCT area:

“I choose OCT as location for my office, because a lot of my friendS are over here. At that time I hadn’t really been to other so called creative parks in Shenzhen. But I realised this is a very easygoing and relaxed area compared to others. I think OCT is much more green and comfortable. I think it is important to be sharing spaces with a group of friends nearby. (...) By that time there were a lot of incorporated companies doing market oriented projects in this ICT-area. It is away from a lot of art and some interesting events. OCT has all the qualities I need. A lot of my friends always come here and eat.”

Some things in the area could improve. One example of a current problem is the housing in the area. This is explained by Doreen Heng Li (Interview, 2013):

“I do think we need some more residential space around here. I say this because right know a lot of our office people live in the urban village that is at least 30 minutes travel time away. They all have at least 30 minutes or 50 minutes of walk distance. They rent is quite high here.”

Doreen Heng Li also misses supporting industry:

“The supporting industry is very far away. Which means, you also need to produce, modelling and stuff. You need another industry to support the design industry. If you have these creative businesses in OCT you need some supporting facilities nearby.”

The OCT Group says there is a lack of facilities. As Zhang Han says (Interview, 2013):

“When people visit where do they park their car and where do they stay for the night? Some people stay for more than one day, but there is no place to live. Also, elevators and bathrooms are often not in a good condition. This is because the buildings are old and need a lot of fixing.”

Besides these constraints, OCT has turned from an abandoned industrial site into a hip and lively neighbourhood in only a period of ten years. Since the area was connected to the fast growing metro system in 2006 the area is not at all isolated anymore (Interview Zhang Han, 2013).

The Future of OCT Loft

In many ways, OCT Loft can be considered as a successful development. There are many creative companies and people enjoy spending their time here. On the other hand, there is also a process of gentrification taking place, making the area too expensive for a very large share of the people in Shenzhen. The area being too expensive for a big group of people increases segregation. As for OCT Group, their initial plan to capture value is indeed happening. As the rental prices are rising a lot of smaller creative companies are not able to afford the rent anymore. This is a problem that is only becoming more severe. According to Jane Zhang (interview, 2013) the rents have been increasing from 50 RMB per square metre two years ago to 85 RMB now. Although there are currently enough artists able to afford the high rent, this might not be the case in the nearby future. Furthermore, there is a lack of supporting industries and residential space. There are many creative areas developed in Shenzhen and artists might decide to move elsewhere (Interview Doreen Heng Li; Jane Zhang; Tat Lam, 2013). For OCT Group it becomes more attractive to let the idea of creativity go. At a meeting at the Shenzhen Centre of Design, the official planning department, which focused on the reuse of former factory space some people said it was time for Urbanus to leave the area to make some room for new, still smaller creative companies. Yet, is Urbanus not one of the companies that made the area attractive to other companies that are now located in the area? According to the developer, OCT will remain to be a creative park.

“We are still looking for creative industry companies as we are trying to make the area more dense. We also would like to attract more young designers in the creative industry. Right now we are still setting up the plans.”

Tat Lam says the area is so successful they want to maintain it for a while. Jane Zhang state the following (Interview, 2013):

“Yes, it is successful, not because they want it to be creative industry. They want it as the add value name card. When it is ready they will do some big renovation. They are just waiting until the ownership is sorted out”.

The fact that the project is called temporary is explained by Tat Lam (Interview, 2013):

“The reason why they actually call this temporary, is because a lot of the buildings here have been built without governmental approval. For example, if you go outside right next to our

office there is this small concrete pavilion. That is an illegal building. If you say it is a temporary construction, then it is going to be semi-legalised. For example, if you try to add two more floors to a building like this then it is illegal. If you try to say it is temporary then it is OK. So I think a lot of constructions here do not need to go through the legal process. I mean there are so many of this kind of temporary constructions in Shenzhen and they use it to try to pass by the legal process.”

OCT Group is still the owner of most of the property and the land, so they can do with the land whatever they want. By investing in this area OCT Group was able to build their reputation. The OCT developer is the owner of many ‘creative’ parks in the area such as Windows of the World which is a large theme park showcasing highlights from all over the world as well as other theme parks in the area. OCT started as one of these projects. OCT made use of the opportunities there were. They extended their reputation which makes it easier to get other projects in the area (Interview Zhan Han; Jane Zhang, 2013). It is also remarkable that there seem to be some educational programmes around for creative management. In this way OCT Group could educate their own staff to set up these kind of projects such as OCT Loft.

5.2 The Case of Shekou



Shekou is the site where the upcoming Urbanism/Architecture Bi-city Biennale Shenzhen will be organised in December 2013. Ole Bouman, a Dutch architect and former head of the Nederlands Architectuur Instituut (Dutch Architecture Institute), was invited to be the curator. He defined strategies to develop the area taking in account its long term development

Shekou - A Description of the Area

Shekou, located in the west of Shenzhen in Nanshan close to the border with Hong Kong and a thirty minute metro ride from OCT Loft., is a very large area and consists of two main parts. First, there is the former industrial site where the biennale is going to take place and the area that was initially built for expats called Sea World. Both will be undergoing a major transformation in the nearby future.

Shekou was, and partly still is, a major harbour area. There is a ferry that takes you directly across the border. In the past it was not possible to reach the water, because many Chinese tried to swim to Hong Kong from here. Nowadays, many of the factories are out of use and the site became abandoned. Although the factories in the area look like they are old, they have only been there for around thirty years (Interview, Ole Bouman, 2013). The area is dusty and many trucks drive around

because of construction activities. This is the site where the biennale will be taking place. This biennale aims to promote the design industry of Shenzhen by organising exhibitions, lectures and workshops. During the biennale many local companies and organisations such as Shenzhen University but also foreign companies will be invited to take part as well. Two or three locations will be used for the biennale. They are all in former factories of which the former glass factory is the most striking one (see figure 8 left).

Next to the biennale site, there is Sea World, which with many western style cafes, clubs and bars still looks like a typical expat area (see figure 8 right top). There is a main square and some expensive apartment buildings. At the moment, Coco Park in Shenzhen became known for its night life area (Interview Michael Patte, 2013). These types of areas are built for western migrants, to make them feel more at home because these places are not commonly visited by the Chinese population in Shenzhen. The name Sea World sounds like the name of a theme park which stems from the colourful buildings in the area. At the moment, very large construction works are building new offices and high rise towers. Next to the main square there is an area that resembles OCT Loft. Hence, there are no former factories here. This area focuses on greenery and sustainability. Also located are some hip clothing shops, cafes and bars. For example, the office of Michael Patte, a landscape designer, is located here. Michael Patte, an expatriate from France, came to Shenzhen five years to work abroad for his company but now works as a freelance designer and owns a company called Riptide that tries to improve social awareness and functions as a NGO more or less. Michael Patte too is involved in the development of the city's biennale.

Development Process of Shekou and Current Planning

When Deng Xiaoping assigned Shenzhen as the first Special Economic Zone, Shekou was the first area that became developed. Ninety percent of the land in Shekou is owned by China Merchant. This company was founded over three hundred years ago with the aim to manage the harbour. Today, China Merchant has become a very large company with thousands of employees and it is a big player in real estate development in the whole of China. As the area started to become less successful, it was time for new developments to promote the area. For most factories it is not economically interesting to stay in the area. In fact, besides one, all factories left the area for places such as Dongguan or other cities more up north. The development of the area started when the government asked the major land owner in the area, China Merchant, to develop the site into a location for the biennale. The whole redevelopment of Shekou is organised by China Merchant,

which means they oversee the management of the project and the real estate development. The only supporting role for the government is to keep stimulating China Merchant to organise the projects. Ole Bouman speaks about the motivations of the government (Interview, 2013):

“The government of Shenzhen probably wanted to promote a new area of the city for development. For Shenzhen it is really important, for Hong Kong not so much. Shenzhen is pushing a lot and puts a lot of money in it. Hong Kong is probably too developed already.”

China Merchant invited Ole Bouman to make a creative plan for the Biennale. As he says (Interview, 2013):

“I was asked to make a plan for the area, but I decided to combine this with wider purposes to redevelop the whole area on the longer term as well. In this way it is also possible to do some additional investments besides the real basic required investments. It will be an experimental zone where creative people can come together and invent new idea. By considering the long term it is possible to develop the whole area. I call it the Chinese Bauhaus.”

The biennale is organised as a way to start further development of the area. It is not completely clear how this is supposed to turn out (Interview Michael Patte, 2013). As China Merchant owns the whole project there is not much information about their underlying ideas: because the project is organised predominantly by one actor only it is not clear, even for the people involved in the organisation, how much money the project costs and who invests what amount of money. Around 2-3 million RMB will be invested which are all private investments. For now, the biennale predominantly aims at an event that in the long term can promote the area. Ole Bouman (Interview, 2013) explained what his ideas are about the biennale:

“The idea is that the glass factory represents the growth of Shenzhen. The glass is used to build the sky scrapers. We decided on purpose not to include housing and hotels. That is only distracting. If the area is attractive the gentrification process will start automatically.”

The Shekou management has already started to recruit companies to further develop the creative industries after the project. To promote the area, they are inviting some famous companies to open their office in one of the biennale locations. For example, Jane Zhang, who currently rents an office

near OCT Loft was invited to relocate her office to the glass factory after the biennale is over. As she explains (Interview, 2013):

“Nobody knows the area so they invite some famous designers to move in for very cheap rent.”

She has not decided whether to take this offer because the area is not very centrally located. Also, the area is not ready at the moment and she also does not know whether it will be worth the investment to build a complete new office interior. The future of the area is still very uncertain as well as the underlying motivation of the development. Finally, she also does not know whether her staff as well as her clients are willing to travel over there. On the other hand she does have the opportunity to set up her own office as she wants it herself and pay a much lower rent (Interview, Jane Zhang, 2013). To add, the aim will be to further promote the area according to the example of OCT Loft. As Michael Patte puts it (Interview, 2013):

“China Merchant wants to develop the area more like OCT, with more restaurants and bars. It is in fact like OCT in the early days.”

In Sea World, China Merchant is the main developer. Also China Merchant developed a new office for itself here. Even though Sea World has not existed for a long period of time, they adapted to the changing demand. This area really shows how adaptive the systems work in Shenzhen. This area only existed for a few years, but is already reconstructed. A good example of people attempting to make the best out of the opportunities Shenzhen offers are the parking lots that are included at the street level floors of most of the buildings that are now out of use. The developer found out that shop windows at the ground floor work better to create a lively and attractive atmosphere in the area. China Merchant keeps constructing and experimenting including green sustainable water systems (on a small scale). In fact, it is probably no coincidence that both the areas are developed at the same time.

Constraints and Opportunities in Shekou

Re-use of the existing buildings is attractive because it is relatively cheap and they sometimes have some unique character. Therefore, the buildings are very useful for organising a biennale. However, to make the factories ready for long term use there are extensive long term investments required. For further development only buildings with a strong character are useful as they can define a

strong local identity and are therefore worth the required investments. However, especially as the location is convenient, it is more a psychological distance and there is opportunity to create a lively and attractive area.

To develop the area for long term use this also requires some new thinking about social values. At the start, China Merchant was quite open-minded about the project, but the interest became more important for the company later in the process, so it is more about big money now than it is about social purposes (Interview Michael Patte, 2013). As explained by Ole Bouman (Interview, 2013):

“Yes, there are companies that are very excited about this new thinking and are willing to invest. On the other hand, there are also a lot of actors that still are thinking in a traditional way. They only want to sponsor the biennale. In the end, it is important that the financiers and not only the creative group agrees because they have the most power.”

Some of the investors understand the fact that the government chose this area to develop and realise that it will be a good investment for them as well. For example, the Porsche dealer is going to open an exhibition to promote their cars there during the biennale. They know what the effects of such projects will be, namely capital investments and groups of consumers visiting the area (Interview Ole Bouman, 2013).

5.3 The Case of Dafen Art Village

Figure 9 Impression of Dafen Art Village



One of the biggest tourist attractions in Shenzhen is Dafen Art Village. Twenty years ago an artist from Hong Kong decided to move to Shenzhen and singlehandedly turned the then empty, urban village into an artistic and thriving area. Over thirty percent of the worldwide oil painting distribution is situated in Shenzhen nowadays, with the market being valued at over 430 million RMB (about 40 million euros). From the 1990s onwards, the awareness of China's soft power through cultural promotion increased Dafen Art Village can be considered as a metaphor for this process (Art Radar Asia, 2012a).

Dafen Art Village – A Description of the Area

Dafen Art Village can be reached by a two hour metro ride and is located in the northeast of Shenzhen. There are colourful houses and open shops situated in this part of the city; inside people are painting. About 5,000 artists and painters work in one of the 800 galleries of Dafen Art Village. Most of the works are copies of famous paintings, but some artists also produce original works (Art Radar Asia, 2012a). In the area there are also printing shops, where paintings are printed so they can be coloured in. Other businesses include but are not limited to framers and shops that sell painting equipment. Besides the oil painting, the area functions as any other urban village with eating stalls

and food shops. The customers that typically come out to Dafen are Chinese business men or government officials (Art Radar Asia, 2012a).

Development Process of Dafen and Current Planning

In the 1980s, Dafen was a rural village located in the Pearl River Delta where 300 native born villagers lived as well as around 10,000 migrant workers who wanted to live closer to the newly opened Special Economic Zone of Shenzhen. In the 1990s, the annual per capita income was only about 200 RMB (18 euros), the crime rates were high and the population was badly educated. Thus, the area was considered to be a problem village (Art Radar Asia, 2012a).

In 1989, a business man from Hong Kong found a small village with dilapidated houses in the peripheral town of Buij. He rented some of the newly built houses of the villagers to open an oil painting production area for a relatively low rent. Huang Jiang, a painting artist, moved in and brought a group of thirty artists with him. They were specialised in copying paintings by hand and soon started to increase efficiency and uniformity by applying the principle of division of labour in the production process. Each of the artists was specialised in certain techniques. Orders for paintings started coming in from all over the world. In 1992 Huang Jiang opened his own company and was able to employ over 2,000 workers. Many of his apprentices started their own shops in the Dafen area and attracted even more migrants to the area by doing so (Art Radar Asia, 2012a).

In 1997, the publication of a report in the Yangcheng Evening News exposed the story to a wider public. The government seemed to not know about what was going on until this report, because after this report the government officials soon started to arrange projects to increase local quality. The area was considered to be dirty, messy and in a poor condition. The roads were unpaved and the building structures were rudimentary. As a result, the government began to demolish the old housing and instead build modern housing in the year 2000. Being brightly coloured and low-rise, the buildings seemed to be inspired on European towns. In addition, they started promoting Dafen by the financial support of thirty artists who then could travel around and advertise their work in foreign areas such as South East Asia and Turkey. Dafen became one of the venues at the First International Cultural Industry Fair that was organised in 2004. For this purpose the government injected another fourteen million RMB (around 1,2 million euro). Dafen participated in many other cultural events worldwide since then (Art Radar Asia, 2012a).

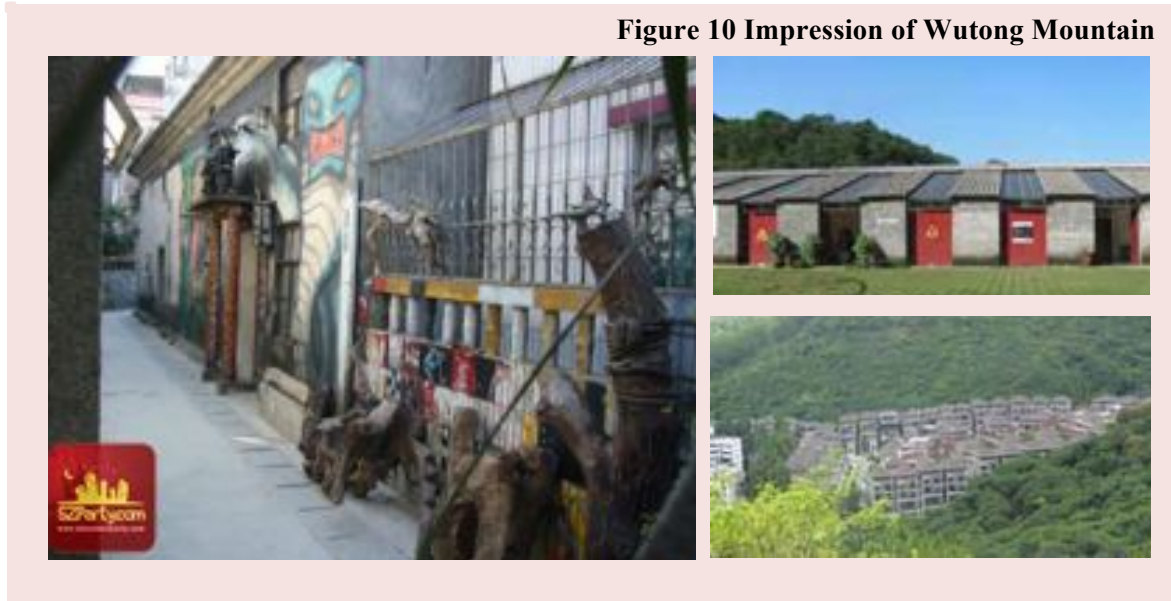
In 2007 the Shenzhen government opened a 17,000 square meter in floor space measuring Dafen Art Museum, a museum of modern art designed by Urbanus. In 2008 the Dafen Art Museum was awarded the Best Public Project by the Architectural Record. In an interview with China Daily, director of Dafen village administrative office Peng Gang did not hide his ambitions: “Our aim is to make Dafen the dream place for original artwork by Chinese artists, much on the lines of what Hollywood is to global filmmakers. It is the original paintings that will help Dafen gain a foothold in the high-end international art market in the future” (Art Radar Asia, 2012a). The aim of the government was to upgrade the neighbourhood and attract more tourists to the area (Elsea, 2013), providing art but also a place where local artists could sell their paintings. Thus, in Dafen there is no developer as such. The owners of the land are the urban villagers, who are organised in the village committee (Interview Tat Lam, 2013). They were able to make a lot of profit from the developments taking place in Dafen (Art Radar Asia, 2012b). The government is not the only one making profits, but they were able to increase the tax incomes and promote Shenzhen as a whole.

Constraints and Opportunities in Dafen Art Village

According to volume one of The Casebook of Cultural Construction, only 102 of the 5,000 art workers in Dafen are registered as original artists. In fact, only about 25 percent of the produced paintings are original paintings the rest are copies. The main reason is that most painters are not talented enough to become independent artists, but even original artists need to produce copies in order to survive financially. Artists in Dafen are forced to produce for the market, even though art should instruct the market. Even copy artists do not have a secured income as it can vary between one hundred up to three hundred euros a month. The rent prices have been going up from 500 RMB to 5,000 RMB in only seven years. According to one of the artists in the area, this is due to the involvement of the government. The creative industry is not really thriving any longer and some of the artists are considering moving back to their hometown. The most successful ones are considering going to areas up north where prospects seem to be better. Some even consider moving abroad but migrating is not always easy for Chinese citizens (Art Radar Asian, 2012b).

In the area there is only one foreign gallery owner that is able to speak fluent English. As the Chinese market is increasing and the market has shifted, this is becoming less of a problem. Nowadays, 98 percent of the paintings are bought by Chinese customers. It is however a fact that the European and American markets have become much tighter due to economic failure (Art Radar Asia, 2012b).

5.4 The Case of Wutong Mountain Art Village



In the north of Shenzhen you can find Wutong Mountain, which is one of the highest mountain and a green area where the local people go in their spare time. When the government discovered the popularity of this area they started to develop the Wutong Mountain.

Wutong Mountain Art Village – A Description of the Area

Wutong Mountain is a small village at the outskirts of Shenzhen. By car, it takes you about fifteen minutes from Luohu and forty minutes from Nanshan. This area used to be a water reservoir for Shenzhen and Hong Kong. Because Wutong is the highest mountain of Shenzhen providing a nice view over the city it became a tourist attraction. There is a walking route that exists of thousands of stairs that go all the way up to the top of the mountain. On holidays it can be very crowded. In the same area a village with commercial shops selling goods like arts and crafts coexists (Interview Fang Fang, 2013). As Tat Lam, researcher at Urbanus explains (Interview, 2013):

“It is getting very cheesy. It is very bad right now. The Wutong Mountain became a theme park.”

Development Process of Wutong Mountain and Current Planning

A few years ago, some artists were attracted to the area and decided to move there, because it was cheap and quiet. As the land in use is ecological land, there is a control of the population size that is allowed to live there and there is a restriction of the size and amount of developments that can take place there. Originally a water reservoir, the area now consists of natural land rather than industrial land. Because there is population control, not too many people are allowed to live there. Not too many people are allowed to live there. Furthermore, there are no big developments allowed in this area. Since the local government in Shenzhen discovered the value of the area, they did invest a lot of money in the renovation of the village. They also invested in an art and culture centre. However, as explained by Tat Lam (Interview, 2013):

“It is basically an empty building. They tried to spend money to encourage more of these kinds of things to happen.”

For example, they made all the buildings look the same in order to promote and brand the area. Some companies that are located in Wutong Mountain had built illegal extensions of their shops, but the government has removed those buildings again. An annual culture fair is organised in this area. In this way the area became even more attractive for tourists. Nowadays, Wutong Mountain is promoted as art town. Yet, not everybody is entirely enthusiastic. As Tat Lam continues:

“I think this is getting out of control. Our office has a space there. We have a factory there. The government said we could rent our factory there for the first two years for free. Right now we are still renovating the factory. But we discovered that other people are doing some crazy stuff. They just take down the existing building and build a three story tall building and try to stall their wines in the basement. It became out of control.”

Most of the land in Wutong Mountain is owned by the landlords: these are the villagers that live there, and their families. They have the right to use the land for thirty to forty years. When the government invests money they will financially benefit. There is no real developer in Shenzhen (Interview Tat Lam, 2013).

Opportunities and Constraints in Wutong Mountain Art Village

Riptide, the NGO set up by Michael Patte, got the opportunity to organise the Wutongshan Festival in collaboration with the local artist community. The aim of this event was to put the question about

the social effects on the community on the table by making use of concepts. The aim of Coaster Raid is to collect a group of people with a maximum of diversity among them. These people did not know each other before the event took place. The festival was a public event that was the outcome of the Coaster Raid. As Michael Patte, founder of Riptide and organiser of this event explains (Interview, 2013):

“You know, in Shenzhen people learn not to care about the city. After the Coaster Raid there is a dialogue going on, where people can indirectly say what they think, because if you ask them directly they will never tell you anything. In the end it was a big success, we even reached the local newspaper.”

A nice example in Wutong Mountain was one of the artists who made a large cake shaped in the shape of the mountain itself. He let everyone eat the cake. Afterwards he asked them what they had done. In this way he tried to make people aware there is only one mountain to enjoy and they should be concerned with the consequences of their actions (Interview Michael Patte, 2013).

5.5 The Case of Da Lang Fashion District



Da Lang Fashion District is currently still under construction but will be completed soon. The wide roads show that the ambitions for the area are very high.

5.5.1 Da Lang Fashion District – A Description of the area

Da Lang is located north of Shenzhen. It is a migrant neighbourhood with a relatively young and floating population. The area deals with problems such as the absence of cultural and social life, a lack of housing and a lack of public facilities such as schools and hospitals. Da Lang contains the highest migrant population (98 percent of its population) of the whole of Shenzhen according to the data provided by the government. The area consists of 38 square kilometres. The Da Lang office was founded only in 2006. Therefore, the area is still relatively underdeveloped. It takes about two hours to get to the centre from Da Lang. The government has two main purposes for the development of the area: one is based on the ecological conditions that are there already and the second the development of a fashion 'Silicon Valley'. By 2020, the area is supposed to be a

comprehensive platform for garment research and development, design exhibitions, brand-making, education, marketing and logistics. The plan is to regenerate the old industrial park and the surrounding areas of the garment industrial base, and to launch the project “Fashion Street”. In the same year the area is expected to become an internationally well-known creative centre. There will be a creative fashion institute, Da Lang International Fashion Channel, as well as the new Shenzhen-Da Lang National Fashion Festival. Currently, some of the office buildings are finished where others are still under construction. South Fashion Creative Centre, a shopping mall, has been finished. The office is already running, though the shops are not completely operational yet. The wide streets are also completely finished. There are no cars driving around the area at the moment, but in the future they will be suitable for hundreds of cars. There are very high ambitions to develop the area into a fashion hub of the same allure as Paris, New York and London. This is communicated on large advertisements around the area. The maps show Paris, New York, London and with Shenzhen being promoted as the fourth fashion city of the world. Eventually, it is set to become an area with shops, offices, hotels and events that are all related to fashion, to promote Shenzhen as a whole.

Development Process of Da Lang Fashion District

In 2003 the central government decided to focus on manufacturing businesses. The government made a master plan to communicate what they wanted to do with the area. The government decided to construct the Da Lang Fashion District in this specific area because there is not enough space in the downtown area of Shenzhen to build these large scale projects. In Da Lang the land prices are low so it is relatively easy to make profits from property development. As explained by Lihong Mei (Interview, 2013):

"By coincidence the government found this place, and it is important to note the village is not that developed and the people are poor."

The government is the organiser of the area. To organise their future plans, they set up a management company that deals with the development of the area. As explained by a local developer, Lihong Mei, in Da Lang (Interview, 2013):

"The government is very ambitious; they want to create a fashion valley here. The government want to develop this area like a new Paris, with many supermodels and shows, to promote the city as a whole."

The plan was proposed by the city government, but the district office organises the development of the project. To attract companies to this area the government came up with some attractive policies such as tax benefits and land use policies (Interview Lihong Mei, 2013). The comprehensive plan is used as a way to attract developers as well. The real estate is then developed by private developers, and the government constructs the roads. The government agency brings all the parties together.

The development of Da Lang will also be a way to deal with the future of the area. The government does recognise it is important to attract high skilled people, but also that it is important to keep the migrants in Shenzhen. Actually, many migrants came to Shenzhen because of job opportunities, but with the intention to stay only for a few years. They are offered registration in Shenzhen which makes it more attractive for them to stay. Furthermore, the government wants to deal with the abandoned factories and are used to play a vital role in the connection between local and foreign designers (Interview Ming Liang, 2013). How the area will actually turn out is communicated very well, for example on the website of the South Fashion Creative Centre (i.e. www.szsfcc.net.cn). Yet, what the costs are and whether the project will be profitable should be experienced and is not known (Interview Lihong Mei, 2013).

Constraints and Opportunities in Da Lang Fashion District

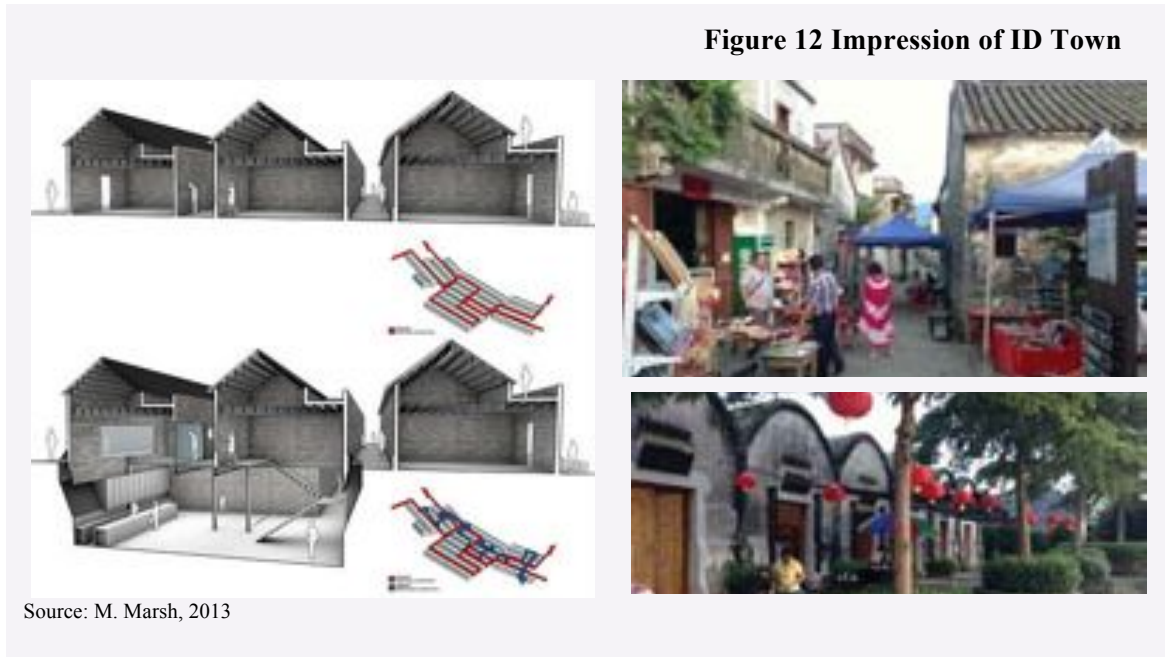
An important factor for the development of the area is the area's many existing clothing related factories. This is the supposed reason that the shift towards the fashion industry should be easier. Furthermore, to attract people, their salaries should increase and more housing should be built for the higher educated middle class. For the migrant workers there are already a lot of dormitories. The education of the migrant population is relatively low and they tend to jump back and forth between different jobs. This is a problem as the new fashion industry demands for high skilled people and also contributes to the lack of sense of community (Interview Lihong Mei, 2013).

There is no metro line that goes to this area and there won't be built one anytime soon. However, for people that have a car the area is very convenient to travel to. There is also a lot of money invested in the promotion of the area in order to make the project more famous. As the land used to be quite famous before, it is relatively easy to develop the area. Additionally, there are no previous residents to deal with. The government functions as the land owner. The land use is industrial, but because the land was not in use before construction of the Fashion District it is actually not completely clear what the land use is of the area. Yet, even in industrial land zoning it is allowed to

use the land for seven percent other purposes. These kind of rules make it easier to implement other new functions (Interview Lihong Mei, 2013). As said by Lihong Mei (Interview, 2013):

"The government thinks this innovative industry is in the initial stage, so the process is not finished yet and they will find a lot of obstacles. The intention to build a fashion valley is really good. Right now it is not that successive but it is promising for the future."

5.6 The Case of ID Town



The plans for ID Town are still in the making. As a result, this area is not to be found in any of the lists of the creative industry parks in Shenzhen. The developer of ID Town, Liang Tiang, is qualified as an architect himself, but works in the real estate sector nowadays. Liang Tiang was also invited to give a speech at a meeting of the Shenzhen Centre of Design about the reuse of former factory buildings and why his project was justified. The big question was: why should ID Town be built; another creative park like all the others?

ID Town – A Description of the area

ID Town will be located in Dapeng. Dapeng is located at the east side of Shenzhen. There are some old traditional villages situated in the area that are recommended places for tourists to go to, as it was the original living area for the Hakka people (TripAdvisor, 2013). Taking a two hour metro ride through the city will take you across many demolishment's of buildings, piles of construction trash

and construction sites. Arriving at Dapeng, you have almost reached the outskirts of the city. The area itself is green and quiet. As Jane Zhang, architect of ID Town tells (Interview, 2013):

“The old Shenzhen started in Dapeng. This is a very small village. This is where Shenzhen was located in the old days, because Shenzhen was really nothing, with very few people. This village is recognised by the central government as heritage of the Ming Dynasty. This is a defence work for the ocean.”

Later on Dapeng, became an industrial location for dyeing fabrics and clothes, as it is next to the ocean and all the pollution could be dumped directly into the water. Nowadays, the dyeing of fabric and subsequently polluting the ocean is strictly prohibited and most factories were closed down at least five years ago. The construction of ID Town will begin soon. The new ID Town is a project that makes use of some former factory buildings that will be redeveloped into a creative park. The plans provide for artists’ studios, hotels, cafes, restaurants, bars and office space. The area will not provide for residential space. As Liang Tiang, the responsible developer of this project, explains (Interview, 2013):

“There are different styles of creative parks. I think this project will be a unique and beautiful environment, which all will be different from all the other areas. In this project we are looking for peace and quietness. This area is not just for offices. Most of the office space in Shenzhen will be located more downtown, because offices cannot just move to this area. I mean, it is too far away. So the idea is, if people work at a very busy office downtown they can possibly take off one or two days a week to go to this area for leisure and to relax and develop new ideas.”

So even though the location is far away, the developer is still confident this project will be a success by promoting it as a unique quiet environment.

Development Process of ID Town

The development of ID Town was the process of getting two actor interests together. Shenzhen Manjinghua Investment Group, the developer of ID Town, was looking for a project to work on. This company, Shenzhen Manjinghua Investment Group, is privately owned and was never a state owned company. Since the 1980s this company made a lot of profit with real estate development and the selling of furniture and interior design products. Because of their location in Luohu, they

shipped a lot of goods to Hong Kong. Their operation field soon expanded to the whole of China, and even the global market. Nowadays, the company wants to start developing other big projects like creative parks as the furniture market is starting to become less profitable. The developer wants to change its image from a local small developer to a 'creative developer'. For this reason they bought these pieces of land to develop into a creative park so they could promote their brand value (Interview Jane Zhang, 2013; Liang Tiang, 2013). As Liang Tiang explains (Interview, 2013):

“My boss said: “I don't want to make money from this park. We should develop this park to try to attract and the designers, and to promote the company.” I have noticed there are so many artists and designers here. They are not together and don't know each other, so we should bring them together.”

It seems like that the aim to promote the company is seen as main priority instead of direct profits. The reason the company chose a location situated far away from the city centre was because there was space available here. As Liang Tiang explains (Interview, 2013):

“I did not necessarily want to go to Dapeng, but I was looking for any available space where I could build this creative environment. (...) Most of the creative parks are situated closer downtown, but there are no buildings available to redevelop anymore. It is also crowded there and the buildings here are bigger, so we can do a lot here. Another reason is that it is cheap here.”

On the other hand, Manjinghua Investment Group was able to get this space as the result of a procedure that was organised by the government. As Liang Tiang (Interview, 2013) explains:

“Well, this city is very young. In the beginning there was mainly factory space and industry here. When the factories left, the buildings became vacant and the government was looking for new purposes, especially in the east of Shenzhen. It is quite experimental over there. In Dapeng, the government wanted to reuse the old factories. Because Dapeng is located outside of the border of the Special Economic Zone, you can't develop here very easily. It is a green zone and pollution is not allowed here. They want to transform it into an area for leisure and tourism.”

The development of this area started because the government was looking for a purpose for the area and first and foremost they wanted to find an investor that could bring together the money for the

project. It became a dense area for regeneration projects. As this area is located outside of the border of the Special Economic Zone, it is complicated to do large scale development projects here. But as Manjinghua Investment Group carried out this project in Dapeng and cooperated with the government they got the opportunity to start another large project in an area only fifteen minutes from the Shenzhen airport. This aforementioned project is supposed to start within two years and ID Town by then will most likely not even be finished by then. From the developers' point of view they can improve their creative image so that it will be easier for them to purchase other projects. The government does not have any standardised policies and because Dapeng is a new district, no land use policies existed either. This resulted in the government agreeing with the plans for ID Town (Interview Liang Tiang, 2013). Besides the aim to develop creative industry in ID Town, the developer, being a designer himself, seems to aim to promote creative industry and let people benefit from clustering. As he says himself, it is important to promote creative industry (Interview Liang Tiang, 2013).

Constraints and Opportunities in ID Town

Because this area is very far outside of the city centre, the whole project has to be built from scratch, There is a lack of public facilities and it will be difficult to implement them. As explained by Jane Zhang (Interview, 2013):

“The government rules. All departments have their own line and they also don't want to make more work for themselves.”

The area was formerly used as industrial land there are no plans for public facilities in the master plan. So even though the government wants to promote the area as creative area it will take some time until this area will be a lively urban area. In fact, as this land is still industrial land, creative industry is the only thing that is possible right now. However, this project does not seem to contribute to this long term aim of developing a lively neighbourhood. As Jane Zhang put it:

“I'm afraid it is possible the area will be demolished again, but I don't know when. Five or ten years? You know, houses in this area with a view on the ocean are very expensive. They have the land, but they cannot build houses now because of the land zoning. This is how the economy works. And right now it is also too far from the city centre. They have to wait until the city has further expanded and to lobby with the government to make a new master plan.”

According to Liang Tiang, it was a good idea to start another creative park in Shenzhen. It might have to do the underlying motivations; such as promotion of the company and a good relationship with the government. For now, promotion policies of the government make for an interesting development location. As explained by Liang Tiang (Interview, 2013):

“For me, if I can’t develop my project here I will do it somewhere else. But the government really needs to do these kinds of projects.”

5.7 Conclusions

Broadly speaking, there is the government of Shenzhen and the developers that are involved in the development process of creative industry parks. The developer's role can be taken over by a private developer, a state-owned company or local initiatives. The public does not seem to be involved in the development of projects. The way developers and government are involved leads to the following identification of types of creative parks, see figure 13.

Figure 13 Typology of Creative Parks in Shenzhen

	Top Down Planning	Bottom Up Initiative	Private led Investment	Government Investment	Type of Park
OCT Loft	Dark Blue	Light Blue	Green	Light Green	Dark Blue
Dafen Art Village	Light Blue	Dark Blue	Light Green	Green	Grey
Wutong Mountain	Light Blue	Dark Blue	Light Green	Green	Dark Blue
Shekou	Dark Blue	Light Blue	Green	Light Green	Dark Blue
Da Lang Fashion	Dark Blue	Light Blue	Light Green	Green	Dark Blue
ID Town	Light Blue	Dark Blue	Green	Light Green	Grey

- Top Down Redevelopment
- Art Villages
- Sector Specific Clusters
- Private Invested Projects

The different motivations to develop the parks seem to be overlapping. Concluding from the cases the main aims to develop the parks are (1) promotion of the cases and the city as a whole, (2) regeneration of areas, especially former industrial sites, (3) promoting creativity related economic sectors such as the fashion industry, (4) investment in real estate and (5) the creation of consumption spaces. These cases have shown there are always unique circumstances that influence the outcome of the development process. Additionally, besides creative parks non-organised creativity does not take place in a cluster at all. This is proven by the little story of the book shop located in an urban village near Shenzhen University. Walking through the streets, you would never be able to find this shop as you need to go inside a dark building and climb three floors by stairs. Arriving upstairs you will find a small cosy book shop where people are drinking cocktails, Belgian beer or Chinese tea and eating America style muffins and pancakes. Students come over there to study, read books, smoke cigars and for political discussion. The owner is a young man who moved to Shenzhen because of his girlfriend. Now that they split up he decided to stay in Shenzhen and keep the bookshop. Remarkably, exploring Shenzhen there are more of such shops. These are the places where real creativity can be explored as there is no official money involved.

6 The Development Process: Role of Stakeholders

According to the theoretical framework the development process consists of the actor constellation, the actor's positions and the mode of interaction. The following types of actors were identified: national government, local government, developer, creative businesses, supporting businesses, local businesses and the public. In the previous chapter, the cases have shown that each case of creative industry is very different. This chapter provides a more general overview of the stakeholders and their role in the development by making use of the examples of the cases to answer the following questions: *What is the role of the stakeholders in the general development process and under what conditions does this happen?*

6.1 National and Local Government

In practice the government is very willing to cooperate as the creative industry is increasingly important for the local economy of Shenzhen. But their strategy turns out to be very passive. The government invests 50 million RMB (4,5 million euros) in the creative industry each year (China Daily, 24 September 2012), but where the money exactly goes to is not clear (Interview Tat Lam; Jane Zhang, Michael Patte, 2013). Thus, it might be possible they invest even more. Completely in line with the free economic zone policies and the increased pressure on the government, policies seem to be very incremental or even coincidental, in which the government waits for opportunities for further development. This is shown by the example of Dafen Art Village or Wutong Mountain. These are projects that started from bottom up, but are now very top down implemented and dominated by the government (Interview Tat Lam, 2013). In these cases the government acted as manager, **by setting up a management company**. The government can also provide some additional funding to local artists to further increase the success of these areas.

The government also used projects to promote certain areas. In these areas the government needs to do something with the space that need to be regenerated, for example Shekou, ID Town and OCT Loft. In these places the **regeneration project is directed to a development company**. The government also invest in these projects, mainly by providing funding to artists or to organise events. The government decides what areas are going to be developed and attracts an investor. This can be the current land owner or another company that is interested to do so. Land use is always an issue in these types of developments. For example, in the case of OCT Loft, the land is still industrial and industrial land has fewer requirements. They allow temporary use of the land as in

this way the government does not need to meet extra requirements, such as public facilities. In Shenzhen there is a big lack of public facilities now (Jansen, 2013). Additionally, the government can earn more of taxes. In fact, two factories pay less tax than a large range of small companies on the same pieces of land. Therefore, a lot of constructions on Shenzhen are actually illegal but the government shuts their eyes (Interview Tat Lam; Xiao Chun; Jane Zhang, 2013). Also in the case of ID Town the government wanted to develop the area. Because there are some abandoned factory buildings he is allowed to reuse them, as construction of new buildings is generally not allowed on ecological sites (Interview Xiao Chun, 2013). This makes development policies very flexible and blurred. Even after the projects are proved they can still easily be adjusted (Interview Michael Patte, 2013). As he explains:

“I once was in a hurry to reach a deadline so I just copied another part of the project into the plan. They just kept it this way. Even now it is still in the design plan, but they can adjust it later. You know, democracy is slow. In this way developments can go much quicker.”

The government **also organises economic clusters** that focus on the creative economy. These are places like Da Lang Fashion Institute, animation clusters, technology clusters or F518, an area that focuses on design (Interview Tat Lam, 2013). Here the government sets up a new company to develop the area. The government is very involved and invites companies to be located in this area. In the case of Da Lang, the whole area is developed from scratch so the government also needs to construct the infrastructure and public facilities. These places often lack cafes and bars where people can interact and meet each other. On the other hand, infrastructure such as roads is always easy for the government to construct as they are part of the Comprehensive Plan (see chapter 4). They are not likely to build the infrastructure for private projects, because they can also direct the developer to another area (Interview Xiao Chun, 2013). The case of ID Town has shown that the developer does not care about the location for his project.

Thus, the government mostly seems to invest in promotion of the city in general and organisation of projects and funding of artists. The government seems to have a lot of power to force companies to develop successful urban neighbourhoods. To note, there are different departments of the government involved in the development of creative industry: the planning bureau deals with land use and large scale economic clusters. The cultural department promotes creative industry and provides funding. Finally, the economic department deals with economic policy. Right now these are not very integrated, making the legal process very unclear. In general the government does not

seem to have a very clear strategy besides the economic development and the regeneration of urban spaces (Interview Liu Zhigang, 2013).

Communication and Framing and the Public

Important to the development of creative industry are the promotion policies and events that the government organises to promote the understanding of the creative industry. Billboard around the city share their way of thinking among the public: “Innovation encourages and failure tolerated” is the message in metro station throughout the city. “You are a Shenzhener once you come here” is another important message the government tries to spread to welcome people. However, a lot of people are not really familiar with the phenomenon ‘creative industry’. As Jane Zhang explains (Interview, 2013):

“Ok, I have to say something. Shenzhen people have very bad taste. Shenzhen has so many good designers, but most of them work for projects outside of Shenzhen. Most of them are lucky if they get some projects inside of Shenzhen. If you look at bad advertisements and decorations, especially for government projects, it always looks so bad. This is not because Shenzhen designers are bad. It is about the taste of the general public and the government officials. Especially the Shenzhen government has super bad taste.”

This opinion is shared by Michael Patte (Interview, 2013):

“Often there is a mismatch between the image the government tries to provide and the perspective from the community. People in China do not care about culture, they want to go shopping or go to these theme parks.”

The exchange between the creative industry and the public is very weak (Interview Jane Zhang, 2013). Actually the only place where there is real exchange is in OCT (Interview Liang Tiang, 2013). Most of the people working in the creative industry refer to the list of creative industries the government has indicated in their policy document. They know examples from all over the world (Interview Ole Bouman, 2013). Also the city master planner (Interview Liu Zhigang, 2013) refers to this list. However, the creative areas are not always that ‘creative’. Somehow there is still a lack of understanding resulting in areas that focus on economic clustering, tourism and leisure, and lack the typical characteristics of the creative city, such as diversity and creative people. Relating back to the two quotes at the beginning of this document: “Yes, everything is called ‘creative’ because creative

means policy and funding” and “Something is called ‘creative’ dependent on its context” seem to be very true.

6.2 The Developers

The cases in chapter 5 and the first section of this chapter have shown that three types of developers each with a different level of connection to the government can be identified: (1) management companies that are set up by the government itself to develop a certain project. This is for example the case in Wutong Mountain where a company was set up to organise the redevelopment of the area. Because this company do not own the land it is no real developer. Furthermore, (2) development companies, such as China Merchant that develops Shekou, are closely related to the government as these companies were once state owned. Finally, there are also (3) the fully private developers, for example the developer of ID Town. These companies also can have close relations to the government. For example, Zhou Xu (Interview, 2013), who owns a real estate company that operates in Da Lang, used to work at the government and therefore assumedly still has close relations there. Private developers always have to deal with the government in case they want to do a project. Their main interest is value capturing and in doing so they often ignore social factors (Interview Michael Patte, 2013). They make the area attractive, often referring to the example of OCT Loft, and in this way some sort of gentrification process takes place. Often they fail to do so as they cannot find enough creative companies that want to be in the area (Interview Liang, Tiang, 2013). In the end the creative companies cannot afford the rent anymore and have to move out. From this moment on it becomes interesting to start more high-end commercial development, such as expensive apartments. In doing so the developer is often willing to take risks. They construct buildings on places where it is not allowed, but they know the government will shut their eyes (see previous paragraph). There are also many gaps in the regulation, further increased by the fact that different departments of the government are involved in creative projects (Interview Jane Zhang, 2013). They developer does not invest too much money as they only want to increase the value of the land before the land regulation is sorted out, such as in OCT or ID Town, and they can start a new commercial construction programme that is supposed to make them lots of money. The developer has a lot of freedom to do with the area what they want as long as they have the government on their side. In fact, because there is a lack of formal policies and because these are very unclear, the informal networks are very important to get what you want as developer. As Doreen Heng Li, owner of a design company in OCT explains (Interview, 2013):

“I never pursued that process of getting funding, because I had the feeling that it is a very complicated process. It would cost a lot of energy so I just forgot about it. The execution is so blurred.”

The developer often makes deals with the government. One example is Shekou, where the government said to China Merchant they have to build a cultural centre. They did so, but now nobody knows what to do with it (Interview Michael Patte, 2013). Developers that want to obtain projects often try to promote themselves as creative company and in this way are able to get more projects in the future. This was the case in ID Town, but also OCT Loft. It has happened more often that the government just commands buildings to invest in a project and the developer cannot oppose (Interview Ole Bouman, 2013). As he explains:

“It is moral pressure. It is not really forced, but it is better for your future position to cooperate. In China the government decides what happens instead of in the Netherlands where the private sector has relatively more power because the government is very much dependent on their capital”.

For the development of creative industry the government heavily relies on collaboration with the private sector. This is not because the government lacks money, as often is the case in western countries. It is because developments take place in such a high pace the government cannot deal with it all by themselves. This also makes controlling of the system very difficult. This is clearly explained by Jane Zhang (Interview, 2013):

“It is a stupid circle, because the rules are too strict people don’t follow it and because people don’t follow it the rules becomes even stricter. But in Shenzhen, the whole system already works a lot more advanced than in other cities.”

6.3 Creative Businesses and Supporting Businesses

In the development process most of the companies have no real voice. The creative companies are often approached and contracted by the agencies that are hired by the developer. Companies in the creative areas can be a wide variety of things. For example, bars and cafes, design shops, architecture offices and galleries, but also different things; for example in OCT there is a swimming pool showroom. This company was labelled as ‘creative furniture’ and therefore allowed to be in the creative area (Interview Leon Zhao, 2013). For them OCT was the only option because this was

the only place where they were allowed to build a swimming pool inside of the building. Later on they found out there were a lot of companies in the area that were possible clients for them. Indeed, there seems to be enough demand to fill all these creative areas. For example, in the case of OCT there are companies that are located near the area to share in the benefits. The creative companies, however, often do not have enough money to afford the uprising rents when the process of gentrification sets in and are forced to move somewhere else. Many businesses are always on the move as the rent contracts are not very protective in which the rents can rise up by thirty percent in one year. Therefore, businesses doubt to invest in a new office in a new creative area. For example, Jane Zhang was invited to build her new office in Shekou, but she does not know what will happen in the future and for how long she will be able to stay (Interview Jane Zhang, 2013). Also in OCT Loft, the business owners all had to build their own office. A lot of creative parks are built in areas outside of the city centre as the centre is full already. These areas are built from scratch and it takes long to develop them as there are no public facilities or housing yet (Interview Doreen Heng Li, 2013). As she explains:

“To develop creative parks requires a lot of knowledge from other fields rather than just architecture. The current education infrastructure doesn’t really encourage people to cross between disciplines so the knowledge is very limited. I think we should be working with an economist and an ecologist on this scale. That requires an open minded mentality to the knowledge. I think that takes time and also brings us back to the level of education. In Shenzhen there is only one university who trains designers. Because the Shenzhen design market is so high, talented people all come here. We should have more design schools here. The government has to encourage this more, but I don't think the government is heading towards that direction.”

Therefore, education should be improved. Zhou Xu, developer and teacher explains (Interview, 2013):

“The education in China is not that free so people do not have a lot of free thoughts like in other cities. So I think creativity has a relationship with tolerance, freedom, age or youth.”

Also small businesses should be more supported. As Doreen continues:

“I think the government policies are disadvantageous for businesses like us, small offices. The government should support them more in order to have a more fair competition. The government has a lot of projects so maybe they can pick some small offices to do the projects to help them to get a chance instead of large companies.”

This makes the informal network very important, but costs the companies a lot of energy which cannot be put into the projects:

“It is not a formal way of doing business. It is kind of informal and it costs a lot of energy that is not on the content of the work. You need to reach a certain level that you don't need to go for dinner or karaoke the whole time in order to get the project. You want to be able to focus on the content of the project, but it is quite hard.”

A lot of artists are independent and are not located in one of the creative areas. For example, in Dafen the artists that receive funding do not need to be in Dafen because they can make enough money on their own (Art Radar Asia, 2012b). In this way they remain invisible and it is difficult to become more famous. In the creative areas people benefit from clustering, but there is a lack of supporting industries inside of the clusters, so people still need to travel quite far (Interview Doreen Heng Li, 2013).

One of the major problems for the creative people is the fact that they are high educated, but they do not earn enough to be able to buy a house. There is a lack of affordable housing. The earnings as a designer have not increased in the last few years, because there is much competition. Tat Lam (Interview, 2013) calls this group of people the ‘in-between class’. There needs to be built a lot, but developers prefer to build luxury apartments that will sell for higher prices. Especially people first arriving in Shenzhen have trouble either buying or renting a house. Family, friends, or an informal network in the city may increase the chances of finding a house. Although Shenzhen has increased its effort to build more social housing recently, to qualify for such a house people should have the right ‘hukou’. This is a system invented by the communist regime in the 1960s, where, based on their place of birth people are registered in a certain area and only there prescribe for public facilities such as health care, education and social housing. In Shenzhen where almost 90% of the people is migrant a lot of people share houses in order to deal with this ‘hukou’ obstacle or they live in one of the two hundred urban villages. These are villages that, when the city started to grow, where all of a sudden located in the middle of the city. Many villagers were able to make a lot of

profit by building extra floors on top of their houses or build complete new flats. Often the government does not know how to deal with these urban villages; demolish or conserve? The lack of affordable housing is an important constraint for people to stay in Shenzhen. Most people did not have the intention to stay for more than a few years, but this tendency seems to be changing (Koning, 2013). Certainly, when the creative sector starts to become mature and the middle class becomes stronger, the demand for good housing that fits housing desires will become a problem.

However, there are a lot of opportunities for migrants if they come to the city. For example as Tat Lam (Interview, 2013) said many migrants work in the fabrics where they put together highly advanced technology. Soon they are able to produce their own or a better version, like an iPhone with dual SIM. People can make their own business out of this. The industry of copied products in Shenzhen is very large. These people collaborate with people from all over the world.

6.4 The Local Residents

In the development process local residents do not have a lot of power. For example in OCT Loft, the local residents are very suspicious to the developments that have been taking place. They are afraid they eventually have to leave their homes when the area has become gentrified and large scale reconstruction starts. They rent a dormitory from the factory owner, who is likely to redevelop the factory in case this makes more money. The case in Shekou has shown that this concern is not unreasonable as this area has been completely reconstructed all in once. Objection of local residents does not happen as they know they won't have a chance. The economic interests are too big. In OCT, the initial residents do not benefit from the development as the prices in the area are too high. Most of the visitors are part of the (upper) middle class (Interview Tat Lam, 2013).

In the urban villages, however, the local residents benefit a lot from development as they are the land owners. In Dafen Art Village, for example, the local population constructed high rise buildings with support of the government and has benefitted from the increasing land value. In the redevelopment of urban villages the land lords seem the start organising themselves in order to object to the government or developers (Interview Jane Zhang, 2013). Often there is a mismatch between the plans of the government and the interests from the community, but when they have more money, their interest and power might increase. The economic development and the rise of the urban middle class might be the start of a stronger voice for the public (Interview Michael Patte, 2013). In the end, if people can earn money they often do not seem to care about objection; as Michael Patte explains (Interview, 2013):

“For example in Wutong Mountain people do not want to talk anymore, because money became involved.”

Most of the developments do not need to deal with a local population as they are former industrial places. On the other hand, in some developments such as Da Lang, a new high skilled population needs to be attracted and therefore their preferences should be taken into account (Interview Xiao Chun, 2013).

6.5 Conclusions

This chapter has described the interest of the actors. In the development process the government is generally the most powerful. Together with development companies they can direct the outcome of the creative area. The other actors, such as businesses in the area and local residents, often do not have much to say in the development process. This is possible as there is enough demand at the moment.

Important for developing the creative industry in Shenzhen is:

- ‘Factory of the world’ image and relation to Hong Kong was good start for fast development
- Experimental atmosphere attracts designers and architects and creates demand for creative spaces
- Availability of creative industry related industries provides learning environment for migrants and supporting industries
- Availability of abandoned space with interesting characteristics, i.e. industrial and ecological spaces, which are cheap to obtain and easy to transform
- Support and funding of the government, that provides many investment opportunities, government leaves everything to the market but is the market themselves
- Lack of bureaucratic system, openness for negotiation informal network is very important
- Unique opportunities are part of each development
- Copying, referring to OCT Loft, is important part of development schemes, but often fails because of lack of creative businesses and repeated events, misunderstanding of the concept
- No clear idea how to move further on, everything in Shenzhen is an experiment
- ‘Creative’ can mean a lot of different things
- Creative parks are often used to increase value of an area

7 Conditions of Creative Industry

This chapter applies the theory of creative industry that was identified in the theoretical framework to the development process of Shenzhen and in doing so answers the following question: *To what extent are the conditions and opportunities derived from the current literature applicable to the case of Shenzhen?*

7.1 Conditions Applied

In Shenzhen there are enough **creative individuals**. The city attracts designers because of its experimental climate. In the creative clusters there is a lack of supporting businesses; however Shenzhen as a whole is known as ‘factory of the world’. There are many factories that are related to the design, technology and animation industry. This has been an important base for the development of the creative industry. In literature there is relatively few of attention to the supporting businesses. In Shenzhen this lack of attention is also seen in the creative clusters such as OCT Loft and can be explained by the fact that there is enough demand.

In Shenzhen there is also enough **political will**. The government invest a lot of money and has a lot of projects to promote the creative industry. However, the developers and the local people do not support their vision. Therefore, the leaders have failed in their communication. The group of people that supports and understands the creative industry is relatively small. Shenzhen does not have a lot of **diversity** as the city for a very large share consists of low skilled migrants. These people work in the industrial manufacturing. The amount of **talented people** that are part of the creative class is actually not very large, but because the **organisational culture** is very informal and there is a lack of clear rules there is room for developers to build their projects. However, the role of the creative class is relatively limited as the development is very top down organised. The creative companies have a very small role in the gentrification process itself as areas, such as OCT become a success because of top down implemented ideas. There is no **openness** or **capacity to break rules**, which means creative companies in the creative areas only can act within the boundaries as set by the developer or government. The creative people outside of the clusters remain relatively invisible. Yet the copying culture has shown there is room for creative action. The access to the design and animation sectors is however bad. Also, the institutional setting in Shenzhen in itself is not open and creative.

The **local identity** of Shenzhen is quite strong as many people know Shenzhen as ‘factory of the world’. On the other hand the city is working hard to promote a new cultural identity. However, in doing so Shenzhen completely lacks a historical foundation and that seems to be a benefit for a quick adaption to new ideas. The government invest a lot in exhibitions and fairs, but this is too limited for a general understanding of Shenzhen as ‘the creative city’.

The **urban facilities** in Shenzhen remain underdeveloped. Especially cultural facilities are rare. In OCT there is a concert venue, but there do not even come that many people. Cultural events in China are very different from the western one, as people seem to prefer shopping malls, nature and roller coasters. However, OCT Loft does provide a good example for a place where creativity can be exchanged and this areas seems to be an example for many other creative parks such as Shekou. These areas do not get developed because of a gentrification process initiated by artists. Often areas are built from scratch in areas outside of the city centre so it might take a while before the area becomes a lively urban atmosphere. The location of the areas was not important for the development of a creative park. There is also a lack of housing for the creative class, which at the moment does not prevent people from coming.

Finally, **the network opportunities** between Shenzhen and the outside world are better developed than within Shenzhen. Most of the creative companies in the cases of this study do not really interact. Only in OCT this is really important as the companies here are more pioneering. The companies in the economic clusters already are large and have their clients. Also networking with the government is important but preferably happened more behind the scenes. However, clustering is an important aim of development, but more in the sense that it promotes large scale redevelopment projects.

7.2 Conclusions

The current theory on the conditions to develop creative industry says that a city does not need to fulfil all the requirements.

Which conditions do not apply to Shenzhen?

- Historical path of development is not important, the experimental atmosphere is very important to attract creativity. Future of the city remains undecided, everything as an experiment.

- The current image of Shenzhen makes clustering less important being a factory in sectors that already have their clients, the supporting businesses are very important
- Shenzhen does not have a creative identity yet and there is a lack of a clear vision resulting in failing creative areas
- No diversity and bottom up initiatives, but planning from above. Bottom up initiatives are turned into theme parks because of a lack of understanding of the ‘creative city’
- There is less emphasis on the creative class and a lively urban atmosphere
- Lack of housing for the creative class does not prevent people from coming

As summarised by Liu Zhigang (Interview, 2013):

“We copied the mind from the UK, not the policy.”

Part Three

Conclusions



8 Conclusions

8.1 Conclusions

As a result of processes of globalisation many cities started to promote creative industries to be able to compete in the global trading network. Shenzhen in this regard is one of the pioneering cities in China. However, theory on the conditions for creative industries to emerge is mainly derived in a western context. Whether these theories can also be applied to the context of Shenzhen remained the question. Because Shenzhen developed in a high pace and in a different institutional setting the context differs from the western context. Therefore, this thesis aimed to explore the development process of the creative industry in Shenzhen and to apply the current theory. To assess the Shenzhen case six units of analysis were selected; OCT Loft, Shekou, Dafen Art Village, Wutong Mountain, Da Lang Fashion District and ID Town represented the state of art in Shenzhen. Data was collected by semi-structured interviews with sixteen key informants that were informed about one or more of these cases and the creative industry in Shenzhen in general. Data collection was supplemented by doing observations and by studying policy documents and literature. A theoretical framework identifying current theory on conditions for developing creative industry was used to structure the exploratory empirical approach of this study. The following sub questions structured the research and can now be answered:

What is the path of development and what is its outcome?

Shenzhen started as a rural town and became a world leading manufacturing base because of state controlled policies heavily relying in the availability of work force and low wages. When wages started to increase the need for an economic shift emerged.

What is the development process and how are relevant stakeholders involved in different cases of creative industry in Shenzhen?

OCT Loft was developed by a formerly state-owned culture development company as part of a regeneration scheme of a former factory area. The old factories, the informal use of industrial land, the central location and the continuous investments in exhibitions and events were essential in the development of this area.

Shekou is a former harbour area, but will now be the location of the Design Biennale that aims to redevelop the area. The developer is China Merchant, more or less forced by the government. What will be the future outcome of the area remains uncertain. The case of Seaworld shows the incremental way of development.

Dafen Art Village started bottom up by the initiative of an artist starting an oil painting replica production. Once the government found about its success they started promoting the area by setting up a management company.

Wutong Mountain was a small village that attracted some local artists. Combined with the fact that the area was attractive for tourists and the land use was ecological so not allowed for large scale development the government turned this area into a major tourist attraction.

Da Lang Fashion District will be a fashion hub with the allure of Paris, London or New York. The area is developed from scratch and will mainly focus on fashion related companies. The area is very isolated at the moment. The government is the main developer.

ID Town is developed by a private developer. They obtained the project to promote the image of the company so they can apply for other projects in the future. The location in this sense was not important.

What is their role and interest of the stakeholders in the general development process and under what conditions does this happen?

The 'Factory of the world' image and relation to Hong Kong was a good start for fast development of the industries in Shenzhen. The experiment atmosphere of the Special Economic Zone Shenzhen attracts designers and artists and creates demand for creative spaces. The availability of creative industry related industries provides a learning environment for migrants and supporting industries that can start their own businesses. Availability of abandoned space with interesting characteristics, i.e. industrial and ecological spaces, are cheap to obtain and easy to transform and therefore interesting to develop into a creative area. In this process the government provides many investment opportunities, provides funding and organises many events and exhibitions. The government leaves everything to the market, but is in fact the market themselves. There is a lack of clear policies therefore the government access to an informal network is very important for doing business. In

each case there were unique opportunities. In the creative areas there is a lot of copying of OCT Loft, which can be considered a successful project. However, in practice cannot be easily copied as it requires a lot of long term investments and management. How the future of Shenzhen will turn out remains unclear as Shenzhen is a continuous experiment. No clear idea how to move further on, everything in Shenzhen is an experiment. 'Creative' is not well framed and can mean a lot of different things such as theme parks. Often creative parks are used to as a way for value capturing.

To what extent are the conditions and opportunities derived from the current literature applicable to the case of Shenzhen?

Compared to the literature the historical path of development is not important, the experimental atmosphere is very important to attract creativity. The current image of Shenzhen makes clustering less important as the most important part of the creative industry already has its clients. There is a lack of diversity of people. There are not a lot of bottom up initiative, being a direct constraint for creativity, instead planning is top down. Shenzhen as creative city is an image that is not yet widely accepted. There is less emphasis on the creative class and a lively urban atmosphere. The lack of housing is until now not a problem. As a result, the main question has now been answered:

How is Shenzhen currently developing its creative industries, what are the relevant conditions in doing so and to what extent is western theory applicable to the case of Shenzhen?

The hypotheses as were identified by Bontje et al. (2010) can now be further fine tuned.

1. Attracting a New High Skilled Group of People

The first hypothesis related to path dependency. Cities known as national or international decision making centres were supposed to have a better chance of innovative restructuring than cities without a prominent decision making function. Indeed, the strong position of the government in Shenzhen has contributed to its fast development. However, Shenzhen does lack the public facilities and cultural atmosphere as the city has been developing in a high pace. In this regard the high skilled people are not necessarily attracted by a historical or cultural environment, but more by the opportunity for experimenting.

2. Understanding of the Creative City Concept

The second hypothesis relates to the understanding of the creative city concept required for a bottom up development. However, Shenzhen as a creative city is not so much a bottom up but

merely top down implemented. The government also lacks a clear vision and approach. However, its power is strong. The lack of a clear vision does influence the way creative industry is being developed, resulting in urban environments that seemed to have failed in meeting the characteristics of creativity. In the case of Shenzhen, there is collaboration, but this is very one sided. Thus, the power of the government is important, but should be open enough for input from bottom up. Interaction and mutual understanding is important for implementing the creative city.

As a final note, the cases have shown that each type of development is very unique. There seem to be more types of conditions that can explain the emergence of a creative park and there are no conditions that are really essential. In this way one could say that is more about coincidence of a number of conditions, such as policy, investment and abandoned space that together provide to opportunity for the development of a creative actor.

8.2 Reflection

The aim of this research was to get a broad overview of the way creative is being develop in Shenzhen. However, several things need to be noted:

1. The risk with exploratory research is that the researcher gets stumbling in the dark. It is easy to miss some information that is relevant for the outcome. Six different cases were studied to avoid this. The problem, however, was that not in each case all the different involved stakeholders have been interviewed, because it was impossible to reach them after several attempts to do so. Moreover, their contribution might have been useless as they might not have been open to answering questions.
2. Six key informants have been interviewed. However, it is not possible to draw general conclusions over the whole of Shenzhen by only referring to their knowledge.
3. The study has been structured by use of existing literature on conditions; however, it is impossible to assess all the possible factors that could have been of influence (even a little).
4. Cities are very complex and diverse, therefore it remains difficult to address what the explaining factors are.

The last two points could have been improved by a longer period of time for the empirical part of the research, 'in the field'.

9 Recommendations

9.1 Note on the Conditions for the Future of Shenzhen

The last few weeks, several posts in the news papers noted the back lashing results of the Chinese economy. For the first time in several years the Chinese ‘only’ grew 7,5 to 8 percent, that was used to growth rates of at least ten percent year after year. During the global economic crisis resulting in disappointing export rates, the Chinese kept on constructing real estate, sometimes on locations that seemed to be isolated and unattractive. These types of investments predominantly solved problems on the short term as national debts are estimated to be very high by now. Therefore, the Chinese economy is expected to focus more on the rising middle class and consumption. The capacity of the Chinese economy should not be underestimated; large sums of money are invested in foreign countries. Thereby, China aims to start produce more of its own products and develop its own brands of products. Because urbanisation of Chinese cities is not yet completed, Shenzhen still has a lot of human



resources that promote the urban growth. Thus, there is still room for economic growth. The way the economy in China is going to develop in the future remains unclear for the outside world, the Chinese economy is expected to start maturing by some or to collapse like a bubble by others

(Smit, Het Parool, 14 August 2013).

Also for the economy and creative industry Shenzhen these new tendencies are very important. It might be the question whether Shenzhen is able to continue investing as they are doing right now. Moreover, more and more creative production processes that are now being outsourced to Shenzhen are relocated back to the home countries. This is because production of small amount has become too expensive in Shenzhen (Saman, 2013). For the future of the creative industry in Shenzhen it will be very important to keep these global economic tendencies in mind. The Shenzhen government should be careful with the knowledge that is going to disappear when factories disappear. Supporting industry is very important and can make Shenzhen unique, especially if Shenzhen starts to produce

its own creative manufacturing. However, the city should come up with a clear strategy that promotes Shenzhen as a unique creative environment and that is not copied from western countries. An input could be the theme parks that are part of Chinese culture. The Shenzhen government should develop enough housing for the creative class and the rising urban middle class to prevent the city from losing its advantages. Foremost, the city should be more open to bottom up approaches and input from the private sector to make the most out of the creativity of the population and the experimental environment the city already has to offer.

9.2 Discussion and Further Research

Further research should focus in these trends and the future development of Shenzhen as a creative environment and understanding of the global tendencies. More effort could have been put in the understanding of urban planning in Shenzhen as there was lack of clear information on that. The research about the conditions for the creative industry to emerge could also be extended to different cases, for example in Latin America. Moreover, more research into quantitative data can support the argument of this study. In the end, Shenzhen should be careful with seeing creative industry as an ultimate goal, a holy grail.

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Appendices

Appendix 1 List of Respondents

Appendix 2 Questionnaires

Appendix 3 Transcribed Interviews

Appendix 1 List of Respondents

Data collection took place between 25 March 2013 and 7 May 2013. The interviews took place in sequence of the list down below. The contact details are blocked for privacy reasons but can be requested with the author (see contact details in the Colophon).

1. Name: Tat Lam

Organisation: URBANUS Architecture & Design Inc.
Position: Director Urbanus Research Bureau, Shenzhen Department
Contact Details: [REDACTED] www.urbanus.com.cn
Information: The Urbanus office is located in OCT Loft from the beginning of the development of the area in 2002 on. The research department of Urbanus also conducted research about creative parks in Shenzhen. Therefore, he has information about creative industry parks in Shenzhen in general, but also more specifically about the development process of OCT Loft.

2. Name: Xiao Chun

Organisation: Urban Renewal Department of Shenzhen Local Government
Position: Policy maker Urban Renewal Office Shenzhen
Contact Details: [REDACTED]
Information: The Urban Renewal Office deals with urban renewal in the city and policies.

3. Name: Zhang Han

Organisation: OCT Loft Culture Development Group
Position: Vice General Manager
Contact Details: [REDACTED]
Information: OCT Group manages the development and maintenance of OCT Loft and several theme park in the same area.

4. Name: Leon Zhao/Vivian Zhang

Organisation: Desjoyaux Pools Showroom in OCT
Position: Project manager and Office manager
Contact Details: [REDACTED] www.desjoyaux.com.cn
Information: Swimming Pool showroom located in OCT.

5. Name: Liang Tiang

Organisation: Shenzhen Manjinghua Investment Group

Position: Board Chairman Assistant
Contact Details: [REDACTED]
Information: Manjinghua Investment Group started with selling furniture and now invest in ID Town, a creative park in Shenzhen, to change the image of the company.

6. Name: Liu Zhigang

Organisation: Shenzhen Local Government Centre of Design
Position: Master Urban Planner
Contact Details: [REDACTED]
Information: Master planner at the local government of Shenzhen deal with several projects and policies and the Comprehensive Plan.

7. Name: Doreen Heng Li

Organisation: Node Architecture Office in OCT Loft, Chinese University Hong Kong
Position: Head of the office, teacher
Contact Details: [REDACTED] www.nodeoffice.com
Information: Doreen runs a architecture office in OCT, which started as department of an office from Hong Kong but by now is completely independent. She is also teacher in Hong Kong at the university.

8. Name: Jane Zhang

Organisation: MADA s.p.a.m.
Position: Design Principal/Director
Contact Details: <http://www.madaspam.com/team/?type=detail&id=6>
Information: Jane Zhang has her own architecture office near OCT. She designed ID Town, was invited to open a new office in Shekou and she also has experience working at a Dutch Architecture Office.

9. Name: Lihong Mei

Organisation: Da Lang Commercial Center
Position: Developer and Investor
Contact Details: [REDACTED]
Information: Lihong Mei is director of a company that invested in de development of a commercial center in Da Lang. Therefore, he is also informed about the Fashion District that is going to be developed.

10. Name: Ming Liang

Organisation: China Development Institute
Position: Researcher
Contact Details: [REDACTED]
Information: China Development Institute currently conducts research about social dimensions in Da Lang, Shenzhen.

11. Name: Michael Patte

Organisation: Riptide, freelance landscape architect
Position: Owner
Contact Details: [REDACTED] <http://www.riptide-collective.org/>
Information: Riptide officially is a normal company, but operates as NGO. Their aim is to increase social awareness of our daily living environment. They organised projects in Wutong Mountain. The office of Michael is located in Shekou and he is part of the design team of the biennale that is going to be organised there.

12. Name: Fang Fang

Organisation: Riptide
Position: Co founder
Contact Details: [REDACTED] <http://www.riptide-collective.org/>
Information: Used to work in Wutong Mountain and is also part of Riptide.

13. Name: Jason Wong

Organisation: URBANUS Architecture & Design Inc.
Position: Researcher at Hong Kong department
Contact Details: [REDACTED]
Information: Jason Wong research in Shenzhen about creative parks. Now he works at the Hong Kong office of Urbanus to do the same type of research.

14. Name: Viola

Organisation: URBANUS Architecture & Design Inc.
Position: Intern at Hong Kong Department
Contact Details: [REDACTED]
Information: Viola has assisted Jason in his research and also did a large amount of interviews with business owners in OCT.

15. Name: Zhou Xu

Organisation: Yousheng Real Estate Development, PKU University

Position: Chairman, teacher
Contact Details: [REDACTED]
Information: Zhou used to work at the government and is now owner of a real estate development company that also develops creative parks in Shenzhen and Ghuangzhou. He also teaches in the landscape design course at the PKU University in Shenzhen.

16. Name: Ole Bouman ..

Organisation: Shenzhen Design Biennale
Position: Curator
Contact Details: [REDACTED]
Information: Ole is former head of the NAI in Rotterdam and now works as curator for the Biennale that going to be organised in Shekou in Shenzhen in December 2013.

Appendix 2 Questionnaires

These are the types of questions that were asked during the interview. The questionnaires were always adjusted to the respondent, topic and case.

Introduction

- What is your function in Urban Planning in Shenzhen or what is your knowledge about creative industry?
- What type of business do you have?
- When was it founded?
- When did you start living here?
- What is your role in this area?
- What are your main investments?

Aims of the government

- What are the main concerns/policies of the government at the moment?
- To what extent is creative industry important as an tool for development of the area?
- What is the main aim of developing creative industry? What role can it play in the economic development of Shenzhen? And to what extent can it play a role in the social development of Shenzhen?
- Why is Shenzhen attractive for creative industry do you think?
- What do you consider to be creative industry? What kinds of industries are the most important and why?

Conditions and the role of government

- What were the characteristics of this area in the past?
- How did this area change into a creative park?
- Why is this area in particular suitable for developing creative industry? What are the most important characteristics?
- To what extent should the government facilitate or promote creative industry here?
- How does the government try to facilitate or promote creative industry here? How should they do that?
- To what extent does the government collaborate with other parties, such as developers, local businesses and local residents?
- Do these groups take initiative for development by approaching the government?
- Who makes the main investments in the development of creative areas?
- How dominant is the role of the government in the development of these areas?
- How can local residents object to plans of the government and does this happen often?
- Are there other policies to promote creative industry, such as tax policies?
- What are important local conditions for creative areas to emerge? What role can the government play in providing them?
- How do you collaborate with the city government on this? What is their role?

Relation to other businesses and government

- Do you also work together with other businesses in this neighbourhoods?
- What are the main policies of the government here? Do they promote creative industries? And how?
- How do you feel about these policies, do you think they are successful?
- How does the government promote the area?
- Does the government engage you in the promotion and development of the area?
- Would you like to be more included? Is it possible to object to plans of the government?
- Do you think it would be more useful to have more or less diversity in this neighbourhood in types of businesses and why?
- Who do you think has the dominant role in the development of this area? The government or the developers?

Role in the development

- Why did you decide to invest in this area?
- What do you think about policies of the government? Are they successful and why (not)?
- Do you consider this area to be a creative park? Why?
- What do you consider to be a creative park?
- Why do you think this area is suitable for creative industry?
- What should be improved in order to further the creative industry?
- What do you think about this area? What do you like and dislike about this area? (infrastructure, diversity of businesses, real estate prices)

Collaboration with other stakeholders?

- How do you collaborate with the government?
- How does the government promote this area?
- What role should the government take in the development of creative industry?
- Do you collaborate with local residents and businesses here?

Motivations

- Why did you start this business?
- What are the reasons behind why you started your business in this area?
- What were the reasons you choose this area over others?

Current state of Creative Industry in Shenzhen

- To what extent have the policies of the government been successful? What could be improved?
- What are the main sectors within the creative industry in Shenzhen? Which one is the government most interested in and why?

Characteristics of the area

- What are the main characteristics of this area?

- Do you consider this area to be a creative park?
- What factors make this a creative area?
- How do you feel about this neighbourhood? What do you like and dislike?
- Is it easy to get a house here?

Changes in the area

- Have you perceived any changes in the area lately? What was this area like in the past?
- What were the reasons for these changes do you think?
- What should be improved in this area to attract more creative businesses and why do you think so?

Customers

- What are your most important types of customers?
- How do you try to attract these clients?
- Were your target customers already familiar with this area before you located here?

Current state of creative industry in the area

- To what extent have the policies of the government been successful? What should be better?
- What are the main sectors within the creative industry in this area? Which one is the government most interested in and why?
- Which sectors are you most interested in and why?
- Have there been any objections from businesses, developers or local residents so far?

Appendix 3 Transcribed Interviews

For privacy reason the transcribed interviews are not included in this document, but can be requested with the author (for contact details see the colophon).

List of Interviews

1. **Tat Lam**, Director Research Department Urbanus, Shenzhen Office
2. **Xiao Chun**, Urban Renewal Department of Shenzhen Government
3. **Zhang Han**, Vice General Manager OCT Loft Culture Development
4. **Leon Zhao**, project manager and **Vivian Zhang**, office manager, Desjoyaux Pools
5. **Jane Zhang**, architect MIDI s.p.a.m; i.a. ID Town
6. **Liang Tiang**, ID Town developer at Manjinghua Investment Group
7. **Liu Zhigang**, Master Planner at Shenzhen Center for Design (Urban Planning Department)
8. **Doreen Heng Li**, Director Node Architecture Office
9. **Lihong Mei**, Developer in Da Lang and **Ming Liang**, China Development Institute
10. **Michael Patte**, Designer Biennale/ Founder Riptide and **Fang Fang**, Co Founder
11. **Jason Wong**, researcher Urbanus and **Viola**, Co Researcher Urbanus
12. **Zhou Xu**, Chairman Yousheng Real Estate Development, teacher PKU University
13. **Ole Bouman**, curator and art director biennale