

The Development of Creative Spaces in China: The Case of the Pearl River Delta

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Abstract: During the past decade, China experienced a fundamental shift in terms of its economic policy from a pure focus on export-led growth to new development approaches towards a more knowledge- and innovation-based economy. In this context of the “Second Transition”, the urban planning authorities of Chinese metropolises have increasingly turned their attention towards the development of so-called creative spaces. This research note argues that creative spaces have become important urban symbols for the shift from “Made in China” to “Created in China”. It shows that the expansion of creative spaces has started comparatively late in the Pearl River Delta and analyses and compares the development of four distinct spatial clusters of creativity in Shenzhen and Guangzhou. These spaces are currently being developed on derelict manufacturing or warehouse sites and boosted by the local government. At these sites – in some cases along waterfront areas – media and design companies, fashionable restaurants and bars for the emerging urban middle class can be found. The paper demonstrates the powerful relationships between local administration and real estate developers and shows at the same time that the overall development of creative spaces in the Pearl River Delta Region is just beginning.

Keywords: Creative Spaces; China; Pearl River Delta; Cultural Economy

[Submitted as Research Note: 27 October 2011, Acceptance of the revised reviewed manuscript: 30 November 2011]

Creative spaces are still a rather new phenomenon, particularly in China. The Soho Area in London or Greenwich Village in New York may be considered as its first representatives. In their current form, both areas emerged in the 1970s and 1980s, reflecting trends of tertiarisation and deindustrialisation. Here, a blend of refurbished industrial and residential architecture within high density neighbourhoods developed into favourite spots first for the local arts and alternative scene and later on in the course of various waves of gentrification for companies from the cultural economy and the urban bourgeoisie. Until today, however, the definition of ‘creative cluster’ remains in dispute (Gibson & Kong, 2005). Evans (2009, 1003) argues that most of these agglomerations originate in “once-declining urban and former industrial districts”. People living and working there are often described and analysed as ‘creative class’ (Florida, 2002). The ‘creative economy’ comprises of advertising, architecture, design, fashion, film, publishing and video production (Howkins, 2001). For local urban planning authorities, the support and promotion of creative spaces is not only favourable because of their pure economic benefit. Creative spaces have turned out to enhance the public image of a tolerant and liveable city and hence have become a decisive advantage in the global competition of urban agglomerations.

Creative Spaces in China

China started its *first* transition, the gradual and experimental introduction of market-led reforms, in the late 1970s and early 1980s. The overall success of the reform process remains undisputed. However, many state-owned enterprises could not keep pace with the highly dynamic private sector and finally had to be shut down because of their inefficient operations. This also happened to a state-owned military factory close to the Beijing Central Academy of Fine Arts. In 2001, various artists informally started to make use of the abandoned workshops there. This was the trigger for a now world famous creative cluster, the Beijing 798 district. At the same time, Shanghai also saw the commercially successful development of creative clusters such as M50 and Xintiandi. Meanwhile, some ‘creative spaces’ can be found in all major Chinese cities. According to Webster et al. (2011, 363) “Bottom-up, inner-city

culture-led regeneration and gentrification” apparently form a desirable troika for urban restructuring in China.

Beijing 798 and Xintiandi are now the most prominent creative spaces in China. Since 2005, many provincial and local administrations in China have tried to climb this bandwagon and promoted spaces for the creative class. In the Southern Chinese province of Guangdong enclosing the Pearl River Delta (PRD) this development started comparatively late. For a long time, the PRD has been a pioneer region of the opening process and a hub of foreign investment into labour-intensive production attracting millions of migrants from all over China. But in recent years, rising land prices and wage levels have caused a relocation of many factories to remote parts of China or to other developing countries in Southeast Asia. This was accelerated by the global financial crisis. Therefore, the provincial government has started



Sculptures at the OCT Loft in Shenzhen

a series of new development programs to transform the region into a centre of the international knowledge-based economy. For example, the implementation of the “three olds policy” (三旧改造) has facilitated the conversion of industrial land towards new commercial uses. Another program with the slogan “suppress the secondary industry and develop the tertiary industry” (退二进三) specifically promoted the development of modern service industries (Wei, 2010).

OCT Loft in Shenzhen

Probably best known among Guangdong's creative clusters is the OCT Loft area located in Shenzhen's Overseas Chinese Town (华侨城). OCT Loft is developed by the OCT Holding, one big real estate developer. OCT Holding is operating 13 so-called Overseas Chinese Towns across big Chinese cities. The latter consist of highly priced real estate projects that should combine art and living. Besides the OCT Loft and gated apartment complexes in Shenzhen, this corporation also runs Konka, a television producer as well as several hotels. Further, they operate touristic spots like the theme park 'Window of

the World' in Shenzhen with a 100 meter tall model of the Eiffel Tower.

The history of OCT dates back to 2004 when OCT Holding started re-designing the former sites for processing industries – since 2006 under the slogan “Shenzhen Huaqiocheng Creativity and Cultural Park”. The Loft established a close cooperation with the He Xiangning Art Museum, famous for the first exhibition of Picasso's works in China.

The derelict factories were converted into a creative cluster in two phases: up to 2007, 55,456 square meters of the southern area were redeveloped and afterwards from 2007 to 2011, the northern area with additional 95,571 square meters was added. The construction efforts aimed at creating a working and meeting area for creative artists and the residents of the near-by apartments, including fashion, product and graphic designers, as well as architects and video and animation companies. Regular exhibitions, seminars and public lectures are held in the OCT Contemporary Art Centre to boost exchange among the artists. For example, in December 2005, it hosted the 1st Shenzhen Biennale of Urbanism and Architecture.

For Shenzhen city administration developing the OCT is a key strategy to position itself in the local and global awareness as a creative city. A consequent step following this has been to join the UNESCO Creative Cities Network in 2010. This strategy is embedded within the governmental program “Study and Plan on Shenzhen's industrial distribution” from 2007 (SZGH). It includes the shift “from processed in Shenzhen to manufactured in Shenzhen and finally to created in Shenzhen” (SZGH, 2007, 24). OCT is a central vehicle to master the last step.

Guangzhou's creative cluster

The provincial capital Guangzhou has also taken measures to boost crea-

tive spaces. Nowadays, local newspapers identify almost 30 different sites all over the municipality, although the criteria for defining such a creative space remain sometimes unclear. Prominent creative spaces are the 1850 Creativity Zone, the Xinyi International Club or the Taigu Warehouse Dock. The first creative park of Guangzhou, the Xinyi International Club, was officially opened in 2007 on the former grounds of the ‘Guangdong Water-Conservancy and Hydropower Station Machinery Production’. Planning had already started at the beginning of the new millennium. In 2004, the private developer Guangdong Minghuiyuan invested 40 Million RMB to renew the area (Ni, 2010) and to convert the 1960s soviet-style factories into loft units, similar to the OCT case in Shenzhen. About 18,000 square meters of industrial land could be transformed into commercial land. The whole area now consists of a big open-air plaza, art studios, commercial apartments, carefully designed green spaces with old banyan trees, wine shops as well as western and Chinese restaurants close to the waterfront. The Xinyi International Club has evolved into a showcase for the urban restructuring process of Guangzhou. Senior civil- and party-officers regularly stress the strategic importance of this creative cluster. Accompanying a delegation from Chongqing Municipality, Provincial Party Secretary Wang Yang expressed his hope to utilize Xinyi's unique beauty and geographical advantages in order to promote tourism and cultural landscapes in Guangzhou (Xinyifair, 2008). Even Hong Kong's Chief Executive Donald Tsang considered Xinyi International Garden should serve as an example for the modernisation of Hong Kong's industrial sites (Xinyifair, 2008a).

In ultimate proximity to the Xinyi International Club, the erection of an even larger creative cluster is now almost completed: On 30,000 square meters of the



The Taigu Warehouse Dock along the waterfront of the Pearl River

grounds of a former chemical plant, the 1850 Creativity Zone is currently being developed by a joint venture of a municipal company and a private developer. Here, altogether 76 workshops are provided for lease. The ambitious aim of this project is to become the “primary hub of cultural industry in Guangdong and in China” (GZ1850, 2010, 4).

Not far away from these two clusters the Taigu Warehouse Dock is situated along a branch of the Pearl River. This complex impressively reflects Guangzhou's eventful history in the last century: built by British Swire Group between 1904 and 1908, the three T-shaped bridge piers and eight brick-walled warehouses served as a hub for routes to northern harbours across the Chinese Sea. After the ‘liberation’ in 1949 the area was nationalized and Guangzhou Port Authority was put into charge. After a new port in Nansha was built in the 1990s, Taigu subsequently lost its importance. The land along the waterfront was converted into several high-end real estates projects, finally threatening the whole existence of the pier. However, after Guangzhou's mayor Zhang Guangning visited the area in 2003, he announced his decision to preserve the Taigu Warehouse complex. It was not until 2008 that the physical redevelopment of the total development area of 54,890 square meters started. Since then, Guangzhou Port Group has invested 80 Million RMB and private companies added to this by investing 100 Million RMB. A special developer was founded, the Pacific Business Group Development Corporation, for further development and operation of the area (Zhang, 2010). The restructuring took inspiration from San Francisco's Fisherman's Wharf and aims at being an “urban living room” (Zhang, 2010). A set of trade shows, a cinema, wine warehouses and events like a food festival shall attract local residents as well as tourists, while a hotel complex is still under construction (Li, 2011). From recent observations by the authors however, the frequency of visitors to the area still has a lot of potential.

Conclusion

The PRD is a latecomer in terms of developing creative clusters. In contrast to creative spaces such as Beijing 798, Shanghai's M50 or other international examples, the above-mentioned areas apparently completely lack an initial period of informal occupancy by local pioneers. Instead, top-down approaches have been implemented from the very beginning, incorporating public and private developers and investors. The urban regimes led by a number of state agents show how state-led market capitalism in China is able to adapt to changing contexts and at the same time remaining in firm control of strategic land development issues. It remains to be seen if they will also be able to tackle the more delicate redevelopment challenges in older industrial areas where huge manufacturing complexes are still waiting for a future after the loss of importance of heavy industries. Only a few kilometres down the Pearl River from the sites in Guangzhou described in this paper, an enormous steel plant now enclosed by the city shows that cities face those challenges even in China's dynamic south.

In this context, the implementation of the “three olds policy” has now become the corner stone of a conversion of industrial land into new commercial uses. It offers a comprehensive framework for the regeneration of old town residential and commercial areas, brownfield sites and urbanized villages in the context of a transition towards the service and knowledge-based economy. Besides governmental institutions, real estate developers take a decisive role in the development process of creative spaces. However, it can be safely assumed that often speculative interests drive their investments and that they use ‘creativity’ as a mere marketing label in many cases.

So far, the OCT Loft area seems to be the most successful creative space in the PRD though this area too has to cope with considerable vacancies. All in all, the development of creative spaces in PRD is still at the beginning and they are by far not as successful as

their northern competitors. Although the economic hopes in relation to the development of creative spaces have not been fulfilled, yet in many cases, these areas are important urban symbols for the implementation of the *second* transition and the overall shift towards a knowledge-based economy and a high-quality living and working environment.

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