The Cultural Economy of Cities

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In Allan Scott’s terms the cultural economy of cities refers to the collection of culture industries in cities. The phrase is analogous to the manufacturing economy of cities, the financial services economy of cities and so forth.

The currency of the phrase in urban studies circles seems to be due to the relatively recent recognition of the importance of the culture industries as generators of jobs and business opportunities in cities both directly and indirectly through their association with tourism. Whilst there are earlier studies that make reference to the culture industries in their urban context it is really only the past decade that has seen the emergence of a significant academic interest in the field. Scott is the progenitor of this interest and the major contributor to it to date. His work is summarized in Scott (2000).

Stepping back a bit, there are various interactions between notions of culture, economy and space with culture industries as such being of variable importance in these associations. At least five permutations may be identified.

1) Location logic of culture industries
2) Relationships between culture industries and local cultures
3) Commodification of culture in city marketing
4) Cultural milieus of production
5) Cultural planning

The purpose of this paper is to establish a context within which the conference proceedings and discussion can be situated. It is based on broad scan of literature over a number of years although the citations are limited to a few seminal contributions.

PRELIMINARIES

Before proceeding to the body of the paper a number of key concepts require definition.

Cultural products

Cultural products are what the culture industries produce, but what do they comprise? How do we know one when we see it? Scott defines cultural products and services as being those that embody semiotic or symbolic content. Conventionally, cultural products and services include items such as: films, television programs, multimedia products, books, magazines and newspapers, dramatic and musical performances, certain categories of clothes, art works and design in all its forms (including architecture and urban design).

Scott identifies three types of cultural products and services:

1) Products produced in traditional manufacturing sectors: e.g. clothing, furniture, jewelry

2) Services: personalised transactions or production and transmission of information (e.g. tourist services, live theatre, advertising)

3) Hybrids of services and manufacturing: e.g. music recording, book publishing, film production

The commonality in these apparently disparate categories derives, Scott argues, from
the ways in which they each function, at least in part, as personal ornaments, modes of social display, aestheticised objects, forms of entertainment and distraction, or sources of information and self awareness. Since high percentages of goods and services have those sorts of attributes to some degree, problems of operational definition in research are acute.

**Characteristics of cultural production**

Scott (1997) argues, “production activities in these industries are generally - though by no means exclusively – described in terms of flexible specialization.” That is to say, such activities involve production of small batches of output for specialized market niches and the use of competitive strategies entailing constant product differentiation and/or significant levels of customization. Whilst flexible specialization is a general tendency in contemporary economies, in the cultural products industries, Scott argues, “the elements of fashion, style and fad and the pressures on producers to make their outputs distinctive accentuate this tendency to flexible specialization.” An outcome is that “individual establishments in the cultural production industries are usually small in size, although large firms are not uncommon, especially and increasingly in distribution activities.”

Scott (1997) avers that:

We are observing the rise of a distinctly post-fordist cultural economy in the advanced capitalist societies. This does not mean that mass production has no place in today’s cultural economy but it does reaffirm the idea that a vast extension is taking place in an assortment of craft, fashion and cultural products industries throughout the advanced capitalist economies, along with a great surge in niche markets for design and information intensive outputs.
Culture

The notion of ‘culture’ is a real can of worms but obviously needs to be considered as a prelude to conceptualizing research on cultural economy. Following Raymond Williams, Frow and Morris (1993, p.viii) say that ‘culture’ refers to the “‘whole way of life’ of a social group as it is structured by representation and power. It is not a detached domain for playing games of social distinction and ‘good’ taste. It is a network of representations-texts, images, talk, codes of behavior, and the narrative structures organizing these, that shapes every aspect of social life”.

Cultural studies

It follows that the field of cultural studies is less concerned with assuming the social unity of a group than it is with thinking “of cultures as processes which divide as much as they bring together” (Frow and Morris, 1993, p.ix). Cultural studies methodology differs from other socially analytic disciplines in that it does not look for the totality so much as for significant ‘sites’ and ‘events’. This reflects the view that a “concentration of social relations is thought to occur in the pressure points of complex societies” (p. xv). Such sites or ‘pressure points’ are analysed as texts, readable but in multiple ways. Readings are thus partial, in the senses both of incomplete and partisan.

1. LOCATION LOGIC OF CULTURE INDUSTRIES

1.1 Growth and change in the culture industries

Scott (1997) makes two key observations about growth in the culture industries and the relationship between cultural and economic production:

1) An “ever widening range of economic activity is concerned with producing and
marketing goods and services that are infused in one way or another with broadly aesthetic or semiotic attributes.”

2) There is a “very marked convergence between the spheres of cultural and economic development seems to be occurring, and is indeed one of the distinguishing characteristics of the urbanization process in general as we enter the 21st century.”

1. 2 Agglomeration tendencies

Scott (1997) noted that “the [cultural] production system is highly susceptible to vertical disintegration, for the uncertainties and instabilities that flow from the competitive environment in which producers operate tend to accentuate the play of external as opposed to internal economies of scale and scope. For these reasons cultural products industries tend to cluster into transactions intensive agglomerations of specialized firms.”

He then identified the features of successful culture industry agglomerations: (1) High quality and diverse range of products, propensity for producers to change design configurations over time; (2) Producers innovative in all dimensions of their business activities; (3) Products enjoy strong collective reputation effects derived from their places of origin.

2. RELATIONSHIPS BETWEEN CULTURE INDUSTRIES AND LOCAL CULTURES

2. 1 Cultural economy of cities

Turning to the relationship between place and cultural production, Scott (1997) again made several incisive observations. He argued that, despite of globalising tendencies to cultural homogenisation, “place is still uncontestably a repository of distinctive
cultures.” Moreover, “certain privileged places are able to disseminate cultural artefacts and images across the world [and this can be] deeply erosive or at least transformative effects on many other local cultures” (4). In his writing Scott deploys such evocative phrases as: ‘Intraurban cultural synergies and semiotic fields’ and ‘multiple clusters of cultural products industries.’

A set of questions is implied concerning the geographical distribution of production (and consumption) of cultural products and their role in regional cultural and economic development:

1) To what extent are they indicators of global city status or, more modestly, of a city’s ‘openness’ to global economic and social currents?

2) Why do some cities have a larger amount of production of this type than others do?

3) Is it simply a matter of size (as an index of the agglomeration economies, market thresholds, milieu of innovation etc.)?

4) Do different categories of cultural products have different location patterns and, if so, why?

5) To what extent do contemporary ideas about industry clustering - knowledge spillovers, transactional patterns and social embeddness – assist in explanation? Scott (1997, p.12) elaborated in noting that, regarding positive spillover effects that: “almost always the different cultural sectors within a single city constitute an evolving community with its characteristic styles, sensibilities and themes [due to the fact that] these sectors typically transact intensively with one another and participate in shared labor markets, but also from their exploitation of design cultures and images from the local urban context.”

6) In a more subtle sense, to what extent and in what ways can places themselves be regarded as cultural products? This latter conception implies intriguing linkages between cultural economies and ideas of individual and collective identities and the politics associated with such ideas. It also raises questions concerning reciprocal relationships between product design and place and between cultural
production, local cultures and tourism.

The cultural economy of cities is significant for two general reasons. First, and conventionally, because it provides jobs and business opportunities. Not only are these substantial at present but also they stand to grow rapidly in the context of burgeoning international trade (including tourism), enormous growth in the communications and entertainment sector and continued growth in real incomes and leisure time that are in part required to promote consumption. In the Australian context, as in other parts of the world, growth in the cultural economy is also intimately bound up with the political and social realities of difference (migrants, aborigines, gays and lesbians) and with the increasingly important tourism economy.

A second general reason why the cultural economy of cities is significant, and this distinguishes it sharply from other economic sectors, is that it is both an outcome of and a generator and interpreter of local cultures. Cultural studies range from debates surrounding identity and identity politics through to pragmatic strategies for building local cultures, supporting multiculturalism and aboriginality (difference), and support for the arts (creative nation)

The cultural economy is richly diverse, and has fundamental interconnections with issues of deep social significance. It is thus interesting that so much of the discourse of economic development of the past 20 years or so, in Australia, has been concerned with how to promote high-tech manufacturing, and how to attract regional headquarters of transnational corporation and international tourists.

2.2 Cities as design products

Molotch’s (1996) masterly essay on Los Angeles as a ‘design product’, investigates “how local aesthetics – the way people draw, shape and play, fantasize and concoct, and socially explore – affect what businesses produce and market” (p.225). It covers ‘high’ and ‘low arts’ and refers to the movie ‘industrial complex’, tourism, eating, apparel,
residences, furniture, and automobiles. Molotch argued that:

Product design and the arts with which it is inextricably linked have forged the southern California economic base and had an impact on the economic and cultural circumstances of people far afield … but wit, dreams and beauty … are the important factors everywhere just as they have always been the staff of life. They arise through the cultural yeast in given places at certain times more than others (266).

This essay successfully draws all sorts of linkages between diverse objects that might be good to emulate in other cities.

Molotch makes worrying assumptions about art. He lists an impressive array of big name artists and key works, but only in reference to how their images can be seen to be formally similar to LA design images (either influencing or influenced by the look); there is no acknowledgment of their intellectual content or politics.

In fact Molotch does not talk about LA art at all, or the artistic side of LA products that he does discuss, but only about LA industrial design, and really only commercially successful and famous designs. There is no questioning of capitalist profit as being anything other than the proper motive for design creativity. There is nothing of the critical postmodern approach to culture as a mishmash of contradictory forces and shifting battle lines with dominant and marginalised voices. It is rather the affirmative, ‘apolitical’ postmodernism of anything goes; he describes LA culture as open, inventive, playful, ceaselessly overturning new ideas.

3. COMMODIFICATION OF CULTURE IN CITY MARKETING

Only brief mention of this topic is made in this paper since it is a major element in a later paper at this conference. The basic idea is very simple: cities aim to capture tourism and investment flows by highlighting competitive advantages associated with local cultures. We are familiar with this process in relation to tourism in third world
countries but the cities of the first world are now very much part of the game. High arts and popular cultural products, ethnic foods, historical buildings and precincts and the general cosmopolitan ambience of cities are featured in sales drives. As well as the jobs and business opportunities they bring there can be problems associated with commodification in terms of cultural degradation and exploitation.

4. CULTURAL MILIEUS OF PRODUCTION

A point made above is that production in places is embedded in the cultural and social relations of places. This is perhaps more so with cultural products and services than it is with other economic sectors. In recent writings on industry clusters (and related concepts) there is an emphasis on the socialisation of production that adds a whole new dimension to conceptions of industry clustering. Harrison (1992, p.471) traces the theoretical development of social embeddedness of production:

In the recent literature, the paradigmatic industrial districts are those located in that region of north-central and north-eastern Italy known as the ‘Third Italy’ – a term first coined by the Italian sociologist Bagnasco, 1977. The book which first brought the successes of the districts of this and similar European regions to the attention of English-speaking audiences was the Second Industrial Divide (Piore and Sabel 1984).

In the ideal-typical industrial district, each small firm specializes in one or a few phases of a complete production process (although it may quickly change its speciality in response to signals from buyers or, in the American districts such as Silicon Valley, from the venture capitalists). On any particular project, the small flexible firms will often co-operate with one another, sharing tools, information, and even skilled personnel, only to compete fiercely for a share of the next new contract or market opportunity. Some of these small firms have even become clever enough to make connections to several production networks at the same time, thereby reducing their vulnerability to the economic fortunes of any one group.

The widespread adoption of relatively small-scale ‘stand-alone’ computerized automation, such as numerically-controlled machine tools and PC-based computer assisted design or CAD systems, helps to make these networks of ‘flexibly
specialized’ businesses capable of rapidly reconfiguring themselves to meet the continually fluctuating demands of the world market. And because these tools can be reset quickly and inexpensively, it is argued that the classic tradeoff between economies of scope and scale are mitigated. Indeed, scale economies at the level of the firm are hypothesized to have become less important altogether, replaced by the achievement of such efficiencies at the level of the district (or network) as a whole.

5. CULTURAL PLANNING

On a very different tack to Scott’s ideas about regional economic development are the ‘new cultural strategies’ that arose in the U.K. from the early 1980s. Bassett (1993) reviews the reasons for their emergence, their forms and the issues surrounding their social purposes. He begins by noting that:

From the early 1980s onwards cities such as London, Glasgow and Newcastle launched a series of new cultural strategies which once more accorded the arts an important role in urban policy. [They were] marked by a radical widening of the whole concept of ‘culture’ and the virtual erasure of the traditional distinction between high art and popular entertainment.

Bassett identifies seven themes in these strategies:

1) The opening up of traditional institutions, such as museums and theatres, to wider public involvement (participation in management and visitation).

2) Expanded support for community arts, ethnic minority cultures and socially and culturally deprived neighborhoods.

3) The building up of infrastructure for cultural production: studios, workshops, marketing and support organizations.

4) Support for new technology sectors, such as television, that are central to the whole field of popular culture.

5) Recognition of the role of arts in urban regeneration. Including promotion of
‘flagship’ development projects e.g. arts centres, theatres, concert halls in inner city areas.

6) Promotion of high profile events, including festivals, often linked to local heritage themes, to encourage cultural tourism.

7) Investment in public art and revival of public spaces for multiple forms of activity.

Basset explains the emergence of cultural strategies with reference to the following:

1) *Thatcherism meant reduced funding for arts, increased privatisation and devolution of funding responsibilities to local and regional bodies.*

2) *Changes in patterns of cultural consumption and social class.*

Bassett argues that new patterns of cultural consumption cut across cultural boundaries and hierarchies in ways that made it difficult to sustain traditional distinctions between art and popular culture that underpinned post-WWII policy. This ties up with the notion of a postmodern pattern of consumption that transcends high/low culture division; breaks traditional aesthetic codes; consists of a ‘depthless’ and eclectic sampling of different cultural forms; and which rejects the aura of the traditional modernist art work. Bassett notes that Jameson interpreted such consumption patterns as a facet of broader cultural changes associated with the emergence of a new stage of capitalism, “the ‘cultural logic’ of late capitalism”. Jameson was criticised, however, for failing to clarify the mechanisms linking economic transition and cultural change. Bourdieu, on the other hand, investigated links between different patterns of cultural consumption and the lifestyles of particular classes and class fractions.

3) *Cultural populism, cultural policies and the ‘new left’.*

Basset argues that the emergence of a distinctive ‘new left’ perspective on art and culture constituted a direct challenge both to the new right and the old left. This challenge, in the form of a ‘cultural populism’ embodies a more positive evaluation of
popular culture. Bassett identifies two trajectories in policy flowing from this perspective:

(i) A ‘productionist’ focus on popular control of local cultural production, embodying support for an oppositional working class culture (c/f community arts movement)

(ii) A ‘consumptionist’ focus giving more attention to the ways in which products of mass entertainment are creatively and critically evaluated by ordinary people, rather than passively consumed.

4) Economic restructuring, interurban competition and urban coalitions

In this set of relationships Bassett notes “… tensions between the aims of cultural and economic regeneration. Cultural regeneration is more concerned with themes such as community self development and self expression. Economic regeneration is more concerned with growth and property development and finds expression in prestige projects and place marketing.” “Without going as far as Adorno [Bassett continues] in claiming that all mass culture is regressive, one can still defend the case that the main thrust of the culture industries is towards neutering oppositional impulses and incorporating counter-cultures.”

Stevenson (1992), writing on the Australian scene, makes a number of pertinent observations about cultural strategies. Quoting from David Ley (1996) [c/f Bordieu in Bassett] Stephenson notes argues the current push to incorporate the arts into urban redevelopment strategies must be seen as the post-modern project of the ‘new cultural class’. This class, Ley argues, has emerged from the radicalism of the sixties to be the advocate of an urban design that seeks to reconstruct as meaningful the dehumanising modernist spaces of the city. The cultural class claims that the challenge for planning and architecture is to use both the expressive arts and the aesthetics of design to rebuild (inner) cities as places that are grounded in the history and the culture of the people who
use them ... the project is one of urban re-enchantment. Cultural planning is the formal mechanism of this quest for re-enchantment ... the quest is based on the myths of community and the ‘urban village’ ... grounded more in imagination than history.

6. CONCLUSION

The set of interrelationships between culture, economy and place are complex and overlapping. To a very large extent the contributors to this conference have focused on the culture industries and to a lesser extent the commodification of urban cultures. But the other dimensions discussed in this paper are related. The culture industries to some extent are grounded in local cultures and indeed it is this that gives them their market edge; that is, differentiates them from the same category of products produced in other places. A particular interpretation of local cultures is their entrepreneurial dimension; this gets to the notion that people in some places are more entrepreneurial than in others and this results in higher levels of economic growth. To the extent that entrepreneurs latch onto cultural production the creative workers in those sectors stand to benefit. Cultural planning, like arts policy with which it overlaps, has as its end essentially social objectives. But it incorporates economic activities including cultural production.

Apart from the problem of deciding which dimensions of the interactions between place, economy and culture might be the focus of research there are questions of lines of research might add value to what is already known. A special challenge for this conference is to debate the ways in which comparative urban research might add value to knowledge. Certainly in the case of the culture industries, most of the knowledge is based on the US and because of Scott’s seminal influence a lot of that is based on LA. The success of the conference will depend largely on our capacity to address those issues.
REFERENCES


Cultural Policy, Cultural Industries and Local Culture: The British Context

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This paper examines the socio-political context for the cultural economy of cities in Britain, briefly outlining the history of cultural policy and some criteria for its successful implementation. It will then look more specifically at some strategies and initiatives in East London which is an area of great cultural diversity.

The genesis of cultural policy in Britain can be seen in the strategies of the Greater London Council and large metropolitan governments of the early 1980s. This was a period when local and regional government acted in contradistinction to the Conservative Thatcher government, supporting public sector and voluntary initiatives, local economic development and sometimes radical alternatives. By and large these authorities were run by Labour governments which celebrated notions of cultural diversity and which were predicated on principles of enhancing social justice. This was the context for a new interest in the arts and culture, which in, its early years involved a reliance on arts consultancies leading eventually to the creation of institutions such as the Greater London Arts board, and other regional arts authorities.

By the end of the 1980s many councils had established leisure and recreation departments which took a major role in cultural strategies. Some of these did not survive and were incorporated into education departments. However, some kind of national infrastructure was in place and the role of culture in urban life had crept onto
the political agenda, and the first key text on the importance of culture for economic life had been published (J. Myerscough, 1987) which attempted to outline the cash benefits to local areas of theatres, cinemas and other arts facilities and production. By the 1990s many councils had started to appoint arts officers, and some councils had taken very active steps to fulfil the logic of cultural policy thinking. Newham in East London is a successful example of a strategic and interventionist governmental approach. Two linked strategies, to link Stratford into key transport networks, notably the Channel tunnel, creating a major transport hub, combined with arts regeneration - the renovation of the Theatre Royal, the construction of an arts centre, leisure centre and cinema, turned Stratford into the key commercial centre and cultural quarter for the local region. Amenities that affluent areas take for granted had been entirely absent. A decade earlier there was no cinema (apart from a small arts cinema) in Hackney, Tower Hamlets and Newham (population ½ million) and little street night life; now night life is thriving.

1. Cultural Diversity

As in most major cities, in London cultural diversity is deployed to sell difference as an exotic commodity. Thus areas like Brick Lane in Tower Hamlets, the home of many Bengali people, has become a favourite restaurant quarter, and the West Indian Notting Hill Carnival is promoted as a tourist attraction. However, though there is considerable lip service paid to cultural diversity non-Anglo communities remain marginalised. The map of funding by the large funding bodies, such as the Arts Council, has barely been redrawn over the last two decades, with West and Central London gaining the lion’s share. Although there has been a lot of activity around cultural diversity at local level, such as the funding of dance activities and music production, the problem for politicians is that many of the groups or individuals funded have little experience of management and organisations. Historically there have been too many ill thought through, short term and often tokenistic initiatives which have made little impact. Secondly, the results of initiatives are inevitably slow to realise, particularly with first
and even second generations migrants whose cultural life and language can set them apart. However new cultural fusions and interplay are producing new notions of Britishness, in which cultural activities and productions are playing a significant part, and young Black British artists are becoming more and more confident and successful.

2. Current National Policy

In many respects national policy is only now catching up with ideas that have been current at the local level for more than decade. The importance of the creative industries has been acknowledged by Government, the London Mayor and by private and public sector leaders in London. This sector is now acknowledged as an essential and highly prized component of a knowledge driven, value adding, diverse and inclusive economy (TGLP,2001,p.1). The London Development agency have now identified this sector as one of the principal opportunities for London and all boroughs are obliged to develop a cultural policy. The Association of Local Governments in London have recently published a report on Creative Energies (David Powell and Associates), and a report is being prepared for the Mayor which outlines the importance of culture to the economy and sets out a framework for action. The extent to which strategy translates into practice is more questionable. The major problem is the current lack of public funding and the historical stripping of support for successful initiatives during the 1980s. The main shift in expenditure has been from the support for the arts initiatives themselves, to a greater expenditure on management and administration, partly as a result of the more complex and difficult grant awarding structures.

The Agenda for the future is the e-agenda. No-one is yet very clear what this will mean, but the issue of widespread and cheap broadband access is recognised as crucial for the future of the development of cultural industries. In the UK Soho is the most wired cultural quarter, while East London lags far behind. This represents a new form of socio-spatial exclusion.
3. What makes for a successful cultural policy?

**Championship**- particularly at senior levels. In Newham councillors and senior officials conceived of, and developed the strategy.

**Investment**- capital and revenue. In the UK in the 1980s the GLC spent large sums of money (there was an increase in one year of spending from 2-40 million on cultural industries and the arts), while the National Lottery has been used for new capital projects. The problem is that it is rare for the two come together.

**Infrastructure.** In the UK there is no governmental structure to support cultural and creative industries equivalent, for example, to that which exists for transport. There is no vertical hierarchy from national to regional and local levels to distribute finance or to make decisions. Instead there are uncoordinated initiatives from the Department of Trade and Industry, DCMS, Department of Transport and the Regions, and initiatives are taken in all sorts of arenas as a result of all sorts of funding strategies- eg the Single Regeneration Budget. The situation therefore is highly fragmented and large gaps emerge between policy and action.

**Regulatory structure** to ensure that policies are carried through and implemented properly.

4. The Importance of Creative and Cultural Industries to East London

The paper now looks more specifically at the importance of creative industries in the context of the East London region drawing on the recent release of the Thames Gateway London Partnership Creative and Cultural Industries Strategy. This is a region which comprises the old Docklands, the East London boroughs of Hackney, Newham, Tower Hamlets, Greenwich, Lewisham, Barking. This has been a region characterised by huge structural change in industry and housing terms, as well as in socio-
demographic terms, and also by poor infrastructure, lack of amenities, high levels of
unemployment and poverty. Over the last two decades the area has become
multiculturally very diverse- particularly in the borough of Newham where over half of
the population are new migrant households. In many ways this is a region not unlike
the Western region of Sydney, though spatially the area is less characterised by urban
sprawl and low density housing.

Thames Gateway London has a long history of providing creative and technical services
for the rest of the capital. This important sub-region of the capital has been dominated
by creation and production - making and doing - rather than by the higher value
processes of distribution, exhibition/sale and consumption. The recycling of derelict
manufacturing spaces by designers, media companies and artists’ studios represents the
changing nature of the economic and employment base of Thames Gateway London
just as much as the exponential growth of Canary Wharf and its financial services sector.
(TGLP,2001,p.1). Many TGLP member and partner bodies - local authorities,
Universities and others - recognise the importance of creative and cultural activity to the
whole regeneration enterprise, and have reflected this in corporate strategies and
programmes.

In the emerging new economy, innovation and experimentation, creativity and
imagination are valued more highly than ever before. The characteristics that define the
creative industries in Thames Gateway London – diversity, innovation, inclusion and
individual exploration – also define success in the new economy. Its creative
communities have long been committed to innovation, and provide some exemplars of
socially and culturally inclusive practice.

One of the objectives of the strategy is to connect Central London and the City
to mainland Europe. West London has attracted multinational companies to enjoy
proximity to Heathrow and Central London. Major creative industry players need to be
attracted eastwards to sites which co-locate with small business and are close to creative,
cultural and technology expertise in the universities and academies. Thames Gateway
can inhabit a similar position, an opportunity made possible by the International
Passenger Station at Stratford and its transport links including Crossrail, and by easy
access to London City Airport and Stansted. If achieved, this would make the East a major creative centre and a centre of growth.

4. 1 Opportunities and challenges

The TGLP has identified the following opportunities and challenges for the sector:

4. 1. 1 Industry structure

- small scale fragmented, reliant on freelance employment
- few major creative industry players in TGL
- market drivers in the medium term are outside the influence of the sub-region and local public sector influence
- rise in the number of sector-led specialist sub-sector intermediary and business support agencies
- number of well-developed geographical based clusters, including City Fringe, Tower Hamlets/Hackney, Lewisham/Deptford/West Greenwich, Stratford

4. 1. 2 Skills and practitioners

- relatively large numbers of practitioners live and work in the inner Thames Gateway, compared with areas further east. 9% of employment (72,000 people) in Thames Gateway London work in the sector, as well as very substantial numbers who are self-employed.
- the creative and cultural diversity of parts of the TGL area is an important ingredient in the development of the sector in which the cultural content of products and services is a significant factor
- industry-determined skills, investment and support structures are not yet fully in place
4. 1. 3 Planning, development and infrastructure

- the scale of development opportunities and the importance of major infrastructure projects sets an important agenda for the development of the creative industries in the sub-region
- there is a significant overlap between the proposed zones of change in Thames Gateway and where the creative economy is established or developing
- Thames Gateway has a large number of unattractive business, social and physical environments - whilst artists and others will often take part in pioneering phases of regeneration, the sector as a whole demands the same high standards for access, communications and environment as other sectors
- Digital infrastructure is as important as roads, railways and bridges

4. 2 Strategic Factors

The following factors are determining the policy context in which TGLP and its partners are operating, and the economic context in which private and public partners will need to determine priorities and take action.

4. 2. 1 Consolidation and expansion of the City Fringe

Work and jobs are substantially located at the western end of the sub-region: 63% of these jobs are in the City, Tower Hamlets and Hackney, evidence of significant activity particularly in the media, design, designer-maker, and visual arts sectors in these long-established locations. To the south and east, Greenwich, Lewisham and Newham have experienced recent growth in levels of activity, and have seen significant investment in new cultural infrastructure. New and improved venues, exhibition spaces and studios in the Royal Docks, Stratford Town Centre, Deptford Creek (with the proposed Creative Business Enterprise Zone), Greenwich Peninsula and Woolwich are examples.
The City Fringe needs to be sustained as an important economic generator closely connected with the success of the financial, legal and professional sectors in the City. The location of substantial parts of these sectors in current and future phases of Canary Wharf offers the opportunity for a similar growth in the creative support services, currently based to the North and East of the Square Mile.

4.2.2 Getting bigger companies to move east

Unlike Central London and the M3-M4 corridor, East London has very few major industry players which whose commissions - in television, publishing and advertising, film and interactive media -create the marketplace for the small companies and independents. In Thames Gateway, the structure of the creative and cultural industry economy mirrors the London wide and national pattern, with a very large number of small businesses and freelancers and a small number of big companies.

Other than a small number of multinational media publishers and advertising companies in Wapping and Canary Wharf, and exhibition/event industries in the Royal Docks (and, potentially, North Greenwich), larger companies have not moved east. The market makers are still in Central and West London. Environment access and communications are critical- access to broadband at a local level is essential for companies whose product is digital and whose markets are 24 hour and global.

4.2.3 The whole inner Thames Gateway as a creative industry location

The relative cheapness of property in the East and South East London will not persist. The lack of physical and digital access, which has in part caused these market conditions, is being tackled. Creative industries are demanding better quality working environments. The biggest cluster of companies has been in Hackney and Tower Hamlets. Businesses are now moving East to Newham, Lewisham, Greenwich and Waltham Forest.
The challenge is to create permanent locations for small, particularly creative businesses along the line of development linking Deptford-Greenwich-Royal Docks-Stratford-Walthamstow. This will impact on the development agenda for areas further east - such as Barking and Ilford - which are looking at the cultural and creativity component in town centre improvements and growth. Potential new creative development zones will need to establish communication (for people, goods and digital media), critical mass (with enough companies working collaboratively and competitively) and critical acclaim (with the locations being accepted by entrepreneurs and the wider creative community as media/arts business business-friendly.)

Strategically, this recognises that an evolving pattern of growth and change can be settled into a planned pattern of location – and sustained - if environmental and price conditions are right. It would allow the whole inner Thames Gateway area to become a creative industry location.

4. 2. 4 The scale of investment: the importance of public funding

Public investment - by Government, the LDA, local authorities and regeneration agencies - will be an essential part of this large-scale long-term process. The kind of strategic partnerships, which successfully delivered Excel and the International Passenger Station at Stratford, need to be deployed to get major creative players to move east, and to benefit indigenous businesses and communities. There are major sites where this is achievable, including Convoys Wharf, North Greenwich Peninsula, and the Newham Arc of Opportunity from the Royal Docks to Stratford.

4. 2. 5 Community-based creative and cultural organisations

In the absence of indigenous commercial creative businesses of national and international significance, the role of the publicly funded cultural sector is vitally important in the evolving sub-regional creative economy. It required continuing investment and support to enable it to provide nurture and develop local talent and
provide it with a bridge to a wider market, to deliver a significant part of the access and inclusion agenda, and in connecting local culture and communities to the new opportunities in this sector

4. 2. 6 Innovation and inclusion

The Thames Gateway area has long been a place for cultural inclusivity and experimentation, exemplified by

- the groundbreaking work in theatre and contemporary dance developed at the Theatre Royal Stratford East, the Laban Centre and Chisenhale, and the Greenwich and East London dance agencies
- the tradition of excellence in developing contemporary visual arts and design practice, through Goldsmiths and the East London based colleges, leading to the growth in Tower Hamlets and Hackney of the largest concentration of artists and designers in Europe
- the development of 21st century models of creativity influenced regeneration in places like Hoxton, Bermondsey, Stratford and Deptford, where innovation in a wide range of digital media meets traditional designer maker practice.

The successful development of black, Asian and other culturally diverse creative businesses is, in addition, constrained by difficulty in accessing investment, and by the lack of physical infrastructure investment. Project like the Rich Mix Centre and the Stephen Lawrence centre will provide leadership and profile for all of the communities in East and South East London.

The role of Higher Education, through the universities based in Thames Gateway, is central to the development of skills, attitudes and capabilities to deal with the research, technological and foresight needs of the creative sector in the future. (TGLP, 2001)
5. Cultural Industries - a Panacea?

In the third part of the paper, I shall briefly highlight some of the problems associated with the cultural industries (see Blake and Jeffery, 2001 p.100-123 ). The first question that needs to be addressed is the extent to which ‘culture’ can easily be assimilated into industry. Culture can mean many things. There are sectors of the cultural industry which are actively involved in manufacturing cultural products (eg film, fashion), and centres of cultural power around museums and universities, but the two concepts - culture and industry- sit uneasily together. If, as Blake and Jeffery (2001,p.101) suggest, culture also involves representation for communities, and opportunities for enjoyment and self expression, there is a danger that a cultural strategy devised by policy makers will focus too much on institutions and the creation of marketable commodities, tourism and employment at the expense of the people on the ground.

Secondly as Zukin (1995) and Smith (1996) have pointed out, creative industries tend to develop in areas of social exclusion where rents are low and space is affordable. Over time this incursion by artists and young professionals displaces old working class communities and low income households as property prices rise. Thus the growth of cultural industries over time can give rise to new forms of exclusion and division.

Thirdly, as Zukin (1995) has pointed out, there is the important question of whose culture is being represented and whose strategies? This is particularly crucial in areas of a highly diverse population where marginal group voices are often not heard. Cultural strategies are inevitably tied up with questions of identity and community.

Blake and Jeffery (2001, p.119-120) conclude their discussion of cultural strategies in the London borough of Newham with some cautions to be heeded for a successful cultural policy which aimed to provide improved artistic and creative opportunities and links to education and training. These lessons from elsewhere are as follows:

1) cultural quarters can cut out access to resources for working class communities and impose elitist definitions of culture that exclude popular and informal activity
2) high cost leisure and arts activities that are only accessible to a minority of the population will alienate the majority
3) tourism does not necessarily benefit local communities, especially when concentrated on showcase developments.
4) showcase developments may price artists, musicians and small production companies out of the area.

In conclusion, creative and cultural industries are now a central strategy for regenerating areas in many cities of Britain and Europe. In London, in particular, a framework is now in place to develop this sector further, with considerable support from the public and private sectors. This offers many new opportunities and arenas for innovation and new ideas. But as I have argued above, there is also the danger that these initiatives will further increase socio-spatial divisions in the city. the challenge then is to develop strategies which foster inclusions rather than exclusions, and which recognise and enhance the multicultural nature of this globalised city.

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Cultural Resources, Environment, and Networks:
Dynamics of the Dongdaemun Fashion Mart in Seoul

Jae Yoon Yoo, Korea Research Institute for Human Settlements
Do Sam La, Seoul Development Institute

I. Introduction

The basic proposition of the cultural economy is that the cultural factors are subject to commodification. In other words, the cultural products carry aesthetic or semiotic attributes that can be produced and marketed in various ways. This process of aestheticization or semioticization of marketable cultural products requires the postfordist regime of production. This is because despite consistent differentiation of outputs is encouraged in the supply side, consumer tastes and demands are unstable and unpredictable. The net effect is that the technology and organization of production tend strongly to flexible specialization, which means that firms concentrate on making small and specialized batches of output for tightly-defined and constantly changing market segments (Scott 1997).

Flexibly specialized industries balance competition against cooperation among firms. Competition encourages perpetual innovation, unlike traditional craft systems, which may use flexible equipment and skilled labour but are not technologically dynamic. Cooperation is done according to learned social practices and rules. These practices and institutions tend to be highly regional or local-bounded in nature because flexible specialization affect firms to converge in transaction-intensive agglomerations
(Storper, 1994; Scott, 1997).

In analyzing the cultural production, individual firms are not an appropriate unit of analysis. The production system that links firms to one another should be captured as a whole among different products and hybrid activities. And yet, it should be positioned within social and regional contexts (Pratt, 1997, Yoo et al., 2000).

The Dongdaemun (the East Gate) Fashion Market is a distribution center for clothing products. Many clothing stores are densely clustered and fashion-related activities are carried out there one after the another. The area is expected to be a model for the cultural production system and the location-specific economic activities. Although the clothing industry is one of the traditional manufacturing sectors engaged in transformation of physical inputs into final outputs, that of Dongdaemun exemplifies the process of flexible specialization where competition and cooperation among firms are well harmonized.

The Third Italy (Bianchini 1991) and the Nottingham Lace Market (Crewe, 1996) are representative cases for the study of the evolution of craft production districts. However, Dongdaemun is different from them in that the market mainly orients to low and medium priced products. But the market is so much flexibly specialized that it can respond to the changing consumer tastes immediately.

The purpose of this paper is to extract the economic, geographical, and cultural factors of the success or the failure of the Dongdaemun Fashion Market in Seoul. The cultural resources and cultural environment of the area will be evaluated in this context. In addition, the networks that link various production activities will be analyzed. Finally, the paper points out some problems in developing the cultural industry and its markets with some recommendations. Because many other cities try to establish similar districts to the Dongdaemun Fashion Market, the study will serve as good guidelines to those city officials who make policies or plans.
II. An Outline of Dongdaemun Fashion Market

1. General Situation

The Dongdaemun Fashion Market is the biggest clothing market in Korea. The market consists of about 27,000 stores within about 30 shopping centers, and more than 50,000 manufacturing companies are sited in this area. Major trade items are textiles, clothes, shoes, sporting goods, stationery, toys, household goods, and accessories. It must be one of the extraordinarily large shopping towns in the world. The market stretches 1.3km long east to west along the Cheonggyecheon street and Heunginmun street that run the central part of the Seoul Metropolitan City. The Dongdaemun area is rising as one of places of importance in terms of transportation as four subway lines intersect in Dongdaemun such as Subway Line Number 1, 2, 4 and 5.

Major customers are younger generations, clothing retailers and wholesalers, but about 2,000 foreign merchants and shoppers also visit markets in Dongdaemun every day to make it an international clothing distribution center. The mobile population of the area is estimated to be about 300,000 persons and sales turnover amounts to about 40 billion won (about 31 million dollars) in a day.

The market is divided into the eastern part and the western part by the Heunginmun Street that passes south to north connecting the Dongdaemun Gate to the Dongdaemun Stadium. The eastern part is composed of traditional style markets and modern wholesale markets. The traditional style markets are the oldest part of the Dongdaemun Market. These markets are for wholesale businesses for local retailers. The modern wholesale markets in the eastern part is a cluster of designer shops. Local retailers are major customers to these markets. They come up to Seoul in groups to purchase the goods mostly at night time by rented buses. The wholesale market opens from 8 pm to 9 am and the retail market opens from 10 am to 6 pm, so the Dongdaemun market is open for 24 hours for business people and tourists. Designers who work for

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1 Here, market means physical place where physical goods are transacted. It includes several shopping malls, related facilities, and streets.
the modern wholesale markets manufacture clothes to the Western Part or other department stores.

The Western Part of the Dongdaemun Fashion Market is the mecca of the recent dynamism of Dongdaemun. Especially the Freya Town, the Migliore, and the Doosan Tower are the most representative shopping places in this area. The Western Part is unique in that it has many cultural shopping complexes.

<Table 1> Markets of Dongdaemun

<table>
<thead>
<tr>
<th>Classification</th>
<th>The Number of Markets</th>
<th>The Number of Stores</th>
<th>Main Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Markets</td>
<td>13</td>
<td>11,700</td>
<td>materials, clothing, wedding, leather, shoes, bags</td>
</tr>
<tr>
<td>Modern Wholesale Markets</td>
<td>10</td>
<td>7,800</td>
<td>Ladies clothing</td>
</tr>
<tr>
<td>New Retail Markets</td>
<td>3</td>
<td>7,300</td>
<td>casual, wedding</td>
</tr>
</tbody>
</table>

<Figure 1> Map of Dongdaemun Area

2. History

The history of the Dongdaemun Market goes back to the Lee Dynasty (1392-1910). The Lee Dynasty built government stores along the both sides of the Jongro Street of which east end met with the Dongdaemun Gate. The origin of ‘the Dongdaemun Market’ came from the ‘Dongdaemun’ which literally means ‘the East Gate’, one of the four gates installed 600 years during the Lee Dynasty as entrances into the castle city of Seoul surrounded by walls. The Dongdaemun market which was called as the Baeogae Market in the Lee Dynasty mainly had dealt in rice, fish, and sundry goods. In 1905, some merchants established the Gwangjang Market which became the matrix of the Dongdaemun General Marketplace to face with the expansion by Japanese merchants from Jongro Street.

In 1961, the Gwangjang Market was modernized with a new name of Pyeonghwa Market. Small clothes factories scattered around the Cheonggyecheon area, one block southward from the Jongro Street, supplied clothes products to the Pyeonghwa Market that distributed them to the whole country. Since then, Dongdaemun had developed as a core of clothing exports. The Pyeonghwa Market from then on has been engaged in clothing wholesale businesses with a self-sufficient production system.

It was in the 1990’s that Dongdaemun began to be developed as a place for fashion shopping complexes like today. High-rise shopping malls began to appear
clustering around the wholesale markets. Facing the financial crisis and credit crunch in 1997, consumers became more sensitive to prices. The Migliore and the Doosan Tower that opened in 1998 and 1999 respectively commanded low price strategies by using neighboring production networks and made a great hit. Their success has changed the Dongdaemun market basically. Dongdaemun has developed as a one-stop shopping world where the processes of material purchase, designing, production, wholesale, and retail can be completed in a system.

<Figure 2> The Present and the Past of Dongdaemun

Today young generations, so-called new ages are major customers to the Dongdaemun market and the number of buyers from Japan, China, Europe, Russia, Middle East, Africa, and South America has explosively increased. In addition, the market has tried to establish its branches in Japan and China taking advantage of the recently rising Hanryu (Korean Style) boom in Asian countries. The Dongdaemun Market takes pride in its history and tradition that it has achieved since the beginning of the marketplace on the Jongro Street and is expected to keep taking an important role in leading the Korean fashion industry.
III. System and Process of Dongdaemun

1. Design

The terminology of Dongdaemun Fashion that referred to low-priced imitation products in the past is now perceived as a style of clothing peculiar to this place. This is the result of the efforts of so-called market designers. However, all designs in Dongdaemun are not results of creative activities. Some designers create their own designs and some make travels for design hunting to Japan, Hong Kong, U.S, Europe, etc. Some obtain design concepts from fashion magazines. Designs from abroad are transformed into Korean style fashion. The problem of imitations of prestige domestic or foreign brands has to be solved as it will work in negative way in enhancing the competitiveness of Dongdaemun.

Designers working in the Dongdaemun markets generally are very active in monitoring consumers’ demands. Before going into production, designers carry out a survey on the marketability of their designing concepts of customers, merchants and others. This process makes it possible for the Dongdaemun markets to respond to consumers’ demands promptly.

2. Production

After designing is completed, designers select textures mainly from neighboring texture dealers. The textures are patterned and selected after designers check the problems in patterning for their designs. When samples are produced, more checking is done with them for real production. Keeping a price in a certain level is an important factor to remain competitive to other products.

Samples are displayed in the show windows to see the responses from retailers.

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and consumers. The commodification of samples is determined by them. They also
determine the quantities of main products and the purchase amount of texture in turn.
According to the color of texture and design characteristics, the color and size of button,
zipper, and lining are determined. The schedules for embroidery and washing are
adjusted. After going through the sewing process in factories, clothes are transferred to
the finishing process for trimming, attaching buttons, ironing, etc.

Considering this close inter-relatedness of the clothing manufacturing process, the
clustering of related functions in Dongdaemun affords conveniences in selection, the
exchange of opinions, decision-making, and feedback process.

3. Distribution

Clothes are delivered to the markets after all the production processes are finished.
Autobikes are a major means of transportation for speedy delivery from factories to the
markets. Arriving at the market, clothes are delivered by back racks to stores in the
markets in a close distance. Retailers from all over the country make travels to these
markets for purchasing by tourists buses mostly at night time. In this process, some of
them employ purchasing experts who have professional senses and information for
selecting clothes. Local retailers carry the purchased goods on hands or send them by
parcel by trucks.

IV. Dongdaemun as a Model

1. Factors of Success

Human Resources with a Venture Spirit
There are about 10,000 people engaged in Dongdaemun. They are wholesalers,
designers, purchasers, temporarily hired workers for patterning, cutting, sewing. There
are also many supporting players for delivery, food, guide, fashion jockey, and so on.

There are 131 fashion-related university departments in Korea. The number of students of one grade is 6,590. In addition, 6,738 students graduate from 61 college departments and about 20,000 students from private academies. Since 1997 when the economic crisis occurred in Korea, Dongdaemun, recognized as a land of opportunities, attracted these educated youngsters and middle-class people who eager to seek for jobs and money.

These people were equipped with so called ‘venture spirit’. Approaching to the 21st century, ‘venture’ is one of the most popular words in the Korean society. Since the financial crisis in 1997, Korea required and encouraged the venture spirit to cope with the economic crisis. The word was originated from the terminology ‘venture company’ which means adventurous businesses with marketable technology and ideas but without enough fund. Venture spirit means a adventurous (risk-taking) and innovative business mind as in those venture companies. Although venture companies mainly belong to the information and technology industry or biological industry, it is not too much to say that the people working in Dongdaemun have a spirit that can be compared to venture spirit.

**Speedy and Responsive System**

Flexible and specialized industries can produce a wide range of products for highly differentiated markets and they constantly alter these items in response to changing customers tastes so as to expand their markets. The production system has the flexibility to do this because outputs can be easily changed by altering the mix of participating input suppliers and these firms themselves are capable of changing their outputs (Storper 1994). The processes of design, production, and sales in Dongdaemun are closely linked to one another but not subject to one another, which means that the system is vertically linked but disintegrated.

An amazing fact is that clothes put on popular TV stars are produced and displayed in the show windows in a few days. Thousands of new samples are available on the market. There is a ‘design valley’ where designer shops are concentrated. In addition, many merchants save time by designing by themselves.

People in Dongdaemun are also hard workers. They stay up all night long to make
appealing styles to consumers. The delivery system depends on old-fashioned transportation and seems unclear in terms of responsibility. But in reality it works very well based on the principle of customs and trusts. The survey of consumers is a very important process and Dongdaemun people are always ready to take in their demand. Continuous discussions and communications among market participants are also unique culture of Dongdaemun, which are occurring constantly to improve products and obtain up-to-date information.

**Locality**

Physical place is not only a means of production but also a raw material of cultural production, a text of signs that are open to reinterpretation. In the cultural industry, the connection between the cultural attributes of place and the logic of the local production system has a special significance because of the intensity of their recursive relations. The local cultural assets play a crucial role in imparting their distinctive look and feel to the products of the industry, and the same products in turn create images. The reputation and authenticity of cultural products are sometimes irrevocably tied to particular places (Scott, 1997).

The Dongdaemun Clothing Market has a tradition of one hundred years and has been known as the most famous market throughout the country as well as in Seoul. The recent development for large-scale retail shopping centers are to cherish the great tradition of this place. Its image that has been created from the past also aroused nostalgia or a hope for restoration among the people especially during the economic recession period since 1997 financial crisis.

At the same time, the place was changed from dumping wholesale markets to a contemporary fashion market attracting the purchase of younger generations. The market has begun to make its own styles instead of the imitations of foreign fashion styles. The combination of its tradition and capability to quickly respond to the changing consumer tastes has formulated the unique image of Dongdaemun.

Now the name of the community of Dongdaemun itself has become a brand stronger than any other individual firms in it. Dongdaemun has been recognized as a mecca for low and medium priced fashion products not only in the nation but also in
Asian countries. Merchants in the Dongdaemun Market have already opened another Dongdaemun on Shibuya in Tokyo and are planning more in other cities.

**Networks**

Hart and Simmie (1997), in considering innovative manufacturing, suggest that ‘local’ production networks offer no obvious advantage to innovative companies. However, in the case of cultural production, there are numerous examples of such agglomeration. Crewe (1996) looks at the fashion quarter in Nottingham and Mort(1995) considers the agglomeration of small advertising firms in Soho. Wynne (1992) has considered cultural quarters in Manchester. Thus there is a clear phenomenon of co-locating actors within cultural production (Newman and Smith, 2000). The dense agglomeration allows cost savings and reduces transaction costs through geographical proximity. The information-conserving and enhancing properties of such quarters intensify the propensity for innovation, localized intelligence and competitive advantage (Porter, 1990).

In Dongdaemun, a large number of small specialist producers constitute an essential component of the agglomeration’s system of external economies. Various functions form this huge and dense market area. The vertical networks that link each process of design, materials and production, and distribution make it possible to produce the goods in a fast manner fit to consumers’ preferences in the right time. Meanwhile, the horizontal networks between merchants and enterprises provide an environment to compete and exchange information with one another. Recently the area has been changed from a simple shopping place to a commercial space complexed with culture where various events are happening.

**2. Limitations**

Dongdaemun has greatly grown owing to its traditional background, participants’ efforts, and the synergy effects of networks. However, it has limitations. First, although Dongdaemun has its unique system and begins to create its own styles, it is still
doubtful if there are enough cultural backgrounds and infrastructures to sustain the clothing industry. For example, the Shibuya Dongdaemun in Tokyo appealed to people by creating the boorish mood of old fashioned market and funs in bargaining (Kim, 2000). These kinds of attractiveness, however, tend to easily disappear. The dependency on the price competitiveness and the adaptability to the short cycle of tastes (so called quick response system) tend to emphasize efficiency-oriented techniques only neglecting a qualitative accumulation.

Second, although the recent approach directed to consumers has made a great success, the shopping environment of Dongdaemun has yet to be improved. Traffic has already seriously exceeded over the optimum level (5-7km : 22-23km of Seoul’s average). Even if some cultural spaces have been built, it is very hard to feel culture there. Because the market has been developed in the inner city area, surrounding environment is very poor due to high density and no open space.

Third, although the networks in Dongdaemun are sources of its competitiveness, they mainly originate from interdependencies and geographical proximity. Kim (2000) criticized that Dongdaemun lacks the links between merchant and merchant, market and market, merchant and market, and market and supporting sectors. These weak networks come from the dominance of competitiveness more than co-operation among actors and the absence of the networking center. It is compared to the case of the Nottingham Lace Market where the networking structure encompasses informal, co-operative agreements based on mutual trust as well as formal buyer-producer-supplier chains (Crewe, 1996).

3. Implications

Recently many cities are trying to establish the similar type of districts like Dongdaemun. Some cities that plan to develop other types of the cultural industry need to study the case of Dongdaemun as a benchmark. They will learn some lessons from the experiences of Dongdaemun. First of all, Dongdaemun has grown based on its tradition from the past and easy accessibility locating in the center of Seoul. High-quality human resources are also available with geographical advantages. All cities or
places cannot be another Dongdaemun due to limited demand.

Second, integrated shopping complexes including vertical and horizontal networks for the clothing industry are desirable. The advantages of such networking systems must not be underestimated. They allow the tightening of interfirm linkages and the development of collaborative and co-operative relationships which offer flexibility, adaptation and mutual conveniences (Crewe, 1996). Local government needs to play a more active role in networking the actors of the community.

Last but not least, culture, which is the core of the industry, should be developed as much as outputs of the industry. If the culture that is a major input of the cultural industry is not kept recreated, the industry or the place will lose its competitiveness sooner or later.

V. Conclusion

The study of the Dongdaemun Fashion Market shows that the market has a unique flexibly specialized process for cultural production. The study adopted social and regional contexts for analysis rather than economic and national contexts. In these contexts, the study assumed cultural resources, environment, and networks as important factors to determine the performance of the cultural production.

Dongdaemun has shown a considerable growth in recent years based on its easy accessibility, the fame of the place name, and price competitiveness. However, the long-term success of the market requires the sustainable cultural resources, improvement of cultural environment, and higher level of networks of the area. The competitiveness only based on geographical advantages and efficiency would be limited (Dziembowska-Kowalska and Funck, 1999). The lack of cultural facilities and pleasant environment would also deteriorate the attractiveness of the place. Above all things, the culture to be used in the industry should be nourished not to be drained.
References


‘Culture for Sale’ in a One-dimensional City: Tourism Promotion in Hong Kong

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Abstract

Post-colonial Hong Kong has been hard-hit by the 1997 Asian Financial Crisis. The market-driven one-dimensional city has to bow to the cultural turn of the global economy in order to revive its economic growth. This can be witnessed in the changing tourism promotion strategy before and after the Crisis. This paper argues that although a cultural turn has been made in the tourism promotion strategy, the old problems of a lax and lukewarm attitude in heritage conservation and an emphasis on building hardware rather than nurturing communities with local character or nourishing local arts talents, remain. These are reflected in the two case studies discussed in the paper. The commodification of culture (the revitalization of an old fishing village in Tai O) and the culturalization of commodities (the building of a cultural district) reveal the limitations of tourism promotion in a city with a lost soul. The paper argues that unless culture is redefined to speak to the living experience of local communities and a partnership approach is adopted in a soul-searching process to formulate and implement a comprehensive and integrated cultural policy, “culture for sale” packages for tourism promotion cannot turn Hong Kong into a true “City of Life”.
1. Culture and Economic Development: Some Theoretical Discussions in the Context of Hong Kong

Colonialism and Cultural Development: Theories and Realities in Hong Kong

Headrick (1981, p.209) argues that “European empires of the nineteenth century were economy empires, cheaply obtained by taking advantage of new technologies, and, when the cost of keeping them rose a century later, quickly discarded. In the process, they unbalanced world relations, overturned ancient ways of life, and opened the way for a new global civilisation”. Hong Kong was a British colony for 155 years (1842-1997). While many socio-political characteristics of colonial development can be found in Hong Kong, many are absent as a result of the city’s unique path of development (Table 1).

Table 1: Comparing Hong Kong to some Selected Characteristics of Colonies

<table>
<thead>
<tr>
<th>Selected Characteristics of Colonies</th>
<th>Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Political/Economic</strong></td>
<td></td>
</tr>
<tr>
<td>Dualistic economy, dominated by non-indigenes</td>
<td>Not true.</td>
</tr>
<tr>
<td>Presence of large group of indigenous unskilled and semi-skilled migrant workers</td>
<td>True but immigration of Chinese mainlanders to Hong Kong has been tightly controlled.</td>
</tr>
<tr>
<td>Municipal spending distorted in favour of colonial elite</td>
<td>Yes.</td>
</tr>
<tr>
<td>Dominance of tertiary sector by colonial interest</td>
<td>Yes until the 1970s.</td>
</tr>
<tr>
<td>Parasitic relations with indigenous rural sector</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Eventual formation of indigenous bureaucratic-nationalist elite</td>
<td>Yes.</td>
</tr>
<tr>
<td><strong>Social/Cultural</strong></td>
<td></td>
</tr>
<tr>
<td>Indirect rule through leaders of various communities</td>
<td>Indirect rule through an executive-led top-down government.</td>
</tr>
<tr>
<td>Social polarity between superordinate expatriates and subordinate indigenes</td>
<td>To a large extent, no.</td>
</tr>
<tr>
<td>Caste-like nature of urban society</td>
<td>No.</td>
</tr>
<tr>
<td>Heterogenous dual, or plural society</td>
<td>Yes, to a certain extent.</td>
</tr>
<tr>
<td>Occupational stratification by ethnic groups</td>
<td>No.</td>
</tr>
<tr>
<td>Pluralistic institutional structure</td>
<td>No.</td>
</tr>
<tr>
<td>Residential segregation by race</td>
<td>No.</td>
</tr>
</tbody>
</table>

Indeed many of the concluding arguments Home (1997, pp.219-220) puts forward on colonial city development do not apply to Hong Kong. “Public spaces and wide streets were maintained, not particularly for any communal benefit, but to preserve colonial power through surveillance” (Home, 1997, p.219). Little of these can be found in Hong Kong as the city is famous for its lack of public spaces. Wide streets are luxuries in land-tight Hong Kong except for the new airport-related infrastructure development in northwest New Territories. Home argues that “[t]he British colonizers had little interest in learning from other long-established urban cultures, and sometimes sanctioned a violent physical assault on such cultures, justifying their actions by a rhetoric concerned with issues of defence and public health” (op cit., 1997, p.219). Far from lacking any interest, many of the British officials stationed in Hong Kong were admirers of traditional Chinese culture—maybe more so than the local refugee-minded Hong Kong people who had to work hard to make ends meet. Many of the political and cultural elements in the New Territories\(^1\) have been preserved because the British Government had tried not to “disturb” local culture.

However, we are not saying that local culture has been preserved intact in Hong Kong or a cosmopolitan city nurtured by cultural cross-fertilization and enrichment was developed. The story is more complicated than this. If Home is right, it is true that the British colonizers who might be great admirers of traditional Chinese culture, had never been really interested in local Hong Kong culture. Even people in Hong Kong are not keenly interested in local culture until recently. Local culture in Hong Kong has always existed in fragmented forms within a highly money and profit-oriented and economics driven one-dimensional society bred first by a refugee mentality and sustained by a lack of a sense of security about the future. Culture as a “whole way of life” has grown by neglect throughout its colonial and post-colonial years. This has given rise to a unique local culture consisting of both traditional and modern, east and west, high (elegant) and low (secular) elements. This unique culture can always be spotted in various popular cultural products in Hong Kong. Yet, this unique culture has been taken for granted for

\(^1\) New Territories refers to the part of Hong Kong that was leased to Britain by China by the signing of the Convention of Beijing on June 9, 1898. The lease was for 99 years until June 30, 1997. It was only in the 1970s that the Government of Hong Kong started to develop new towns in the New Territories to accommodate growing pressure in the urban areas of Kowloon and Hong Kong Island.
so long that it is generally not identified or valued in Hong Kong.

How did this happen?

*Capitalism and Modern Culture*

Hong Kong was an unwanted colony in the mid-19th century. In a dispatch of April 21, 1842 to supersede Captain Elliot who negotiated the cession of Hong Kong, the British Foreign Secretary, Lord Palmerston pointed out that Hong Kong was “a barren island with hardly a house upon it” and “that Hong Kong will not be the mart of trade any more than Macao is so...” (Sayer, 1937, p.80). And it is true that Hong Kong did not take-off until after 1949 when the People’s Republic of China was set up, resulting in a huge influx of capitalists and workers to escape from communist rule in the mainland. Almost overnight, Hong Kong was industrialized. Population in Hong Kong increased dramatically. In 1945, there were 650,000 people in Hong Kong, the number increased to 1.55 million in 1946 and 2 million in 1951, with an average increase of 100,000 per annum (Ko, 1994, p.161). People then had only one single purpose in the city: economic survival. Wearied by the Civil Wars and the political agenda of the Communist Party and succumbing to a Colonial polity, people took a very pragmatic attitude towards life. As described by Rabushka, “the purpose of Hong Kong is to make money. Hong Kong has no other public, moral, intellectual, artistic, cultural or ethical purpose as a society of individuals. It is just one big bazaar” (1979, pp.5, 27). Hayes concurs that “the pursuit of wealth has long been a common goal in Hong Kong” (1975, p.3).
The dominance of economic concerns has shaped the city’s cultural development. Modernization is equated with industrialization and urbanization. Capital accumulation is the prime concern for every decision made. “Individuals are positioned as consumers rather than citizens, moral and political issues are displaced by market decisions according to self-interest, and the public good is steadily corroded” (Ray and Sayer, 1999, p.9) giving rise to an impoverished conception of culture. With the passage of time, Hong Kong has unwittingly accepted and developed the “modern” culture as “a stylization of life” (Bourdieu, 1986; Featherstone, 1994); a culture which defines “good life” in terms of fame, appearance and riches rather than virtue (Smith, 1759), in terms of “taste” rather than “moral-practical values” (Lash and Urry, 1994).

**Economic Restructuring and Commodification of Culture**

The rise of “soft capitalism” emphasizing culture, knowledge and creativity is accompanied by “downsizing of workforces, and super-exploitation of managers and key workers” (Thrift, 1999). The cultural turn of capitalism itself is also seen in the one-dimensional city of Hong Kong but it has little to do with soul-searching of its cultural identity. Rather, it is a means to strengthen “the power of place” in Hong Kong, to boost its comparative advantage to suit the cultural turn of the global economy. It is a commodification of culture to boost the city’s quintessential concern of furthering economic growth.

To be fair to cultural practitioners in Hong Kong, some truly believe that cultural capital is an important element in sustaining an all-round development in Hong Kong. However, their voices are usually weak and have to live in between the residue spaces of a society still largely driven by a capitalist logic of development.

Before we move to the two cases illustrating how local culture is used as a commodity for sale and how cultural workers have to “fight” for a living space when the Government is planning to build a cultural district to boost tourism, let us first examine further the cultural scenes in Hong Kong.
2. Cultural Scenes in Hong Kong

Untapped Cultural Wealth Withering in a Policy Vacuum

Although culture (high culture) seems to be an alien concept to lay persons in Hong Kong, the city indeed has a great wealth of cultural practices embedded in different districts and localities. It is unfortunate that this wealth is not only unrecognized and remains untapped but has also been rapidly depleting in the course of rapid economic growth and accelerated development pressure in the past few decades. Hong Kong has no long term heritage conservation policy and the Antiquities and Monuments Ordinance is inflexible. In the one-dimensional city, new is more valued than old, modernity is perceived as superior to tradition. Hong Kong has about 7,000 pre-1950 buildings. However, only 69 are declared monuments. As argued by Lung and Friedman (1997), a weak Antiquities and Monuments Ordinance, the lack of communication and cooperation among government departments and a lack of support from the general public are among the major obstacles to effectuate heritage conservation in Hong Kong.

The Government has never had a coherent arts and cultural development policy either. Its involvement during the colonial days had largely been confined to providing venues for leisure and entertainment as “the bricks and mortar of community sentiment” (Lilley, 1998, p.53), to relieve social pressure, as a form social welfare, and as symbols of a modern cosmopolitan city (Chung, 2001). It is interesting to see that the Government has been promoting arts and cultural development through the provision of hardware while the software, the cultural practices of the local population, has been outside the Government’s policy concern until rather recently.

High Culture: Not for the Majority of the People?

Hong Kong has many dedicated artists working in various professional, semi-professional or amateur arts groups, mostly of small to medium-size. Performing arts in Hong Kong has a steady but relatively small audience (Lilley, 1998, p.52). According to the “Survey of public attitudes and survey of facility users” conducted by the Planning
Department between mid-1998 and early 1999, the level of participation in cultural activities was low, with less than 20 per cent of the respondents had participated in cultural activities in 1997 (Chung, 2001, p.67). Furthermore most of the audience are young professionals with higher education attainment. Reasons cited for people not attending these cultural performances were lack of time, interest or knowledge of cultural events (Planning Department, 1999; Recreation and Cultural Branch, 1993). This shows that “high culture” is not particularly relevant to the lives of the majority of people in Hong Kong.

A Situation Reinforced by the Institutional Setup and Policy Emphasis?

The Home Affairs Bureau is responsible for formulating arts policy and funding the Hong Kong Arts Development Council and the Hong Kong Academy for Performing Arts. Under it is the Leisure and Cultural Services Department (LCSD) responsible for providing territory-wide performing facilities, cultural and entertainment programmes to promote the development and appreciation of performing and visual arts. LCSD manages 15 performing venues, presents stage and outreach programmes of various art forms as well as international festivals and educational arts activities (Chung, 2001, p.69).

The Arts Development Council, funded by the Government, is the major funding arm for arts development in Hong Kong. The Council is responsible for planning, promoting and supporting a broad development of the arts and arts education. Furthermore, the 18 District Councils in Hong Kong are also funded to provide recreational and cultural activities to foster community spirit at the neighbourhood level. Yet, a lack of awareness or understanding by the District Councils of the possible strategic role that culture can play in local community development means that unique local culture is seldom identified, fostered or enhanced. Moreover, since there is a lack of an overall cultural and heritage policy in Hong Kong, the programmes and activities organized are usually on an ad hoc basis rather than as coordinated events to achieve strategic visions or goals in cultural development.

In April 2000, the Government set up the Cultural and Heritage Commission to
advise the Government on policies and funding priorities on arts and culture. The Commission is to formulate principles and strategies to promote the long-term development of culture in Hong Kong (CHC, 2001, p.3). However, the Commission is given a difficult, if not impossible task. Unless culture is redefined in such a way that it speaks to the daily life experience of the general public, culture will remain to be perceived as the domain of the educated and the rich. In the money-oriented society of Hong Kong, culture and heritage are remote and marginal concerns to the populace.

Nevertheless, given the economic downturn of the open economy in Hong Kong after the Asian Financial Crisis, the topics of enhancing local culture and nurturing of the characters of space have begun to receive a wider audience. To many, cultural development is a way of diversifying the economy which has been suffering from the collapse of the property and stock markets. The Hong Kong Tourist Association was renamed as the Hong Kong Tourism Board in April 2001 with a mandate of promoting Hong Kong as a unique, vibrant destination with an exciting range of attractions.

Let us look further at the measures the Government has adopted to boost tourism in Hong Kong.

3. Tourism Promotion

Before the Asian Financial Crisis, the VISTOUR Strategy (HKTA, 1995), a report on the visitor and tourism strategy for Hong Kong, was formulated in 1995. A total of 78 recommendations were made in the Report and can be summarized as follows (HKTA, 1995):

1) Strategic Framework:
   - The goal of the VISTOUR Strategy is to optimise the contribution of visitors and tourism to the economy to bring benefits to all the people of Hong Kong.
   - The vision for tourism in the territorial and regional context is that Hong Kong:
     - Plays its part in the trade and business expansion of the region;
• Stays a leader in growth in business and leisure visitor numbers in the region;
• Stays a leader in product development and marketing;
• Achieves high yield, quality tourism in a balanced market mix of short and long haul visitors; and
• Tourism makes its maximum contribution to economic development.

2) Market positioning should be adopted to meet the needs of the growing number and changing market segmentation of visitors building on the existing strengths, current marketing and promotional activity and future potential. Hong Kong is:
• A business capital;
• A shopping and dining capital;
• An events capital;
• A cultural and leisure capital; and
• A major cruise hub.

3) Strategic Directions to enhance:
   • Entry/exit facilities
   • Accommodation facilities
   • Strategy for attractions
   • Strategy for services
   • Strategy for events
   • Strategy for infrastructure

4) Action plans:
   • Urban core/Harbour Triangle Action Plan
   • New tourism nodes: Leisure Island, Tsing Ma, the Shatin Valley, Southeast Kowloon
   • Short term actions (1995-7)
   • Medium term actions (1998-2004)
   • The Long term actions (2005-2011)

5) Implementation

Except under “strategic directions and strategy for attractions” (HKTA, 1995, p.14) where it is recommended that “HKTA should encourage and support measures to
protect existing urban tourism attractions such as traditional forms of shopping and the
colonial and Chinese heritage and promote measures to enhance the main tourism
attractions including access to and parking at major viewpoints”; and in
recommendation number 46 that “HKTA should prepare new promotional materials and
self-guided walking tours covering the Chinese and Colonial cities and heritage”, the
rest of the recommendations have little to do with cultural development.

The lack of cultural emphasis in the VISTOUR Strategy is more obvious if we
compare it to the post-Asian Financial Crisis tourism strategy announced by the then
Tourism Commission under the Economics Services Bureau in June 2000. The vision of
*Hong Kong Tourism: Expanding the Horizons* (Tourism Commission, 2000) is “to
establish and promote Hong Kong as Asia’s premier international city, a world-class
destination for leisure and business visitors”. To achieve this vision, Hong Kong needs
to position herself as:

- Asia’s pre-eminent international and cosmopolitan city with a unique blend of
eastern and western heritage and culture, distinct from other cities in China.
- Preferred gateway to the region in general and the China Mainland in particular,
taking maximum advantage of our strategic location at the heart of Asia.
- Premier business and services Centre in the Region, the natural home of trade
and commerce.
- Events capital of Asia, where something exciting is always happening.
- A kaleidoscope of attractions, a variety of sights and sounds with something for
everyone.

As stated in this strategy, “Hong Kong product needs to be under constant review to
capitalize on the latest trends—eco-tourism, green tourism, heritage and culture, and
adventure tours” (Tourism Commission, 2000, p.5). These, among others, include:

1) Short term actions: a rapid enhancement programme with the help of the District
Councils.

2) Medium-long term:
   - Facilities:
- A new cruise terminal in the harbour near the former Kai Tak Airport.
- An additional full-scale Convention and Exhibition Centre at the Airport.
- A major performing arts venue on the West Kowloon reclamation.
- A multi-purpose stadium to seat up to 60,000 or more.

3) Projects:
- Hong Kong Disneyland
- Fisherman’s wharf at Aberdeen
- Cable car from Tung Chung—Ngong Ping
- International wetland park
- Permanent circus
- Cable car from Aberdeen to the Peak
- Adventure bay at Ocean Park

4) Heritage:
- Wun Yiu Pottery Kiln (600 years)
- Former marine police headquarters
- Chi Lin Park (Buddhist complex)
- Central police station/Victoria Prison complex

5) Countryside:
- To develop linkages between the urban parks and the country landscapes to ensure a strong and vibrant heritage, enhances the vigour of our city life and opens up even more opportunities for visitors.

6) Quality of experience:
- Introduce pedestrianisation scheme in locations of interest to visitors.
- Facilitate and promote alfresco dining in appropriate locations.
- Establish a dedicated Events Sponsorship Fund, with support from the private sector, to bring world-class events to Hong Kong.
- Review venue booking arrangements to enable promoters to bring in world-class cultural and entertainment performances.
- Identify and promote more local events which give a flavour of Hong Kong’s lifestyle and history.

7) Planning and promotion:
- Ensure a proper tourism perspective in preparation of new town plans
and review of existing ones.

- Review the hotel supply and demand forecasting arrangements with a view to ensuring adequate sites are made available to meet the projected demand.
- Identify and publicize urban and district walking tours to enable both visitors and local residents to capture the full flavour of Hong Kong’s history and culture (Hong Kong Tourist Commission, 2000).

In fact, regarding the last point, tourism guides have now been published for all the 18 District Councils detailing local histories, places of interest, their opening hours, transportation means available and contact addresses and numbers etc.

While the Tourism Commission has laid down a more culture-based tourism strategy, it is a process of the commodification of culture to boost economic growth rather than a genuine soul-searching and soul-nurturing exercise. The following case studies will further illustrate this point.
4. Case Study I: Revitalizing “the Venice of Hong Kong”—Tai O Fishing Village

Tai O, also known as the “Venice of Hong Kong”, is a quiet fishing village located at the south-western part of Lantau Island. Due to its remoteness, it is not touched by the fervent pace of urban expansion in the past decades. In fact, with the decline of the fishing industry, the village has been facing problems of a dwindling economy. However, people (about 2,000) residing in Tai O not only live in harmony, they have also developed a deep emotional attachment to one another and to the place itself (Yan, 2001). In many ways, the unique character and cultural activities still sustain a way of life which is fast disappearing elsewhere (Jones, 1997, p.457).

Figure 1: Location of Tai O Fishing Village
To revitalize the village, the Planning Department released a draft recommended revitalization strategy for Tai O. Under the strategy, two thirds of Tai O’s stilted houses—the hallmark of the district which attracts 30,000 tourists a year—would be torn down to make way for anchorage for boats, an entrance plaza and a folk museum (Reuters, 2000). Other features include a holiday camp, a conservation interpretive centre with a display of ecological habitats, a new ferry pier, hotel and open-air market and commercial plaza. The most controversial part, however, is to rebuild the stilted houses in the downstream of the creek into new stilted forms found in Malaysia and Myanmar for commercial and tourist uses. It is also planned that the soul of the fishing village—the residents—will be rehoused elsewhere. Fearing the loss of their 300 years of cultural heritage, residents criticized the strategy as too commercial. They argue that the commodification of the village will only turn Tai O into a village without spirit and local ways of life (Yan, 2001, p.78). There is a dilemma: while the Government wants to develop Tai O into a tourist attraction, the community itself wants to conserve its precious social capital, its social networks which have been nurtured by generations.

The conflict of interest intensified in July 2000 when a fire wiped out about 100 stilt houses. The Government tried to accommodate the victims in public housing. However, after negotiations by the villagers with the Government and public pressure, the Government agreed to the rebuilding of the stilt houses by the villagers at their own costs.

The case shows the problem of “commodifying culture” for sale in the one-dimensional city of Hong Kong. The case of Tai O tells us that culture is not just embedded in the physical artifact (stilt houses), it is also embedded in the social fabric of the community and the natural environment. By treating the revitalizing of Tai O as purely an economic development project to boost the tourism industry, the Government has proposed a scheme which is synonymous to announcing the death of the deep-rooted local culture.
5. Case Study II: Planning for a Cultural District versus Fighting for an “Artist Village”

As part of the Expanding the Horizon plan to boost tourism, the Chief Executive of the Hong Kong Special Administrative Region announced in the 1998 Policy Address that Hong Kong needed “proper venues for world-class events. The government is committed to providing more support in this area, and as a catalyst for upgrading our image as Asia’s entertainment capital we are planning for a new state-of-art performance venue on the West Kowloon reclamation”. On April 6, 2001, the Government announced a concept plan competition for the development of an integrated arts, cultural and entertainment district at the West Kowloon Reclamation in Hong Kong. The aim of the competition is to invite innovative and viable ideas to shape the future development of the waterfront area as a unique attraction for both local people and visitors (Chung, 2001, p.94).

Figure 2: The Proposed Cultural District in West Kowloon Reclamation

The concept plan competition has solicited overwhelming response from the general public. The Government received a total of 502 registrations, of which 169 are from Hong Kong, and 333 from elsewhere. However, cultural critics felt that the Government was committing the same mistake of building hardware rather than attending the genuine need of the community. Mr. Mathias Woo argues that a more pluralistic, multi-directional approach should be adopted in developing arts. For instance, more assistance should be given to local artist groups, especially in terms of spaces for office setup, rehearsal and performance (Chung, 2001, p.100). The General
Manager of the Fringe Club, an arts organization to encourage experimental and innovative arts through programme of performances, exhibition and outdoor arts fairs, said that the Government should take a long-term view and incorporate the private sector and the community to sustain the growth of the arts (op cit., 2001, pp.66, 100). This view is also echoed by other members of the community (SCMP, 1999, No.23, p.7).

It is interesting to note that while the Government is so keen to establish a cultural district to boost Hong Kong’s image as an “events capital” in Asia, local arts community has engaged into a battle with the Administration for an “artist village”. In Hong Kong where land is tight and expensive, only a few artist groups can afford to have their own spaces to create, rehearse, perform and communicate with one another and their audiences. The Hong Kong Arts Development Council has provided studio spaces and exhibition area for local artists but the scheme is not available to performing artists. In fact, no cluster of arts activities was formed before 1998 when the first community-initiated “artist village” took shape.

The formation of the artist village started in mid-1998 when the Government Property Agency offered the formal Government Supplies Office and an urban mortuary at Oil Street for temporary leasing to interested parties. Because of its unique environment (spacious accommodation with breathtaking harbour view at the core of an old urban area) and low rental charges (HK$2.5(USS$0.8)/sq.ft.), many local artist groups were attracted to the place, forming a cluster of arts activities. As the cluster of exhibition and performance venues, studios and offices of various disciplines was formed, artists and audiences alike were attracted to the place, social bonding develops, giving the place special characters and identity. According to Lam and Wong (1999), over 20,000 visitors were attracted to the “Artist Village”.

However, the life of the “Artist Village” was very short and lasted for only 16 months. In October 1999, the leasees were notified by the Government Property Agency that they had to vacate from the premises by December 15, 1999 as the site was then zoned for commercial uses (including hotel development and cruise terminal) (Chung, 2001, p.114). This started the battle by local artists to find itself a home. Failing to object to the rezoning of the Outline Zoning Plan, the artists launched a “massive”
campaign to lobby for a permanent home to enhance local arts and cultural development. They approached heads of concerned government departments, including Secretaries for Planning and Lands, the Treasury and Home Affairs and wrote letters to the media and managed to solicit support from various sectors of the community: including other artists, academics, councilors, consuls, media, NGOs and commercial and cultural organizations.

Eventually, the Government offered the artists the former Cattle Depot, which was used as an animal quarantine depot, in To Kwa Wan. The Depot was a government property and was formerly managed by the Agriculture and Fisheries Department. As the Depot was abandoned for a long time, the premises needed to be renovated. A “new” artist village is now in the making.

6. The Limitations of “Commodifying Culture and Culturalizing commodities” in Tourism Promotion

Hong Kong is an interesting place: a place with unique culture. Its culture is ubiquitous, embedded in its single-minded pursuit of economic growth and development. The “infatuation with money” (Lau, 1982) culture finds its expression in every facet of life in the one-dimensional city: glass towers capitalizing on its thinness so that a few more feet can be sold; pedestrians are cramped into narrow walkways to give ways to cars; local public spaces are usually found in “left-over” areas under flyovers or at street corners; financial viability being the most important criterion for decision making in the Government; people working long hours to earn for a living; parents trying to persuade their children not to waste time in non-academic activities… Few people in the pressurized city have time for high culture. To many, high culture is irrelevant to their lives.

Bigger flats, better food, elegant dresses, expensive cars and life styles with tastes are what the general people in Hong Kong perceived as “modern” culture. A look at the redeveloped areas in Hong Kong will confirm these: podium high-rise development and multi-story shopping malls housing similar brand names with large internal circulation and exhibition areas, etc. Only those remote or inconvenient places
such as the Tai O fishing village or areas with little “market” value would be spared of “destructive creation or creative destruction” so that their indigenous local culture and character can continue. However, this does not mean that these attributes are particularly treasured or valued. Until recently, old urban areas not touched by “development or progress” are regarded as backward, traditional and second-rate. Interesting local culture can still be found in old urban areas, many of which are “due for redevelopment” (PLB, 2001). The newly established Urban Renewal Authority (URA) is given the mandate to conserve in the course of renewal. However, given the weak Antiquities and Monuments Ordinance, an absence of financial and inter-Government agencies support, and general apathy of the public, one doubts if the URA can reverse the tide.

The above discussion shows that the Hong Kong Tourism Board would like to re-invent Hong Kong through, among others, culturalizing commodity (building a cultural district to boost Hong Kong’s vision of becoming an events capital) and commodifying culture (revitalizing the Tai O fishing village). While these “culture for sale” proposals are consistent with Hong Kong’s business culture, it has continued to alienate the “soul”, the community, of the city. What is the point of building a cultural district if local artists are not given the space to flourish? As Kelvin Tong, co-director of Eating Air once remarked, “it is really sad if we keep watching other people’s images on our screens. It would be nice to see something we recognize, have our own visuals and vocabulary” (Chung, 2001, p.150).

What is the point of revitalizing Tai O if the local community, a 300 years old social network, has to give way to “development”? Who would be interested in visiting an artificial place with a fabricated culture? Cultural tourism is only possible in cities with a soul—that their citizens really enjoy living, working and playing in the city; that they are provided with opportunities to culturalize their spaces and places. Our culture is written everywhere in Hong Kong but there are more (in terms of quantity and quality) that we can identify and nurture. Yet, this will require city planners and builders and the community to relinquish their one-dimensional mindset and begin to appreciate that genuine cultural development and nurturing is also beneficial to long-term economic interests.
7. Policy Implications

*Re-interpreting Culture*

Maybe it is time for us to realize that culture is not just about artifacts or hard physical establishments be it a monument, groups of buildings or a district with distinctive architecture. Culture is indeed a way of life: about everyday practices and socio-environmental relationships with meanings to the people involved. This emotional space (Kwok, 2000) building process takes time and results in stocks of cultural and social capital, rich networking within the community and a strong sense of belonging. This is what makes a place lively, convivial and memorable. Therefore, we need to allow communities to be nourished in space—a place where they can identify with and have a strong sense of ownership. A cultured citizenry will then be ready to embrace its history through conserving its heritages, which inspire collective memories of daily lives in the midst of socio-economic and political changes. Only then can we (and our younger generations) cherish the community in the old days, develop a historical perspective on things, chew and taste that past life, treasure what we have today and aspire for a realistic better future (Kwok, 2000). Such a cultural turn requires collective efforts from various stakeholders.

*Partnership in Reviving Local Culture*

Rapid economic development in Hong Kong since the 1960s has swept away many “village communities” formed in the post-war years (Ng, 2000). Many people are now living in a city of strangers (Wong, 2000). This explains why many people are depressed when Hong Kong entered into an economic recession after the Asian financial crisis. People in Hong Kong have little left to make their lives meaningful and enjoyable when economic pursuits do not pay off. It is hightime Government paid more attention to the rebuilding of communities—to invest in emotional space building to create social capital and sense of place and identity. The District Councilors, once enlightened, may play a crucial role to educate and work with the general public to
revitalize their neighbourhoods socially, economically, environmentally and culturally. Some District Councils are launching “healthy city projects”, carrying out community diagnosis surveys and saving collective memories through recording oral history with elderly citizens, etc. A partnership approach should be adopted to drive the cultural awakening process, not only among the citizens but also the policy makers and private sectors.

*Integrated Cultural Policy and Inter-Governmental Cooperation*

The two case studies above show that Hong Kong lacks a coherent policy on nurturing and conserving cultural and heritage development. The “culture for sale” proposals made by the Hong Kong Tourism Board should be evaluated against a territory-wide cultural and heritage development policy, which is currently absent. At the cultural turn of the global economy, our Government should consider seriously a comprehensive and integrated cultural policy to map out strategic directions and implications for various policy sectors including district administration, housing, education, planning and environmental protection, etc. At a different angle, Hong Kong badly needs a community-wide consensus building process to arrive at a sustainable development strategy that embraces and integrates cultural, economic, environmental and social aspects. This will become the overarching framework for various policy bureaux and Government departments to operate. Only then can different bureaux or departments have a chance to realize potential conflicts of their policies and investigate ways to overcome them. The current compartmentalized bureaucracy is disfunctional in promoting cultural development or enhancing heritage development in Hong Kong.

*8. Prologue*

The economic men and women of Hong Kong have engaged in money-making pursuit for so long that many have forgotten that life should be colourful and convivial. Hong Kong has never regretted the rapid depletion of its cultural assets and social capital in
the past decades. “All that is solid melts into air” (Berman, 1983) was the order of the day and was taken as a symbol of progress and modernity. However, a city with no identity, no history, no long term environmental planning is not a liveable city and can certainly not hope to maintain a stream of bargain-hunting tourists (Lung, 1994, p.32). There are still vestiges of indigenous Hong Kong culture embedded in the life and livelihood of citizens in different local districts. The question is how to build up a “cultural citizenry” which respects its own “low culture”, appreciate the need for “high culture” and have a taste for both. The question is how to make different stakeholders work together to restore our identity and revive our “soul” to make Hong Kong a truly “City of Life”.2

2 A slogan that the Hong Kong Tourism Board used to promote tourism in Hong Kong.
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The Cultural Economy of Sydney

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This paper examines the emergence of the cultural economy of Sydney, as both an economic and social process that has played a major role in transforming Australia’s largest city. We discuss linkages to industries at a variety of spatial scales, including the international networks of production, distribution and consumption within which Australian cultural products circulate, national geographies of sectoral activity, and the local cultures that give rise to a distinct metropolitan cultural economy.

The ‘cultural economy’, a term that is difficult to define, is taken to represent multiple sets of activities and diverse forms of production. There are a number of ways of defining the ‘cultural economy’; beginning with outcomes and activities in the ‘cultural industries’. Yet, in order to understand the way in which the ‘cultural economy’ is more extensively engrained in the life of the city, in this paper we highlight some particular elements of local cultures and economic changes, including links between cultural production, consumption, residential shifts and housing markets. The cultural industries are embedded in particular local social and economic relations.

1. The cultural industries
A logical starting point from which to explore the cultural industries is to consider the ‘core’ creative endeavours producing ‘cultural’ products: music, film, television, art, design, books, magazines, dramatic productions (Throsby 2001). Debates have ensued concerning the links between these industries and other related activities, such as those where a significant ‘semiotic’ or ‘symbolic’ element underpins production and the appeal of particular goods or services (notably fashion, advertising and architectural services; Scott, 1997), or those where intellectual property constitutes a unifying element and commodity in itself within the ‘creative economy’ (Connell and Gibson, 2002; Pratt, 1999; Gibson 2000; Howkins 2001), identifying sectors that rely on copyright protection (such as music, software, web design). Examining the ‘cultural economy’ in these ways, as an extension of particular sectors of production, involves questions associated with industrial geography: gathering evidence on different sectoral activities in certain places, linkages within and across sectors, factors influencing locational decisions, business linkages, regulatory and legal mechanisms, forms of employment and so on. This paper discusses various elements of the ‘cultural’ or ‘creative’ industries in Sydney with an eye to this approach, including particular sectors such as music, film and publishing, but we also aim to broaden out the definition of the ‘cultural economy’ somewhat. We examine the role that key actors play not only as the producers of cultural commodities, but as part of social and cultural networks, as crucially important consumers, residents, as planners and critics as well as workers.

The cultural economy of Sydney builds on particular connections between cultural producers and consumers, certain material locations, and cultural industries. These linkages are not causally related in any linear way. The residents of city neighbourhoods are simultaneously cultural consumers (buying compact discs, attending cinemas, reading books) and cultural producers, generating ‘cultural capital’ (Bourdieu 1984) - the knowledge of trends and styles that characterise contemporary urban cultural industries - and ‘subcultural capital’ (Thornton 1995), where tastes originating in subcultures of music, fashion and design trigger specific sorts of cultural production. The cultural economy operates through interactions with various ‘critical infrastructures’ (Zukin 1995) such as street press, movie reviews and fashion shows that
define patterns of style, guide urban trends in music, fashion, film and attitude, and promote new kinds of cultural production. Material locations attract new residents, many of which are involved as cultural producers in a direct way (musicians, artists, actors), reinforcing bohemian and cosmopolitan images and identities for urban spaces, images that then attract further cultural producers and consumers.

Cutting across this is the particular nature of work in the cultural economy. The cultural industries employ a range of people in many very different capacities, from menial tasks of manufacturing, cleaning, clerical assistance etc, to creative occupations at the ‘coalface’ of design and image production (such as sound engineers, film editors, actors and scriptwriters). Yet the sorts of jobs that are created in the cultural economy vary not only in their daily functions, but also in terms of conditions and security, from those holding down stable waged occupations, through to various forms of subcontracting, casual and informal ‘work’. We examine census data that illuminates the extent of employment across the cultural occupations, and suggest ways in which these figures underestimate the extent of cultural activities, and the complex ways in which cultural production, employment and consumption interact in particular locations.

Prior to an examination of the detailed cultural economy of Sydney, it is necessary to situate Australian cultural production more generally within national and international contexts.

2. Australian cultural production

Australian cultural production is positioned at a unique juncture in an international sense. While most Australian creative pursuits are in essence the result of local activities, seeking mainly domestic audiences, certain Australian cultural industries have become increasingly export-orientated since the 1980s. Domestic firms have consistently generated product for Anglophone markets in music, film, TV and publishing, many of which have succeeded due to their mix of international marketability (appealing to global tastes and norms in popular culture), and distinct
local inflections. Australian films such as *Crocodile Dundee, Priscilla: Queen of the Desert, Muriel’s Wedding* and *Strictly Ballroom* were highly successful overseas during the 1980s and 1990s, particularly in the United States and Britain, and featured images of Australian urban and desert landscapes, building upon mythologies of place (for example, the iconic Australian desert, Sydney’s multicultural inner city). Other Australian productions, including *Babe, Dark City, Moulin Rouge* and *The Matrix* downplayed such geographical images, catering to a more internationalised audience through generic landscapes and characters, or indeed by recreating European landscapes within Australian studios.

In music, Australia has been a major supplier of international product, usually vying for third place with Canada, behind the United States and Britain in contributing English-language product to the global market (Commonwealth of Australia 1994). There is a long tradition of Australian performers establishing careers based on domestic sales and performances, before heading overseas to attempt to ‘crack’ North American and European markets. More successful examples have included the Bee Gees, AC/DC, Air Supply, INXS, Midnight Oil, Crowded House, Men at Work, Kylie Minogue, and more recently Savage Garden, silverchair, Madison Avenue and Natalie Imbruglia. Invariably, these performers have been the focus of intensive marketing campaigns undertaken by major media organisations (such as Sony, in the cases of silverchair, Midnight Oil and Savage Garden, whose debut album went on to sell over 11 million copies worldwide). Similarly, Australian television production has been highly successful in exporting serials to North America, Europe and elsewhere, with over 20 Australian-made series featuring on British television alone. Drama series such as *Water Rats, Neighbours, Home and Away* and *Blue Heelers*, and ‘lifestyle’ television series such as *Beyond 2000* have been successfully exported around the world, providing the basis for a sustained television production sector in Australia.

Converse to these successes in Europe and North America, attempts to access the increasingly pan-Asian market for popular culture have often failed, despite promotional efforts. In music, for example, artists such as Rick Price and Girlfriend
were aggressively marketed in Japan, Indonesia and Thailand, yet met little sustained commercial success. While Australian cultural producers have been able to tap in to English-speaking markets for popular culture, our perceived difference from other key markets has meant that domestic industries remain reliant on particular channels of export and promotion to succeed overseas. Unlike in Indonesia and Thailand, where the share of the market accounted for by local repertoire is over 80 per cent (Connell and Gibson 2002), and in the United States where local product occupies 85 per cent of the market (IFPI, 1999), in Australia, local music production is more vulnerable, with local artists accounting for less than 20 per cent of total sales (Australia’s domestic popular music market is worth approximately A$964 million per annum (IFPI, 1998), with local releases equivalent to approximately A$190 million; ABS, 1997:22). Export success is thus seen as vital for sustained local cultural industry growth, comprising a crucial further A$204 million per annum. Given that between 80 and 90 percent of all Australian music is owned and distributed by the ‘major’ entertainment corporations (Sony, AOL Time Warner, BMG, Universal), such connectivity to global cultural flows has been possible (evident in the above successes). Yet while overseas distribution through these channels is vital to continued export success, there has been a lack of a stable ‘flow-on’ of international product distribution from Australian subsidiaries of major corporations. Australian music, as with film, literature and television, is largely reliant on distribution through major media corporations based in North America or Europe, which has been apparent, but not in any consistent fashion.

Australia’s relatively small population has meant that in many sectors such as TV, film and music, domestic success cannot automatically guarantee returns or ensure longevity. For example, in the late 1990s, the ABC television series *Wildside*, which received critical acclaim and popular support from local critics and audiences, was discontinued after it failed to secure contracts with American and British television networks. In this case, a crime/drama series set in the ‘mean streets’ of innercity Sydney, was deemed to be too locally-specific in its themes and settings to appeal to overseas audiences. The symbols and myths of place that gave the series critical authenticity in Australia (it refused to depict ‘tourist Sydney’, images of the city’s famous harbour bridge or opera
house, sticking largely to the city’s older industrial and residential districts), made it less marketable internationally (even though other Australian productions have successfully marketed themselves through unique settings and themes). As with cultural industries in other locations (Banks et al 2000), risk, and risk-averting behaviour influence decisions on the nature and scope of production. Relationships of trust are established within networks of entrepreneurs, global styles, trends, and more familiar images and subject matter are encouraged within content. In music, a small number of successful exports are expected to cross-subsidise other ‘risky’ ventures (McLeay 1998). Such considerations, of the vulnerability and variability of production, and specific strategies to overcome such conditions, remain crucial to export-orientated Australian cultural production.

3. Quantifying Australian cultural industry activities

While risk and vulnerability influence Australian cultural production, the Australian cultural economy has nonetheless generated employment and has become more visible in both planning strategies and in the ‘fabric’ of urban spaces and lifestyles. Yet, quantifying the contribution of the cultural economy to employment and economic development in Australia remains a difficult task, as all sources of data are likely to reflect particular methods of agglomerating information, different definitions of ‘cultural industries’, and assumptions regarding the nature of work. As a useful starting point, the Australian Bureau of Statistics categorises cultural industries into ‘core’, ‘other’ and ‘related’ sectors; ‘core’ sectors include those most centrally associated with creative activities: visual and literary arts, live theatre, music etc. ‘Other’ cultural industries involve a mix of creative and non-creative activities similar to other service and manufacturing industries: printing and publishing, film production and distribution and photography; ‘related’ sectors include those considered more peripheral to definitions of ‘culture’, including advertising and architectural services. Table 1 indicates the significance of these sectors within the Australian cultural economy according to the value of total supply of goods and services (in this case, data for 1993-1994), indicating that in pure dollar terms, the ‘core’ cultural industries (A$1.65 billion)
contribute a smaller proportion of all gross production than ‘other’ and ‘related’ categories (A$9.64 billion and A$10.15 billion respectively; Throsby 2001). In contrast, ‘core’ sectors constituted a more significant proportion of the total employment in cultural industries, indicating the labour-intensive nature of creativity in the cultural economy in contrast with other types of production.

Table 1. Value of production and employment in the cultural industries, Australia

Particular occupations dominate employment Australian cultural industries in a total sense (Table 2): designers and illustrators (14.7%), journalists (8.8%) and extra-systemic teachers (music teachers, dance teachers etc – 12.8%), but also librarians, visual artists, library assistants, musicians and artists. The actual employment figures appear in the first instance rather small. One might expect these to be higher, given Australia’s access to Anglophone export markets, high disposable incomes and low rates of household savings. However, as in Europe (Karttunen 2001) employment in cultural industries and occupations is easily underestimated when examined through census-based data. Census data methods capture what respondents record as their main source of income on a single given night. This is problematic for a number of reasons: respondents in ‘creative’ occupations are much more likely to earn income unevenly throughout a financial year, and thus may not be directly employed at the time of the census (Henkel 2000). In addition, Australian ‘creative content’ producers (artists, musicians, writers, etc) commonly subsidise creative pursuits through other sources of income, and thus are likely to record another profession, even if they may construct their own self-identify in relation to cultural pursuits.

The Australian Bureau of Statistics’ survey of work in selected culture/leisure activities (ABS 2000), based on a national survey of approximately 26,000 households, provides a dramatically different picture of cultural industry participation: in 1998-1999 for instance, over 3.5 million Australians were involved in some form of paid or unpaid work in the cultural industries, of which 1.3 million received some form of monetary payment for their services. In contrast, the most recent census data (1996) recorded a
total of 162,756 persons employed in cultural occupations. The variability of data on the nature of employment in cultural industry activities is illustrated by comparing selected sectoral activities across these two data sources (Table 3.). Many official categories are different for the two (another problem plaguing estimations of the extent of the cultural economy), but comparisons of those activities where categories were commensurate suggest the extent of the difference between those who indicated employment in a sector on census night, and those indicating an involvement in cultural or leisure work (with some form of payment). Notwithstanding the different dates that the data were taken, across all selected examples the census greatly underestimates the extent of participation, while some of those activities that are most associated with ‘creative’ endeavours (particularly writing, arts and crafts) indicated the largest proportional differences between the two data sources.

Table 2. Employment in cultural industries, Australia, 1996, by occupation

Table 3. Selected cultural industry activities: comparing census and household survey data sources*

The results of the 1998 survey indicate that participation in the cultural economy is, in an income-generating sense, overwhelmingly informal, part-time or transient. Over 45 percent of all work in culture and leisure sectors was of a short term (13 weeks or less in duration), or part time nature (less than 10 hours per week). In addition, particular activities were also highly gendered. Design-orientated occupations were overwhelmingly male dominated: 66 percent of all persons involved in design were men, with the male dominance of graphic design (63 percent men), architecture (82 percent men) and multimedia (72 percent) being particularly high, balanced out by fashion design (74 percent women). Gender divisions also emerged within particular activities; in music, women made up over 70 percent of singers, yet were only 30 percent of instrumentalists within bands or orchestras. Complex employment and gender relations thus cut across particular elements of the Australian cultural economy.
4. Australia’s cultural economy: metropolitan primacy

The cultural economy has inherent spatial dimensions that need to be recognised as crucial factors underpinning the shifting role of urban locations in contemporary systems of cultural production. The distribution of cultural activities in Australia in part reflects the national urban system: each state and territory is characterised by high degrees of metropolitan primacy, as each capital city far outweighs non-metropolitan areas in terms of employment, investment, and industrial agglomeration. A clear way to illustrate this is through calculating location quotients for employment across industry sectors (Figures 1 to 8). Location quotients reflect the difference between the proportion of total employment in a given sector in a set location in comparison to the proportion of total employment of a wider state or national space economy (thus in this case a location quotient of 1.5 reflects that a given location has, proportionally, a 50 percent greater share of its employment in the cultural industries, in contrast to the national figure). With rare exception, all positive location quotients are found in state capital cities, and were highest for various elements of publishing, sound recording and television services in urban areas. Those states that contradict this trend (as with libraries and museums in Tasmania, television services and museums in the Northern Territory), are smaller in population, with more decentralised urban systems, and higher levels of public funding per capita (as channelled through national systems of fiscal equalisation).

Figures 1 to 8. Location quotients, employment in cultural industry sectors, capital city and balance of state, 1996

Alternatively, the importance of capital cities within each state’s cultural economy can be illustrated through a ‘primacy index’, where the proportion of employment in cultural occupations in a capital city is related to the proportion of employment in the balance of the state (Table 4). This shows for example that employment in cultural

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1 In Australia industry categories are known as ANZSIC standard industry codes, used by the ABS to categorise job groups.
occupations is approximately twice as common in Sydney than in non-metropolitan NSW \( (2.79 / 1.45 = 1.92) \). Applying the primacy index across all states, it is evident that employment in the cultural occupations is dominated by the capital cities, highest in Canberra and Sydney, and lowest in Adelaide and Brisbane. WA is the state with the highest metropolitan primacy, with employment in cultural occupations more than twice as common in Perth than in the balance of WA \( (2.09) \). The Northern Territory has the lowest metropolitan primacy \( (1.26) \), mainly due to high levels of public funding for libraries, museums and Aboriginal cultural production (television, radio, sound recording) in central Australia, as well as in Darwin, the capital. Metropolitan primacy within states and territories is even more apparent when restricted to the ‘creative’ cultural occupations (Table 5).

**Table 4. Employment in cultural occupations, 1996: capital cities and balance of state**

**Table 5. Employment in ‘creative’ occupations, 1996: capital cities and balance of state**

In a total sense, Sydney remains the primary city of cultural industry activities across Australia and across sectors, with over 30 percent of all cultural industry employment, and high rates of concentration in ‘core’ creative pursuits such as music, publishing, film and television services. Such primacy is reflected in a number of ways. Table 6, shows the breakdown of Australian cultural industries according to business location counts, in essence indicating the extent to which Sydney dominates total firm activity for particular sectors. While in many cases Sydney has a reasonably proportional level of activity (as with libraries, recorded music retailing, video hire outlets), in other sectors Sydney by far dominates as a locational choice for companies. In film and video production, for instance, over half the country’s companies are located in Sydney; while the city contains over 40 percent of Australian sound recording studios, with similar shares of other creative arts businesses, linked to art, publishing and recorded media manufacture.
Table 6. Business locations, cultural industries: Sydney v Australia, 1998

Sydney’s dominance of business activity reflects a mix of international, national and local factors: competitive exchange rates have improved the attractiveness of various forms of local film production (including animation, post-production, sound editing), supported by local infrastructures of production (recording suites, film studios etc), a highly skilled local workforce (a reflection of the location of major design, film, television and design schools in Sydney), and institutional support for cultural activities (such as tax breaks and ‘fast-tracking’ planning decisions for the film industry). Sydney is the home for the vast majority of the Australian headquarters of international media organisations, music and entertainment companies, providing the basis for a network of support services, legal firms, marketing and distribution activities (Table 7.).

Table 7. Location of member companies, the Australian Record Industry Association (ARIA)

As with cultural industries in other large cities (Scott 1996; 1999), both ‘core’ creative and ‘related’ firms cluster in particular urban contexts, in particular material spaces (Figures 9 to 12). Business clusters in Sydney link media companies and others within locations characterised by the strong presence of ‘information industries’, including software and high technology, telecommunications and finance activities (Fagan 2000), found in North Sydney area and extending through an ‘information corridor’ into Ryde and further north into Frenchs Forest and Warringah. Simultaneously, the locational decisions of many other cultural industry firms reflect the inner-city focus of the cultural economy in a more general sense, connected to key sites of consumption, nightlife and entertainment. Higher rates of micro-businesses also emphasise the role that small firms play in underpinning activities predominantly associated with creative aspects of product development, production and marketing, in such inner city locations. Also, some cultural firms (such as the Australian headquarters of Universal Music, the world’s largest music company, and Studio 301, the country’s major sound mastering
and post-production editing facility) have located in the Central Industrial Area to the immediate south of the CBD, taking advantage of industrial zoning (and thus, few problems with noise restrictions), transport linkages and relative proximity to inner city retail and entertainment districts. These factors combine to ensure that the Australian cultural economy has a high degree of concentration not only within Sydney, but also within a limited set of locations within the city.

Figures 9 to 12. Business locations, by local government area, selected and total cultural industries, 1998

5. Sydney: lifestyle and cultural production

Such specialisations have elevated Sydney in the international production of culture, in parallel with the city’s wider push for increased status as a ‘sub-global’ city (hence strong civic support for major film productions). Yet, local cultures and metropolitan transitions have also informed the growth of the cultural economy in Sydney, in part through gentrification and the accumulation of cultural capital in key inner-city locations. Cultural activities are evidence of Sydney’s increasingly global role, particularly in media industries, but also contribute to the development of an aesthetic of cosmopolitanism that in turn transforms neighbourhoods in the city, generating cultural precincts and unique consumption spaces. Areas of the city that have long-held associations with artists, bohemian movements and ‘alternative’ subcultures have been districts of cultural industry activity, and have also become sites of gentrification and urban renewal. Those employed in cultural industries tend to live in the same area as they work – locational choice is inseparable from questions of lifestyle and the social praxis of employment. Such processes have contributed to the transformation of areas of Sydney’s inner city since the 1970s, and of the central industrial district in more recent years, as state-sponsored policies of urban consolidation, coupled with the decentralisation of some forms of manufacturing production, have encouraged mixed land uses and increasing residential densities. It is perhaps no surprise that new
residential development projects in this area are increasingly marketed through their proximity to sites of cultural production and consumption, and the lifestyles that are associated with this (see Figure 13.). As people return to Sydney’s centre to work and live, cultural activities have helped market new urban, high-density living, as well as constituting an avenue of employment.

**Figure 13. Advertisement for ‘lifestyle’ development, Sydney CBD, 2000**

Both locational data for businesses and of residential choices for employees in cultural occupations and industries reflect this trend, but also indicate the extent to which Sydney’s northern beaches have been transformed through the cultural economy (Figures 14 to 16.). This has occurred largely through the lifestyle choices of individuals in music, film and art-related sectors, rather than because of economic factors of closeness to transport or market. The northern beaches, particularly the more exclusive locations further north on Pittwater, have become exclusive locations with high environmental value and natural amenities, and given the link between place of residence and place of work in the cultural economy, it is not surprising that they feature a higher presence of both production and employment.

**Figure 14. Cultural occupations, Sydney, 1996**

**Figures 15 and 16. Location quotients, selected cultural industries, NSW, 1996**

In contrast, data on employment and firm location for manufacturing (particularly of recorded media such as CDs and DVDs) reflects a somewhat different geography, with much greater employment in Sydney’s industrial inner-south and greater west (Figure 17). These activities have tended to involve higher rates of migrant workers in production – suggesting divisions of labour within the cultural industries, a bifurcation of cultural production, between flexibly oriented creative endeavours and more routine factory production. More work needs to be conducted through sectoral studies, ethnographic methods and local surveys to examine the extent to which Sydney’s cultural economy is cut across by these socio-economic factors; such future explorations
could problematise the picture of a totally inner-city focused cultural economy, revealing more complex aspects of how the cultural economy is linked to local social and economic relations.

**Figure 17. Location quotient, recorded media manufacturing and publishing, NSW, 1996**

**6. The nature of work, and the dynamic of urban-regional flows**

One characteristic of Sydney’s cultural economy is that individuals engage in creative pursuits such as music, art and dance as a central element of their self-identity, yet earn the majority of their income through other means; this again reflects the level of risk involved in the cultural industries, and the variability of income streams from creative pursuits. One implication of this pattern of work is that creative pursuits are ultimately not driven by patterns of supply and demand alone. They are also driven by individuals’ own interests, beginning with hobbies, mediated through educational systems (drama schools, film and television schools, design schools, music institutes), and, through mix of luck, perceptiveness and talent, a small number are able to secure reliable enough incomes from their output. A successful creative economy relies on a significant enough amounts of people being able to combine work and artistic pursuits. In contrast to environmental determinist theories that suggest innate linkages between local cultures and successful cultural industries (see Connell and Gibson 2002 for a discussion and critique of such approaches), ‘cultures of creativity’, that involve sheer numbers of people creating and consuming music, writing, painting and design products, are in the end more likely to produce ‘winners’ in wider domestic and export markets. High levels of participation in the cultural economy are thus crucial.

Yet these are partly then also constrained by other factors: the extent to which labour relations in wider industries accommodate part time work that is reasonably stable will influence the average weekly hours available to develop cultural expertise (in Sydney, retail jobs, cafes, clubs, hospitality and tourism industries have fulfilled this function).
The forms and flexibility of government income support and taxation systems, the regulation of other informal sector activities and avenues for income generation (markets, busking, and drug trade), and sympathetic venues, booking agents, casting companies and other infrastructures, all mitigate participation in cultural activities. Yet, while these are important, the dynamics of urban housing markets have had perhaps the most significant impact on the spatial character of the cultural economy. During the 1990s, a cost squeeze has threatened the ability of many cultural producers to continue their activities, limiting the number of people attempting to undertake creative work while remaining in Sydney. Areas in Sydney’s inner-west have been popular with artists, musicians and writers since the 1970s (well known examples include Balmain, home to the Booker prize winning author Peter Carey for many years; and South Newtown, which housed diverse musical and artistic communities based around squatters collectives), with a convenient mix of lower housing costs, high density living, and an appropriately ‘grungy’ urban aesthetic. Yet, ironically, the cultural capital these residents brought with them contributed to the transformation of many of these suburbs into much sought-after residential locations by young professionals, finance workers, ‘empty nesters’ and others employed in Sydney’s central business district. As with New York and other cities (Smith, 1996), artists constituted ‘frontier’ waves of gentrifiers, moving into older, sometimes dilapidated housing stock (ready for renovation, itself a popular pastime among young professional classes), constituting a market for new forms of retail and consumption (Bridge and Dowling 2001), and attracting day-trippers from other parts of the city, many of which eventually saw such districts as possible future residential locations.

Consequent rises in property values and private rents have meant that many cultural producers, particularly of subsequent generations, have struggled to meet accommodation costs and continue to devote enough time to creative pursuits. Balmain became less of an artistic and student suburb by the 1980s, while South Newtown, by the late 1990s, had seen the construction of new higher density residential apartment blocks and the eviction of many of the original artistic collectives. This was exacerbated by the Australian tendency to capitalise in real estate compared with other avenues,
resulting in a large amount of speculative real estate and over-investment, and the trend towards increasingly long working hours in certain sectors, that limited available time for cultural pursuits.

Thus, many committed to cultural production as part of their immediate self-identity have since decided to move to peri-metropolitan areas where rents were comparatively lower (but still higher in some cases than middle and outer ring suburbs of Sydney), and where highly amenable lifestyles could still be pursued. Popular locations for such intra-regional mobility included the Blue Mountains, west of Sydney (particularly for artists, musicians and writers), the Southern Highlands, for ‘empty nesters’, retirees and older generations of artists, and the far north coast, which has been progressively transformed since the 1970s into an ‘alternative lifestyle’ location, facilitating activities in music, film, art and writing, supported by activities in other information industries such as multimedia and web design (Gibson 2000; 2001; see Figures 15 and 16.). In such locations, the dynamic of the cultural economy is somewhat different. While such newer arrivals constitute markets for cultural products (again, influencing the accumulation of cultural capital, and triggering further waves of property value increases), the smaller populations in such areas have required cultural producers to seek further opportunities than beyond local populations. Tourism in particular has constituted a major opportunity for those in art, craft, music and other cultural industries in these regions (Craik 2001), and such activities have underpinned the development of further regional identities (cf. Kneafsey 2001) and cultural tourism niches.

7. Conclusions

Available information on the significance of Sydney’s cultural economy varies in accuracy, and its contribution, both quantitatively and qualitatively, is difficult to ascertain. National census data underestimates cultural industry employment, particularly in itinerant and part time work, while problems of definition and the appropriate scope of the ‘cultural economy’ has tended to exclude activities such as sport, that play a crucial role in defining the city’s character. Nonetheless, analysis of
recent information across sectors suggests that Sydney’s cultural industry activities are highly concentrated in inner-city areas that have experienced varying degrees of gentrification since the 1970s, and in certain regions where for a number of reasons, cultural producers have moved from Sydney.

The cultural economy is much more than just production in the cultural industries, although this is certainly a strong starting point for discussions of the empirical contexts of a particular city. We have argued that the cultural economy (and the ‘cultural industries’ within this) has been a crucial element in urban social change. Cultural producers make decisions to live in particular parts of the city (or move to selected rural areas) for lifestyle reasons, because they offer certain services and products, because there is cultural capital gained through being resident in particular locations – thus the cultural economy is bound up in processes of gentrification, migration, urban restructuring and renewal that have transformed Sydney’s inner-city and other non-metropolitan locations. Moreover, to understand the cultural economy of cities requires us to examine in more depth the complex links between cultural producers, cultural industries, and the locations within which they are found – urban places are not simply the ‘containers’ of a cultural economy, a blank space upon which particular cultural-economic activities occur. Urban places are themselves active agents in attracting capital and cultural producers as residents, while images of urban sites, and the mythologies that surround them, simultaneously become materials available for use as semiotic content for the cultural industries (in films and television series based in cities, for instance – see Gibson and Connell, 2000). The cultural economy of Sydney is in part an aggregate of activities across certain sectors (that sectors certainly underpin cultural production), but it is ultimately also linked to local social and cultural trends, patterns of migration, lifestyle choices and the character of urban living.

References


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### Table 1. Value of production and employment in the cultural industries, Australia

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<tbody>
<tr>
<td></td>
<td>($A million)</td>
<td>(%)</td>
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<tr>
<td><strong>Core arts industries</strong></td>
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<tr>
<td>Visual and literary arts</td>
<td>472</td>
<td>2.2</td>
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<td>Live theatre, music, entertainment</td>
<td>538</td>
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<td>Museums, galleries, libraries</td>
<td>639</td>
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<td><strong>Sub-total</strong></td>
<td>1,649</td>
<td>7.7</td>
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<td><strong>Other cultural industries</strong></td>
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<td>Printing and publishing</td>
<td>5,827</td>
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<td>Radio and television</td>
<td>2,532</td>
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<td>Film production and distribution</td>
<td>1,047</td>
<td>4.9</td>
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<td>Photography services</td>
<td>233</td>
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<td><strong>Sub-total</strong></td>
<td>9,639</td>
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<td><strong>Related industries</strong></td>
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<td>7,959</td>
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<td>Architectural services</td>
<td>1,719</td>
<td>8.0</td>
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<td>Parks and zoos</td>
<td>469</td>
<td>2.2</td>
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<td><strong>Sub-total</strong></td>
<td>10,147</td>
<td>47.3</td>
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<tr>
<td><strong>Total, all cultural and related</strong></td>
<td><strong>21,435</strong></td>
<td><strong>100.0</strong></td>
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Source: Throsby 2001:262
Table 2. Employment in cultural industries, Australia, 1996, by occupation

<table>
<thead>
<tr>
<th>Cultural Occupations</th>
<th>Total</th>
<th>% all Cult Occupations</th>
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<tbody>
<tr>
<td>Designers &amp; Illustrators</td>
<td>23,909</td>
<td>14.7</td>
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<td>Extra-Systemic Teachers</td>
<td>20,824</td>
<td>12.8</td>
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<td>Journalists &amp; Related Professionals</td>
<td>14,360</td>
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<td>Architects &amp; Landscape Architects</td>
<td>11,280</td>
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<td>Librarians</td>
<td>9,575</td>
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<td>Visual Arts &amp; Crafts Professionals</td>
<td>9,512</td>
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<td>Library Assistants</td>
<td>8,622</td>
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<td>Performing Arts Support Workers</td>
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<td>Musicians &amp; Related Professionals</td>
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<td>Media Presenters</td>
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<td>Environment, Parks and Land Care Manager</td>
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<td>Interior Decorator</td>
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<td>Theatre or Cinema Manager</td>
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<td>Archivist</td>
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<td>Photographers Assistant</td>
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<tr>
<td>Conservator</td>
<td>356</td>
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<td>Piano Tuner</td>
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<td>0.2</td>
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<tr>
<td>Museum or Art Gallery Technician</td>
<td>310</td>
<td>0.2</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>162,756</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
Table 3. Selected cultural industry activities: comparing census and household survey data sources*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Employees</td>
<td>% Cultural occupations</td>
</tr>
<tr>
<td>Authors and related professionals</td>
<td>3,186</td>
<td>2.0</td>
</tr>
<tr>
<td>Designers and illustrators</td>
<td>23,909</td>
<td>14.7</td>
</tr>
<tr>
<td>Libraries and archives</td>
<td>24,337**</td>
<td>15.0</td>
</tr>
<tr>
<td>Musicians and related professions</td>
<td>7,622</td>
<td>4.7</td>
</tr>
<tr>
<td>Photographers</td>
<td>6,252</td>
<td>3.8</td>
</tr>
<tr>
<td>Visual arts and crafts professionals</td>
<td>9,512</td>
<td>5.8</td>
</tr>
<tr>
<td>All cultural industries</td>
<td><strong>162,756</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Comparisons not possible across all categories of cultural occupations, due to different classifications in the census and household survey

** Aggregated librarians, archivists and other library staff

Source: ABS 1996; ABS 2000
Table 4. Employment in cultural occupations, 1996: capital cities and balance of state

<table>
<thead>
<tr>
<th>Cultural Occupations</th>
<th>Number of persons</th>
<th>Percentage of total employment</th>
<th>Metropolitan primacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>46,751</td>
<td>2.79%</td>
<td>1.92</td>
</tr>
<tr>
<td>Bal NSW</td>
<td>12,807</td>
<td>1.45%</td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>35,055</td>
<td>2.52%</td>
<td>1.81</td>
</tr>
<tr>
<td>Bal VIC</td>
<td>6,878</td>
<td>1.39%</td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>13,945</td>
<td>2.10%</td>
<td>1.34</td>
</tr>
<tr>
<td>Bal QLD</td>
<td>11,827</td>
<td>1.56%</td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>9,365</td>
<td>2.14%</td>
<td>1.87</td>
</tr>
<tr>
<td>Bal SA</td>
<td>1,784</td>
<td>1.15%</td>
<td></td>
</tr>
<tr>
<td>Perth</td>
<td>12,247</td>
<td>2.21%</td>
<td>2.07</td>
</tr>
<tr>
<td>Bal WA</td>
<td>2,243</td>
<td>1.07%</td>
<td></td>
</tr>
<tr>
<td>Greater Hobart</td>
<td>1,938</td>
<td>2.47%</td>
<td>1.65</td>
</tr>
<tr>
<td>Bal TAS</td>
<td>1,553</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>Darwin</td>
<td>1,002</td>
<td>2.46%</td>
<td>1.26</td>
</tr>
<tr>
<td>Bal NT</td>
<td>821</td>
<td>1.95%</td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>4,516</td>
<td>3.02%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>162,732</strong></td>
<td><strong>2.13%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: ABS (1996)
<table>
<thead>
<tr>
<th>Creative Occupations</th>
<th>Number of persons</th>
<th>% of Employment</th>
<th>Metropolitan Primacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>25048</td>
<td>1.5%</td>
<td>2.73</td>
</tr>
<tr>
<td>Bal NSW</td>
<td>4843</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>18148</td>
<td>1.3%</td>
<td>2.56</td>
</tr>
<tr>
<td>Bal VIC</td>
<td>2513</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>6743</td>
<td>1.0%</td>
<td>1.37</td>
</tr>
<tr>
<td>Bal QLD</td>
<td>5595</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>4507</td>
<td>1.0%</td>
<td>2.45</td>
</tr>
<tr>
<td>Bal SA</td>
<td>656</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>Perth</td>
<td>5509</td>
<td>1.0%</td>
<td>2.89</td>
</tr>
<tr>
<td>Bal WA</td>
<td>722</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>Greater Hobart</td>
<td>827</td>
<td>1.1%</td>
<td>1.82</td>
</tr>
<tr>
<td>Bal TAS</td>
<td>600</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>Darwin</td>
<td>399</td>
<td>1.0%</td>
<td>1.30</td>
</tr>
<tr>
<td>Bal NT</td>
<td>317</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>1630</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>78057</td>
<td>1.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: ABS (1996)
Table 6. Business locations, cultural industries: Sydney v Australia, 1998

<table>
<thead>
<tr>
<th>Cultural Industry</th>
<th>Sydney</th>
<th>Australia</th>
<th>Sydney (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper Printing or Publishing</td>
<td>211</td>
<td>1016</td>
<td>20.8</td>
</tr>
<tr>
<td>Other Periodical Publishing</td>
<td>250</td>
<td>602</td>
<td>41.5</td>
</tr>
<tr>
<td>Book and Other Publishing</td>
<td>166</td>
<td>480</td>
<td>34.6</td>
</tr>
<tr>
<td>Recorded Media Manufacturing and Publishing</td>
<td>82</td>
<td>209</td>
<td>39.2</td>
</tr>
<tr>
<td>Book and Magazine Wholesaling</td>
<td>155</td>
<td>496</td>
<td>31.3</td>
</tr>
<tr>
<td>Recorded Music Retailing</td>
<td>255</td>
<td>912</td>
<td>28.0</td>
</tr>
<tr>
<td>Film and Video Production</td>
<td>1397</td>
<td>2762</td>
<td>50.6</td>
</tr>
<tr>
<td>Film and Video Distribution</td>
<td>59</td>
<td>163</td>
<td>36.2</td>
</tr>
<tr>
<td>Motion Picture Exhibition</td>
<td>92</td>
<td>476</td>
<td>19.3</td>
</tr>
<tr>
<td>Radio Services</td>
<td>70</td>
<td>370</td>
<td>18.9</td>
</tr>
<tr>
<td>Television Services</td>
<td>107</td>
<td>372</td>
<td>28.8</td>
</tr>
<tr>
<td>Libraries</td>
<td>173</td>
<td>1108</td>
<td>15.6</td>
</tr>
<tr>
<td>Museums</td>
<td>62</td>
<td>437</td>
<td>14.2</td>
</tr>
<tr>
<td>Zoological and Botanic Gardens</td>
<td>15</td>
<td>110</td>
<td>13.6</td>
</tr>
<tr>
<td>Music and Theatre</td>
<td>413</td>
<td>1102</td>
<td>37.48</td>
</tr>
<tr>
<td>Creative Arts</td>
<td>443</td>
<td>1137</td>
<td>38.96</td>
</tr>
<tr>
<td>Sound Recording Studios</td>
<td>99</td>
<td>240</td>
<td>41.3</td>
</tr>
<tr>
<td>Performing Arts Venues</td>
<td>47</td>
<td>158</td>
<td>29.7</td>
</tr>
<tr>
<td>Services to the Arts n.e.c.</td>
<td>347</td>
<td>810</td>
<td>42.8</td>
</tr>
<tr>
<td>Video Hire Outlets</td>
<td>406</td>
<td>2163</td>
<td>18.8</td>
</tr>
<tr>
<td>Photographic Studios</td>
<td>630</td>
<td>1921</td>
<td>32.8</td>
</tr>
<tr>
<td><strong>Total Cultural Industries</strong></td>
<td>5479</td>
<td>17044</td>
<td>32.2</td>
</tr>
</tbody>
</table>

Source: ABS (1998)
Table 7. Distribution of ARIA Members, at June 30, 1998

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alice Springs</td>
<td>1</td>
</tr>
<tr>
<td>Brisbane</td>
<td>3</td>
</tr>
<tr>
<td>Byron Bay</td>
<td>1</td>
</tr>
<tr>
<td>Canberra</td>
<td>1</td>
</tr>
<tr>
<td>Melbourne</td>
<td>12</td>
</tr>
<tr>
<td>Sydney</td>
<td>35</td>
</tr>
<tr>
<td>Tamworth</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Immedia, 1998
Figure 1. Location quotients, employment in cultural industry sectors, NSW, 1996
Figure 2. Location quotients, employment in cultural industry sectors, Victoria, 1996
Figure 3. Location quotients, employment in cultural industry sectors, Tasmania, 1996
Figure 4. Location quotients, employment in cultural industry sectors, SA, 1996
Figure 5. Location quotients, employment in cultural industry sectors, WA, 1996
Figure 6. Location quotients, employment in cultural industry sectors, NT, 1996
Figure 7. Location quotients, employment in cultural industry sectors, QLD, 1996
Australia Capital Territory

Figure 8. Location quotients, employment in cultural industry sectors, ACT, 1996
Figure 9. Business locations, total cultural industries, Sydney, 1998
Figure 10. Business locations, film and video production, Sydney, 1998
Figure 11. Business locations, creative arts, Sydney, 1998
Figure 12. Business locations, sound recording studios, Sydney, 1998
Figure 13. Advertisement for ‘lifestyle’ development, Sydney, 2000
Figure 14. Cultural occupations, Sydney, 1996
Figure 15. Location quotient, creative arts workers, NSW, 1996
Figure 16. Location quotient, film and video production workers, NSW, 1996
Figure 17. Location quotient, recorded media manufacturing and publishing, NSW, 1996
Manufacturing Fun: Producing Culture and Its Consequences

K.C. Ho
National University of Singapore

1. Manufacturing Fun

The use of the term “manufacturing” is deliberate as I wish to convey to the reader that what follows is not just a set of vague ideas and aspirations. Manufacturing fun represents Singapore’s planned approach to create a new set of leisure and art and culture-related activities. In a 1999 interview, the National Arts Council Chairman, Liu Thai Ker was asked on his view of an economic approach to developing the arts. His answer provides an insight into the reasons and the way the cultural industry is developed in Singapore:

It is convenient and useful for us to be able to see economic advantages through cultural development. After all, people are more ready to support a cause that offers gains in terms of dollars and cents. Fortunately for the arts, there is such an angle – tourism, and spin-off effects such as the rise of a creative industry…Then there is such a thing called quality of life such that all things being equal, foreign investors will choose Singapore because of our edge in the arts. So yes, I’m gains these gains are real and so support comes from Government and the business sector. (Alumnus, October, 1999)
Singapore was recently voted as Asia’s most competent government (FinanceAsia, September, 2001). Much of this reputation relates to the government’s attempts to manage the economy through the continual development of an efficient infrastructure, using a well-developed investment promotion network which is capable of spotting emerging strong-growth industries and having in place a set of incentives to attract new investments, and lastly developing institutional mechanisms that keep industrial peace as well as ensure labour upgrading.\(^1\) Thus, “manufacturing fun” describes an attempt to develop a cultural economy, a plan that is as much related to the on-going debate about quality of life as it is to an continual effort to maintain the competitiveness of the Singapore economy. The paper will examine the development of the cultural economy in Singapore and examine the emerging consequences of such a shift in terms how this new development is received and in terms of the social relations and regulatory arrangements that this new form of production imply.

2. The history of an Idea

2.1 The Services Sector, Urban Professionals and Quality of Life

This concerted effort stems from the restructuring of an industrial economy built in the 1960s when Singapore became a manufacturing export platform for US and later Japanese multinational companies. The nature and direction of the economic restructuring can be seen from Table 1, which displays the sector shares of key industries within a forty year period. Manufacturing experienced rapid growth in the 1960s and 1970s, peaking at 29.5% of the GDP in 1990. Although manufacturing remains significant because of continual incentives to companies upgrade operations in order to justify the rising costs of manufacturing in Singapore, there has been significant shift to a service economy. A major part of this shift is the result of a growing financial services sector (Bryant, 1989). This was in turn followed the gradual emergence of

\(^1\) See Rodan (1989) for a critical perspective of Singapore’s economic development and Chiu, Ho and Lui for a comparison between two different regulatory systems of Hong Kong and Singapore.
Singapore as a base for regional headquarters of companies with operations in Southeast Asia (Dicken and Kirkpatrick, 1991; Perry, 1992). Thus, between 1980 and 1990, the GDP share of financial and business services increased from 19.7% to 28% (see Table 1).

Such sectoral shifts resulted in a cosmopolitan class of urban professionals used to navigating between the capital cities of the world. As Beaverstock and Smith (1996: 1379) observes, global cities not only attract disproportionate flows of capital and corporate power, but that the presence of such activities also require a skilled labour which “maintain corporate control functions, and capabilities, service clients, and diversify and seek new global markets and products”.

As Singapore’s financial and business services sector expands, then attracting and retaining this class of professionals become as important as the task of attracting investments. This task has both foreign dimensions in terms of the need to attract expatriate workers along the lines developed by Beaverstock and Smith. There is a local dimension as well. Given the increasing geographical mobility of local professionals, there is also a need to have in place an attractive environment which keep Singaporeans anchored. Not just schools which is a big local concern, but as there are increasing numbers of educated professionals choosing to remain single or childless, the same quality of life issues apply as much to expatriates as they do for locals.

In this context, it is important to highlight a point made by Behrman and Rondinelli (1992: 116) that economic globalization and the migratory ease of the professional class makes it imperative for cities to create a quality of life that will “attract the managers, scientists, technicians and white-collar workers that form the backbone of the international knowledge industries². And one important dimension of quality of life

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² The link between the professional class and their consumption tendencies has received a fairly long discussion in the literature. Following from Lury (1996: 93-108) review of the consumption literature, this involves an examination of post-fordism at two levels:
(a) post-fordist production methods allowing for greater variety in commodities giving more play to issues of taste, style and lifestyle; and
involve the development of a vibrant leisure and entertainment scene as a strategy to attract and retain this class of workers. The Arts Advisory Council recognized this in 1989 when it argued that “a strong cultural infrastructure is an asset for any city…the arts add to the vitality of a city, contributing to the quality of life. Good facilities and amenities help attract talented people and create a congenial environment for investors and businesses” (page 12). Thus, the development of the arts as a commodity incorporates both tourists and a growing urban cosmopolitan professional class. On the latter group, Ho and Chua (1995: 11, 15) estimated from Census data that the weekly attendance for arts events are about 7.4% of the local residential population, quite encouraging given that the arts infrastructure was starting to be developed in 1990. The figures also confirm what we know about arts audiences. Those who attended these events tend to be well educated (35.5% had post secondary education) and rich (51.4% from the top three income brackets).

2.2 The Shift to Promoting Arts Tourism

This shift from manufacturing to services also paralleled a development within the tourism industry in Singapore. With about 7 million tourist arrivals to Singapore in 1999, the tourism ranks as one of the major service industries in the Republic (see Table 2). The Singapore Tourism Promotion Board (STPB) was formed in 1964 and by the 1970s, it had gained both stronger organizational capacity as well as a larger operating budget (from the entertainment taxes levied on hotels and restaurants [Lim, 1979: 59-61]). This essentially meant that the STPB had become endowed with an unusually large operating budget. Income from the consumption tax was 6.6 million in 1971, expanding rapidly for every decade (see Table 2, section B). This enabled the organization to significantly direct the promotional drive by channeling a significant amount of its income to advertising overseas. The larger revenues also enabled the STPB to play a major role in the development of attractions in the city-state. The operative principles then as it is now, were to get more tourists, get them to stay longer and to spend more.

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While overseas advertising would generate an awareness of Singapore among potential visitors, it was essential that the promotional content had some basis in reality in terms of a range of interesting sites that will appeal to tourists. The first concerted attempt to make up for the lack of attractions in Singapore was to build them. The three largest themed attractions launched in the late 1960s and 1970s were Sentosa, a nearby island that was earmarked exclusively for leisure development, the Jurong Bird Park and the Zoological Gardens. With the passing of the Land Acquisitions Act in 1966, the state was empowered to acquire private property in the interests of national development. It moved rapidly at three fronts, the development of the suburbs for public housing, building industrial parks for the industrialization effort, and urban renewal to transform the inner city into a new central business district in the south and building the tourist belt (Orchard Road) in the north. The 1947 Housing Commission labeled Singapore a city of shop-houses. This image remained essentially until the 1970s, when the massive urban renewal wiped out this streetscape and replaced it with modern high-rise office buildings, shopping centers and hotels.

Appalled by the rapid destruction of the built environment, architects, through their associations and supported by the young middle class led the first wave of appeals against urban renewal in the early 1980s (Wei, 1993). The pro-conservation forces found an alliance with the Singapore Tourist Promotion Board in the 1980s, with its new strategy of developing heritage tourism. The Tourism Task Force Report released in 1984 highlighted the danger of urban renewal in eradicating the cultural heritage on inner city neighbourhoods and urged the preservation of Chinatown, advocating the STPB and the Urban Renewal Authority work together to develop a master plan for its restoration (pp.20-23). The report also identified Little India and Arab Street as historical areas with potentials as tourist attractions, and suggested that the planning experience of preserving Chinatown could be used in transforming these areas (pg.23).

While the 1984 Tourism Taskforce report (pp. 50-51) drew on the experience of the

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through the consumption habits of the new middle class.
Hong Kong Arts Festival and the Edinburgh festival to suggest to potential of cultural performances (ballets, dramas, Broadway-type shows) as a tourism draw, it recognized the weak arts infrastructure in Singapore. Nothing came of this suggestion until 1989 when the Advisory Council on the Arts was formed to examine the state of development of the arts. Among the Council’s brief was to assess the progress made in promoting the growth of the arts and to propose measures that will create a conducive environment for sustained growth in the arts (Advisory Council on Culture and the Arts, 1989, p.41) The Council identified two inter-related problems: the poor infrastructure for the arts and the lack of government support for the arts (Advisory Council on Culture and the Arts, 1989, 19-20).

In 1995, a new tourism strategy emerged when a joint publication by the Singapore Tourist Promotion Board and the Ministry of Information and the Arts (1995) proclaimed Singapore’s ambition to be a global city for the Arts, with strategies to develop a visual arts industry (auctioneering, art consultancy services) as well as to grow the performing arts. Such plans were to be made into reality by supplementing local development efforts with the use of financial incentives to attract foreign companies to set up bases in Singapore (STPB/MITA, 1995). This point is important because the arts strategy essentially roped in the Economic Development Board, a key agency for investment promotion that was primarily responsible for Singapore’s rapid industrialization by attracting multinational companies to use the city-state as a base for export-based production.

The STPB report on the Arts in 1996 provided a more specific argument for the development of arts tourism, namely in terms of:

(a) attracting a higher spending class of tourists and its associated multiplier effects;
(b) the possibility of using arts events scheduled during off peak periods as a way of generating traffic;
(c) that certain types of events, notably pop concerts are capable of drawing event-related tourism traffic from the surrounding region.
With the benefit of 12 years since the Government adopted the Council’s list of recommendations, the most significant results arising out of the Council has been the formation of a National Arts Council to direct the development of the arts in Singapore, the building of a new performing arts center which is almost completed, the development of rehearsal and working facilities to arts groups, and the increase in budget to the Museums to acquire and build up its art collection. Ho and Chua’s 1995 review of the development of the arts in Singapore pointed to the expansion of the Festival of Arts, the growth in local arts and drama groups and the development of two new museums.

Table 3, which provides some indicators of the performing and visual arts indicate fairly rapid growth after the formation of the National Arts Council in 1990 and increase in funding for the arts from the government, with the added boost supplied by the Tourism Board for arts tourism in the mid 1990s. The number of ticketed arts performances doubled between 1990 and 2000. A similar trend was observed for visual arts exhibitions. That the performing arts audience size grew more modestly from 721,539 to 857,892 is probably indicative of a regular theatre going crowd.

2.3 The Development of the Media Industry

By the late 1980s, Southeast and East Asia had grown a middle class capable of supporting pay television and media companies were scouting the region for locations from which to locate their production and distribution activities. The development of the media industry in Singapore, still in its infant stage, is a tale involving growing an industry with multinational companies and a tale involving the competition between two cities.

Hong Kong was originally the favoured location of the industry because the early development of the film industry had meant an available pool of technical and creative personnel, as well as a set of supporting industry services. The managing director of Media Asia, a Hong Kong production and distribution company pointed out that "you
“can’t just go to a school and clone 14 different TV producers. Most Asian markets lag behind Hong Kong by nearly two decades” (reported in *Asiaweek*, November 8, 1996).

The story of how Singapore lured away broadcasters from Hong Kong is a typical push-pull episode with governments as a key player. By the mid 1990s, China had already indicated that *Xinhua*, the state news agency, will control distribution of foreign financial and business news. The prospect of China exerting strong censorship on the local media made regional broadcasters consider alternative locations. The process of consulting China itself resulted in delays. James So, the Hong Kong Secretary for Recreation and Culture admitted that “the only drawback for broadcasters just coming here is that we have to consult China.. that can be a process. Some of the international broadcasters want to come in right away” (reported in *Asia Wall Street Journal*, Oct 31 1994). Broadcasters expressed frustrations of this delay. The Managing Editor of Asia Business News, one of the companies which migrated to Singapore pointed out that “Getting a license (in Hong Kong) to uplink looked like it was going to be difficult, if not impossible-certainly for the short term (reported in *Advertising Age*, Feb 20 1995).

In contrast, the Singapore government acted to develop a set of initiatives to attract regional broadcasters. This involved a number of significant actions besides the granting of tax incentives in the period of 1993-1995:

- The liberalisation of satellite uplink and downlinks in 1995. ST Teleport was the first company to be licensed to operate and provide the facility to users, while Disney was the first to have its own private up and down link license.
- 5 year broadcasting (uplink) licenses were granted fairly easily and rapid startup of between 4 to 6 months
- Help in the development of trained personnel in creative and technical fields
- Related businesses were also being attracted, including graphics, pre and post production work, teletext, data and audio services.
- Initial home demand was grown by government spending to wire up Singaporean households for cable.
I think the story of Hong Kong versus Singapore in the business of growing a broadcast industry is best summed up in the comment of one broadcaster reported in the *South China Morning Post* (August 28, 1994):

“The Hong Kong government said it wanted our business, and to be honest everyone would rather be here than Singapore. But when I dealt with the Government, I got the feeling they were not really interested in getting the business – they were not prepared to push on our behalf”.

The comment produced above clearly showed that Hong Kong had the first mover advantage in the region and at the time when companies were assessing their regional strategies, was still the favoured location. It was the politics in Hong Kong and the policies in Singapore that decided the outcome.

As a result a number of big American cable companies and regional players have located in Singapore: MTV, HBO, ESPN, Disney, Star and ABN. With these as “anchor tenants” Singapore has managed to grow an infant media industry cluster comprising of not only major broadcasters, but also companies that do pre and post production work.

3. Consequences

This brief history showed how efforts at developing the cultural economy is an outcome of three parallel developments, a growing services economy and need to keep professional class by improving quality of life; the move by the tourism authority to develop the arts tourism as a key strategy; and the growth of an infant media industry in Singapore.

How is this development received and what are the implications of this mode of production terms of the social relations and regulatory arrangements that this new form of production imply?
The announcement of the government’s ambition to turn Singapore into a global city for the arts was greeted with much enthusiasm by the press. The Asian edition of *Time* magazine (July 19, 1999) had as its cover, the headline “Singapore Swings” and essentially used the city-state’s growing arts and entertainment scene to describe a loosening up of the city-state.

But growing the cultural economy is not the same as developing manufacturing because of the very different ways production is organized and the consequences such cultural production has for society at large. Within this light, one can talk about cultural production and image-making of which there are three different but mutually reinforcing effects.

### 3.1 Status-reinforcing images

One theme that was developed in this paper relates to the development of the cultural industry for their ability to reinforce existing statuses at both the macro and micro levels. Thus, the development of art galleries, theatres and museums have this ability to both add to the reputation of cities. Just as Kotler, Haider and Rein (1993: 44) argue that professional sports team is a powerful image-generating mechanism, so is the attempt to develop art tourism. The arts infrastructure, particularly museums and concert halls are central elements in the imaging of cities. We know of many famous examples: the Lourve in Paris and the Sydney Opera House. That such activities add both to city revenues and social reputation of cities mean that city governments devote a lot of attention to their development. Eisinger (2000) argues that because leisure and recreational projects are expensive, the opportunity costs of alternative uses for such funds are high and therefore increasing the danger of rifts between economic partners on the on side and various community groups on the other.

Such “high” cultural activities also add the status of those who attend such activities and events. This was what Hughes (1998: 446) alluded to, when he remarked “signs and symbols associated with goods and services are identity-conferring and they are
collected and compared in order to differentiate social status”. Examining the evolution of high culture attractions in New York City, Kaplan (1996/97: 53) points to class consciousness combined with urban civic pride as key developmental forces. In so far as the performing arts become objects of status consumption, then its development is also welcomed by various population segments as a signal of the cultural development of the city.

3. 2 status-substituting images

In examining other facets of the cultural economy, particularly in media and music, one may begin to talk about a notion of “alternative production”. An local example of this genre and what it does to image-making can be glean from reviews of Eric Khoo’s film 12 Storeys, a collection of "funny, sometimes tragic, stories of unhappy families living in what seems on the surface like soul-less slabs of concrete" (Sandi Tan, film reviewer, Straits Times, March 31, 1997). Darren McDermott and Fara Warner, writing for the Asian Wall Street Journal (June 25, 1997) pointed out that "Though Eric Khoo and the film's producers deny that they set out to comment on Singapore society, they've nevertheless succeeded. Simply and elegantly, the film presents unadorned slices of life that challenge the myth of a people thriving on "Asian values," the catch-all phrase for moral uprightness popularized by Singapore elder statesman Lee Kuan Yew."

Besides winning the international critic's prize at the 1997 Singapore Film Festival, 12 Storeys had the honor of an invitation to the prestigious Cannes film festival and recently won the top award at the Hawaii International Film Festival (Straits Times, November 21, 1997). This film has been contracted to be shown in France, Japan and Hong Kong. Are cultural entepreneurs like film maker Eric Khoo an enigma for the Singapore government? In its quest to become the regional hub of the arts, Singapore has more recently moved beyond its role as a host for "world class" arts activities to the more experimental function of actively nurturing local talent. The recent comment by Koh Buck Song on Eric Khoo gives a nice introduction to the brave new world of nurturing creative arts talent:
"The movie will parade a side of the island that will never ever feature in a Singapore Tourist Promotion Board poster. But what strikes me as especially interesting is that, in an ironical way, Khoo's movie may even do more for Singapore's diplomatic relations... Like travelling Necessary Stage plays about dark themes such as social alienation, 12 Storeys and movies like it offer a different view of Singapore. The chief benefit would be to counterbalance the typical breast-beating and hard-nosed straight-talking picture that Singaporean businessmen, diplomats and tourists may project abroad...there is much to win back, from the ground lost because of the Republic's uninviting reputation for arrogance and self-righteousness which, some fear, is already entrenched in the minds of too many outsiders. Singapore may have the world's No. 1 port, airline, government, workers and what have you. But it also has prostitutes and pimps with their problems and perversions. And the Republic may not be No. 1 in arrogance after all, since it has no qualms about showing its warts to all the world to see, even as its movies hit No. 1 in a film festival here and there. (Straits Times, May 12, 1997)

3. 3 expressions of communal pride

Yet other modes involving heritage tourism and ethnic-based arts involve expressions of communal pride. Colin Hall (1992: 27) point out that ethnic-based arts events in particular allow for a focusing of identity and communal pride. In cities which celebrate multiculturalism and diversity, such grass-root efforts add to the cultural development of the city and its image.

A second level at which the cultural economy impacts society in ways which are different from manufacturing is in the relations of production. I have argued elsewhere (Ho, 2001) that labor unions historically played an important role in maintaining industrial relations in Singapore by facilitating a number of crucial changes such as wage moderations and upgrading. It will be interesting to analyze the relationship between state and “labour” in the cultural economy. To the extent that these are actively engaging in status and image substituting work out of ideological reasons (grounded in sub-cultural [e.g. music genres, gay lifestyles, etc] roots), then the relationship is highly
problematic. There was an early simple-minded attempt at “ghettorizing” the problem by creating a bohemian quarter. By the interesting for me as a sociologist is the unanticipated consequences of manufacturing fun, that is how the development of the cultural economy provides amplification of previously submerged sub-cultural groups, that the development of high culture involves an associated growth of alternate forms. As this is occurring without the development of mediating structures such as the unions, how this is resolved will in a large part influence the future texture of state-society relations.
Table 1: Contribution (%) of Major Sectors to Gross Domestic Product

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<tbody>
<tr>
<td>Manufacturing</td>
<td>11.6</td>
<td>24.1</td>
<td>23.6</td>
<td>29.5</td>
<td>25.9</td>
</tr>
<tr>
<td>Commerce</td>
<td>33.5</td>
<td>28.2</td>
<td>21.7</td>
<td>17.3</td>
<td>15.1</td>
</tr>
<tr>
<td>Transport &amp; Communication</td>
<td>13.6</td>
<td>10.8</td>
<td>14.0</td>
<td>13.3</td>
<td>11.4</td>
</tr>
<tr>
<td>Finance &amp; Business Services</td>
<td>11.5</td>
<td>14.5</td>
<td>19.7</td>
<td>28.0</td>
<td>27.1</td>
</tr>
<tr>
<td>GDP at Market Prices ($ billion)</td>
<td>2.15</td>
<td>5.81</td>
<td>25.09</td>
<td>63.67</td>
<td>143.98</td>
</tr>
</tbody>
</table>

Source: Singapore, Department of Statistics, Yearbook of Statistics 1990 (p.87), 1991 (p.85), 2000 (p.63)  

Table 2: Singapore Tourism Statistics

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<tbody>
<tr>
<td>Section A: Visitors Annual Arrivals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% from ASEAN</td>
<td>26.6</td>
<td>44.4</td>
<td>26.0</td>
<td>31.9</td>
</tr>
<tr>
<td>% Japan</td>
<td>7.1</td>
<td>12.2</td>
<td>17.4</td>
<td>12.4</td>
</tr>
<tr>
<td>% Taiwan*</td>
<td>2.8</td>
<td>2.3</td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td>% Australia</td>
<td>12.2</td>
<td>10.1</td>
<td>9.3</td>
<td>6.7</td>
</tr>
<tr>
<td>% UK</td>
<td>14.0</td>
<td>5.7</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>% US</td>
<td>14.5</td>
<td>5.8</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Length of Stay</td>
<td>3.9+</td>
<td>3.7</td>
<td>3.3</td>
<td>3.1</td>
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Section B: Tourism Board Income from consumption tax  
Overseas Advertising Expenditure+  

<table>
<thead>
<tr>
<th>Section C: Tourism Revenues</th>
<th>Total Visitor Expenditure</th>
<th>GDP share from Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visitor Expenditure</td>
<td>314.8</td>
<td>4.6</td>
</tr>
<tr>
<td>GDP share from Tourism</td>
<td>1,119</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>6,448.9</td>
<td>11.4</td>
</tr>
<tr>
<td></td>
<td>10,156.3(1997)</td>
<td>7.2 (1997)</td>
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</tbody>
</table>

Notes: * Figures for 1969 and 1979 includes China.  
+ STB Annual Reports on income and expenditure are based on financial year, which ends in March of the following year. The last column is for year-end 1995 and the overseas advertising expenditure is subsumed under a promotional and development expenses category.
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<tbody>
<tr>
<td><strong>Performing Arts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticketed performances</td>
<td>949</td>
<td>1,517</td>
<td>1,532</td>
<td>1,658</td>
<td>1,749</td>
<td>2,055</td>
</tr>
<tr>
<td>Attendance</td>
<td>721,539</td>
<td>798,929</td>
<td>845,201</td>
<td>705,142</td>
<td>821,698</td>
<td>857,892</td>
</tr>
<tr>
<td><strong>Visual Art Exhibitions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>203</td>
<td>295</td>
<td>208</td>
<td>273</td>
<td>399</td>
<td>520</td>
</tr>
<tr>
<td>Days</td>
<td>1,982</td>
<td>2,762</td>
<td>2,135</td>
<td>3,270</td>
<td>6,164</td>
<td>8,376</td>
</tr>
</tbody>
</table>

Source: National Arts Council
References


Press.


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Various years, Annual Report.

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National University of Singapore

Newspapers and News Magazines

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Rejuvenating a Cosmopolitan Culture: Globalization and Shanghai’s Cultural Industries

Weiping Wu
Virginia Commonwealth University

Often called the “crucible of modern China,” Shanghai entered the stage of modern commercial and industrial development in the second half of the 19th century (Wei 1987). Cultural activities associated with a modern-industrial society made their appearance early in the 20th century. During its golden age in the 1920s, with a population over 2 million, Shanghai was “a meeting ground for people from all countries, a great and a unique city, one of the most remarkable in the world” (Pott 1928, p.1). The incursion of western mercantilism into this semi-colonial city and the establishment of China’s first modern institutions of higher learning made it the financial and cultural center of the Orient or the “Paris of the East.” Ranked as the 7th largest city in the world in 1936, no modern Asian city from that period could “match Shanghai’s cosmopolitan and sophisticated reputation” (Yeung 1996, p.2).

While determined by economic forces, the formation of Shanghai’s urban culture in the early 20th century involved the growth of both socioeconomic institutions and new forms of cultural activities. Specifically, these new activities in modern literature, print culture, cinema, and theater were made possible by the appearance of new urban spaces and the influx of outsiders. A local tradition of easy acceptance to outsiders formed as the city opened its door to foreigners and a great variety of migrants from other parts of China. Scholars have argued that it was precisely because of this heterodoxy that Shanghai rose above a country of vast conservatism and became a great,
modern city (Lu 1999 and Lee 1999). Consequently, Shanghai itself offered a contrast of old and new, elite and ordinary, Chinese and Western—a unique cosmopolitan culture.

After 1949, however, the city experienced more than thirty years of neglect and disinvestment. Shanghai was one among a handful of Chinese cities in the early 1950s that had a functioning modern industrial sector, the supporting infrastructure and the necessary skills. Tightly controlled by the central government, Shanghai was the single largest contributor of the country's revenue and served as a major pillar of the planned economy (Wu 1999). Despite of its growing population, Shanghai was not able to upgrade its infrastructure and the city remained largely the same as in the 1940s. It was only after the success of reforms in south China that Shanghai finally embarked on a rapid path of modernization in the late 1980s.

Today Shanghai is again widening its lead over other cities, drawing on the largest and most diverse pool of talent in China and reserves of cosmopolitanism that survived three decades of cultural drought. As the country gradually opens up to the world, Shanghai is transforming its physical environment and renewing its external linkages while positioning itself to become a regional hub and eventually a global city. It also is receiving a tremendous influx of talent and labor from outside of Shanghai. Aiming to sustain the double-digit growth of the urban economy, Shanghai also has begun to use cultural industries as an instrument for economic development.

With a permanent population of 13 million and land area of 6,340 square kilometers in the metropolitan area, Shanghai is the second largest city in China (see Table 1). With a GDP of $49 billion, it has a per capita income of $3,712 (current dollars in 1999), a highly diversified industrial base responsible for 5.5 percent of national industrial output, and an expanding services sector offering agglomeration economies (Business China, 11 September 2000). The metropolitan area, governed by the Shanghai Municipal Government—equivalent to a provincial government because

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This population figure includes only registered permanent residents. An estimated 3 million temporary migrants, largely from rural China, also reside in Shanghai. In 1997, the city of Chongqing was designated as the fourth city with provincial status (Shanghai, Beijing and Tianjin had been the only three cities with such status). It is now considered to be the largest city in China measured by metropolitan population.
of Shanghai’s special administrative status—consists of 17 urban districts (10 of them are located in the central city) and 3 suburban counties. Continuing efforts of decentralization have offered district governments substantial autonomy in tax collection, budget allocation, infrastructure provision, and planning.

### Table 1. Indicators for Shanghai, 1999

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<table>
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<tbody>
<tr>
<td>Resident population (millions)</td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>1.29</td>
</tr>
<tr>
<td>1950</td>
<td>4.98</td>
</tr>
<tr>
<td>1960</td>
<td>10.56</td>
</tr>
<tr>
<td>1970</td>
<td>10.73</td>
</tr>
<tr>
<td>1980</td>
<td>11.47</td>
</tr>
<tr>
<td>1990</td>
<td>12.83</td>
</tr>
<tr>
<td>1999</td>
<td>13.13</td>
</tr>
<tr>
<td>Population density (persons/square kilometer)</td>
<td>2,071</td>
</tr>
<tr>
<td>Annual natural growth rate (%)</td>
<td>-2.3</td>
</tr>
<tr>
<td>Per capita income (US$)</td>
<td>3,712</td>
</tr>
<tr>
<td>Annual economic growth rate (%)</td>
<td>9.5</td>
</tr>
<tr>
<td>Unemployment (%)</td>
<td>3.1</td>
</tr>
<tr>
<td>Infant mortality (per thousand, 1997)</td>
<td>6.47</td>
</tr>
</tbody>
</table>


This paper intends to study the changing cultural map of Shanghai through exploring its demographic undercurrent, urban space, and cultural industries. Three key questions motivate the paper: (1) What is the historical context for the formation of a cosmopolitan metropolis in cultural terms? (2) What are the dominant municipal strategies to rejuvenate this cosmopolitan culture? (3) What are the socioeconomic and physical consequences of the revival process?
Historical trajectory – cultural institutions and urban space

First established as a fishing village in the tenth century, Shanghai became a county seat in 1074. Merchant families from nearby Ningbo (in Zhejiang Province) were instrumental in making it an integral part of the coastal trading system, and Shanghai grew steadily to become a regional commercial center. By 1853, it had surpassed Guangzhou (Canton) as China's premier trading city (Yusuf and Wu 1997). Modern industrial development commenced in Shanghai in the late nineteenth century. Banking and other producer services began taking root soon afterwards. At the same time, Shanghai also was the city where China's first modern institutions of higher learning were established, starting a tradition that has endured and flourished since.

Shanghai’s modern academic enterprise showed a hybrid culture from the start. By instituting an education designed to promote the nation’s cultural essence with foreign means, the new institutions straddled between conservative ideology of nationalism and pragmatic values of commercial culture. This also reflected the simultaneous rise of political parties and a commercial elite at the time (Yeh 1990). Amid the diversity, there were some shared values. Among them, one of the most significant aspects was the heavy reliance on English in almost all institutions, which widened the gap between urban and rural elite.

Shanghai’s hybrid culture and liberal tradition were in part attributable to its diverse demographic undercurrent. By the late 19th century, Shanghai was an exceptional Chinese city where natives welcome sojourners. This openness was indicated by a variety of dialects heard on the streets. The city seemed most receptive to those who spoke a Western language. Despite the apparent importance of foreigners in Shanghai, the growth of the modern city lay essentially in its attraction for the Chinese as the overwhelming majority of Shanghai’s residents had been migrants from other parts of the country (Lu 1999).

Sino-Western contact had in no small way shaped modern Shanghai. The typical response of Shanghai natives to material aspects of Western modernity followed “a pattern of shock, wonder, admiration, and imitation” (Lee 1999, p.6). Most of the facilities of modern urban life took shape after the mid-19th century, such as Western-
style streets (1856), electricity (1882), automobiles (1901) and tram (1908). By the 1930s, Shanghai was on a par with the major cities of the world.

Western influence was particularly significant in Shanghai’s architecture and urban space. The Bund—the famous area along the west bank of the Huangpu River, housed over one hundred financial institutions in neoclassical and Art Deco buildings (see Figure 1). As the center of colonial power and finance, it blended the older British styles and subsequent, new American construction techniques. Immediately to the west of the Bund was the commercial center of the city—Nanjing Road. By the early 20th century, high-rise buildings in Art Deco style resembling those in New York dotted the city and became symbols of wealth. A new height of urban development was achieved in the 1930s with the construction of more skyscrapers.

Figure 1. The Bund Today
While Western buildings flanking the Bund and along the major thoroughfares dominated Shanghai’s cityscape, most native residents including many artists and writers lived in a totally different world of alley compounds. Although a major international city and gateway to the world, Shanghai was a strange place where extraordinary wealth existed side by side with extreme poverty (Lee 1999 and Lu 1999). The real urban culture was the interplay of the traditions and customs that thousands of rural migrants brought into the city with the modern, Western aspects of urban life. However, in spite of the provincial lifestyle of many natives, Shanghainese were viewed as the most cosmopolitan people of China (Lu 1999). They were linked with a kind of sophistication obtained only by living in a complex city with a strong merchant character.

Other new forms of urban space came into being with this commercial culture and under Western influence, including department stores, cinemas, coffeehouses, theaters, dance halls, parks and racecourse (Lee 1999 and Lu 1999). These institutions were linked with leisure and entertainment and more accessible by native residents, while the high-rise buildings remained beyond the reach of the average Chinese. Together these places of leisure and entertainment, largely located in the foreign concessions, became the central sites of Shanghai’s urban culture. Many of these imported new forms of urban space also were integrated with elements of Chinese design. Some traditional Chinese architecture even survived, as shown in the authentic Chinese structures and garden of the old city just a short distance south of the Bund.

In general, Shanghai represented a higher culture. Specifically, the city embodied modern China’s commercial culture (Lu 1999). Commerce and commercial culture were no doubt intertwined, and commerce served as the primary motor of society. As a result, Shanghai’s urban space and cultural institutions were a powerful manifestation of the city’s commercial culture. This culture even penetrated the lives of ordinary people of Shanghai, whose pursuit of a better life through all means of commerce earned the city its fame as the land of opportunity.
Recreating the cultural environment

Entering the 21st century, Shanghai is a city competing aggressively for the mantle of China's premier metropolis and potential regional or global hub. Several types of function are commonly associated with global cities. These include finance, transnational corporate headquarter functions, global services, transport, information, a site for international conferences, exhibitions and cultural activities. Governments across the world have begun to promote the advancement of their key metropolises into regional or global hubs by acquiring some or all of these functions. Shanghai authorities have followed a similar path in preparing the city’s pathway to a global city.

Since the late 1980s, Shanghai has been undergoing an accelerated process of urban reconstruction, thanks to investment from both the central government and foreign investors. The nostalgia for its past economic and cultural glory has been renewed with vengeance. A number of large infrastructure projects have been completed, such as three bridges and two tunnels across the Huangpu River, an inner ring road, elevated north-south and east-west throughways, an elevated light rail line, and two new subway lines. The pace is something like building the Brooklyn and Manhattan Bridges in New York and the Lincoln and Holland Tunnels between New York and New Jersey all in five years (Wu 1999).

The transformation of urban space embodies both reservation and creation. The Bund is being rebuilt. A special agency has been organized to help relocate government departments in the historic buildings. Several of them have already been vacated and changed ownership. The old Shanghai Club, Cathay Hotel, Hong Kong and Shanghai Bank building, and other historic buildings of the early 20th century are being preserved. In another effort to rejuvenate the city’s commercial culture, Shanghai is in search of the defining commercial street, an emblematic boulevard that boasts the best in fashion, food and culture (Far Eastern Economic Review, 13 September 2001). After studying the celebrated French thoroughfare Champs Elysées, London's Oxford Street and Tokyo's Ginza, the city is now redeveloping a core running three kilometers along a fully-pedestrianized Nanjing Road and connecting to the Bund (see Figure 2).
The revival of Shanghai’s commercial culture also is evidenced by the creation of a new central business district (CBD), across from the Bund and on the other side of the river. The building of Pudong’s Lujiazui CBD has been guided by the long-term ambitions of the city and facilitated by an international consultative planning process. A host of financial institutions, corporate headquarters, as well as commercial and cultural activities are being housed there. The sleek, ultra-modern new skyline emerging from this CBD bears a remarkable resemblance to that of Hong Kong (see Figure 3).
The building of new cultural venues is yet another showcase of Shanghai’s drive to become not only the best in China but also to compete to be among the best in the world. Today the city boasts a new art gallery, an elegant museum for antiquities, a luminous $150 million grand theater, a new expansive conventional center, and one of the largest libraries in the world (Yin 2000 and “Art Rivalry,” *Time International*, 10 April 2000). A $200 million science center is close to completion and slated for opening in late 2001.

Hosting national, regional, and international cultural events has become an important instrument for the city to increase its visibility and influence. In 1998 when Shanghai held its seventh Television Festival (launched in 1986), more than 34 countries and regions participated with close to nine hundred entries. The Shanghai
International Film Festival, found in 1993, has joined the rank of well-attended international film festivals. Since 1987, Shanghai also has hosted the International Arts Festival five times. In addition, the city has held an Asian Music Festival, International Broadcasting Festival, and a series of International Fashion Cultural Festivals (Yin 2000).

**Renewing external linkages**

Helping Shanghai to plant industrial roots and cultural essence a century ago, foreign presence is now again a major force pushing the city ahead with systematic change. By 2000, the stock of utilized foreign investment reached US$50.1 billion, of which about US$9.7 billion involved technology imports (Shanghai Statistical Bureau 2001). The volume of foreign direct investment (FDI) has grown rapidly in particular, accounting for about three-fifths of all international investment in 2000. Because of its industrial depth, modernizing infrastructure, and skilled workforce, Shanghai has outpaced other Chinese cities in the race to attract FDI. A return on capital investment, 2 percent higher than the national average (8 percent) is an additional inducement.

To appeal to foreign investment and international businesses, several new industrial districts have been created since 1984. Special regulations comparable to those offered by other coastal provinces have been extended to these districts: tax exemptions for enterprises doing business with foreign companies for a limited duration, tax holidays for new factories set up with foreign investment, and exemption from import-duty for production materials used by these facilities (Wu 1999). To ensure broad-based future development, the city is also strengthening the industrial, science, and technology capabilities of the new districts. The existing stock of FDI and the quality of services is gradually strengthening Shanghai’s bargaining position vis-à-vis foreign companies, enabling it to press for joint ventures, local contracting and technology transfer (Yeung and Li 1999).

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2 For instance, FDI inflows to Shanghai in 1998 were $3.64 billion as against $2.06 billion in Beijing and $2.52 billion in Tianjin (Shanghai Statistical Bureau 1999).
Enhancing its external transport linkages has been a key objective of Shanghai. The new international airport that opened in September 1999 marks a significant step in the city’s long-term goal to become an aviation hub in the Asia and Pacific region.\footnote{The airport opened with a 4,000-meter runway and one terminal building, with an annual capacity of handling 20 million passengers and 0.75 million tons of freight. When completed eventually with the planned four runways, the airport will be able to handle 70-80 million passengers and 5 million tons of cargo every year \textit{(Shanghai Star, 19 March 1999)}.} Foreign airlines have responded to the city’s rising significance as a business center and the growth in airport capacity by increasing the volume of service. Since 1999, several new, non-stop flights have been added, including KLM Royal Dutch Airlines to Amsterdam, Austrian Airlines to Vienna, and China Eastern Airlines to Japan’s Fukushima. Shanghai now has non-stop flights reaching most of the world’s important urban centers.

Becoming a major cyber hub is yet another ambitious undertaking in Shanghai’s building of external linkages to help its integration with the world economy. A five-year key project with an investment of 500 million yuan (about $60 million) has been launched to integrate all the circuits and pipelines for telecom services into an underground broadband pipeline (\textit{China Daily}, 21 December 2000). Upon completion, this project will not only offer a strong backbone for the city’s development as an Internet-smart metropolis, it will also improve the aesthetic quality of the environment while reducing the number of accidents caused by open-air circuit poles and lines. Rapidly increasing Internet usage also facilitates the development of an Internet culture,\footnote{Second italics} as the city has already established some of the best large-scale information services for e-news, e-commerce, and e-education.

Since the early 1990s, Shanghai’s has been actively promoting investment in services, with the backing of the central government. The traditional face of the city’s food markets and department stores is being altered by international companies. Deals jointly financed by funds from Hong Kong and Taiwan are helping Shanghai to rejuvenate its motion picture industry, which gave the city the title of Hollywood of China in the 1930s. Recently a powerful animation company has been set up, with dreams of becoming China’s Disney and subsequent creation of the nation’s first
higher-learning animation program (“China Sets Sights on Animation,” Variety, 3 January 2000).

Similarly, Shanghai has been eyed by the global advising industry as the most promising center of operation or as the emerging “Madison Avenue of Greater China” (“Shanghai Booms as Center of Advertising Influence,” Advertising Age, 27 October 1997). From an initial rush in 1995, the city has attracted such heavy weights as Saatchi & Saatchi, Ogilvy & Mather Worldwide, and MaCann-Erickson Worldwide. These international players value Shanghai’s numerous consumers, creative talent, reduced costs, and tradition as a fashion center. But they still face entry restrictions imposed by government regulations, which are likely to dissipate after China joins the World Trade Organization.

**Strategies to develop cultural industries**

It is my belief that culture development of a city entails the creation of cultural institutions, new forms of cultural activities, the transformation of urban space as cultural media, and the growth of cultural industries. Scholars point to the rising importance of the cultural economy for cities in the era of globalization as the “real of human culture as a whole is increasingly subject to commodification” (Scott 1997, p. 323). Indeed, many global cities have caught on with this realization and capitalized the commercial value of cultural creativity. Shanghai, as an aspirant, is no exception.

During the early phase of its modernization program in the 1990s, Shanghai has recognized the necessity to link the economic and social benefits of cultural development. As a result, cultural industries are clearly characterized as a key to cultural development. Shanghai authorities divide cultural industries into three types: manufacturing, retailing, and services (Yin 2001). Cultural manufacturing includes publishing, audio and visual production, printing, toys and musical instruments, sports and crafts products, motion pictures, and art creation. Cultural retail activities refer to outlets selling art products, print/audio/visual products, flora and fauna, sports and

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4 The number of Internet service users increased from 3,347 in 1996 to 882,400 in 2000. See Shanghai Statistical Bureau (2001).
travel products, and antiques. Cultural services are defined as services offered by libraries and museums, television and radio stations, show business, theaters and entertainment places, sports teams, tourist companies and sites, amusement and other parks, art and performance schools, and art and performance management companies.

Table 2. Overview of Shanghai’s Cultural Industries

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total output (Y1,000,000,000)</td>
<td>28.18</td>
<td>35.32</td>
<td>37.86</td>
</tr>
<tr>
<td>Value added (Y1,000,000,000)</td>
<td>12.31</td>
<td>14.88</td>
<td>15.90</td>
</tr>
<tr>
<td>As percent of cultural output</td>
<td>43.7</td>
<td>42.4</td>
<td>42.0</td>
</tr>
<tr>
<td>Growth rate (percent)</td>
<td></td>
<td>17.7</td>
<td>7.1</td>
</tr>
<tr>
<td>As percent of municipal GDP</td>
<td>4.2</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Wages as percent of value-added</td>
<td>61.2</td>
<td>63.9</td>
<td>64.8</td>
</tr>
<tr>
<td>Breakdown of value-added (percent)</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Cultural manufacturing</td>
<td>25.8</td>
<td>28.0</td>
<td>22.8</td>
</tr>
<tr>
<td>Cultural retailing</td>
<td>9.9</td>
<td>8.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Cultural services</td>
<td>64.3</td>
<td>64.0</td>
<td>69.0</td>
</tr>
</tbody>
</table>


The three pillars of cultural industries currently include television production and motion pictures, publishing and printing, and arts and entertainment (Yin 2000). Their rise is based on several common features. They are all well endowed with investment and human resources. They also can derive large benefit from agglomeration economies and have promising market potentials. To sustain their growth and utilize their spillover effects, municipal authorities have implemented several new reforms. Personnel reform now links salaries with product sales, particularly in the motion picture industry. Through management reform, television companies now share the risks and returns of joint productions. More importantly, the
ownership structure of cultural establishments has been diversified, allowing for shareholding companies with state, collective, and private partners.

The publishing and printing industry has experienced accelerated liberalization and diversification during the 1990s. By 1999, the industry had attracted a total of $18.5 million in foreign investment with the establishment of 25 joint ventures (Yin 2001). Such investment also has brought advanced printing equipment and technology to help the industry improve quality and enter the global market. But many of the foreign partners in the joint ventures still control the technology and management and, as a result, limited progress has been made in improving indigenous capacity. In addition, they tend to be small companies and few large international players have participated.

The past decade, on the other hand, has not been very kind to Shanghai’s television production and motion picture industry. Its market has experienced unprecedented invasion by foreign movies and products. Satellite television stations have mushroomed across China and posed another competition for the industry. Exacerbating the situation is the large technological gap between the industry and its international competitors. Shanghai does not even rank high domestically in this respect, particularly in the use of digital technology. But given the importance of this industry and Shanghai’s old tradition, the city is pushing forward. Current strategies are aimed at increasing cross-province and overseas collaboration, attracting foreign investment, and upgrading production technologies. For instance, the city plans to make digital technology available to the industry and phase out analog television programs after 2006 (Yin 2001).

One key industry missing from Shanghai’s cultural spectrum is the fashion industry. As evidence from global cities shows, fashion industry can spearhead the urban cultural economy (Scott 1997 and 2000). Modern high tech apparel production is research and information intensive, and puts great store by design, type of material, quality and finish. Sophistication in design has a special importance and the application of computer techniques has raised the technological stakes. There is a continuous need to change weave, texture and appearance, which calls for an interaction between those who design and market, the makers of clothing and the manufacturers of equipment.
The business relies on speed of response to shifts in the market and the ability to deliver lots of the desired scale with a lead time of a few months. The trend also is towards greater capital intensity at virtually every stage including design and cutting.

Although not designed as a cultural industry, Shanghai’s fashion manufacturing has been receiving a great deal of attention and undergoing significant restructuring. Recognizing that survival depends on raising value-added, Shanghai’s producers are shifting to apparel and these now constitute 80 percent of exports. Municipal authorities also have designated apparel as a key part of the city’s urban industries to be promoted. To check the progress of this industry, the city has held the International Fashion Expo several times, in conjunction with the Shanghai International Fashion Cultural Festival (Shanghai Star, 7 May 1999). Through such events, the industrial leaders have become keen on the idea of developing more brand names to meet the growing demand. The large metropolitan market, China's most sophisticated, is a definite advantage as is the vertically integrated production system rich in skills of every sort. Old facilities, an ageing workforce, weak marketing skills and only the beginnings of an infrastructure to cope with design and marketing, are all troublesome handicaps.

Conclusion

There is now a renewed sense of cultural identity in Shanghai and a growing realization of a deep and solid foundation of Shanghai culture, with a tradition of assimilating outside cultures with an open mind (Lee 1999). The modernization program Shanghai has embarked on involves rejuvenating this vibrant culture. But the new generation is more alert of cultural trends outside of China and has a more ironic look towards them.

Compared to other major Chinese urban centers, Shanghai’s recent cultural development shows some unique characteristics. There is a strong emphasis on the scale and agglomeration economies of cultural industries, through the establishment of several large entities in audio and motion picture production, news media, publishing, and Internet services. But only a fraction of such economies has been fully exploited because of the persisting compartmentalization of industrial subsectors, a resilient
legacy of a socialist planning system now being displaced piecemeal by the market system.

Shanghai’s cultural industries, nevertheless, face a potentially rapid expansion. The market for cultural products and services appears to be the last untapped segment of China’s consumer market and its potential is yet to be fully comprehended. Cultural industries also rely much heavily on human and knowledge capital. As educational levels rise, the pool of creative talent will increase for these industries. Shanghai is in the vanguard of change in a number of areas, but the tempo of reforms needs to be sustained. In particular, it needs to nurture an internationally competitive cultural economy by attracting investment and talent widely.

Together, Shanghai’s cultural industries face a series of challenges. First, the scale of cultural production and services is small and, as a result, they cannot compete with large international players. There is not yet a state or private company that can provide a multitude of cultural products or has alliance with other urban industries. Second, much of the market is domestic and no significant entry into the global market has been attempted. The future for cultural industries is likely to be globalization, just as the trend observed by other industrial sectors. For such global cities as Paris and New York, the success of their cultural economies also has relied on global consumption. Last, but not least, as Shanghai’s cultural industries move steadily towards modernization and globalization, Western influence is clearly overwhelming Chinese traditionalism. Some old artistic and cultural forms are losing audience and slipping into obscurity. To truly rejuvenate the cosmopolitan culture so prided by Shanghai natives in the earlier 20th century, the city faces a daunting task of blending Chinese and Western to create a new, unique identity.

This new cosmopolitan culture also needs to reflect the customs and traditions of not only the 13 million Shanghai natives, but also the three million migrants coming from outside of the city. Shanghai’s early cultural glory has been based on its position as the melting pot for people from the “five lakes and four seas” (Lu 1999). Today, however, migrant interests and traditions are largely overlooked. Without the possibility of obtaining local urban residency, migrants have extremely limited access to Shanghai’s mainstream jobs and public schools. Low and uncertain income allows
them little opportunity to participate and enjoy the wide array of cultural activities in the city. To prevent social stratification and urban poverty, Shanghai will have to tackle the laws governing migration. Migrant talent can provide much of the human impetus for the city’s cultural development.
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Aiming for Hollywood in Asia: The Case of Pusan International Film Festival and Other Events

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Introduction

After the election of mayors took place since 1995, many Korean cities have been trying to promote cultural industries. One of the most common form of promoting local cultural industry is hosting festivals or events. The number of these festivals or events that supposedly made use of local uniqueness increased dramatically. However, most of these failed mainly lack of participation from the locals.

In this regard, the success of Pusan International Film Festival (PIFF) is a noteworthy phenomena. And it needs to be explored whether there is a link between local culture and the success. This paper examines the link by analyzing the characteristics of Pusan culture. Pusan culture will be contrasted from Seoul culture using the theoretical framework of Antonio Gramsci. Policy implications will be also presented.
Theoretical Approach

We start with Antonio Gramsci in understanding culture. His theoretical concepts are relevant to the discourse on “culture.” First, his concept of “ideology” encompasses “culture.” It is important to note that culture is broadly defined as “a way of life.” Boggs (1984: 60) argues that the Gramscian notion of ideology encompasses the whole range of values, attitudes, beliefs, cultural norms, and legal precepts that permeate a society. As a worldview, ideology guides the everyday lives of people like religion does. According to Gramsci (1971:367; Simon, 1982:58), ideology is equivalent to “a religion understood in the secular sense … a unity … between a conception of the world and a corresponding norm of conduct.”

Just like “culture”, Gramsci's notion of ideology is “socially embedded” due to the historical materiality Gramsci assigned to the term “ideology.” Simon (1982:58-60) argues that the Gramscian notion of ideology is not individual fancy, rather it is embodied in communal modes of living and acting:

For Gramsci, ideology is more than a system of ideas … Ideologies have material existence in the sense that they are embodied in the social practice of individuals and in the organization within which these social practices take place. These organizations include the political parties, trade unions and other organizations forming part of civil society; the various apparatuses of the state; and economic organizations such as industrial and commercial companies and financial institutions. All these bodies play a part in elaborating, sustaining, and spreading ideologies.

Second, his notion of “hegemony” helps one understand “who” is holding on to “what kind of” culture “why”. The term “hegemony” is derived from the Greek hegeisthai, which means “to be a guide” or “to be a ruler” (Pellicani, 1981:32). With this term, Gramsci sought to express the idea that the supremacy of one class over others can not be reduced to a relationship of mere coercion; on the contrary, the dialectic of
“dominant class – dominated class” is almost always based on a tight web of relationships that imply direction; in other words, it suggests the capacity of the upper class to satisfy certain objective needs of a society, such as legal administration, management of economic and administrative activities, cultural production, and elaboration of models of exemplary behavior (Pellicani, 1981:32).

A class or group in a society becomes “hegemonic” by making other classes and groups in a society to accept its ideology. Once an ideology has been accepted and internalized by the majority of the population, it appears as “common sense” (Gramsci, 1971; as cited in Boggs, 1984:161). According to Gramsci, the resilience of Western capitalism stems from the bourgeois leadership in civil society through organizations such as schools, the media, churches, trade unions and political parties (Salamini, 1981; Bellamy and Schecter, 1993).

There is an attempt to use this Gramscian notions in explaining culture and cultural industry. Francis Cassidy (1991) reports that youth culture influenced by popular music is breaching the consensus within society and threatening dominant ideology when it stretches society’s codes on sexual morals, dress and behavior. According to him, youth culture is important not only as it supports a highly profitable popular music industry but also for its role in supporting or challenging the ideological view of how society should be.

In line with this approach, this paper tries to understand local culture in Pusan as “anti-hegemonic” to Seoul culture. The characteristics of this Pusan culture and its relationship with cultural industries as represented by Pusan International Film Festival will be examined later.

**Local Culture of Pusan: “Openness” and “Resistance”**

One has to start with Seoul culture in order to understand Pusan culture. Seoul represents an “orthodox” culture from Chosun Dynasty (1392-1910) to the present. Seoul has been the political capital in Korea. In East Asia, the state has been the ultimate arbiter, and its
role in society has been pervasive (Douglass and Kim, 1997). Seoul’s orthodox culture was “Confucian culture” supported by high bureaucrats. Confucianism rose to the rank of a hegemonic ideology in Korea when the Chosun dynasty was founded in 1392. Supplanting Buddhism, which had been the official state religion of the preceding Koryo dynasty, Confucianism was used to legitimize the new Confucian elite (Ro, 1993).

Even though manufacturing and commercial activities were most active in Seoul, this city was mostly known for its bureaucratic power. To Confucian scholars, cities meant places for governance rather than money-making. Artisans and merchants were regarded with contempt as profit seemed to be their sole motivation (Won-Son Pak, 1986).

Yong-mo Kim (1976:83-4) reports that 52.8 percent of those who passed the main civil service examination during Chosun Dynasty (1392-1910) were Seoul residents, the rest coming from provinces. Higher educational institutes were monopolized by Seoul. All four accredited schools and the National Academy were located in Seoul (Yong-mo Kim, 1976:76-77). In addition, there was the practice of providing the descendants of ministers with the privilege of applying for the main exam without passing through the preliminary exam (Yong-mo Kim, 1976:83).

In contrast, Pusan’s culture during Chosun Dynasty can be characterized as being “popular” and “resistant.”. The city’s culture was commercial rather than bureaucratic. With natural harbor and being located close to Japan, Pusan has been the point of trade with Japan. In fact, Pusan was the only contact point to the outside world except China. Japanese were considered by Koreans as “barbaric” from the Confucian world order. However, trade with them was allowed in a limited manner as Japanese turned to pirating when the trading was restricted. Pusan port, which opened in 1423, was one of the three ports opened for the trade with Japan. Pusan was the only place where Wei Kwan (which literally means “Japanese Quarter”) was established. Wei Kwan was a place for various functions such as entertainment, trade, lodging and negotiation of diplomatic relations. Japanese maintained their lifestyle in Wei Kwan, making the place “little Japan”.

The interaction with Japanese took place at more informal level. There is government report on Japanese illegally flirting with local women in entertainment

“Resistant” culture of Pusan is best represented by “field play” in Pusan during Chosun Dynasty (1392-1910). Field Play in Pusan are Korean version of folk opera performed in the field with the theme of mocking ruling Yangban (bureaucrat-scholar) class. There were two styles of field play in Pusan. “Dongnae field play”, which is started in current Dong-nae district of Pusan about 120 years ago, mocks Yangban’s immorality (Dongnae-Gu, 1985). “Suyoung field play”, which is started in current Suyoung district of Pusan about 200 years ago, goes to the extreme. In the play, a monster which came down from heaven eats up a Yangban (Steering Committee of Namgu Ethnography Publication, 1985).

The “open” character of Pusan as compared to Seoul is being brought to the fore after the independence from Japanese colonialism in 1945. Especially from the 1960s to 1980s, Seoul led the new “orthodox” culture in Korea. Those who promoted this culture were bureaucratic elite educated in prestigious universities located in Seoul.

Western culture represented by opera and classical art is being promoted most vigorously in Seoul. The restoration of Korean traditional culture was centered around the capital as well. The creation of new orthodox culture formulated from the above two different sources was resulted from the nature of nationalistic modernization process during Park Chung Hee regime. In short, the “orthodox” culture in modern Seoul was maintained by new bureaucrats.

Popular culture was severely censored by government-influenced TV broadcasting stations in Seoul. Especially, foreign mass culture was regarded as threatening the very existence of the national identity by spreading individualism, immorality, and political resistance from the influence of Western democracy.

Modern culture in Pusan shows more popular nature from that of Seoul. Those who are far from being bureaucratic elite flocked in Pusan. As a modern port city developed under the Japanese rule, many laborers moved into Pusan looking for manual jobs. Just after the Japanese colonialism, expatriates from Japan once composed of one
fourth of Pusan population (Seung-kuk Kim, 2000). During the Korean War, Pusan was the last stronghold against the Northern invasion packed with refugees from other parts of the country.

From 1945 to the end of the 1950s, Pusan was practically the only place where Japanese goods and culture are introduced. Due to bitter historical experiences during the Japanese colonialism (1910-1945), the central government banned all Japanese goods and culture. However, Pusan citizen could hear Japanese radio music and watch Japanese TV programs due to the city’s proximity to Japan. Widespread smuggling was bringing in not only Japanese products but also the country’s culture as well. This ban on Japanese goods and cultural products began to be lifted in a slow manner since the 1960s.

This open and mass-oriented culture might have affected the “resistant” political activism of the city. As mentioned earlier, bureaucrats in Seoul were afraid of mass culture from the West due to its element of political resistance and lack of patriotism in mass culture from the West. Most of the time after the independence in 1945, Pusan remained a strong oppositional stronghold. Mass protests in Pusan has facilitated the downfall of several politically oppressive regimes in Korea.

“Open” and “resistant” Pusan culture in the past and present can be regard as “anti-hegemonic” to the Seoul culture. As mentioned earlier, Seoul culture is basically set to serve the interests of the high bureaucrats in the capital. How much this Seoul culture has been supported by the general public is a difficult issue. However, Pusan residents have found that this hegemonic culture is not mostly responsive to the local needs and developed Pusan culture that contradicts the official culture.

The “open” and “resistant” Pusan culture can be proved by empirical data. According to a national survey by Joongangilbo, one of the major daily newspapers in Korea, Pusan and surrounding Kyungnam residents showed the highest score on “openness” (as cited in Seung-kuk Kim, 2000:179). In 2000, Pusan Development Institute conducted a survey on Pusan intellectual leaders in the field of academics, media, arts, education, and citizen movement. When asked to pick the local culture of Pusan, “openness” was chosen as number one. “Resistance” was the second (Pusan Development...
“Open Culture” in Pusan and Success of Pusan International Film Festival (PIFF) and Other Events

The link between local culture and pop-culture industry is a subject seldom discussed. The case of film industry is a especially interesting subject. Hollywood’s success as the Mecca of film industry may not be all attributed to mild weather and diverse physical terrain. It may have to do with the “open” culture of California as the destination of continued in-migration from diverse origins.

Before linking local culture and cultural industry in Pusan, we first mention the Success of PIFF and other events. PIFF was started in 1996 as the first international film festival. PIFF has direct link with the introduction of local autonomy in Korea as the mayor of Pusan elected in 1995 was also the head of the PIFF committee. The first PIFF in 1996 showed 173 films and had 184,071 audience (Pusan Metropolitan City, 2000). PIFF has been considered to be a success not because of the number of audience but also as it introduced promising Asian film directors (Pusan Development Institute, 1998). The fifth PIFF was held in 2000 attracting 181,708 audience and 300 foreign guests. Pusan Promotion Plan (PPP), which is an open market for films, was held together with the total of almost 250 meetings (Pusanilbo, 2000). One of the successful cultural events other than PIFF include Pusan International Rock Festival (PIROF) which started in 1997. According to the official homepage (www.pirof.com), the festival is the biggest international rock festival in Korea. In 2000, the festival drew half a million people.

PIFF has been bringing economic benefits to the city of Pusan. In case of the fourth PIFF in 1999, it brought about 1.8 billion won (about 14 million US dollars) to Pusan economy. The festival is also estimated to have produced 631 jobs in the year (Pusan Metropolitan Government, 2000).

Without “open” culture of Pusan, the success of PIFF would have been impossible.
As most of the films are foreign, audience in this kind of international film festival needs to be prepared for cultural differences. In fact, Pusan had a rich history of film industry. In 1923, the first cinema-making company was established in Pusan. There were 9 theatres in Pusan during the colonial times. In 1947, the first film-related association was formed in Pusan. In 1958, cinema critique association was established. From 1958 to 1973, Pusanilbo (a local daily newspaper) hosted a film festival which was considered to be the most prestigious in Korea (Seung-kuk Kim, 2000). This “Buil film festival” has a significant historical meaning as the festival is privately sponsored in the midst of the low economic standards during the time.

Considering these historical facts, Pusan’s open culture along with its mild weather and diverse physical terrain had a magnetic nature for film industry. The present concentration of film-related industries in Seoul may be the result of bureaucratic control over media industry by Seoul bureaucrats since the 1960s along with Seoul-oriented higher education system.

In this regard, the fact that PIFF started right after the beginning of the local autonomy and its success may imply even more promising future for film-related and other popular culture industries in Pusan. Pusan Film Committee is promoting Pusan not only as a place of film festival but also as a place of film-making. With the all-out effort of the committee and Pusan Metropolitan Government, many including foreign films, are being shot in Pusan. By June 26th 2000, 22 films were being shot or expected to be filmed in Pusan including “2046” which is a science-fiction movie directed by famous Asian director Wong Kai-Wai. Pusan Metropolitan Government is also going to build a studio that can develop and print films.

The fact that Pusan is arising as one of the most preferred shooting spot in Korea again shows the link between Pusan citizens’ favorable attitudes toward popular culture and development of film-related industry. Helping directors shooting film means some citizens bearing inconveniences and sometimes financial loss from the blocking of roads etc. An elected mayor cannot provide this kind of service to the directors if without the consensus from the citizenry.
Table 1. Basic Information on Pusan International Film Festival

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Guests</th>
<th>No. of Films</th>
<th>No. of Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st PIFF</td>
<td>1996</td>
<td>224</td>
<td>173</td>
</tr>
<tr>
<td>2nd PIFF</td>
<td>1997</td>
<td>450</td>
<td>163</td>
</tr>
<tr>
<td>3rd PIFF</td>
<td>1998</td>
<td>659</td>
<td>212</td>
</tr>
<tr>
<td>4th PIFF</td>
<td>1999</td>
<td>835</td>
<td>207</td>
</tr>
<tr>
<td>5th PIFF</td>
<td>2000 (Only foreigners)</td>
<td>300</td>
<td>209</td>
</tr>
</tbody>
</table>

Sources: Pusan Metropolitan Government, 2000; Pusanilbo 2000

We argue that in order for an event or festival to be a successful local industry, two conditions need to be fulfilled. First, local culture should provide rich soil. Second, the uniqueness of a locality, whether revealed or hidden, should be utilized. These conditions are important in the age of fierce competition between localities trying to promote similar cultural items into cultural industry by holding events or festivals.

The success factors of Pusan International Film Festival are as follows. First is Pusan’s open culture. Second is Pusan’s “film-related” historical background. Third is the enthusiasm and participation of citizens. The reason why other film festivals in Korea hosted in Buchon, Jeonju, and Chunchon have not been as successful as PIFF has something to do with lack of citizen participation. Fourth is the city size. From the experience of PIFF, one can learn that a city hosting such festivals needs to be big enough to accommodate participants and tourists from domestic and abroad. Fifth is the municipal support. The current mayor of Pusan is also the chairperson of PIFF organization committee. Sixth is the capable workforce. In case of PIFF, talents were scouted from outside rather than being filled from within using personal connections in Pusan. The chair of the steering committee, programmers, and specialist staffs were all recruited on the competitive basis. It means in order for a cultural industry to have competitiveness it has to maintain first-class workforce.
Issues and Policy Implications

There are two issues concerning the link between local culture and promotion of film industry in Pusan. First is the question whether PIFF is draining out Pusan’s open culture or reinforcing this resource. The source of PIFF’s success is “open” local culture that seems to be “anti-hegemonic” to bureaucratic Seoul culture. What is important is that Pusan Metropolitan Government and local opinion leaders recognizes this. “Open” culture in Pusan is in line with “multiculturalism” that is considered to be an important future assets for East Asian cities by Douglass and Kim (1997).

Unfortunately, not many civil servants or opinion leaders in Pusan seem to recognize this. There is hardly a voice of celebrating “multi-cultural” demographic composition of Pusan. Rather, worries and discomfort over Pusan made up of migrants from different part of the country and flocking-in of foreigners are rampant. Efforts to find the cultural identity of Pusan from indigenous past history is stronger than attempt to locate Pusan identity from interactions between diverse population, foreign or domestic.

Second is the question of what the “anti-hegemonic” nature of Pusan culture will be when the hegemonic culture in Seoul is fast changing. Hegemonic culture based in a locality is always on the change. In this sense, “being orthodox” has a double meaning of providing a standard cultural form to be followed and being in the centerpoint of cultural change. Since the 1990s, globalization has been a keyword among high bureaucrats in Seoul. After the financial crisis in 1997, more dramatic change has taken place as bureaucrats in Seoul became vanguards in accepting the US business culture. Spatial change in Seoul reflect this. The Southern part of Seoul is becoming more like Manhattan with headquarters of multinational corporations, dot-com companies, and Starbucks coffee shops.

“National modernization” culture in Seoul is rapidly transforming into “multinational globalization” culture. The “openness” of Pusan culture is losing its distinctiveness and anti-hegemonic character. In other words, the cultural capital of Pusan for film industry may be losing out its competitiveness.
Policy implications for Pusan related to the issues raise above are as follows. First, Pusan needs to promote multiculturalism and apply it to the day-to-day operations of city life. Finding out the its strength in cultural capital and capitalizing on it usually makes the best city development strategy. The bottomline of commercial culture is doing business with anybody with money. What is needed is the declaration of multiculturalism as Pusan identity and its actual implementation in the field of language, education, and culture. This broad-based approach will further enhance the potential of Pusan’s cultural industry best represented by PIFF.

Second, Pusan needs to identifying what its new anti-hegemonic character can be. As mentioned earlier, anti-hegemonic culture in Pusan appears when hegemonic culture is not responsive to the local needs. The current Seoul culture is also set to mostly benefit Seoulites. Almost all the multinational headquarters are established in Seoul. Maybe, a new anti-hegemonic character of Pusan can be “being Asianness.” PIFF, by focusing on Asian films, actually proved the point. Pusan needs to intentionally nurture its own culture that does not automatically follow Seoul’s. The natural location of Pusan is that of a trading point relaying goods and services between Japan and China. Pusan citizens’ deep-down antagonism toward Japanese, which actually runs in the blood of almost all Koreans, needs to be dealt with more practically. City infrastructure including signage needs to be geared to needs of those Asians. This will give Pusan cultural industry a charming character in addition to multiculturalism.
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Strategic Approaches for Sustainable Cultural Development in Cities

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An ugly-looking tree, which is not useful as timber, can avoid the attention of merchants and thus survive. Because of its non-usefulness by economic standards, it provides a shade for people and a shelter for birds.
—rephrased from a story in Zhuangzi—

This paper aims at developing strategic approaches to attain sustainable cultural development in cities. The term ‘sustainable cultural development’ is intentionally used to resolve two fundamental dilemmas associated with cultural strategies or planning in cities. The first is related to the dilemma of culture between self-reliance and instrumentalization. The second is more concerned with the way that local culture is manipulated for economic purposes, whether the manipulation is draining cultural resources or enhancing them. These two dilemmas are interrelated because one’s view on culture will determine the approach to the manipulation of culture. The position taken in this paper is that cultural strategies should be formulated in terms of human and community development rather than economic development alone. Furthermore, the manipulation of culture should be carried out under the strategic purposes for enhancing and expanding cultural resources rather than distorting or wasting them.

The paper will discuss first the concept and types of cultural resources or capital together with the meaning of ‘local.’ Then, the paper will review the

1 Britto Henriques and Thiel (1997) describe two types of approaches: culture as a commodity approach and culture as the bed of economy.
characteristics of major cultural strategies and the way cultural capital is manipulated in those strategies by taking a brief survey on several cities in Europe, the U.S. and Asia (although this part has to be greatly expanded later on). The next section of the paper will introduce a few key elements in strategic approaches. In the final section of the paper, a community-oriented strategic approach is sketched out for further discussion.

1. Cultural Capital

In using the term, ‘cultural capital,’ I do not buy the economistic notion of culture assuming the subsidiary position of culture to economic development. I use this term simply because of the lack of better terms (cultural endowments, resources or assets are alternatively used). I adopt the view that the culture and creativity derived from it are essential in and for themselves. As creative artistic work does not necessarily occur in pursuit of certain objectives including economic profits, cultural activities or assets need not be judged by the criteria of productive values. New ideas and designs created by artists can be used for economic purposes, but they do not presuppose the instrumental use of them for other purposes. By cultural capital, we may refer to three different things.

1) The first refers to the cultural milieux of production as discussed in the industrial sociology. Embeddedness and trust are key concepts in the analysis of the milieu. Scott (2000) in his discussion on the culture economy of cities focuses on this referent of cultural capital. What he refers to is essentially the institutional infrastructure, the core of which is made up of the specialized apprenticeship programs, schools, training establishments, workers’ association, professional associations and so on.

2) The second refers to the material and visual attributes of city, i.e., architectural landmarks, museums, theaters, streetscapes, historical heritage, etc. Oftentimes, these artifacts become part of place marketing strategy. In this sense, cultural capital is equivalent to the fixed capital of a city.
3) The third refers to the cultural tradition or ambience of a city. Cultural diversity, lifestyle, and tradition may become a factor constituting cultural capital. This is perhaps the most difficult element of cultural capital, which cannot be easily translated into variables for policy actions. Nonetheless, it is cultural diversity (or heterogeneity) that makes cities innovative, dynamic and enduring (Kim 1997; Eisenstadt and Shachar 1987).

2. The Meaning of Local Culture

Whether selling places or promoting culture industries in cities, culture is manipulated. As Kearns and Philo (1993) note, “this manipulation depends upon promoting traditions, lifestyle and arts that are supposed to be locally rooted.” In other words, authenticity is emphasized. The question arises how authentic these local cultures are. For example, if a local heritage like traditional music or ceramics were employed for manipulation (which is perhaps most easily identifiable), the sense of the local would be too restrictive (Frith 1991). If we depend too much on material local heritages, a local culture means not real ways of life but the reconstructed ‘local’ culture in the reified locality by the people (e.g., city administrators) who manipulates a local culture. More fundamentally, we can raise a question, as Frith does, whether culture has a locale—a place where it is enacted— or a locality—a place to which it is confined. Even though we may not have to be too concerned with Frith’s conclusion that culture has a locale but not a locality, we should be aware of the fact that the manipulation of a local culture may breed a false sense and a particular view of locality.

A related and more difficult issue is cultural representation (Zukin 1995; Kearns and Philo 1993). As Kearns and Philo (1993) note, “the manipulation of culture can give rise to tensions and potential conflicts, given that many people within a place may feel that the cultural materials drawn upon by the place marketeers are inappropriate.” The situation gets more complicated when there are several different visions of local culture by class, gender or ethnic group.
3. Cultural Strategies and Objectives

The three types of cultural capital, either singly or in combination, are often employed for local economic development, social cohesion and integration, and the promotion of cultural democracy or development (Tukianen 1999). Cultural events and festivities often use local tradition and heritages to enhance a city’s profile. Even though they may bring some benefits to the urban economy, these events and festivities often do not justify the costs incurred and do not contribute much to the enhancement of cultural capital in a city.

Culture industries, which heavily rely on the first type of cultural capital (industrial milieu) and partly the third type of cultural capital (cultural ambience), if properly promoted, directly contribute to economic development of a city by providing jobs and promoting new forms of work. Whether they will enhance social integration or cultural development are not a priori clear. Nonetheless, there is no special reason that promoting culture industries will not enhance the cultural capital of a city.

Provision of cultural infrastructure and direct funding to arts education and cultural activities may bring indirect benefits to economic growth but not necessarily serve the goal of economic development. Instead, these more conventional forms of cultural policy are geared to the purposes of social integration and cultural development.

Place-marketing entails events, industries, and infrastructure (property development). It attempts to use or create principally a look or make-up of a city (the cosmetic side). The manipulation of culture, mostly the second form of cultural capital, is done to attract capital and tourists. Place-marketing thus directly serves economic goals. And yet one may argue that it will serve the goal of social integration by improving the quality of the urban living environment (van den Berg and Braun 1999). There are, however, criticisms on the distribution effects of place-marketing, which are often skewed to property developers, tourists, and the local middle classes (Basset 1993).

Cultural strategies aimed at cultural democracy and development acknowledge

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2 Unlike the US, social cohesion and integration is an important goal in European urban policies (EUROCITIES website; Kearns and Forrest 2000).
the value of cultural activities for their own sake, independent of economic development. The rationale for public support and investment in cultural capital is based on the constructive, constitutive and creative role of culture. In other words, the benefits of cultural development are seen in human terms rather than economic terms (Palmer 2000). In addition to the life enhancement role of the culture, this type of cultural strategy provides an opportunity for local citizens to participate in critical cultural discourses, which Basset (1993) thinks the most important goal of cultural strategies.

### 4. Types of Cultural Policies and Intervention Targets

I have reviewed several strands of cultural strategies in relation to the principal goals of policy intervention. Depending on the goal of cultural policies, we can reclassify those strategies into two broad types: cultural industry policy and cultural subsidy policy (Frith 1991). Cultural industry policy can be distinguished from cultural subsidy policy. Cultural industry policy is geared to support a contemporary, technology-based, popular culture, whereas conventional cultural subsidy policies are designed to support more traditional forms of culture like dance, classical music, opera, the visual arts, theatre, and literature. Although these traditional art forms tend to cater the need of the elite rather than ordinary people, they are not necessarily excluding ordinary people as Frith (1991) argues.

Cultural industry policy, on the other hand, is particularly concerned with mass production of consumer products containing cultural contents. Obviously, a certain sort of artistic excellence is not pursued but the means of production and distribution are the focus of the policy. In this sense, culture industry policy is a form of industrial policy. However, there exists a boundary problem—what are and what are not cultural industries? Garnham (1987) adopts three criteria of commodification, the employment of reproduction techniques, and the use of technology. In addition, the creation of culturally significant symbols and movements is commonly accepted as the crucial characteristic of culture industries. Even with this definition, it is not easy to define certain industry as a cultural industry or not because products are located in a
continuum of cultural content.

Regardless of policy goals and types, cultural policies can be distinguished by major intervention targets they aim at. These targets can be people, products, and places. Thus, cultural strategies can be reclassified by their main target, i.e., whether they are people-oriented, product-oriented or place-oriented.

4.1 People-oriented strategies

These strategies are more attuned with the view of culture emphasizing human development. Promotion of human capital is the major objective of people-oriented strategies. These strategies may take a different focus depending on whether it targets principal producers of arts and cultural labor or consumers and ordinary people. When the focus is on the former, the strategy may take a form of cultural subsidies and funding for artistic and cultural activities like supporting an orchestra. Cultural classes and workshops serve directly local consumers and they are obviously expanding an access to cultural activities. Another version of producer-oriented strategy would be to provide workshops or training schools for artisans. In this case, the people-oriented strategy can serve both goals of human development and economic development. Therefore, the people-oriented strategy is not in conflict with an instrumental view of culture.

4.2 Product-oriented strategies

As Scott (2000) observes, there is no denial that the talents, imagination, and disposition of the individual cultural workers are the basis of creativity and innovation in the culture industry perspective. The culture industry perspective, nonetheless, emphasizes more networks and institutions through which individual cultural workers are mobilized and channeled. Hence an industrial milieux of a city becomes an important factor for culture industry production. But this industrial milieux is more or less industry-specific or product-specific. As the economic geography literature suggests, an industry cluster or agglomeration, a pool of skilled workers and the associated social environment in
which a particular industry cluster is located are the three critical features of success. The examples of jewelry and film industry discussed by Scott (2000) illustrate this very well. The emphasis on cultural products—film, fashion clothes, jewelry, etc. can take several lines of intervention as explained by Scott. They include public investment in technology and design centers to provide agglomeration-specific services, provision of adequate instructional institutions to serve the local industry, some forms of collective action to help build degrees of trust, to overcome barriers to cooperation, and to forge effective convention of business practice, and private and public assistance to problems of small specialist producers like raising capital, gathering information, and providing critical services.

As much as culture industry promotion strategy depends on human resources, product-oriented strategies are overlapping with people-oriented strategies. The difference, however, lies in that the primary goal of the product-oriented strategy is profit making even when they adopt measures to focus on human resources.

4.3 Place-oriented strategies

Place-marketing aims at attracting capital and enticing tourists to visit a place. Both of these goals tie in with the attempts that localities virtually everywhere are making to secure inward capital investment and tourists. Obviously, place-marketing anticipates local job creation and hence local economic development. Place-oriented strategies often involve property development—heritage-based development and waterfront development. They also promote events and exhibitions that sometimes have no necessary associations with the places concerned, as in the cases of Singapore and Busan. Imported mega-events in Singapore, in spite of their success, are questionable in terms of the benefits to the local population. As Chang (2000) discusses, these events create an image of Singapore as a borrowed city for the arts. In the Busan’s case too, it is doubtful whether the Busan International Film Festival contributed to cultivating local talents in the film industry or the event industry.

Place-oriented strategies and especially those led by property development use physical space as both a means of production and the raw material of cultural
production. In this latter respect, the place-oriented strategy is a sort of cosmetic policy (Frith 1991). Culture is treated as a sort of urban make-up, to be invested in because it helps a place seem attractive. These make-ups or looks are not something trivial according to Scott. The distinctive cultural look or feel of Los Angeles is one of the city’s decisive economic assets (Scott 2000). Creating a cosmopolitan look and ambience is exactly what Shanghai wants to achieve (Wu 2000).

Cultural infrastructure is another category of the place-oriented strategy. Cultural infrastructure provision such as museums, galleries, theatres, libraries, and so on can be thought of as part of place-oriented strategies. These cultural infrastructures, however, are conducive to the cultural development of the local population (not exclusively though). In this sense, they are both people and place-oriented.

5. The Question of Locality and Sustainability in Strategic Approaches

As defined above, we need to consider carefully about the points of intervention in cultural strategies. The key question in the formulation of cultural strategies is how we can resolve the issues of locality and sustainability. Let us first take a look at the locality issue.

The industrial sociology and economic geography literature stresses the importance of place. Embeddedness in or attachment to a place is said to be a characteristic that makes a place special. As Scott (2000) describes, place attachment occurs when those professional communities of a particular industry act as active hubs of social reproduction in which crucial cultural competencies are maintained and circulated. In a strict sense, it is not a place but a community that sustains and nurtures cultural capital. We need also to keep in mind that it is the community that really matters in cultural policies. But a community is often anchored in a place. In this respect, a community is not completely separable from a place. Even though a virtual or cyber community is possible in this internet age, we do not expect that social trust or cultural capital can be created through a cyber community.

If one accepts the view that a community is place-based, then the people-
oriented strategy may undermine the place or the locality to the extent that people are mobile. Considering the high mobility of artists, athletes, designers, performers and writers, investment in people whether in the form of education and training would be a losing proposition for the locality. On the other hand, if a locality (e.g., city administration) adopts a product-oriented strategy, it may contribute to skill and knowledge development of workers in a specific industry. But the benefits to a community are indirect, i.e., through job creation or income generation by the industry. The product-oriented strategy may also take technology or marketing as a focus. The impact of such a strategy would then be very limited to the industry and a particular class of consumers, who could be non-local. On the other hand, a place-oriented strategy, even though they may not be related to local cultural capital, i.e., talents and industrial environment, can bring economic benefits by attracting capital and tourists.

The locality question is related to a more fundamental question—the sustainability. Like the question raised by Boulding (1991) in his discussion on environmental sustainability, we can ask ourselves what we want to sustain in a cultural sphere. Is it an idea or artifact? Given the tendency among local leaders to believe that a place has more enduring and visible attributes than people or products, the place-oriented approach is more likely to be adopted. Hence, artifacts tend to become an object to be sustained. In brief, the second type of capital—the material and visual attributes of a place—is likely to be expanded. This may, however, contribute to the creation and maintenance of cultural ambience (especially the cosmetic side) of a place. What are neglected in this line of intervention are ideas and spirits, which are sources of creativity and innovation in a place.

The product-oriented strategy, in contrast, is more attuned with ideas. It is a product that embodies ideas. Whether traditional silk products or modern videos, products carry technological and cultural contents and sometimes ideologies, under which they are produced. The success of Hong Kong’s Kung Fu movies across Asia does not suggest, however, that ideas contained in the movie should be sustained. In other words, public support for production technology or marketing of Kung Fu movies

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3 Dix (2001) raised the same question in a recent conference on culture and sustainability in cities. If we end up with artifacts, we then may make cities museums. Certainly, this is not what we want.
is not justified by the criterion of cultural sustainability. Furthermore, ideas and attitudes change. Hence, we are not able to pinpoint what ideas we want to sustain. This dilemma is acute in some cities where tradition is to be promoted. Oftentimes, what they end up with is holding on to frozen ideas and stuffed tradition that are unrelated with the living culture. These pitfalls of the product-oriented strategy must be carefully considered in strategic approaches.

The people-oriented strategy has advantages over place- or product-oriented strategies by avoiding the traps of reification of place or product. Nonetheless, it has a weakness in terms of place-attachment. People can move from one place to another. Some of them like transnational citizens may not have a sense of belonging to a particular place. But many people remain attached to a place. They live, work and play in a place-based community. Regardless of the degree of attachment to a place by different groups of people, it is communities, which carry and develop collective identities and traditions. They also provide a social environment that produce and maintain individual creativity and innovation. Residents in the community produce and consume culture products and services. Furthermore, it is the community that matters in urban politics. If we agree on that it is human and community development that ultimately counts, then the community-oriented strategy should be taken as a main pillar of policy intervention in local cultural development.

As hinted in the foregoing discussion, the three types of intervention in their actual implementation overlap one another. Public investment in instructional institutions such as the Artisan School in Kanazawa (Sasaki 2001) helps not only traditional craft industries in Kanazawa (textiles) but also the development of human resources. Building the Centre for Arts and Media ZKM in Karlsruhe is essentially a place-oriented approach but it helps strengthen the technological capacity of the media industry. Expanding cultural infrastructure such as museums and libraries in a city enhances the attractiveness of the city as well as improves public access to these facilities and thereby enriches the potential of cultural cultivation of ordinary citizens. In sum, strategic approaches to cultural development should identify those overlapping areas connected with the community and concentrate investment in them as shown in the following diagram (Figure 1).
6. The Application of Strategic Approach to Cultural Development

In order to apply the strategic approach to a city, we need first to take an inventory of cultural capital in the city. Both tangible and intangible cultural assets should be identified and listed. Since the focus of the strategic approach is on community, it is important to identify clusters of cultural activities including culture product industries. The presence of professional and occupational organizations in the clusters will be a key to understanding how local cultural capital is employed and regenerated for community development (Scott 2000). The presence of artisans in traditional craft industries in Kanazawa or a pool of professionals and skilled workers in the entertainment industry in Los Angeles, for example, provides a critical cultural capital, through which these cities reproduce and expand local cultural capital. In-depth analysis may be necessary to understand how these clusters are working and what kinds of difficulties they are facing.

The socio-economic profile of workers involved in each cluster, for example, the media industry in Seoul, needs to be analyzed to understand whether these
occupations are growing and locally rooted. Identifying key professional associations and training institutions in the cluster will also be necessary. Collecting information on the operations of the cluster and networking of various actors within the cluster will help find out pressure points, i.e., physical facilities, funds, training and instructional institutions, or cooperation channels.

The community-centered approach proposed here requires not only public-private partnership but also an active participation of local citizens. Without citizens’ participation, cultural industries or activities will lose the fundamental base on which local cultural capital can be expanded. Moreover, citizens’ participation provides a rationale for public cultural policies. In reverse, citizens with the ability to appreciate genuine cultural works and products become an important demand factor for local culture industries and activities, as explained in the business economics such as Porter’s competitive advantage model (1990). Therefore, producer-consumer relations need to be understood thoroughly as they constitute an important part of community development as well as culture industry development.

7. Concluding Remarks

I have attempted to develop a framework for strategic approaches to sustainable cultural development in cities. The two dilemmas (culture between self-reliance and instrumentalization, and the manipulation of local culture) facing the planners in cultural planning have been discussed to clarify the rationale and target of strategic intervention in the cultural field of life in a city. Although I used the concept of cultural capital to link with the issues of locality and sustainability, the concept still needs further refinements in order to satisfy analytical purposes. In the latter part of the paper, I have tried to develop a model for strategic approaches including the target areas and required processes. This model, however, needs a much more improvement to be

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4 I have borrowed some elements of the occupational approach suggested by Markusen (2000) and Thompson and Thompson (1985). The community-centered cultural development strategies should go beyond the producer-dimension of culture activities.
applicable to real situations. A systematic and in-depth empirical investigation is necessary to tailor the model to the reality. Perhaps, an empirical investigation on cultural strategies in Asia-Pacific cities intended in the second stage of this research project may help achieve the above goal.
References


Capitalising on ‘Culture’: Emphases in Australian Regional Development Planning

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As recognised in the framing of this conference, there are various combinations and permutations in the relationships between culture, economy and place. They include the spatial organisation of culture industries, interactions between local cultures and cultural industries, commodification of urban cultures in the interests of city marketing, the milieux of production conducive to economic development of industry sectors, including the culture industries, and cultural planning.

This paper focuses on aspects of governance in the cultural space economy. Its primary aim is a preliminary exploration and documentation of how culture has been deployed in the rhetoric and practice of spatial economic planning in Australia, with particular reference to the State of New South Wales (NSW) and its capital city, Sydney. It draws on published statements of government agendas and interviews with a small number of players in the field. While much has been written about cultural policy (e.g. Bennett and Carter 2001), the economics of the arts (Throsby and Thompson 1994) and related matters, very little of this literature has an explicit urban or regional dimension. Nevertheless, it is possible to identify various ways in which cultural matters have influenced directly or indirectly affected development planning.
The paper has two main parts. The first describes how cultural policy as a place-based economic development tool fits into the tripartite structure of Australian government. The second cuts across a variety of discourses and shows how cultural diversity generally rather than culture industries specifically have been most notably deployed in city marketing discourse. We set the scene by very briefly describing the nature of the regional problem and general structures of governance in Australia.

1. Australian regional development planning

Regional imbalance takes three main forms in Australia:

1) Variations in levels of economic growth across the Australian states.
2) Variations in growth within the states, especially contrasts between the capital cities and their rural and regional hinterlands.
3) Variations in welfare levels within metropolitan regions.

Economic development planning is not strongly institutionalised at any level of government. This is partly techno-ideological – reflecting the view that market forces will solve problems – and partly pragmatic - because regional imbalance has not been sufficiently sharp or entrenched as to have required concerted collective efforts to redress it. Economic restructuring since the 1970s, and the forces of globalisation that have driven it, have nonetheless produced distinctive albeit low key policy responses. To understand how ‘culture’ fits into development planning, this system of government needs to be grasped.

1. 1 Federal Government

For the most part Federal Governments have eschewed an interest in integrated spatial economic development planning, notwithstanding recognition that federal interventions - notably in relation to immigration and economic policy - can have significant urban
and regional impacts. Developmental lags and economic contractions in rural and regional Australia have catalysed a Federal political response with electoral backlash threatening after a long period of economic reform. Recent moves toward greater fiscal equalisation – i.e., redistribution of income tax revenues from Federal to State governments - take account of the varying capacities of States to finance infrastructure to a minimal acceptable standard. It is the primary implicit regional development mechanism of the Australian Government.

1. 2 State Government

In contrast to a variable but generally minimal Federal commitment to regional policy, State Governments have been the focal points for regional development work. The long-term issue has been metropolitan primacy and the backwash effects this has had on hinterlands. There is a long history of competition between the States for investment and inter-city competition for geographically mobile investment and consumption flows has intensified. The competitive advantage of large cities has been heightened over the past 20 years. Growing problems in rural and regional Australia, partly relative to the cities but also linked to a decline in the agricultural and pastoral terms of trade, has induced a new round of regional thinking in government. Intra-metropolitan welfare imbalances, a product of social polarisation derived from globally driven economic restructuring, have also stimulated the search for ways of evening out imbalance through re-distributive polices.

1. 3 Local Government

Economic development planning has become more widespread at the local level, but local government is strongly constrained by limited financial capacity and inherent obstacles to inter-council cooperation. Fiscal and ideologically-driven amalgamations of local councils in some states have constituted new organisations with at least a sub-regional mandate, but this process has not proceeded apace in NSW. Proposed reforms to the NSW planning system under the banner of PlanFirst foreshadow a greater
emphasis on state-wide regional coordination of local environmental and developmental plans but the likely success of such reforms given a long history of community apathy is problematical.

2. The culture industries and spatial development planning

Cultural industries are featured sectorally and spatially in public policy at the three levels of government. Tables 1 and 2 (at the end of this paper) summarise spending by the three levels of government on cultural infrastructure and activities. Local and Federal outlays actually show a decline between 1996 and 1999, but this has been more than compensated by a steady increase in cultural expenditure by State Governments, the tier which most directly mediates public policy responses within a regional framework intermediate between the ‘macro’ national policies of the Australian Government and the ‘micro’ sub-regionalism of local authorities. Most State spending is on cultural venues, including zoos and botanical gardens, museums and national parks. Major beneficiaries of this spending continue to be capital cities where the major venues and museums are located. But spending on national parks is largely non-metropolitan and is of major significance to small regional economies. In aggregate, local government also spends considerable sums on cultural facilities and programs with most going to libraries, public halls, and civic venues to benefit local communities.

This is no doubt a device for encouraging politicians to put more taxpayer dollars into support systems.

Table 1: Cultural funding by level of government 1996-97 to 1998-99

Table 2: Funding of cultural facilities and services by level of government: 1998-99
2.1 Federal Government

At the Federal level, cultural programs are essentially aspatial and not linked to any coherent regional economic development policy. The most important statement over the last decade about the importance of the creative fields for Australia’s cultural and economic life was *Creative Nation* (1994). A product of the former Keating Labor government, the impetus it implied for a substantial and well conceived government engagement largely evaporated with the election of a conservative government in 1995.

Nevertheless, the national importance of cultural production and consumption has not entirely dissipated. In July 2001, the Federal Minister for the Arts and the Centenary of Federation, Peter McGauran, announced the establishment of an Inquiry into Australia’s contemporary visual arts and craft sector (with Rupert Myer as Chair). The Inquiry is intended to make ‘a real contribution to ensuring a sustainable future for this valuable sector’. Within its terms of reference, the Inquiry will, among other things, ‘scope the sector, identifying economic value chains and relationships, including those between arts practitioners, contemporary visual arts and craft organisations, commercial entities, public collecting institutions, collectors, benefactors, sponsors and audiences’ and ‘assess the economic contribution of the sector, including its flow on effects onto other sectors of the economy’.

Cultural spending does feature strongly in the national budget, despite some public concern at shrinking budgets. Commonwealth funding for radio and television broadcasting, for example, still runs at nearly $700m annually (by far the largest single category of cultural spending). Most of this goes to the Australian Broadcasting Corporation (ABC), and the balance to the Special Broadcasting Service (SBS), specifically targeting a multicultural viewing audience. These federally funded broadcasters are significant culture industry employers. While operating Australia-wide, both are headquarteried in Sydney which captures most of the direct economic impacts. There have been debates about the regionalisation of service delivery and at times regional programming initiatives have been developed (e.g., rural TV shows and ABC
Radio JJJ’s 'Unearthed' music project in regional Australia).

Three key Federally-funded organisations to promote the culture industries, for their economic and social benefits, include the Australia Council, Film Australia, and the Australian Film Finance Corporation. The operations of each of these has indirect implications for the spatial patterns of culture industry formation but, like the national broadcasters, none is explicitly conceived to promote spatial economic development. The work of the Australia Council is representative.

2. 1. 1 Australia Council

The Australia Council is the Australian Government’s principal arts funding and advisory body. Its charter is ‘enriching the life of the nation by supporting and promoting the arts’. The Council’s ‘primary responsibility’ is:

To help create an environment which encourages the creativity and development of Australian artists, and which provides greater access to arts and cultural activities for all Australians. It supports Australian artists and arts organisations to pursue artistic excellence in creating and presenting their work, to take advantage of opportunities to improve and develop their skills, and to tour and promote their work to wider audiences. It directly supports young, emerging, developing and established artists through a range of grant programs offered across all art forms, and it encourages arts and non-arts organisations to support and present artists’ work, thereby expanding employment opportunities for all artists (website).

The Council’s advisory boards reflect the breadth of its interests:

- Aboriginal and Torres Strait Islander Arts Board
- Community Cultural Development Board
- Dance Board
- Literature Board
- Major Performing Arts Board
- Music Board
• New Media Arts Board
• Theatre Board
• Visual Arts/Craft Fund.

The Council’s *Corporate Plan 2001-2004* defines a major goal as winning ‘recognition of the arts as a key element in Australia’s cultural, social and economic development’. According to Guldberg (2000: 1), ‘there was a growing recognition during the formative years of the Australia Council of the economic importance of the arts, and that public sector patronage could encourage the arts to contribute to economic growth’. He cites a number of relevant studies commissioned by the Council and published in the 1970s.

Over the years, the Council has continued to advocate the economic importance of the arts, particularly through its publication program. A fairly recent example is *Kulcak: cultivating our culture* (1998). The central theme is that ‘the arts contribute substantially to our intellectual and cultural life, to our leisure time, and to our economy through employment, tourism, taxes and export dollars. The arts are fundamental to the daily life and prosperity of our nation’ (Australia Council 1998: 5). An impressive range of data is assembled to support this claim. The arts and culture sector is now valued at $19 billion annually. It is an industry grouping as big as road transport or home construction. Seven per cent of Australia's workforce - 500,000 people – now earn some income from arts work. ‘The arts attract valuable foreign investment and exports – international visitors to Australia alone spend $65 million a year on Aboriginal arts and crafts. Foreign tourists are attracted by our culture and spend over $200 million on culture and entertainment’ (Australia Council 1998: 7). Exports of cultural goods earn over $700m per annum, while royalties earned by Australians for overseas use of their cultural property also run at over $100m (Australia Council 1998).

Guldberg (2000: 97) makes some interesting observations about the future of the ‘arts economy’ and production of artistic products in Australia, speculating on the impacts on creators and consumers alike ‘as technologies merge and social values shift’. His study ends with the question: ‘How large a part of the economy will be occupied by the
cultural industries and fuelled by core arts professionals? Will growth continue?’ but offers a response:

We don’t know, but we are fairly confident of one thing: relying on economic rationalism with its short-term view of development will not provide the answer. Of course, economic theory and statistics are important in defining the interactions of the current arts economy and the wider economic structure. But they are deficient as indicators of the long-term influence that the arts have on a nation’s cultural and social development, and its ultimate success as a major partner in the world economic scene (Guldberg 2000: 98).

That inter-linking of economic benefit with cultural and social development is consistently present in Australia Council policy documents. It is perhaps most explicit in the Council’s *National Aboriginal and Torres Strait Islander Arts Policy*. This acknowledges the importance of ‘cultural development and cultural maintenance through the arts’ as well as the rights of Aboriginal people and Torres Strait Islanders in ‘determining and managing their economic development through the arts to enhance opportunities and resources’.

This is not to detract from the importance that the Council attaches to the social benefits of the arts alone. In a recent discussion, for example, one of the Council’s key areas of responsibility, Community Cultural Development, is described as ‘a process which fosters creativity, inclusiveness, empowerment and trust in communities – all elements of social capital. The practice of CCD promotes the arts not only as a creative activity in its own right, but also as a vehicle for uniting and enabling communities’ (Australia Council 2001: 28). As in other sectors of the Australia Council’s activities, the spatial ramifications of financial support for these activities is not explicitly factored into their formulation.

2.2 State Government

At the State level, and focusing on NSW, while there is no overall integration of cultural policy within spatial economic development initiatives, specific cultural industry
policies have been devised by several agencies. Typical of the uses of culture in the Australian system of government, the notion of ‘culture’ can be deployed rather generally. For example, it can include the idea that beneficiaries of economic globalisation should return a dividend to people less benefited; promoting cultural activities as a means of engaging unemployed or underemployed young people; and promotion of cross-cultural harmony through events.

Distinct from the federal realm, state policies and programs at least tacitly acknowledge geographic targets and the spatial impacts of implementation. However, there is a view articulated at the highest levels of government, that Sydney specifically has attained such sustainable global prominence that extensive promotion, facilitation and subsidisation of cultural industries is not necessary. The main government instrumentalities involved in cultural policy funding and discussed in turn are:

- Ministry for the Arts
- Department of State and Regional Development
- Tourism NSW
- NSW Film and Television Office
- Department of Local Government
- NSW Department of Urban Affairs and Planning

2.2.1 The NSW Ministry for the Arts

The Ministry for the Arts advises the State Government on all aspects of the arts and cultural activity in New South Wales. As well as managing Government arts projects and capital expenditures, the Ministry monitors and provides policy advice on the State’s cultural institutions and manages a Cultural Grants Program that supports a range of arts and cultural activities. The ruling assumption is that a viable arts sector benefits the wider community. The Ministry’s ‘Vision Statement’ asserts that its ‘long-term ambition’ is ‘to ensure that people everywhere in New South Wales share in the rewards of a vigorous cultural life’.
Access to, and equity in, arts activities are seen as major concerns. Within the policy documents that specifically address this issue, the ‘rewards of a vigorous cultural life’ are articulated. For example, *Arts and cultural diversity: Principles for multicultural arts support in New South Wales* (August 1997) states that the ‘Government believes that a vigorous cultural life is an integral part of the health of all communities in a culturally diverse society’. While the indicators of a healthy community are expressed substantially in terms of participation and employment levels in culture and leisure activities, other considerations emerge. These include the importance of cultural maintenance and development within communities and the ways in which such activities contribute to ‘the development of our evolving cultural identity.’ Just how this might apply to a specific community is outlined in The Ministry’s *Policy for the promotion and support of Indigenous arts and cultural activity in New South Wales* (March 2000).

Other social benefits of community cultural activity are identified in *A Strategy for the Arts in Western Sydney* (November 1999), prepared jointly with the NSW Government’s Office of Western Sydney. They include ‘the establishment of valuable networks, the improved consultation between community and government, development of community pride, a reduction in social isolation and improved understanding of different cultures or lifestyles’. The document also identifies some economic advantages that include ‘better design and planning of public facilities, and the attracting of further resources to the community’.

Tourism is seen as another positive flow-on effect given that ‘cultural industries are as likely to stimulate the economy as any other industry, and more likely than many others to increase employment’ (Cultural Ministers Council 1995). The same point is made in the Ministry’s *Principles for regional programs by State Government cultural institutions*, (December 1997) which acknowledges ‘the importance of local cultural activity in attracting tourism and strengthening local economic development’.

The *New South Wales Cultural Data* report (first issued November 2000, revised April
2001) provides a sense of what has informed the Ministry’s understanding of the relationship between cultural activity and socio-economic benefit. The Ministry initiated this report in order to gain a descriptive overview of ‘the cultural industry’ in New South Wales with information obtained from the Australian Bureau of Statistics, the Australia Council and the Commonwealth Department of Communications, Information Technology and the Arts.

2. 2. 2 The Department of State and Regional Development

The mandate of the Department of State and Regional Development (SRD) is to promote the economic development of NSW. Cultural industries feature in its published discourses, but the major political emphasis is very largely on just one sector: the film industry. This sector is regarded as having significant growth potential and therefore economic benefits for the state. Such a view is shared by other state governments and consequently there is marked interstate competition for available market share, particularly from Queensland’s Gold Coast and Melbourne. Sydney’s claims – and the basis of its competitiveness with the US, Canada and the UK – lay largely in the industry wage structure, the availability of experienced English-speaking crews, top class facilities, a stable political environment, and the city’s cosmopolitanism.

Other culture industries figure to a much lesser extent in SRD’s work, but their economic contribution is acknowledged occasionally through direct action. Fashion is arguably the archetypal cultural industry for the cosmopolitan global city so it might be imagined that the State Government would have a stronger orientation and commitment than it appears to have. Nevertheless, SRD was a major sponsor of the fifth Mercedes Australian Fashion Week (MAFW) held in Sydney in May 2000 with the economic rewards were inescapable:

Fashion Week was an effective and proactive mechanism for local fashion businesses to gain access to new domestic and international markets. Sales generated by participants totalled between $6.8m and $15m, of which between $1.2m and $2.4m were export sales. The expenditure effects
associated with MAFW 2000 resulted in additional production or output within the NSW economy of $100.2m. This additional output contributed $38.5m to GSP and generated around 194 direct jobs (SRD 2000: 17).

The ruling maxim of SRD, reflecting the government position, is laissez faire. The prevailing view is that Sydney does not need to try too hard because it has all of the competitive advantages it needs to beat the other States in the investment attraction game. There are many reflections of this attitude in, for example, what international investment opportunities Sydney chooses to chase, or not, as the case may be. The stance is not entirely arrogant since it does realistically recognise certain limits to growth (e.g. space and infrastructural capacity of Sydney Airport). A telling signifier of the government’s optimism was the reception given a few years ago to urban cultural strategist and Comedia founder Charles Landry (Landry, 2000). Landry’s sales pitch to do a cultural strategy for Sydney failed to convince his potential clients. They were already well aware of Sydney’s assets in this area; the SRD in its marketing material makes much of Sydney’s cultural life and diversity in its listing of competitive advantages.

There is a sense that culture, leisure and sport industries will be a more significant part of the State economy with more employment associated with their growth but at this stage there is no clear strategic sense of what the State Government is or should be doing to enhance such a trend.

2. 2. 3 Tourism NSW

Tourism is a key sector of the Sydney, NSW and Australian economies. The economic benefits of cultural tourism in particular, both domestic and international, are well recognised in government. The exact definition of cultural tourism proves elusive:

Cultural tourism can be defined in a variety of ways. Most definitions include the activities of those travellers who want to experience, understand and appreciate the character and culture of a place. A good example of cultural tourism is people travelling on study tours, as the activities they undertake are predominantly culturally motivated. Nevertheless, most
tourist itineraries include an element of cultural tourism (NSW Ministry for the Arts, 2001: 8.1).

While the *Sydney Tourist Action Plan* 2000-2003 does not explicitly consider cultural tourism, one of the key directions in the plan is to:

Enhance the world class visitor destination status of Sydney by improving visitor accessibility to ‘experiences’ Sydney has to offer – its harbour, natural beauty, food/dining, key attractions, arts and heritage, indigenous cultures and lifestyle experiences.

The notion of capitalising on the distinctiveness of Sydney underpins much thinking, particularly the Sydney Hallmark Events Program:

The program aims to create a select number of new events over several years that have the capacity to increase awareness of the cultural strengths and icons of Sydney and enhance the Sydney brand. A hallmark event is defined as an event which becomes synonymous with the name of that city or place, and gains widespread recognition and awareness (Tourism NSW 2000: 52).

In 2000 the Commission was involved with two major events: the established ‘Feast of Sydney: Food and Wine Festival’, and a new event, ‘Sunscream Sydney: A Celebration of Cinema’.

### 2. 2. 4 NSW Film and Television Office

The function of the NSW Film and Television Office (NSWFTO) is to foster and facilitate excellence and growth in the film and television industry in New South Wales. In its outreach roles, the NSWFTO markets the attractions of NSW as a venue for filmmaking and also provides concrete industry and contact data. Detailed information is made available on Sydney’s creative/technical labour market, studios, facilities and locations such as, for example, key players in recent projects, post production companies, equipment and service companies as well as studio facilities, casting consultants and agents, and even immigration requirements.
Location, location, location is a glossy visual/photographic spectacular comprises a photographic collection of filming locations in Sydney and NSW. It emphasises the diversity of local landscapes - coastlines, mountain escarpments, deserts, rolling green meadows, urban settings, and so on. A two page panoramic photograph of Sydney Harbour on is featured. What attracts productions to the ‘film capital’ of Sydney?:

It is the centre for all major film related business. Equipment suppliers, television networks, completion guarantors, insurers, film financiers and government agencies are all to be found here, as well as extensive production and post-production facilities, including the largest film laboratory in the southern hemisphere .... Lower costs are also a major incentive. Sydney’s crews are highly professional and efficient, and this, coupled with a favourable exchange rate, means production costs can be up to 30% less than those in the USA. Additionally, if your project is filming at Fox Studios Australia you will be able to take advantage of special payroll tax incentives.

The Office’s Stacks of Facts lists contact details, fees and charges and short annotations about state government departments, authorities, agencies and institutions; Sydney and non-metropolitan councils; and the NSW Police Service. The FTO has designed the publication as a loose-leaf hole punched styled document allowing pages to be updated/replaced regularly.

The NSW FTO is also responsible for promoting film and TV-making opportunities outside of Sydney. Location, location, location identifies the Illawarra, Newcastle and Broken Hill as three ‘film-friendly’ areas. The Hunter and Broken Hill are the best organised of the three regions. The Hunter Region Organisation of Councils (HROC) has produced a promotional publication in association with local tourist offices, councils and film industry related businesses. The Broken Hill Regional Tourist Association – which employs a Film Production Liaison Officer - prepared the Broken Hill Film Manual 2000. The Manager of the Tourism and Economic Development Department of Broken Hill City Council is listed as one of two key contacts and (note the Association.
2. 2. 5 Department of Local Government

Film making in local communities brings both benefits (injection of expenditure, location fees) and costs (disruptions to everyday life). Place promotion can also be a double-edged sword. The visible and growing impact of major productions (Australian, international and joint ventures) utilising Sydney streets for location work has necessitated a coordinated response from government.

In September 2000 the Department of Local Government released its Local Government Filming Protocol. The state and local economic significance of the film industry is acknowledged:

The economic benefits that flow to NSW from such activity cannot be understated. The value of the film and video production in the State grew from $108.9m in 1995/96 to $267m in 1998/99, while direct employment in the industry reached around 7,500 in that year. After taking employment flow on effects into account, film and video production generated around 17,000 jobs in NSW in 1998/99. These figures do not include the economic impacts of commercials and television services. In addition, the presentation of the State through film and television is a major contributor to tourism ... Film productions provide significant benefits at the localised level as well. For example, productions shooting on location bring with them expenditure on retail and other services, thus serving to boost local businesses and employment. Often local areas also gain significant benefits from the tourism effects associated with film productions.

The Protocol seeks to further engender ‘an environment that welcomes filmmaking’ and make NSW ‘more film-friendly’ to ensure the State ‘continues to reap the benefits associated with this rapidly expanding industry’ (NSW Department of Local Government 2000: 4). These aspirations are weighted against the need to develop a more systematic and consistent approach to assist both councils and filmmakers. Essentially, the Protocol provides guidance to councils on appropriately regulating the approvals process and setting fees and charges for filming rights.
2. 2. 6 NSW Department of Urban Affairs and Planning

The most important agency for administering state planning legislation has played key but selective roles in facilitating cultural industries development. It has done this through the making and sanctioning of one-off planning instruments (notably Regional Environmental Plans and establishment of special development corporations) to enable specific but often contentious large-scale developments to proceed. The Darling Harbour retail, tourism, restaurant and museum precinct created for the Bicentennial of 1988 was one of the first major initiatives in this mould. Post-Olympic plans to redevelop Homebush Bay as a cultural centre will also be expedited through the privileging of state over local control.

The most spectacular example of globally driven, state-promulgated objectives being used as a justification for neutralizing local government and precluding citizen participation was the leasing Sydney’s historic inner city Showground at Moore Park to Fox Studios for a complex of new soundstages, theme park and leisure precinct. Planning studies and controls administered through the NSW Department of Urban Affairs and Planning were responsible for making this happen. The positive aspect was the establishment of a major film production facility with numerous industry multiplier effects. A number of major films have been largely produced or a planned here, including Mission Impossible 2, Moulin Rouge, and several films in The Matrix and George Lucas’ Star Wars series. The negative aspects of the case relate to the financial deal between Fox and the state government, the elimination of public access to land originally designated for that purpose, and the exclusion of public input to the site’s planning (Williams 1997). In relation to the general trend these cases exemplify, Farrier (1993: 44) argues that: ‘Although it is quite clear that the State Government, acting through the legislature, is legally entitled to act as it did in these cases, some people would dispute its moral right to do so. Adopting this sort of approach leaves the government open to accusations of riding roughshod over the environmental planning legislation’.
2. 3 Local Government

‘Cultural planning’ in various guises (community participation in social planning exercises, educational workshops, public art etc) is playing an increasingly important role in many local communities. The nexus between cultural industries and economic development is less apparent at the local level, but is being forged by a number of the larger and more progressive councils and regional associations of councils.

Small scale examples of culture being deployed in place marketing discourse and strategy are at hand from local councils but their capacity to act decisively to promote business investment and job growth is highly constrained by resources. The government of Sydney is fragmented across many agencies and local authorities. Sydney City Council (SCC), responsible for managing the CBD and immediate environs, is one of the more powerful local authorities. Because of its control over planning and the size of its tax base, the SCC projects itself much more strongly than its geographic area or place in the system of metropolitan government would suggest. It is also the central accumulation of cultural capital in the metropolis.

In a speech in Paris in March 2000, SCC Lord Mayor Frank Sartor noted that one of the competitive challenges facing city administrations was the creation of a globally competitive city. A key factor in addition to an attractive natural environment, good climate, tolerant society and lifestyle appeal was identified as ‘a rich artistic and cultural life’. In recent years Sartor has responded to this new order by attaching singular importance to urban design and quality of life ventures to make the city more attractive for investors, tourists, workers and residents.

In July 1999, the SCC published several discussion papers on future directions. One of these was devoted specifically to the cultural dimension of urban life and development. Authored by a prominent architect, *City Life and City Culture* sought to:

Stimulate thinking about how to foster a dynamic culture that embraces the outside world, affirming and drawing on cultural diversity but also secure in
its own identity, no longer requiring constant reassurance about itself.

The paper includes a section on the current status of Sydney’s cultural assets. A series of questions is posed:

Sydney’s cultural profile is sometimes compared unfavourably with Melbourne’s. Should Sydney aim to compete with Melbourne in cultural and amenity matters, or complement it? If Sydney were to aim for cultural pre-eminence within Australia, how much would it need to spend and on what? Should it concentrate cultural activity into a precinct at the Quay (running from the Opera House to Darling Harbour) for example? Or should it attempt to disperse cultural activity into a number of distinct, clearly recognisable precincts?

The response has largely been to both solidify the memorable Circular Quay area as the pre-eminent cultural-leisure zone and inject a cultural dimension into the planning and life of other precincts.

An interesting regional planning example for cultural industries comes from the far north coast of NSW. It speaks directly to the opportunity of capitalising on culture industries in non-metropolitan development planning. The Northern Rivers Regional Development Board (a grass roots agency supported by Local and State Government) commissioned a study into the contribution of cultural industries (film, art and music) to the regional economy, while the Northern Rivers Regional Economic Development Organisation (NOREDO) is looking at generating activity (including a regional database of cultural employers and workers). These are both quasi-representative organisations, the latter a remnant of a former Federal Government REDO scheme, who are now starting to talk closely with the NSW Department of Urban Affairs and Planning about cultural industries, cultural tourism and gourmet production. The central endeavour is to examine cultural industries as job-generators given the high rate of unemployment in the region, particularly among young people.

; and (egs. Tamworth, Byron Bay in NSW)
3. The competitive advantage of urban culture

Setting aside the culture industries and the extent to which they are conceived of as agents for economic (as well as cultural) benefit, the ways in which urban cultures have been deployed in city marketing of particular interest in Australia. This stems especially from the cultural diversity produced by a long term and diversely sourced immigration intake. Whilst immigration and its by-products have been at times been politically contentious in Australia, major economic and cultural benefits of immigration have been recognised and cultural diversity actively used in place marketing campaigns.

3.1 Selling Cultural Diversity

Over the last two decades, processes of globalisation have increasingly led to a breaking down of spatial barriers and a greater incentive for cities to be ‘differentiated in ways attractive to capital’ (Harvey 1989: 296). One way in which cities have attempted to do this has been to deploy a discourse of multicultural diversity to attract investment. The place marketing strategies of the NSW government and related institutions present a classic illustration of this - Sydney’s distinctive image, it is said, is its difference, its multicultural difference. Politicians, government agencies and business executives alike have increasingly promoted Sydney’s cultural and linguistic diversity to encourage tourists, business people, the 2000 Olympics, financial and property investors to come to the new and exotic Sydney that has only recently entered the global stage. Combined with its international business communication facilities, time zone advantage, reputedly lower property, transport and energy costs, ‘abundant natural resources’ and ‘excellent quality of life’, Sydney, it is said, is unbeatable (Murphy and Watson 1997).

What is striking in the Sydney case is the radical shift that has taken place in the city’s self-representation over less than 20 years. This is a far cry from Australia under the White Australia policy with its rugged outback of sheep and mines and its cities of suburban home ownership and barbecues on Sunday. As its former markets started to recede in the face of global competition, and tariff barriers were no longer effective in
protecting an ailing manufacturing sector, Australia has been forced to enter the global arena. From the 1970s Australia’s links with South East Asia were thus strengthened through trade, investment, tourism, educational exports and a large migration programme from a number of countries including Vietnam, Korea, China, Hong Kong, Cambodia and Malaysia (Murphy and Wu 2000). What was once a population largely dominated by Anglo-Celtic and European migrants thus fast became a population of great diversity. At the same time discourses of multiculturalism have clearly been deployed as a central part of Sydney’s attempts to sell itself on the global stage over the last two decades. The interesting question is to what extent there has been a genuine shift towards a more inclusive multicultural society, or have ‘other cultures’ been appropriated by the dominant white Anglo Australian constituencies for their particular economic and social ends? Discourses of multiculturalism can never be neutral or outside of the field of power relations; the picture is rather more complicated than the promotion literatures suggest.

The new focus on selling multicultural advantage has been taken up in various investment strategy documents. For example, Investment 2000, an investment promotion strategy linked to the Olympics, capitalises on the international exposure generated by the Olympics to attract foreign investment to Australia, and aims to ‘increase awareness of Australia’s growing role as an integral part of many multinationals’ “value chain” strategies for the Asia Pacific Region’ (Invest Australia 1999a). In its promotional material, Investment 2000 refers to ‘Australia’s position in the Pacific Rim [and] its strategic proximity to Asian markets’ and emphasises Australia’s ability to facilitate Asian regional business strategies claiming that:

Within the Asian regional context, Australia’s 21st Century business case is based on: an open vibrant culture, quick to accept ideas and attractive to both Asian and Western business people . . . and strong cohesion, based on . . . an acceptance of cultural diversity (Invest Australia 1999b).

A brochure distributed by the NSW Department of State and Regional Development promotes Sydney as the Call Centre Capital of the Asia Pacific. Here Sydney is said to
possess all of the attributes required for successfully operating in the Asia Pacific, including ‘a large, multilingual work force skilled at operating in both Asian and Western business environments’, and ‘the widest range of Asian language skills in the region with more than 40 different Asian languages spoken’. High levels of workplace and professional skills, a high level of tertiary education, low-employment costs and industrial stability are promoted alongside these attributes.

Another of the Department’s publications, *Investment Profile*, is intent on representing Sydney’s multicultural workforce as the best in the world: Sydney is said to have professional staff with a ‘breadth of Asian languages skills unmatched anywhere else in the world,’ and ‘one of the most multicultural and multilingual workforces in the world’. Both attributes deliver investors a strong competitive advantage. Invest Australia, in its promotional document, *Australia’s Advantages*, presents Australia’s highly skilled, multicultural workforce as a key feature of ‘the right business environment,’ and this feature appears second only to Australia’s low inflation rate. Invest Australia further declares that Australia can offer ‘a workforce skilled at operating in both Asian and Western business environments’ (Invest Australia 1999c). Testimonials from senior executives of internationally known companies attesting to the value of Sydney’s diversity are often incorporated into these texts, a tried and trusted technique of place-promotion (Gold 1994).

In attracting multinationals to locate in Sydney, the city has had to compete with other Australian cities and also with cities in the Asia Pacific region and thus to be proactive in communicating the city’s reputed advantages. This has included targeting particular companies with information on the relative cheapness of Sydney compared to other cities in the Asia Pacific with comparable attributes, notably Hong Kong and Singapore (Murphy and Watson 1997). In mid-1999 Australia’s Prime Minister, Federal Ministers, and the Premier of NSW took the multicultural marketing message to a New York conference promoting Australia as a centre for global financial services ‘in a quest for the plentiful supply of US investment dollars, and to boost Sydney’s credentials’ (*Sydney Morning Herald*, 16 July 1999). In his efforts to promote the country,
Financial Services Minister, Joe Hockey, spoke of the number of Asian-language speakers in Australia, the skilled managerial and technical staff on offer, and their fluency in ‘all the regional tongues, as well as having English as the first language’.

In its promotional text, *Australia’s Advantages*, Invest Australia suggests that Australia’s strategic Asia Pacific location is ideal for international companies seeking market opportunities in the region. To support this claim, Invest Australia describes Australia’s ‘well established links to the world’s fastest growing markets,’ and states that ‘nine out of Australia’s top ten export markets are in the Asia Pacific region’ (Invest Australia 1999c). At the state level, *First for Business* describes the Asia Pacific region as ‘by far the most important export destination,’ and the *NSW Competitiveness Report*, says ‘Asia Pacific continues to be the major export destination’. These claims are certainly supported by trade statistics.

Tourism represents another arena where multicultural diversity has been packaged and promoted. Tourism is a significant source of foreign exchange earnings for Sydney. Tourism is Australia’s single largest export industry, and in 1997 accounted for 13.1% of Australia’s export earnings and 65.6% of services exports. Tourism thus makes a large contribution to Gross Domestic Product, and generates a substantial amount of employment and new investment in tourist accommodation. NSW remains the most visited state, and Asia the largest source region. By far most short stay overseas visitors arrive in Sydney. Here again multiculturalism is deployed as an attraction. In the promotional material of Tourism NSW, Sydney is said to possess a ‘vibrant and culturally rich lifestyle’, while the diverse origins of the city’s population are said to ‘bring a dynamic multicultural flavour seen in few countries’. Sydney is hyped as a tourist centre with a variety of artistic activities and festivals strongly reflecting Australia’s multicultural heritage and diverse foods: ‘the fondest holiday memories are [often] of what you ate and where you ate it.’ Sydney is said to be ‘a truly cosmopolitan city ... with a variety of cuisine from every corner of the world’. Potential holiday makers are introduced to ‘Sydney’s Eat Streets’ including Norton Street, Leichhardt (Sydney’s own ‘Little Italy’ or ‘Italian quarter’); or Dixon Street, Chinatown where they
can dine on ‘genuine Chinese cuisine’, visit ‘food halls bursting with Asia foods’, and wander through Chinese supermarkets. So too, the restaurants of Cabramatta are said to offer a large variety of South East Asian cuisine, while in the food shops ‘special ingredients needed for authentic Asian cooking’ can be found. All of this it is said ‘can often seem more Asian than much of Asia’.

4. Conclusion

In summary, the engagement of Governments in Australia with the cultural economy as a basis for economic development planning has the following characteristics.

4.1 Sectoral focus

- The economic importance of the arts is stressed in policy statements and related government-produced information. At times this is clearly a device for encouraging politicians to devote more taxpayer dollars ton cultural processes and products.

- The conception of culture industries in the policy statements and promotional material of agencies reviewed is quite narrow, being largely restricted to the arts.

- There is a focus on promoting specific culture industries, especially film, considered to have serious growth and export potential.

- Sport, a major cultural activity and heavily commercialised in Australia, does not enter into the discourses of the primary agencies responsible for promoting the culture industries. It is recognised as an agency for urban economic development as exemplified by interstate competition for hallmark sporting events.
4. 2 Spatial focus

- There is only a modest regional dimension in policy and related public statements, reflecting a broader weakness of an explicit regional focus in the Australian system of government.

- The meaning of ‘culture’ is deployed rather generally in discussions of regional imbalance.

- The capacity of governments to engage in regional development varies. Local government is limited by its tax base and the other demands it has on its services. Federal government has resources but no strong desire to pursue a regionalist agenda beyond vote winning from rural voters disenchanted with the city-country divide. State government is the best placed, as evident historically, but is caught in a bind between centralisation/efficiency goals and decentralisation/politics of city-country divide.

4. 3 Culture of cities

- There is notable play on cultural diversity in city marketing, primarily deriving from ethnic diversity which is grounded in immigration.

- The cultures of places and their culture industries are mobilised to promote cultural tourism.

- There are incidental references to variations in entrepreneurial cultures across Australia and how this influences economic activity (especially Sydney vs the rest of Australia).
References


Creative Nation: Commonwealth cultural policy (1994) AGPS, Canberra.


Invest Australia (1999c) ‘Australia’s Advantages’ [www.disr.gov.au/invest/Index/Australia’sAdvantages.htm]


Table 1. Cultural funding by level of government 1996-97 to 1998-99

<table>
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<th>Level of government</th>
<th>1996-97 ... Value of funding</th>
<th>Proportion of total</th>
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<th>Proportion of total</th>
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<td>Zoological and botanic gardens</td>
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<td>Administration of culture</td>
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<td>65.9</td>
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<td>Public hall and civic centres</td>
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<td>158.0</td>
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<td>National parks and wildlife services</td>
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nil or rounded to zero (including null cells)

(a) Categories based on the Cultural Ministers Council National Culture-Leisure industry Statistical Framework.
Tokyo and Kanazawa: Culture and Economy of Contemporary Japanese Cities

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Introduction: Background and Framework of the Study

As we move into the new century, the trend of globalization is progressing, leading to the emergence of a few large global cities that have global functions in economics, politics and culture. While on the one hand these cities are standing on top of the global system, on the other hand many other cities are integrated into this system, which are being exposed to a rapid financial and economic change brought on by “casino capitalism.” They seem to be on the verge of a crisis involving the corrosion of their healthy economic infrastructure and the loss of their unique culture.

In this occluded situation here at the beginning of the century, “creativity” and “sustainability” of cities are being examined as key concepts to break open this difficult situation, in Europe, America and Asia. For example, the European Creative Cities Research Group is examining and analyzing the experiences of cities trying to solve problems by bringing out the latent social forces through the creative power of art/culture. They do this while keeping in mind the problems of how to find new urban development directions free from financial support of the national government, in a society faced with the decline of the manufacturing industry, a rise in unemployment and a welfare state system in danger. Furthermore, over 150 cities in the EU have
formed the Sustainable City Campaign which is attempting to strengthen efforts at Local Agenda 21 from the bottom up, in order to preserve the world’s environment. Looking at Asia, in Japan, having been stimulated by the movements in Europe, we see research on creative cities and movements aiming at sustainable cities.

Chapter 1  
Global City Tokyo: a huge cultural consumption market

According to the "global city theory" established by S. Sassen in her book "The Global City", a major contribution after the "global city hypothesis" of J. Freedman, the "global city" is a city having the following four characteristics.

① A city standing at the apex of the hierarchy of global control and subordination, i.e. from which multinational corporations and banks exercise control of developments in the global economy.

② A city hosting an international financial center and being characterized by a high degree of concentration of firms that provide professional business services. The latter not only support the activities of multinationals, but also serve as an engine to the urban economy.

③ A city attracting immigrant workers both domestically and from foreign countries, thus becoming the focus of an international spatial and class confrontation.

④ A city having an unstable economic foundation and suffering from chronic financial stress due to serious social problems that exceed the city’s financial capacity.

Furthermore, the “global city” has been defined as the testing arena where the validity of contemporary urban and regional policy is tried out in response to the intensification of various international contradictions. (Sassen, 1991).

On the other hand, international economic integration has been accompanied by cultural globalization, strengthening the global city’s role of a creator and transmitter of culture.
Previous research has taken New York as a model and compared it with Tokyo and London, but the structural characteristics of the Japanese-style global city Tokyo have not received sufficient attention.

This chapter aims to analyze the culture and economy of the global city, taking into account the "structural characteristics" of the global city Tokyo.

1. The economic structure of the global city Tokyo

In the latter half of the 1980s, with the advance of the globalization of the Japanese economy and the concentration of macroeconomic management functions in the capital, the "global city" of Tokyo came to be viewed as a viable urban planning strategy. It was decided by the Tokyo Metropolitan Government in 1986 ("The 2nd Long-Range Plan for the Development of the Tokyo Metropolis") and by the National Land Agency in 1987 ("The 4th National Overall Development Project") to make "the global city Tokyo" a key phrase for the future.

The first characteristic of the Japanese-style global city Tokyo was that it became known as "the central technopolis" in Japan and a "global hi-tech city" overseas as a result of the construction of new laboratories of hi-tech companies, the expansion of existing facilities by big businesses in the outer ring of Tokyo, and the concentration of the head offices of Japanese multinationals in the CBD.

The second characteristic was that the internationalization of the Japanese financial center proceeded hastily (as a consequence of external pressures related to Japan's huge trade surplus) while retaining its closed nature due to centralized bureaucratic control.

The third characteristic was that the "remodeling-of-Tokyo" strategy (the "global city" strategy), which involved both the public and the private sectors, strongly contributed to the Japanese asset bubble (the rapid rise in stock and land prices) of the late 1980s.

In other words, a major difference between the global city Tokyo, on one hand, and New York, London, and Paris, on the other, was that the share of the manufacturing industry in the former was relatively high. Conversely, the concentration of business
service industries, in particular professional service businesses supporting the international business activities of multinationals, was at a much lower level in Tokyo.

As the Japanese financial sector underwent a substantial internationalization and deregulation throughout the 1980's, Tokyo’s financial markets grew quickly for some time. The rapid expansion of the money market coupled with the increase in the demand for office buildings (due to the expansion of foreign financial institutions and the professional service industries to the center of the city) brought about feverish speculation in stocks and land. It was estimated that capital gains of approximately 430 trillion yen were obtained between 1986 and 1989.

After the burst of the asset bubble Japanese banks found themselves saddled with a huge amount of bad loans, and the foreign financial institutions started moving to Hong Kong, and Singapore, making everyone talk about the "financial hollowing" of the Tokyo market. Over the 1990s, although Tokyo maintained its almighty position domestically, it lost ground to international competitors due to its closed financial system. As a result, the reality of the Japanese-style global city became clear.

The "global city Tokyo" was hugely overrated as a member of the "global city club". It seemed to stand shoulder to shoulder with New York and other world cities for a while. However, the collapse of the Japanese asset bubble made evident the weaknesses of Tokyo – a "closed global city" heavily influenced by imperfect competition combined with the leftovers of a protectionist policy.

The result of all this for the Tokyo Metropolitan Government was an enormous financial deficit (it was on the verge of the bankruptcy) and the replacement of the sign "global city" by the sign "life city".

There were also dramatic changes in the industrial structure of the Tokyo Metropolis in the 1980-90s. The shares of the manufacturing and the service industries in the total output were reversed in 1986, the year after the Plaza Agreement was signed.

The manufacturing industry’s share dropped from 33.5% in 1970 to below 20% after 1987, and that of the service industry rose from 14.5% to 25.5% in 1990. The expansion of the financial service industry reached its peak in 1988, and after that its share started falling rapidly. The development of the real estate industry showed the
same tendency.

When we examine this change through the number of establishments and persons engaged. While the retail industry lost about 22,000 establishments and the manufacturing industry lost about 11,000 establishments, and 140,000 persons engaged in the whole of the Tokyo Metropolis proper from 1981 through 1991, as shown in table 1.

There were large increases of about 11,000 establishments and 190,000 persons engaged in the finance, insurance and real estate industries, 60,000 people in the construction industry, and 40,000 people in the culture, amusement industry. Remarkable increases were seen in the professional service industry, especially in the information service, and investigation industries where there were increases of 2.8 times the number of establishments, and 180,000 employees. In this manner, it is certain that the influence of the bubble gives it a big impact. International factors triggered it.

2. The bubble economy and the formation of a huge cultural consumption market.

Together with the unipolar concentration of large corporate headquarters and the financial institutions, cultural concentration in Tokyo also became remarkably intense, and the big charm which drew young population to Tokyo from the whole Japanese country was formed. The concentration in Tokyo of the mass media, which has a big influence on the formation of the young people's culture, is remarkable. 80% of the publishing companies which account for 95% of the sales are in Tokyo, and in the broadcasting field, television program production in Tokyo exceeds 80% of the total. Moreover, as about a half of the programs of Osaka office, too, are being made now in Tokyo, it is said that Tokyo occupies about 90% of the market share de facto.

The offices of various television related businesses such as studios, public entertainment producers, agencies, program planners, production companies, investigation companies, and so on accumulate around the television broadcast stations which are the information medium with the biggest influence on young people in present Japan. Various media allied industries concentrate in this manner, centered around the huge broadcasting companies which form national networks, in the
neighborhoods of Akasaka Roppongi and Shibuya, where TBS, Asahi National Broadcasting Co., and NHK, and so on are located and turned them into a "media castle town".

These small enterprises, called "SOHO" (Small Office Home Office) form the agglomeration known as "Bit Valley" after the "Silicon Alley" of Manhattan. Furthermore, multimedia allied industries have accumulated in Ochanomizu, Kanda, and Akihabara forming the "Ochanomizu triangle", and the animated cartoon industry concentrated in Musashino terrace areas such as, Kokubunji and Mitaka where locates a famous cartoon production company “Studio Jiburi”.

The Walkman, animated cartoons, and game software which such media affiliated industries produce are now exported internationally as things which represent Japanese youth culture, and have become representative cultural exports from Japan. With the development of the above cultural amusement industry, urban redevelopment projects which are centered around compound entertainment complex such as movie theaters, a concert hall, a theme park, a theater, or a museum have become more common.

Still fresh in our minds are events such as the construction of the Parco theater and a shopping center called Loft in Shibuya by Saison Group, which leads Japanese enterprise philanthropy, while the Tokyu group, which competed with it as a rival, took an approach where it built, as an annex of their department store, a compound cultural facility called Bunkamura or 'Cultural Village' which recalls the Village in New York. This type of corporate cultural strategy is adopted in earnest from the latter 80s in the commercial facilities and redevelopment project of the city. We can say that it blossomed together with the bubble economy.

Mr. Seiji Tsutsumi who was the CEO of Saison group states that "Consumption which basically should be a unique human life process had meaning only as a self-multiplication process of non-unique, uniform consumption, in the society of the bubble economy."

His statement of the problem, which includes self-admonishment, goes as follows. “The 20th century is said to be 'the century of theme park and the advertising agent'. Marketing which supports these activities is the technology to sell off in the market the goods produced in a large quantity. It is thought that it has evolved and has come to be
a technology which merchandises even the symbol of consumption. Even the society with the name of 'consumer society' is in fact a consumer society for the producer. Isn't 'consumer society' the name given to the production market for capital? If one wishes to change paradigm of industrial society, marketing will have to attempt a fundamental phase change again, too.” (Tsutsumi, 1996)

Mr. Tsutsumi asks us to do away with the "symbolization" of consumption, and return to the original meaning of the word "consumption” as the self-completion, or the self-accomplishment, and alter the paradigm of the industry society. Has Tokyo also reached the point where it has an international cultural function which is appropriate for a global city such as New York or Paris? While it is disappointing, the reality is that Tokyo is not a strongpoint of the cultural creation which is highly evaluated internationally, even though it may be a huge global culture consumption market.

Next, let's try to make the characteristics of the art and cultural activities of Tokyo clear using 'An Investigation about the Cultural Environment and the Cultural Activities in the Tokyo Metropolis' (June, 1996) which analyzes from the both the production side and the enjoyment side of the art culture.

First, when we examine the conditions of the cultural facilities, we see that the construction of theaters, and other halls has been progressing at an urgent pace nationally from the late 1980's until the mid 90’s. A new facility opens at the pace of 1 every 4 or 5 days. Thus, we can point out that the construction boom of the theaters and other hall progresses. There is the greatest concentration in Tokyo: 262 units of a total of 2,121 units in the whole country, which makes up only 12.4% of the total for the whole country. However, the fact that 148 units, or about the half of the private facilities are concentrated is characteristic of Tokyo.

As for the characteristics of the facilities, multipurpose halls like those of the past become less common. The construction of the special purpose halls for the opera, concerts, and drama such as the new national theater and Tokyo Opera City has become common. The case where large, medium, and small sized special purpose halls are constructed together in the same facility like the Tokyo Metropolitan Art Theater in Ikebukuro are increasing.
Next, when we examine artists and art institutions, the high degree of concentration in Tokyo becomes clear. The population of the artists tends to increase nationally from 1960s. It increased 4 times in 25 years. The Tokyo percentage of artists makes up 30.3% totaling musicians, actors, writers, and visual artists. Especially the percentage of professional Musician's (47.7%), professional actors (44.3%), professional writers (45.9%) reaches about half. The same is true of art institutions as well. The percentage of professional music groups and the dramatic companies in the Tokyo Metropolis is very high. 81.0% of the chamber ensembles and other mixed musical groups, 46.1% of orchestras, and brass bands, 88.8% of the opera companies, and choruses, and 74.9% of the dramatic companies are in Tokyo.

Therefore, the Tokyo percentage of the total number of performing art is high as well. It makes up 71.7% of the total number of the drama performances. Especially, 92.0% of the shingeki (the 'New Drama' genre) is performed in Tokyo. 48.6% of all dance performances are performed in Tokyo. Particularly, 74.7% of the modern dance performances are held in Tokyo. 68.4% of child dance is performed in Tokyo as well. On the other hand, only 35.7% of the total number of classical music concerts are held in Tokyo. It is characteristic of Tokyo that concerts by famous foreign musicians kept increasing in the bubble economy. In the above manner, we can confirm that the most varied art and culture in the whole country is provided in Tokyo.

When we examine the enjoyment side of the art and culture, we can divide it into the appreciative type activities and the participation type cultural activities. First, when we investigate the trend in the appreciative activities, we see that the participation rate in the fine arts appreciation, classical music appreciation, popular music appreciation is increasing, it remains steady in entertainment, drama, and dancing appreciation, while movie appreciation declines. As for the characteristics of Tokyo Metropolis, the participation rate is higher than the national average in every genre. The female participation rate is higher than the male. Especially the female participation rates in entertainment, drama, and dancing are more than 15% above the national average. It exceeds the male participation rate in Tokyo Metropolis by almost 20%.

As for the participation type cultural activities, the rate of participation is even lower than the appreciative activities. We can point out that participation in every genre
has been static, or tending to decrease for 10 years. Well then, what kind of cultural policy does Tokyo Metropolitan government have, and how has it invested its cultural budget?

3. The characteristics of the cultural policy and the cultural industry of Global City Tokyo.

   Tokyo metropolitan government established the "Tokyo Metropolis Cultural Promotion Regulations" in 1983 prior to the rest of the country and the "improvement of the cultural facilities" have been advanced. When we examine the financial side, we see that the total cultural expenses of the Tokyo Metropolis increased 4.8 times in the 10 years from 1983 to 1992. This rate exceeds the expansion rate (3.1 times) of the national cultural budget. The city spent 495 billion yen in 1992 (the level is almost the same as the Agency for Cultural Affairs budget 496 billion yen of the same year). Together with the 428 billion yen of city wards, a total of 923 billion yen is reached. After 1987 the increases of the cultural spending suddenly became large. This is due to the rapid increases in the "Metropolitan Cultural Facility Construction Costs". Huge facilities were constructed one after another such as the Edo Tokyo museum, the Tokyo Art Theater, Tokyo Metropolitan Contemporary Art Museum, and the Tokyo International Forum. Therefore, the percentage of the cultural establishment construction expenses was only a little more than 20% in fiscal 1986, but reached 84.3% in 1992. In this manner, the construction of “the hardware” took the highest precedence in the cultural expenses as well, and the percentage of the art and cultural promotion expenses, that is to say, "the software" lessens all the more.

   In conditions like this, The Seventh Cultural Advisory Council’s report concerning the cultural conditions of Tokyo entitled “Towards the Creation of City Culture” notes the following 4 points.

   ① Even though Tokyo is a huge international consumer market of culture, the creation of the art and culture side is weak. It has not yet managed to create the global respectable culture of Tokyo.
② The incubator function for art creation like that of New York isn't fulfilled.

③ Tokyo goes ahead with the opening of the facility before it fulfills the software side fully.

④ The succession of traditional culture is interrupted. Our historical cultural heritage faces extinction.

After recognition of these harsh circumstances, the report seeks a change in thinking where one introduces the art and culture to urban development, and the support of the citizen's cultural activities, and the succession of the traditional cultures takes place around a central axis of the creation of the art and culture. However, is it possible to ensure the art promotion budget under a serious financial crisis?

When we look at it like this, compared with New York as a "creative city" of global culture, the characteristics of Tokyo as an "culture import and consumption city” become clear. And, this fact came to brand the cultural industry of Tokyo with the following characteristics.

Table 2 analyzes the economic effect of the art and culture in New York and Tokyo, and it was made using data from *The Art as an Industry : Their Economic Importance* (Port Authority of New York-New Jersey, 1993) and *Tokyo Metropolitan Interregional Input-Output Table* as a reference. According to this table, Tokyo based performance groups, video and movie productions, museums, and theater's expenditures in fiscal 1992 (Direct effect) were respectively about 143 billion yen, 18 billion yen, 60 billion yen, 582 billion yen. The degree of the economic impact were 1.82, 1.88, 1.59, 2.04. Of these, in the case of theaters, the percentage of bringing production to the Tokyo Metropolis is high at 80.3%.

The production causing effect on the performance group related service industries, and the business service industries is especially high. The economic effect of each of museums, performance groups, and video and movie production on related service industries is large. The fact that the rate of causing production within Tokyo Metropolis is high contrasts with the fact that the rate the construction industry induces production outside of the city rather than inside Tokyo Metropolis is large, because the effect of the construction industry on the manufacturing industry is large.
When the economic effect of the art and culture of Tokyo and New York are compared according to table 2, we see that, in New York, performing art such as music, opera, drama, and dance as well as museums, and art museums are made the target of the public support, and the percentage of non-profit art groups and organizations is large, while there is no correspondent to this in the Japanese legislation system until 1998. This shows that the percentage of art and culture on the commercial base such as a video, and movie production is large. We can understand that more importance has been attached to the function of the art creation that is detached from the commercial base in New York. It is thought that the quality of the art and culture industry in Tokyo will also be called into question. (The Cultural Economy Research Group, 1997)

4. Some Overview.

As I have stated above, by placing the global city, Tokyo, as a fund supply city for the American economic relief, Tokyo's change to an international financial center was hastened. Under a cooperative following type economic and financial policy vis-à-vis the US, Tokyo crashed as the "global city covered with bubble". At the same time, the weak points of the Japanese economic system such as the maintenance of the closed financial system and, the localized torrential downpour type export constitution were projected on the global city Tokyo, causing Tokyo's rank in the world to tend to decline.

And, as for the art and culture side as well, while New York has characteristics as a cultural creative city which has artist's creative activities as a nucleus, the fact that Tokyo has not gone beyond being a cultural consumption market which depends on imports from the West has become clear.

Recently, however, movements worth paying attention to designed to regenerate Tokyo as a "Global City" which aim at the cultural creation have been visible at the national and local levels. First, the art and cultural promotion fund was established at the central government level in 1990, and the Agency for Cultural Affairs has come to start in earnest a creative support program for contemporary perfoming arts entitled "Art Plan 21". Second, various grass-roots cultural policies at the "ward" level of Tokyo, have begun developing. Third, the legalities of Japanese NPOs have been decided, and
the outlook for strengthening the base of the activities of non-profit art groups has improved compared with before.

Chapter 2. Creative and Sustainable City: Kanazawa

1. Endogenously Developed Creative City – Characteristics of the Urban Economy of Kanazawa

Kanazawa is a “human scale” city, with a population of 450,000. Roofing tiles shine blackly on the rows of houses in the old city center, giving a calm appearance. The local life culture has spawned many traditional performing arts and traditional crafts. Kanazawa is also in possession of a rich natural environment, including two clean rivers, the Sai and the Asano, as well as the surrounding mountains with much greenery. It also has its own unique economic structure, and has been ranked at the top of medium sized cities in Japan by urban researchers.

Many Japanese cities in the period of high growth following the second World War became branch economic cities of Tokyo, or likening business to fortresses, “business castle towns” or company towns and in the process, lost their original culture and independent economic infrastructure. However, Kanazawa has been appraised for its endogenous development with a balance of economy and culture.

The following five points summarize Kanazawa’s characteristics as an endogenously developed city.

(1) Kanazawa does not have any head or branch offices of famous large corporations or giant factories, but has a group of sustainable and endogenously developing medium-and small-sized companies, key factories with their head offices or decision-making sections within the region, thus Kanazawa is equipped with highly independent urban economy.

(2) Since the Meiji Era, both textile and textile machinery industries have been developing as the two allied key industries. With these industries on the base, machine
tools and food-related machine industries have been growing since the second World War along with publishing/printing, food as well as apparel industries. Thus as a local city with a population of only 450,000, Kanazawa provides an urban economy with diversified industrial structure on the base.

(3) As seen in the textile industry as a typical example, Kanazawa forms a unique industrial district system with local trading companies in its center and developed sales and distribution as well as finance functions in addition to the manufacturing industry as the core. Thus urban economy with well-balanced secondary and tertiary industries is characterized.

(4) This endogenous development of urban economy by restricting large-scale regional development to be enforced and smokestack industry to be introduced from the metropolitan area to this area has avoided a drastic change in industrial structure as well as in urban structure. As a result, traditional industries, streets and natural environment are well conserved to provide rich and beautiful urban life.

(5) The urban economic structure as described above increased added value through roundabout production inside the region, prevented profits of total income produced in the region from outflow and kept it inside, realized constant innovation in medium-sized enterprises, and developed food and drink industry and various service industry both of which are characteristic of night life in big cities. Furthermore, it brought about urban agglomeration of high quality through increasing universities and colleges, vocational schools and other academic organizations. In other words, cultural capital has been maintained through the local urban economic cycle surplus.

Since 1985, the rapid global restructuring has affected not only the economy of Kanazawa, but the whole of Japan. Those cities that did not have a sufficient endogenously developed economy, lacking decision-making entities and research & development institutions, and with only production capabilities found themselves in competition with Asian NIES, with industrial cavity progressing from mass production factories dependent upon low wages.

Due to this, everything became centered in Tokyo, a global city with its multi-national corporations and financial institutions. In the local regions, there occurred
extreme depopulation. Even in the economy of Kanazawa, the mass-production textile factories, vertically integrated by the textile production companies, were placed in hardship, and many went bankrupt. On the other hand, the post-mass-production mechatronics industries and hi-tech industries, which dealt with many types of products with low quantities, developed. As stated previously, this is due to the existence of the various research and development institutions, and the preservation of the craft production know-how, which made the local institutional thickness that was able to resist the rough waters of globalization.

2. From Cultural Preservation to the Creation of New Culture – The Cultural Policy of Kanazawa

Kanazawa, as an endogenously developed creative city, has developed its own unique industries, but it can also be assessed by its unique and rich art and culture development as well.

Kanazawa is, next to Tokyo and Kyoto, a prominent standard for regional cities in many areas, including traditional arts & crafts, performing arts, literature, etc. There are also many artisans in the fields of ceramics, lacquerware, metalwork, dyeing, wood and bamboo craft who are active on a national level.

For this, both the artisans who supported the craft production, well as the citizens who had a high level of appreciation and included crafts objects into their daily lives were indispensable. From the point of cultivating successors, Kanazawa College of Arts and Ishikawa Prefectural Technical High School also played an important role. In all of this, what characteristics can be seen in Kanazawa’s cultural policies?

(1) Although Kanazawa has a population of 450,000, it has established its own municipal College of Arts, and has invited many famous artisans to serve as professors, contributing to the development of successors. As already mentioned, the citizens had petitioned for such an art school since before WWII. In 1946, this school began as a junior college, the Kanazawa Art Technical School. At that time, it had two faculties, the Art Faculty and the Craft Faculty. In 1955, it re-started as a 4-year university, again
with two faculties: the Industrial Art Faculty which includes three specialties, namely commercial design, industrial design and craft design, relating directly to modern industry; and the Art Faculty.

(2) There are efforts to preserve cultural assets. In July 1949, a year before the establishment of the national Law for the Protection of Cultural Properties and 6 months after the destruction by fire of the Horyuji Temple, the Regional Law for the Protection of Cultural Properties was passed. Thus began the promotion of culture in Kanazawa, which had been spared any real wartime damage, and its journey as a cultural city.

(3) In 1968, the Regional Law for the Preservation of the Traditional Environment of Kanazawa City was passed, which made efforts at preserving the traditional atmosphere of the city. During the high growth period, the Law for the Preservation of Ancient Cities was passed, but only affected Nara, Kyoto and Kamakura. Because of this, the unique traditional environment of Kanazawa was in danger of being destroyed. Kanazawa City became the first city in the nation to pass such regional laws, and was an epochal step in preserving the traditional environment of the city with the cooperation of the citizens.

At first, it began by protecting the natural environments of the two rivers (Asano and Sai), Kenrokuen Garden and Honda Forest in the center of the city, and the temple districts of Tera-machi and Higashiyama, and extended to the black roofing tiles of private residences and the fences in the old samurai house district of Naga-machi, to preserve the traditional atmosphere of Kanazawa, a city that had suffered no wartime damage. It was not only applicable to preserving buildings within the area designated as the traditional environment zone, but also offered financial support for restoring buildings outside of the zone that had been designated for preservation.

(4) In 1973, in commemoration of the 100th birthday of Kyoka Izumi, a literary great from Kanazawa, the city established the Kyoka Izumi Literary Award and the Kanazawa Citizen’s Literature Award in commemoration of Kyoka Izumi, being the first regional city in to sponsor a national literary award. The background to this award was an effort to resist the centralization of culture by getting many people to “recognize the customs and traditions of Kanazawa, which cultivated Kyoka Literature,” and included the hope to strengthen the capacity of regional areas to serve as transmitters of
culture.

In the late 1980s, local governments, fearing the one-sided accumulation of culture in Tokyo, began efforts at promoting culture and art. However, in most cases, their efforts revolved around “hard” activities like the construction of large opera houses and symphony halls. The case of Kanazawa had the following characteristics.

(1) Priority was placed on “soft” activities, such as the formation of the Orchestra Ensemble Kanazawa, in order to till the soils of Western music culture, and not only traditional Japanese culture. The orchestra was created in 1988 by Ishikawa Prefecture and Kanazawa City, with the cooperation of the famous Japanese conductor Mr. Hiroyuki Iwaki. This was the first professional indoor orchestra in Japan (a medium sized group of 40). They play not only Mozart symphonies but are also vigorously pursuing modern music such as that of Toru Takemitsu and Toshio Mayuzumi, and are raising their evaluations on an international level.

(2) Emphasis was placed upon citizen participation in training and cultivation programs. In 1989, in commemoration of the 100th anniversary of the establishment of Kanazawa City, the Utatsuyama Craft Workshop was built, and began recruiting interested students from the general public (5-8 students per class) for 3-year training courses in ceramics, lacquerware, dyeing, metalwork or glass crafts. This workshop helps to cultivate successors and pass on the techniques, as well as holding training courses open to the local citizens. This workshop has been praised as carrying on the spirit of the old craft workshops of Kaga Province in modern times.

(3) While controlling large-scale “hard” activities, Kanazawa has been able to preserve the traditional atmosphere and is strongly for refining it. In April 1989, due to the growing bubble-economy trend of destroying old samurai houses and historical landmarks to make way for high-rise apartment complexes and office buildings, the city brought out the Regulations on Urban Landscape, bringing out standards in building heights, physical forms, colors, advertisements, etc. in line with the local region, making active efforts to harmonize them with the traditional environment. This movement developed into the Regional Law on Town Streets, the Regional Law for
Preservation and Beautification of City Water, and the Regional Law for the Preservation of Slope Greenery.

In this way, Kanazawa’s cultural policies are enthusiastic about preserving the traditional culture, but on the other hand, there was criticism to the effect that it was culturally conservative. Clearly, a city culture that it too tied to tradition and lacking the critical spirit is not one of a creative city. A city lacking the function to create culture will no doubt loose its ability to foster creative industries.

On this point, the seeds of a new cultural movement are coming to bear in Kanazawa. The old warehouses of the spinning mills so symbolic of the past textile production area were reborn as the Kanazawa Citizens’ Art Village. This Art Village is a creative space that can be used freely by the citizens, and consists of several workshops, namely the Drama Workshop, the Music Workshop, the Eco-Life Workshop and the Art Workshop that were created by renovating the spinning mill warehouses, which serve as reminders of the heritage of modern industry. Adjacent to this is the Kanazawa Artisan School (this is an establishment for the preservation and transmission of Kanazawa’s high level artisan skills, and is available for 30-50 year old artisans who already have basic skills to train for free). Kanazawa City, which manages the Art Village, held talks with the representatives of the users, and decided to make it open 24 hours a day, 365 days a year to contribute to the creative activities of the citizens.

In the case of the Drama Workshop, the Kanazawa Theater Actor’s Association, a group of 21 different amateur theater groups formed in 1995, discussed among themselves and decided upon the fine details of use. The opening theater festival began in October 1996, during which local theater groups ran a joint production of Shakespeare’s *A Midsummer Night’s Dream* for 6 months. During this period, 25 groups performed a total of 64 shows, in which 14,507 people took to the stage and 21,129 citizens came to enjoy, ending in a great success. The Art Workshop saw some 24,000 people coming to see exhibitions of local artists; the Music Workshop saw over 15,000 users, mainly rock bands and students; and the Eco-Life Workshop saw 18,000 people for the recycle fair and other activities. All in all, 100,000 citizens visited the
Village in a little over half a year, and enjoyed events related to art, culture and the environment from both a “producer’s” and a “consumer’s” point of view. In other words, this was a turning point for Kanazawa’s cultural policies, which were apt to lean more towards traditional culture and traditional performing arts. We can appraise this by saying that due to the active participation of the citizens, the new cultural infrastructure is turning into a creative art infrastructure.

3. Towards a Cultural Production City

In one light, the cultural production in Kanazawa can be seen as a revival and reconstruction of the craft production that began in the Edo Era. In the historical progression from craft production to mass production to cultural production (new craft production), it is believed that “cultural production in an endogenous creative city” can be placed.

When the mass production/mass consumption system was placed in danger from the two oil shocks of the 1970s, the post-mass production cultural production began to gain more influence, making a sort of renaissance in Kanazawa’s urban production system. In the case of Kanazawa, especially, it is interesting to note that the craft production system of the traditional industries became the base for the development of this post-mass production cultural production.

As we have already seen, the production system of the 20th century was mass production, in which identical products were produced, consumed and emitted in great volumes. This system, due to its ability to produce great quantities of products at the same quality, is the realization of the “popular consumption society,” and made possible the “industrial society” made up of large corporations (factories) and large cities, but has run into a dead-end of considerable difficulty to solve here at the end of the 20th century.

The important factors here are (1) loss of creativity and humanity in production due to the introduction of machinery as an accessory to the producers, which became one part of a larger organization, (2) the producers, realizing they were the major players in effecting the trends that affected the consumers, kept pursuing mass-
production, making flexible handling of the oil shocks and the collapse of the bubble
difficult. Accordingly, what is expected of a system that can override the mass
production system is (1) human-scale businesses/factories that can bring out the
creativity of the producers, flexible production of products with a high cultural intrinsic
value that can keep up with the changing market; and (2) customers with the ability to
tell genuine articles in the market, and a high cultural standard to strengthen their life-
planning abilities through their consumption activities. In other words, “new cultural
production,” a system in which cultural production and cultural consumption are one.
Today, the keywords of “workshop style business,” “intelligent public,” and “art-
ification of daily life” are becoming known, and each of these can be understood to be
an increase in interest in “a new cultural production system that can override mass
production.”

First of all, let us begin from the traditional industry renaissance.

Kanazawa is second only to Kyoto in terms of transmitting traditional crafts
products from the past, and there are 26 verified traditional industries. There are over
800 offices related to these traditional industries, with a total workforce of
approximately 3,000. This covers 24% of the total number of offices within the city, and
8.2% of the total workforce of Kanazawa, placing it as one of Kanazawa’s key
industries. Out of these, five have been designated by a national law concerning the
promotion of traditional crafts industry, namely Kutani pottery, Kaga Yuzen silk dyeing,
Kanazawa Lacquerware, Kanazawa Gold & Silver Leaf, Kanazawa Buddhist Alters and
Kaga Embroidery. Let us take a specific look at Kaga Yuzen and Gold & Silver Leaf.

The accumulation of technical know-how brought about by the traditional craft
production system lives on in Kanazawa’s new urban industries. Without going into too
much detail, let us take a quick look at the new urban industries in the hi-tech/hii-touch
field.

On the field of personal computer equipment, I.O. Data, Co., famous throughout
the country, has 325 employees (80 R&D, 25 planners), and started with a capital of \1
million in 1976. At first the company was sub-contracted by large computer
manufacturers like NEC to produce computer equipment, but changed their business
activities when they created the textile work supervision system for local textile
factories. With the popularity of personal computers, the company has also been involved in developing new memory technologies. The secret to their success was to enter the areas that the large companies could not get into, while retaining their artisan-like quality. Total sales in fiscal 1989 were ¥5.3 billion, and ordinary profit was ¥800 million. In 1991, when it went public in the stock market, these were ¥9.3 billion and 800 million, respectively. In 1996, these were up to ¥52.1 billion and ¥3 billion, and recently they have been venturing into areas outside of memory equipment, such as hard disks and modems.

Shibuya Industries. Co., (1,261 employees) which boasts the top national share in bottling, has become one of the core hi-tech businesses of Kanazawa. Originally, it made distilling machines for Kanazawa’s local sake brewer Nakamura Brewery. It can be said to be a mechatronic industry forged by traditional industry.

In addition, makers of food related machines, such as automatic tofu making machine makers that work with local tofu and sushi shops, automatic deep fryer makers, revolving sushi conveyor makers, etc., all hold top shares in the national market. They all offer a variety of products in small amounts, and are active as leaders in “craft production in the hi-tech era.”

What is more, they are all aiming at computerized systems. For example, Takai Manufacturing (116 employees), which boasts a top share in the national automated tofu making machine market, working with local computer manufacturer PFU, had succeeded in utilizing nuero-technology, which functions much like a human brain, in the boiling process. Tofu making artisans claim this is one of the most difficult processes of their trade. These hi-tech machines with “an artisan’s touch” may just be the salvation of the tofu industry, which is suffering from a lack of successors.

A new-wave boom in the apparel industry ushered in the revival of the textile industry. Local companies boasting of the top share in the new field of “fashion uniforms” emerged. Yagi Corporation (200 employees) was originally sub-contracted to produce sports slacks. The president foresaw the future potential of fashion uniforms, and entered into the fray with catalogue sales as his weapon.

Fukumitsuya (140 employees) stands at the top of the sake industry in Kanazawa. Fukumitsuya, which has a long-standing tradition of 350-260 years, is the top sake
maker in both the Tokai and Hokuriku regions. Other sake makers such as Fushimi made television commercials and went the way of mass production and mass sales during the high growth period and took large chunks of the national share, but the decline in the quality of their products brought about a distaste for Japanese sake among consumers. In response to this, Fukumitsuya was able to keep their product quality even through self-production, and gained recognition for responding to the needs of the customers with various new products. While advances in bio-technology and rising quality of new products are occurring, the nationally-acclaimed endogenous event Food Pia Kanazawa was produced by the president of Fukumitsuya. The concept of Food Pia Kanazawa is that of a combined gourmet festival and climate festival. It is an effort to disseminate the local food culture while also believe in the local “wind” and “earth.” “Wind” represents the people who gather at Food Pia from all over the country, whereas “Earth” represents the local citizens and local businesses. One can see the influence of Kunio Yanagida’s ethnology and Kazuko Tsurumi’s sociology on the event.

The event was a success due to the information transmission capacity of the various cultured and learned people who gathered in Kanazawa. This not only brought an increase in tourists during that season, but also gave economic stimulus to Kanazawa, through providing a local identity to the local economy. Indeed, it was an event in which culture led economic activity.

Kanazawa International Design School opened in April 1992, as the Japan branch of the Parson’s International Design School on Fifth Street in New York City. This shows a will to cultivate post-modern designers, which has been lacking in Kanazawa. This effort to create a place in the city center in which new artisans can be cultivated, as a form of cultural investment by businesses, is believed to be the same as the so-called “Third Italy” efforts.

The urban accumulation that cultivates and establishes software and human resources to support hi-tech as well as designers who create hi-touch products, will also give birth to new industries and enterprises with high value-added.

I want to call this formula for developing new industries based upon urban economic development through high quality cultural accumulation the “city’s cultural production through cultural accumulation” that Kanazawa is aiming at. This “cultural
production system” that Kanazawa is aiming at is the following. Production of goods and services with high cultural value-added, through an integration of artisan skills and feelings with hi-tech machinery in the production process. Recycling of income made within the region, heading to new cultural expenditure and consumption through a close network of the endogenous industries in the region, from daily good producers to mechatronics/software/design industries. The cultural expenditures would go to support private design research centers, the construction of art museums and orchestras through strengthening the cultural accumulation of the city, hi-tech/hi-touch human resources.

The Main Actors of a Creative and Sustainable City – Kanazawa

Next, let us look at the three major actors in Kanazawa, as a creative and sustainable city heading into the 21st century, namely the business sector, the citizens and the local governments, and how they conceive the issues and development directions of the city.

As we have already seen, the Kanazawa Association of Corporate Executives’ accumulated policy theory activities are playing a big role. Mr. Tadashi Shimizu, one of the leaders of the Kanazawa Association of Corporate Executives, while appraising the fact that Kanazawa’s tradition of “harmony, coexistence and criticism” had brought out the critical spirit with regards to materialistic civilization which places priority on utility and calculation while also coexisting with the development if that civilization, tells us the following.

“Now, through an economic analysis of Kanazawa City, when trying to clarify the background of its endogenous development, what I feel is poignant is that it is very related with its traditional culture and economy.”

“In the endogenous development of the local economy, the following three points are the minimum requirements: that there is a balance between export and import, that the internal economic cycle is sufficient, and that an independent decision-making right is guaranteed.”
“Furthermore, if one is going to expand without fearing the activity of logic, then the economic and cultural values that are, superficially, separate, are actually being assimilated in the urban makeup of Kanazawa. It can be said that the fact that they are naturally harmonized and foster mutual prosperity is the true height of Kanazawa’s economy and culture.”

As we saw above, while recognizing the tense relationship between culture and the economy, or the opposing relationship between Kanazawa’s traditional culture and the global material civilization, the ethos of trying to harmonize is an undercurrent among the business leaders of Kanazawa. Based upon this ideology, the Kanazawa Association of Corporate Executives have made proposals on many issues such as preservation town scenery, urban transportation problems, issues surrounding the urban environment and water, etc., calling both the citizens and local governments into action. As we can see, the role played by the Kanazawa Association of Corporate Executives in regional social agreements is that of a pioneer.

As one of its central activities towards the 21st century, the Kanazawa Association of Corporate Executives is preparing to continue the organization of its Kanazawa Creative City Conference. The main themes of this conference are what problems must cities overcome in the 21st century, and what urban model is most fitting for the 21st century. It is an ambitious effort, discussing these issues in the context of Kanazawa, as a city aiming at creativity in culture and industry, and offering areas for experimenting with urban policies. It calls for the participation of the world’s urban researchers, those in charge of city policies, and citizens interested in urban issues. So far, two pre-symposia have been held with participation from Birmingham, Amsterdam, Bologna, Tokyo, Kyoto and Yokohama. Also in the field of vision is the future establishment of an international academic society for creative cities.

On the other hand, citizens movements related to the urban environment and urban culture (including individual movements opposing the construction of high-rise apartment complexes and dams that pose a threat to natural cultural properties) are lagging behind when compared to the activities of the business sector.

However, in relation to environmental problems, groups involved in the
Ishikawa Environment Network have been learning from the experiences of Freiburg in Germany, have proposed limiting the use of private automobiles into the city center and the revival of road-top railways. New movements in the field of culture include the formation of the Kanazawa Drama Network by the artists who gather in the Drama Workshop of the Citizens’ Art Village, who are planning a national tour of locally created dramas.

Furthermore, with the passing of the NPO law in 1998, several citizens groups in the fields of heath/welfare, art and culture, environmental protection, town-building, etc., were certified in Kanazawa. The grass roots citizens’ movements are growing and their future activities are anticipated.

In June 1995, Kanazawa Mayor Tamotsu Yamade proposed the Kanazawa World City Concept, which was accepted as a long-term plan in 1996. Its basic theme was to strengthen the pride as World City Kanazawa through developing its uniqueness cultivated in over 400 years as a city of peace that has had no war-time damage and taking responsibility for its own history as well as boldly take on the new issues facing the world today; and to make Kanazawa a “city which can, despite its small population, proudly display its unique qualities on the international stage.”

Specifically, the contents include: (1) the introduction of high-level urban functions such as a wide area transportation system (bullet trains, highways and an international airport) and a high level communications system, as well as a new transportation system for the revitalization of the stagnating urban center; (2) take good care of Kanazawa’s excellent natural environment and history, while raising its traditional culture high, creating an attractive city, the creation of new culture, and a future industrial system; and (3) the establishment of a unique Kanazawa system as a welfare model city and creation of good living environment for the citizens through a revitalization of the communities.

Out of these, on theme (2) above, the International Conference of World Cities Renowned for Arts and Crafts has been held every other year since 1997. The idea here is for Kanazawa to interact with other cities that place the same emphasis on crafts as a joint between art and industry and trying to utilize this in their city planning efforts, and to introduce new and creative ideas into Kanazawa’s traditional crafts and city planning
efforts. The first conference was held in 1997, and included participants from Firenze, Copenhagen and Istanbul. The second conference, held in 1999, featured participation from Venice and Geneva, and the third conference is being planned for 2001.

Kanazawa’s urban strategy for the 21st century is being formed by the cooperation and mutual criticism of the above three actors.

Conclusion

Until now, globalization has actually implied Americanization, especially in terms of finance and information. However, ill effects such as the worsening of environmental problems, as well as the decline of local cultures and industries, have also become clear. In the 21st century, in the move towards true globalization, with harmony and moderation, we must come up with a new production system model that is global yet varied. What will make this move towards a global yet varied social model, as opposed to a globally homogenized social model possible, are creative and sustainable cities, based upon originality in industry and culture, and aiming at sustainable development while interacting with a universal world civilization. Will not such a network of creative and sustainable cities break open a new century, a century of cities?
Reference


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Table 1 Changing Industrial Structure of Tokyo (wards and metropolitan area)
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<td>494,016</td>
<td>11.94</td>
</tr>
<tr>
<td>Retail trade</td>
<td>653,787</td>
<td>682,232</td>
<td>682,012</td>
<td>-4.17</td>
</tr>
<tr>
<td>Publishing</td>
<td>283,313</td>
<td>261,065</td>
<td>252,929</td>
<td>8.52</td>
</tr>
<tr>
<td>TV/radio</td>
<td>16,941</td>
<td>15,215</td>
<td>16,156</td>
<td>11.34</td>
</tr>
<tr>
<td>Theater, Entertainment</td>
<td>82,901</td>
<td>66,208</td>
<td>59,210</td>
<td>25.21</td>
</tr>
<tr>
<td>Films</td>
<td>33,535</td>
<td>24,422</td>
<td>19,373</td>
<td>37.31</td>
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<tr>
<td>Museum, Zoos</td>
<td>1,057</td>
<td>968</td>
<td>-</td>
<td>9.19</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>16,349</td>
<td>13,033</td>
<td>12,965</td>
<td>25.44</td>
</tr>
<tr>
<td>Share (%)</td>
<td>25.06</td>
<td>26.22</td>
<td>26.52</td>
<td>26.52</td>
</tr>
<tr>
<td>Electronics</td>
<td>140,469</td>
<td>153,677</td>
<td>149,679</td>
<td>-8.59</td>
</tr>
<tr>
<td>Autos</td>
<td>39,967</td>
<td>43,669</td>
<td>55,974</td>
<td>-8.48</td>
</tr>
<tr>
<td>Precision instrument</td>
<td>52,741</td>
<td>55,151</td>
<td>64,039</td>
<td>-4.37</td>
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<tr>
<td>Garments</td>
<td>46,065</td>
<td>46,180</td>
<td>75,960</td>
<td>-0.25</td>
</tr>
<tr>
<td>Share (%)</td>
<td>4.27</td>
<td>5.07</td>
<td>6.24</td>
<td>10.41</td>
</tr>
<tr>
<td>Total</td>
<td>6,964,640</td>
<td>6,312,581</td>
<td>5,982,564</td>
<td>10.33</td>
</tr>
</tbody>
</table>

Note: Wards: Tokyo's Central City area consisted of 23wards. / Metropolitan Area: Tokyo, Kanagawa, Chiba and Saitama Prefectures. 
Table 2. The Economic Effect of the Art and Culture of Tokyo and New York

<table>
<thead>
<tr>
<th>Item</th>
<th>Direct effect (expenditure)</th>
<th>Share (%)</th>
<th>Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatrical Companies</td>
<td>1,435</td>
<td>806</td>
<td>1,346</td>
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<tr>
<td>Nonprofit Arts and Theatrical art group</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Museum</td>
<td>179</td>
<td>398</td>
<td>665</td>
</tr>
<tr>
<td>Nonprofit Museum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>--</td>
<td>254</td>
<td>424</td>
</tr>
<tr>
<td>Nonprofit Public broadcasting, A theater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Art Galleries and Auction House</td>
<td>--</td>
<td>398</td>
<td>665</td>
</tr>
<tr>
<td>Commercial Theater</td>
<td>605</td>
<td>324</td>
<td>541</td>
</tr>
<tr>
<td>Motion Picture, Video and Television production</td>
<td>5,819</td>
<td>1,444</td>
<td>2,411</td>
</tr>
<tr>
<td>Visitor consumption of art purpose</td>
<td>3,566</td>
<td>1,311</td>
<td>2,189</td>
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<tr>
<td>Total amount</td>
<td>11,605</td>
<td>4,935</td>
<td>8,242</td>
</tr>
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</table>

Source: Masayuki Sasaki 1997