Culture, Economy and Place: Asia-Pacific Perspectives

Won Bae Kim and Jae Yoon Yoo
Editors

Korea Research Institute for Human Settlements

in Collaboration with

Faculty of the Built Environment,
The University of New South Wales, Australia
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INTRODUCTION

Won Bae Kim and Jae Yoon Yoo

This volume is an outcome of the second conference, which was held in Sydney in August 2002. The first conference, which was jointly organized by the Korea Research Institute for Human Settlements and the University of New South Wales, was held in Seoul in October 2001. The Sydney conference followed more or less the themes developed in the Seoul conference but attempted to give a focus on the culture, economy and space of cities in the Asia-Pacific region. Themes covered in the conference were: 1) culture, economy and urban dynamism; 2) global/local cultural interactions; 3) cultural landscapes and districts within cities; and 4) place marketing and cultural strategies. As experienced in many international conferences, new topics emerge and the original themes are modified. In this volume, we have new sub-themes in addition to the main theme of the conference—culture, economy and place. They are accommodation of cultural difference or multiculturalism through transnational labor or food consumption and transformation of public space or cultural industry in a transitional economy. These topics represent issues arising from an interface between the global and the local. As such, they are within the purview of cultural studies but somewhat difficult to deal with in conventional urban studies. Nonetheless, we incorporated them in this volume as an evidence of an expanding scope of cultural discourse in the urban field.
This volume consists of 10 chapters. The first chapter by Lily Kong provides an overview of cultural economy and cultural policy in Asian countries. With a review of cultural economic policies in Western cities, Kong focuses on examples of Asian countries, especially the three Asian newly industrializing countries—South Korea, Hong Kong and Singapore, to show the diversity in the use of culture in their economic policies. Although these countries utilize cultures and creative industries to the benefit of their economies, they nevertheless encounter the difficulties in employing cultural economic policies for refiguring urban changes. From her short review, Kong concludes that successful cultural policy often takes into account the uniqueness of a place in the construction of culture and economy and is conscious of the fact that the state has a responsibility to optimize the economic value of culture, while enhancing the creative and artistic nature of cultural life. She also warns that cultural policies emphasizing the hardware without concomitant attention to the software may fail to achieve a development of indigenous arts and artistic talents.

Following this conceptual overview on the cultural economy and policy in urban Asia in Chapter 1, Scott offers a reinterpretation of the economic geography of Hollywood in Chapter 2. Essentially taking an industrial organizational perspective, Scott goes deeply into the organizational aspect of production in the new Hollywood. He argues that the Hollywood production system is segmented into the majors and the mass of independent production companies, intertwined with ever-widening circles of direct and indirect input suppliers. Other key elements of an organizational-geographic framework that make Hollywood to function as a seed-bed of creativity and innovation include a local labor market comprising a large number of individuals differentiated according to skills, sensibilities, and forms of habituation, an institutional environment
conducive to sustain social capital, and a regional milieu whose peculiar geographic and historical features provide a repository of crucial resources for the cultural industries. Nonetheless, Scott recognizes the decentralization trend of production activities from Hollywood to satellite locations and the challenges posed by new and revivified cultural-products agglomerations in many different parts of the world. However, his call for strategic trade and some more imaginative framework of supra-national regulation of cultural products needs more discussion, since it has far reaching implications for cultural industries all over the world.

Chapters 3 and 4 shift our attention to concrete cultural space within cities. Kim and Yoo in Chapter 3 examine the development of two cultural districts in Seoul—Insadong and Daehakro. The central issue involved in these districts and Seoul in general is the inherent tension or contradiction between commerce and culture. After introducing the background of Seoul’s development processes, Kim and Yoo briefly discuss the meaning of cultural economy in an essentially developmental city. The main part of their paper focuses on the dynamics of the two cultural districts. The key questions addressed are: 1) how culture and tradition are perceived by both consumers and producers; 2) how they are manipulated for place-making or place-marketing purposes; 3) how cultural capital is maintained or regenerated by cultural strategies. Using the survey of visitors and interviews with relevant individuals involved in the cultural districts, the authors tried to answer those questions. Kim and Yoo in their conclusion raise a doubt on the viability of cultural district strategy by the public sector because the content and quality of cultural activities in cultural districts cannot be managed by the public sector. They also point out the dilemma arising from the cultural district strategy, i.e., what to promote.

In the similar vein, Gibson and Freestone in Chapter 4 seek to assess
the efficacy of cultural districts as a marker of distinctiveness and as an instrument for cultural economic planning and policy with reference to Sydney. They point out that cultural districts are not simply blank spaces within which creative activities occur. They are oftentimes marked with tensions underneath, between production and consumption, image and reality, local and global, private and public, consensus and conflict, and organic and staged authenticity. Staged cultural precincts, in particular, are spaces of contestation in which stakeholders seek to shape form and meaning.

Gibson and Freestone, based on their analysis of cultural districts in Sydney and particularly the Leichhardt Forum (an Italian ethnic quarter) and the Fox Studios, conclude that cultural districts are not just sites of production for the cultural industries but more diffuse landscapes imbued with cultural values as well as products within the cultural economy itself, tied to symbolic meanings of place, the presence of cultural industries, and distinctive local cultures. More importantly, many of them are also contested spaces.

Chapters 5 and 6 deal with cultural strategies of urban development in Hong Kong and Shanghai. Mee Kam Ng describes how Hong Kong authorities try to build a ‘cultural supermarket’ that suits the various demands of tourists all over the world. This shift in cultural strategy coincides with intensified economic restructuring in Hong Kong after the 1997 crisis. In the past, the Hong Kong government has been promoting arts and cultural development through the provision of hardware for cultural performances while paying little attention on the software. In the new strategy, an emphasis is placed on regenerating local heritage instead of emphasizing on improving infrastructure. Another important development is that many new initiatives now involve close partnership with district councils, local NGOs and community members. The author thus claims that, for the first time in the city’s history, a real attempt is made to find out the
cultural heritage and cultural capital of individual districts, although she holds a reservation that the results of building a cultural supermarket remain to be seen.

Wu Weiping in Chapter 6 introduces Shanghai’s efforts to rejuvenate its cosmopolitan culture in order to become an international cultural center. In a sense, Shanghai presents a similar and yet different version of cultural strategy from Hong Kong. Shanghai’s cultural strategy is similar to that of Hong Kong in terms of its emphasis on the hardware but the context in which cultural strategy is produced is much different from Hong Kong. Shanghai is still governed by an authoritarian government. Despite progress in building and renovating cultural infrastructure in Shanghai, cultural censorship dampens artistic creativity and freedom. Since cultural strategies are an integral part of Shanghai’s modernization drive, they cannot escape from the visible hands of the government. Furthermore, cultural development is explicitly linked with commercialism, which represents more or less modern and global consumption culture. In this respect, the author is concerned about the loss of traditional Chinese cultures in Shanghai. The author in her conclusion suggests that Shanghai should try to blend Chinese and Western cultures in order to create a new, unique identity and evolving beyond the commercialism dictated by the socialist market.

Shifting a focus from urban cultural strategies to multiculturalism, Chapters 7 and 8 discuss about ways that cultural diversity is accommodated in cities. Chapter 7 by Lucie Cheng takes an interesting look at how transnational migrant workers and their identities are represented in the cultural planning of Taipei city. Despite the ideology of multiculturalism adopted in the current state-building project of Taiwan, the interests of migrant workers and foreign brides have not been well presented. As a gesture of official commitment to multiculturalism, Taiwan governments at
various levels have been sponsoring cultural activities of migrant workers in recent years. These activities are typically planned and executed by non-profit, often church connected, organizations with financial supplement from the state. The Taipei City, for example, sponsors annual cultural festivals that focus on individual national groups at public parks. The City and some NGOs also promote cross-national interaction by staging cultural activities for all groups of migrant workers together in one place. With the increase of foreign workers, a host of commercial establishments are being established to meet their cultural and physical needs. Citing a particular example of the poetry contest organized by the Taipei City, Lucie Cheng points out the limitations of representation by migrant workers in such a staged cultural activity. In spite of many shortcomings of cultural programs organized by the state for foreign workers, the author suggests that these programs should be encouraged to enrich the city’s cultural landscape as well as to reflect the commitment to multiculturalism. Moreover, the voices of foreign labor have a legitimate claim on resources and thus can be heard not only by themselves but by the other that they must face in their daily lives.

Chapter 8 by Caterina Embersic and John Connell provides an interesting story about gastronomic tourism. In particular, they seek to trace the development, expansion and evolution of Thai restaurants in Sydney, the manner in which they have offered a distinctive experience and the cultural and economic significance of this. Embersic and Connell see the rise of ethnic cuisine is part of a complex structure of globalization, migration, tourism, the development of consumer oriented cultures, new production and distribution networks, a greater fluidity of cultural flows and new structures of education. The explanations they offer for the rise of Thai restaurant in Sydney are: 1) most consumers dine out in Thai restaurants for a combination of taste, convenience and lifestyle; and 2) it is simply one
variant of the globalization of culture like clothes, literature and music. Whatever the reasons are, the authors argue that an essentialized culture or identity of Thai restaurants cannot claim the authenticity, although Thai restaurants provide a distinct and enjoyable cultural experience for consumers. Moreover, they correctly point out that the cultural capital embedded in Thai restaurants and in dining there cannot be separated from changes in the structure of wider urban society and from entanglement with economics. They conclude that the cultural significance of ethnic food consumption is relatively short-lived, to be eventually displaced by eating out primarily as a response to socio-economic factors, and hence that the cultural capital of ethnic restaurants is relatively transient.

The final two chapters deal with tensions between the global and the local in a transitional economy of Vietnam, where the state still exercises its power. Chapter 9 by Mandy Thomas examines the changing meanings of public space in Vietnam by moving through a conjunction of different spaces—the iconized, monument-filled spaces of urban Hanoi, the mediascape of contemporary Vietnam, and the sensory world of everyday urban culture. As Vietnam undergoes socio-economic changes, public spaces are being secularized and re-appropriated for new activities. For example, the spaces of urban Hanoi fade from visual attention except as potential sites of protest. The use of public space for everyday activities has been a catalyst for crowd formation. Trading, religious festivals, performances, music and gambling, which have been performed historically on the streets of Vietnam have now returned with a renewed intensity. In mediascapes, celebrities are becoming the public nation-building figures. At the same time as the relationship between popular icons and commodification is intensifying, there has been a corresponding decrease in the circulation and interest in the iconography of the socialist regime. Despite the fact that the state is
controlling the symbolic meaning of public space and that it is unwilling to relinquish spatial power over a populace, a fragile and yet assertive form of non-state expressions of a public desire for entertainment and leisure is developing in the urban spaces of Vietnam. The author interprets these changing spatial practices as evidence of a significant political consciousness.

Along the same line that Mandy Thomas describes about the contest over public spaces in Vietnam between the state and non-state actors, Kate Lloyd in Chapter 10 tells us a story about of traveler cafes in Hanoi to explain tensions between economic liberalization and political control in Vietnam. By choosing the international tourism industry, the author attempts to portray tensions between the global and the local as well as the linkages between culture and economy. The author aptly points out a dilemma faced by the Vietnamese government in its pursuance of the dual goals of promoting economic liberalization and political control. The state’s attempt to regulate the development and operation of traveller cafes in Hanoi reveals much about the tensions associated with transition to a socialist market economy and the different explanations over the role of the private sector. In spite of restrictions and regulations on traveler cafes by the state, the author argues that private tourism entrepreneurs are not mere receivers of state policy but they are bearers of local knowledge and active participants in shaping the policy content. Personal networks, according to the author, facilitate a sort of patron-client relationship between government authorities and entrepreneurs, by which the authorities gain financial benefits from entrepreneurs in exchange for protection, the sue of licenses and access to information.

The papers collected in this volume represent some conventional themes of urban cultural geography and planning and a few emerging themes like transnational labor and the rise of ethnic cuisine. All in all, these papers
clearly demonstrate the tensions inherent in the evolving dynamics of culture and economy whether they are situated in a small public space, a cultural district, a city, or a nation. Also evident in these papers is that culture, however defined, is an integral part of broad socio-economic changes and that the meaning and role of culture cannot be examined separately from its temporal and spatial context. Admitting the shortcomings in analytical sharpness and thematic coherence of this collection of papers, we hope that this volume provides a perspective and useful materials on diverse topics related to culture and economy in cities of Pacific Asia.

WBK
CHAPTER 1

Cultural Economy and Cultural Policy: Refiguring Urban Change

Lily Kong

Introduction

In the last two to three decades, in the United States and more lately, in Western Europe, cultural activities have become increasingly significant in the economic regeneration strategies of many cities. Geographers have begun to analyse this integration of the cultural and the economic via a reworked cultural geography (Cosgrove and Jackson, 1987; Kong, 1997) and a "new" economic geography (Thrift and Olds, 1996). Attention has been given to the constitutive role played by culture in economic development and the way in which economic forces are in fact culturally encoded (see Ley, 1996 and the other papers in the special issue of Urban Geography, 1996). Often, this relationship between the cultural and economic is facilitated, enhanced or hampered by state policy. Successful policy often takes into account the uniqueness of a place in the construction of culture and economy, and is conscious of the fact that the state has a
responsibility to optimize the economic value of culture, while enhancing the creative and artistic nature of cultural life. Less enlightened policy may fail to see that a cultural economy must be rooted at least in part in local cultures, not merely imported ones.

In this paper, I will take the readers through existing conceptions of cultural economy and cultural economic policy. This will be followed by an overview of how cultural economic policies have developed from the 1950s onwards, particularly in the West. I will then turn my attention to some empirical examples drawn from Asian countries to show how various countries in this part of the world have begun to recognize the potential of cultures and creative industries to their economies, but also the difficulties encountered in using cultural economic policies for refiguring urban change.

On the Relationships between Culture, Economy, and Policy

Research that interrogates the mutually constitutive relationship between culture and economy has grown mainly in recent years, a reflection no doubt of the conditions as we enter the 21st century. As Scott (1997:323) points out, …capitalism itself is moving into a phase in which the cultural forms and meanings of its outputs become critical if not dominating elements of productive strategy, and in which the realm of human culture as a whole is increasingly subject to commodification, i.e. supplied through profit-making institutions in decentralized markets. In other words, 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.
The relationship between culture and economy is dialectical, since local cultures contribute to the nature of economic activities, economic activities are also part of the culture-generating and innovation in particular places. While this connection is true for cultural as well as non-cultural products, in cultural-products industries, the connection has special significance because of the "intensity of the recursive relations between the cultural attribute of place and the logic of the local production system" (Scott, 1997:325).

Increasingly, local and national governments have recognised this connection between the cultural and the economic, and have sought to reap the benefits by deliberately formulating and implementing policies that harness the linkage. Such “cultural economic policy” has been a subject of increasing research attention although it is not always agreed on what constitutes a cultural economy and a cultural economic policy.

As a starting point, therefore, and to establish some common understanding, it would be useful to briefly take stock of the discussion on what constitutes a cultural economy and a cultural economic policy. Lash and Urry (1994) characterise cultural industries as innovative, flexible, creative, existing at the intersection of the local and global (e.g. global distribution networks which rely on local distinctiveness), and at the front of the post-industrial, information and knowledge-based economy. Scott (1997:333) suggests that particular production relations and distribution methods characterise a cultural economy. In particular, cultural-products industries can roughly be epitomised in terms of five main technological-organizational elements: considerable amounts of human handiwork, complemented by advanced flexible computer technologies; dense networks of small- and medium-sized establishments that are strongly dependent on one another for specialised inputs and services (though large and relatively integrated firms are also
common); huge demands on local labour markets and enormous demands on worker skills; enjoyment of external economies, many of which benefit from mutual learning and cultural synergies made possible by the presence of many interrelated firms and industries in one place; and the presence of institutional infrastructures that ease the functioning of the local economy.

Given these characteristics of cultural industries, the type of cultural work that would fall under their purview would include a whole range of activities, from “arts, media, crafts, fashion and design to sports, recreation, architecture and townscape, heritage, tourism, eating and entertainment, local history, and the characteristics of the city’s public realm and social life, its identity and external image” (Bianchini, 1993:209; see also Wynne, 1992; Kearns and Philo, 1993; Landry and Bianchini, 1995). This diverges from earlier conceptions of “culture” as referring purely to the “high arts.” In fact, various authors have been careful to pose reminders to governments of the need to seriously recognise the important contributions and impacts of popular culture in their cultural policies. Rieff (1993:76), for example, pointedly expresses this when he argues that the prestige and economic significance of high culture is waning, and increasingly, operas, symphonies and even museums can only survive through state subsidy or private philanthropy. On the other hand, he argues, “All things being equal, Wal-Mart is a better investment than Gucci, just as Michael Jackson is more valuable as a cultural commodity (both in the literal sense of return on investment for those who underwrite his recordings and tours and in terms of the numbers of people throughout the world who are affected by him) than Yitzhak Perlman or even such desperate popularizers as Luciano Pavarotti.” (Rieff, 1993:76).

This is an about-turn from many earlier positions in which popular culture was and sometimes, still is considered as commercial, inauthentic
and so unworthy of government support, investment and encouragement, in opposition to ‘high culture’ or ‘arts’ (Shuker, 1994:54).

Cultural economic policies conceive of culture in the language of economics, “with the attendant measurements applied to policy analysis: investment, leverage, employment, direct and indirect income effects, social and spatial targeting and so forth” (Booth and Boyle, 1993:22). Frith (1991:140) identifies three types of cultural industries policy: an industrial cultural policy which focuses on the local production of cultural goods to be consumed nationally or exported, such as electronic goods (the radio, discman etc.) and the mass media; a tourist cultural policy which focuses on “those cultural goods which can only be consumed locally - the consumers are the ‘imports,’ coming in to experience each city’s unique ‘aura’,” and a cosmetic cultural policy, in which culture is a sort of “urban make-up, to be invested in because it helps a place seem attractive not only to tourists but to visitors who might decide to stay - investors looking to locate new industries, and new sorts of white collar employees.”

**Development of Cultural Economic Policies**

Cultural economic policies are, however, one aspect of a larger set of policies broadly termed ‘cultural policies’. Bassett (1993), and Bianchini (1993a) for example, examine the historical development of cultural policies in Britain and Europe respectively and illustrate how, in the 1950s and 1960s, cultural policies conceived of ‘culture’ narrowly as the “pre-electronic ‘arts’” (Bianchini, 1993a:9), with little sense of how these cultural resources could be exploited for economic development purposes. The same neglect of the economic potential of cultural resources was carried into the 1970s and 1980s, when cultural policies served social and political
agendas rather than economic ones. These decades were characterised by new urban social movements, which prompted politicians to give greater political and cultural autonomy to the grassroots. As part of these movements, politicians began to adopt a wider definition of “culture” and to see cultural development as an integral part of urban policy and politics. The goals were to afford easier access to cultural facilities and activities for all citizens, promote individual and group self-expression, encourage face-to-face interaction and promote community rebuilding, and counter trends towards domesticisation of cultural consumption (through the growing popularity of television and videos). In other words, there was a reassertion of the city centre as a “catalyst for civic identity and public sociability” (Bianchini, 1993a:10) and the primary goal of cultural policy was to enhance community-building. Economic (re)construction through cultural resources was not critically on the agenda.

However, from the mid-1980s especially, this emphasis on personal and community development and participation, and the revitalisation of public social life was replaced by “a language highlighting cultural policy’s potential contribution to urban economic and physical regeneration” (Bianchini, 1993a:13). Based on the experiences of cities such as London, Glasgow, Birmingham and Newcastle, from the mid-1980s to the 1990s cultural economic policy may be characterised in four ways. First, there is growing investment in the infrastructure needed for cultural production, for example, studios, workshops, marketing and support organisations, and the planning of “cultural districts.” Relatedly, there is increasing support for new technology sectors, such as television (cable and video), “central to the whole field of popular culture” (Bassett, 1993:1775). Second, there is the launching of “flagship” development projects for arts centres, theatres, and concert halls in inner-city areas and the launching of high profile events or
festivals, often linked to local heritage themes, to encourage cultural tourism. Third, there is investment in public art and sculpture and the revival of urban public spaces for multiple forms of activities (Bassett, 1993:1775). Fourth, there is growing partnership between business and public sector agencies, including developers, banks, and companies of national and international significance (Bianchini, 1993a:2).

If effectively implemented, cities can derive multiple benefits from cultural economic policies. Myerscough (1988) highlights how direct employment for a significant proportion of the population can be gained through the growth of firms in the cultural industries sector, how growth in ancillary industries may be stimulated, how urban renewal processes could result catalytically, how the image of a region could be improved, and how a place could be made better to live and work in. The development of cultural industries in cities could also give rise to intra-urban cultural synergies. This is because these sectors transact with each other intensively and draw on similar labour and material resources, as well as design cultures and images rooted in the local urban context (Molotch, 1996). Marshall (1920) referred to this synergy between the cultural and the economic as the beneficial effects of ‘atmosphere’ in nineteenth-century industrial districts. Further, Bassett (1993:1783) points out how cultural economic policies would supplement tourist strategies, encouraging overnight stays and conference bookings. In addition, a high cultural profile could swing a relocation decision by the kind of company needed to attract highly skilled professionals. In that sense, cultural policies can be used as “symbols of modernity and innovations” (Bianchini, 1993a:15; Bassett, 1993:1779). A significant value of a successful cultural economic policy is therefore the image of a city that it will create, underscoring the rise of the representational, the growing importance of image consciousness associated
with modern economic formations, in which the image becomes a currency in and of itself (Thrift and Olds, 1996:314; see also Burgess and Wood, 1988; Watson, 1991). At the end of the day, while cultural facilities and resources may not be more important in “determining a city’s appeal to investors than local educational and skill levels, the quality of local schooling and of the local environment,” they have, however, become “increasingly important complementary factors in the competition between cities possessing similar advantages” (Bianchini, 1993a:18). Cultural activities could also attract people back to downtown areas, making other consumer developments more profitable (Bassett, 1993:1779).

Why did this emphasis on the economic potential rather than social and political role of cultural policies come about? Two main sets of conditions precipitated the change, which are consumption and production related. First, Bassett (1993:1775) argued that changes in cultural consumption and social class led to a general rise in the consumption of cultural products. This, in turn, was related to a decline in working time and an increase in the proportion of disposable income spent on leisure activities (Bianchini, 1993a:1). Second, the loss of jobs in traditional industrial sectors with the collapse of the industrial base in many cities, the need to adapt to the processes of economic restructuring of the 1970s and early 1980s, and growing competition in the new post-industrial service economy prompted governments to reexamine their cultural policies and mine the potential role of cultures for economic gain. Indeed, as cities compete for scarce new investment, the competition to use cultural policy to guide “place marketing” (Kearns and Philo, 1993) has become increasingly important and necessary to construct images of new post-Fordist, consumption-oriented cities to attract investors, promising a good quality of life for executives and other mobile skilled international personnel (Bassett, 1993:1779; Bianchini,
1993a:1). In this sense then, cultural policy of the 1980s and 1990s has become a response to the globalisation of capital (Booth and Boyle, 1993:22).

While useful, some cautionary words must nevertheless be sounded about the implementation of cultural economic policies. First, Bianchini (1993a:15) has indicated that the direct impact of such policies on the creation of wealth and employment is often actually relatively small. In fact, Bassett (1993:1785) indicates that many jobs in the sector of cultural industries are likely to be low-paid service jobs. Many small firms in cultural industries also have high failure rates. Furthermore, not many cities can achieve success as major cultural centres. There are threshold levels in the provision of various forms of high art. Smaller cities will find it difficult to compete while larger cities will benefit from linkages and feedback effects between artistic sectors. A possible strategy that small cities can adopt is to cooperate with neighbouring cities in cultural specialisation and joint marketing (Bassett, 1993:1785). More crucially, however, there are tensions and contradictions within many a cultural policy, tensions which Bianchini (1993a:3) has characterised as differences between “old and new, social and economic, community and elite-oriented” policies. In particular, there is, first, a divergence of policies; some encourage exclusive high culture and others popular access to high culture. Second, there is a tension in developing elite flagship programmes to enhance urban competitiveness and a decentralised, community-based provision of more popular cultural activities, targeting particularly at low income and marginalised social groups. Third, there is a conflict between cultural policy as an internationalisation strategy emphasising growth and property development versus the need to protect and develop indigenous local and regional identities and the cultures of socially and economically disadvantaged
immigrant communities (Bianchini, 1993a:19), particularly where community self-development and self-expression are of concern (Bassett, 1993:1785). More radical critiques of cultural economic policies are that they are a “carnival mask” because they allow politicians to “conceal growing social inequality, polarisation and conflict within cities,” or, “optimistically, as a ‘social glue’ for integrating new immigrants, encouraging social cohesion and shaping new civic identities” (Harvey, 1989a, quoted in Bianchini, 1993a:14). This critique of cultural policy is further emphasised in the rejection of culture in urban regeneration as “mobilisation of the spectacle,” a crude way of trying to “justify and repay contemporary urban lifestyles” because the gentrified city that is often close to the central business district needs the urban spectacle to reinforce residential choice (Harvey, 1989b, cited in Booth and Boyle, 1993:22).

As cities see out the 1990s and enter the 21st century, reflections on comprehensive holistic cultural planning that is truly regenerative have emerged. While cultural policies were innovative in the symbolic and economic spheres in the 1980s, and linked with the “selling of places,” in the late 1990s and beyond, Bianchini (1993b:211) suggests that policies on culture will have to be linked with policies on education, training, research and development. This is because the economic success of cities will depend on advanced industries and services, which make an intensive use of high-quality human resources with specialised skills and knowledge. To be truly effective, therefore, cultural policies should not be measured purely by income or employment generated but should contribute towards improvement in the quality of life, social cohesion and community development. The really important mission, according to Bianchini (1993b:212) is to develop a cultural planning perspective that is “rooted in an understanding of local cultural resources and of cities as cultural entities
- as places where people meet, talk, share ideas and desires, and where identities and lifestyles are formed.” To do so requires that there is “an explicit commitment to revitalise the cultural, social and political life of local residents” and this should “precede and sustain the formulation of physical and economic regeneration strategies” (Bianchini, 1993b:212). This argument is made by other writers in various guises. Wynne (1992:x) calls for the arts to be a daily part of people’s lives, socially and economically, and argues that only then will they “reside within the wider community associated with that everyday life, rather than existing as an appendage to it … in some exclusive arena outside of everyday experience.” This, he argues, makes for the arts as a form of investment (providing both economic returns and quality of life) rather than subsidy.

**Asian Developments**

In recent years, several governments in Asia have come to realize the potential of cultures to the economy. This is apparent in rhetoric and, sometimes, in actual investment to support and stimulate a cultural economy. I will illustrate below the way in which this strategy has emerged in various Asian countries, in particular, three of the major “newly industrialized economies” of the last century – South Korea, Hong Kong and Singapore. By way of an elaboration of the Singapore case, I will also illustrate how the issues are not unambiguous, and the tensions that deserve recognition and deliberation.

In North-east Asia, the examples of South Korea and Hong Kong illustrate the increased attention to cultural economy and cultural policy. In South Korea, Culture and Tourism Minister Park Jie-won announced in
1999 that culture was a “key strategic industry in the knowledge-based society of the future” (The Korea Herald, 28 Sept 1999). Creative cultural industries such as film and broadcasting were deemed to be economically more competitive than manufacturing. He expressed the government’s commitment to expanding the infrastructure of cultural activities and nurturing cultural manpower, in basic art disciplines as well as culture-related industries (The Korea Herald, 17 Sept 1999). To show this commitment, the 2000 cultural budget was increased by 40% above 1999’s, thereby exceeding 1% of the entire national budget for the first time in the republic’s history. This represented a steady increase from 0.38% of the national budget in 1991 to 0.53% in 1995 to 0.75% in 1998. Only France had devoted more than 1% of its national budget to cultural development programmes since the early 1980s. The budget was designated for the expansion of the cultural infrastructure, promotion of cultural industries, tourism development and cultural properties management. The largest proportion was targeted for the promotion of various art disciplines and Korea’s traditional culture, and to expand cultural infrastructure, including museums, libraries, conservatories and copyright management (The Korea Herald, 28 Sept 1999). More than the allocation of budgets for strategic development, the Culture and Tourism Ministry also liberalized regulations to encourage the growth of cultural industries. For example, it scrapped the 10% value-added tax on performing arts events to encourage the organization of more such events (The Korea Herald, 17 Sept 1999).

In Hong Kong, in late 1998, Chief Executive Tung Chee-hwa acknowledged the importance of the arts to Hong Kong’s future. While envisioning that the future of the Special Administrative Region (SAR) would be built on hi-tech, information-based industries, it was clear to the leadership that innovation and creativity were necessary qualities among the population.
Arts education was recognized as an important process through which imagination and originality could be nurtured. In this regard, the Chief Executive committed to teacher training in the arts and acknowledgement of artistic talents in tertiary admissions, as a way of boosting arts education and recognizing its importance. The Arts Development Council followed up quickly with a policy paper entitled *A Creative Hong Kong Through Arts Education*, although three years down the line, few reforms appear to have been seriously implemented. In part, previous challenges remain: the system is used to being centred on “pragmatic” subjects, while the arts “remain belittled” (*South China Morning Post*, 26 Aug 1999). At the same time, arts education continues to focus too much on skills training rather than fostering creativity or encouraging lateral thinking. Parents remain skeptical about the pragmatic value of arts education, failing to recognize that the cultural industries can provide job opportunities.

In Southeast Asia, Singapore began to recognize that culture was not only a superstructural icing on the cake in the mid-1980s. In 1985, when Singapore was in the midst of an economic recession, an Economic Committee tasked to chart future directions for growth. It proposed diversification strategies, and some attention began to be paid to the arts as a potential growth area. Several recommendations were made as to the role of the cultural and entertainment services, defined to include the performing arts (popular music, symphony, drama), film production (for theatres and television), museums and art galleries, and entertainment centres and theme parks. These recommendations were made in recognition of the fact that such services enhanced Singapore as a tourism destination; improved the quality of life and helped people to be more productive; and contributed to a vibrant cultural and entertainment scene which would make Singapore more interesting for foreign professionals and skilled workers, and could help attract
them to work and develop their careers here (Report of the Sub-Committee on the Service Sector, 1985:211).

These recommendations represented the first explicit, albeit somewhat ad hoc, acknowledgement of the economic potential of artistic and cultural activities, and although there were few clear signs that the recommendations were systematically taken up in the three to five years following the report, many have since then been given more attention. In the 1990s, the government began to pursue more rigorously policies and strategies to harness the economic potential of the arts. Various types of cultural economic policies that Frith (1991) identified are evident. First, the state has been aggressive in promoting an industrial cultural policy, encouraging the local production of cultural goods for local and international consumption in four major sectors: film and music, media, design, and arts and entertainment (EDB Press Release, 10 December 1991). Various fiscal and other measures were put in place to develop these sectors (Kong, 2000).

While aggressively pursuing an industrial cultural policy, the state has also adopted a tourist cultural policy and an urban cosmetics policy, which reinforce each other. They are designed to help both tourists and international investors to enjoy “a certain degree of cultural life”. The decision to develop “cultural tourism” in 1995 as a “distinct industry” (Brady, 1995) is a signal of this thrust. The desire to make Singapore a “global city for the arts” also belies the urban cosmetic policy, through which Singapore might attract “talent from all over the world to meet here, to work here and to live here” (Yeo, 1993:65). This is the government’s belief that “educated, affluent people will be more content if there are various artistic and literary works for their amusement and enlightenment” (Tamney, 1996:154).
The various attempts to make Singapore a regional hub for the arts have been further enhanced by a huge injection of funds by the state to the tune of S$1 billion to develop new cultural facilities and upgrade old ones. In particular, a new performing arts centre (the Esplanade – Theatres on the Bay) will be open in late 2002. Another major initiative on which the significant budget has been spent is in the development of three museums, the Singapore History Museum, the Singapore Art Museum and the Asian Civilisations Museum, under the aegis of a National Heritage Board established in 1993.

In 2000, a “Renaissance City Report” was produced by the Ministry of Information and the Arts that articulates a vision of Singapore “as a world-class city supported by a vibrant cultural scene, and outlines the strategies required to take Singapore there” (MITA, 2000:4). The report aimed to “establish Singapore as a global arts city” and to “provide cultural ballast in [Singapore’s] nation-building efforts” (MITA, 2000:4). It emphasized that creative and artistic endeavours would play a “decisive role in the future economy”, emphasizing the role that “vibrant and stimulating” places with a “cultural and creative buzz” have in attracting knowledge workers (MITA, 2000:5).

Cultural economy and cultural policy for urban regeneration, however, are not always unequivocally heralded. Local artistic communities, for example, express reservations. As I discussed elsewhere (Kong, 2000), practitioners believe that providing the “hardware” (infrastructure and facilities) without concomitant attention to the “software” (creative development) is regressive for the development of local/indigenous arts, and the outcome is that global shows such as the Guggenheim Exhibition, and large-scale performances such as Les Miserables, will be quite happy to feature in Singapore, given the many incentives to do so. This would make
Singapore “a kind of emporium for the arts …another retail space in Singapore” (Kong, 2000), without a concomitant development of local art forms and creativity, which may not have the same draw as the global successes, and find less support because of their lesser economic viability. Artistically, local groups which are still experimenting and finding a distinctive Singapore idiom, are less likely to be able to draw the crowds in the same way that foreign acts will. Their survival, let alone development, becomes an issue. Cultural economic policy, in other words, threatens to destroy, or at least, stymie, the growth of indigenous artistic voices and idioms, and potentially runs against the view that cultural policy and the arts should be “rooted in an understanding of local cultural resources” (Bianchini, 1993b:212) and economic returns as by-products.

Conclusions

The development of cultural economic policies as a response to global economic restructuring is not a new phenomenon. The last three decades of the 20th century witnessed the use of such policies as a strategy in various Western contexts, although in the key “newly industrialized economies” of Asia (illustrated here by reference to South Korea, Hong Kong and Singapore), the “economic discovery of culture” is more belated one, mainly in the last five to ten years. In these latter economies, a combination of factors renders diverse evaluation of cultural economic policies. Issues remain as to how cultural economic policies actually boost indigenous cultural life and art forms, and how cultural careers appeal to societies and individuals which have privileged hard-headed industrial growth in recent
years to succeed as Asia’s “newly industrialized economies.” These economies, with their particular economic histories and trajectories, remain to shape cultural policies that balance economic, and socio-cultural and political considerations.

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CHAPTER 2

A New Map of Hollywood and The World\textsuperscript{1}

Allen Scott

Introduction

Some time in the 1980s, entertainment industry analysts began to refer more and more insistently to a so-called “new Hollywood,” in contradistinction to the old Hollywood that had thrived over the pre-War decades on the basis of the classical studio system of production (cf. Gomery, 1998; Litwak, 1986; Schatz, 1983; Smith, 1998). This new Hollywood emerged slowly and painfully out of the profound restructuring of the old studios that occurred from the 1950s to the 1970s, and that finally resulted not only in a new business model but also in a new aesthetics of popular cinema. Over the last two decades of the twentieth century and on into the twenty-first, there has been a complex deepening and widening of the trends first recognized in terms of the new Hollywood, and the present paper is a modest effort to

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shed some light on the way these processes are currently working themselves out.

Hollywood has always been identified, in one of its principal representations, as a disembodied bundle of images. But it is, too, a distinctive geographic phenomenon, which, right from its historical beginnings a century ago, has assumed the form of a dense agglomeration of motion-picture production companies and ancillary services, together with a peculiar local labor market, within the wider context of Los Angeles (or, more generally, Southern California). This persisting geographic base has been the arena of many and perplexing transformations over the last few decades. In addition to the break-up of the old studio system, five principal changes have had particularly strong impacts. These are:

1. The penetration of new computerized technologies into all stages of the motion-picture production and distribution process.
2. The steady bifurcation (as I shall argue) of the Hollywood production system into makers of high-concept blockbuster films and on the one side, and more modest independent filmmakers on the other.
3. The intensifying geographic decentralization of film-shooting activities away from the core complex of Hollywood.
4. The proliferation of new markets based on the packaging and repackaging of intellectual property rights.

2. Nowadays the industry spills over into other parts of the region lying well beyond its original confines in Hollywood proper; the term thus now has a synecdochic rather than literal meaning as a geographic designation.
5. The merging of the major studios (or “majors”) into giant media conglomerates whose scale of operation is nothing less than global.

Not all of these changes are dealt with in equal depth in what follows, but they represent important background to any general examination of the recent growth and development of the Hollywood motion-picture industry. Three overarching themes structure the discussion of these changes here. The first is concerned with the changing logic and dynamics of Hollywood’s competitive advantages as a dense agglomeration of firms and workers and associated institutions. The second is focused on the segmentation of production activities in Hollywood into two distinctive, though overlapping segments. The third deals with the ways in which Hollywood projects its outputs onto wider markets, and on the ways in which it is now greatly intensifying its global reach and hold.

**Economic Geography and the New Hollywood Debate**

The key research on the economic geography of the new Hollywood was carried out by Susan Christopherson and Michael Storper in the mid- to late-1980s (Christopherson and Storper, 1986; Storper, 1989; and Storper and Christopherson, 1987). The basic argument set forth by these two authors revolves around the transformation of the classical vertically-integrated studio system of Hollywood into the much more vertically-disintegrated production complex that it has become today.

Christopherson and Storper describe the old studio system in terms of a dominant group of seven majors, each of them vertically integrated across production, distribution, and exhibition. They also characterize the
actual work of making films under the studio system as a mass production process (cf. Bordwell et. al., 1985). They then go on to claim that the restructuring of this system was induced by two main factors, i.e. the Paramount antitrust decision of 1948, and the advent of television in the 1950s. The Paramount decision forced the majors to divest themselves of their extensive theater (cinema) chains³ (cf. Cassady, 1958), and television drained off the audiences that had previously flocked to motion-picture theaters. The net effect, according to Christopherson and Storper, was a dramatic rise in competitiveness, uncertainty, and instability in the motion-picture industry, followed by the break-up of studio-based mass production, whose peculiar process and product configurations could no longer sustain profitable operations. Instead, the system was succeeded by a new order in which the majors divested themselves of much of their former productive capacity and contractual engagements, and became the nerve centers of vertically-disintegrated production networks. In this process, many kinds of skilled employees who had been previously on studio payrolls (producers, directors, writers, actors, musicians, camera operators, and so on) became freelance agents of their own labor (Anderson, 1994). In the same way, large numbers of small flexibly-specialized firms sprang up in a wide range of subsectors in the motion-picture industry, providing both direct and indirect inputs of all kinds to the majors. This turn of events allowed the majors to cut their overheads, to pursue ever more diversified forms of production, and eventually to flourish in the new high-risk Hollywood (cf. Kranton and

³. Paramount did not, however, sever the link between production and distribution (Robins, 1993). Had it done so, the entire subsequent history of Hollywood would almost certainly have turned out quite differently. Among other possible outcomes, the degree of concentration in the distribution segment of the industry might well have been reduced, thus opening up a wider market space for independent films of all kinds, and possibly inhibiting the majors’ shift into blockbuster productions
Minehart, 2000). Recently, Caves (2000) has described this same kind of development in the creative industries generally as a contractual model of business activity. In Christopherson and Storper’s account, the break-up of the studio system and the emergence of a new flexibly-specialized Hollywood was associated with a “loss of control by the majors over production” (Storper, 1993, p. 482), though the authors also noted that the majors continued to play important roles in Hollywood as centers of financing, deal-making, and distribution. With the reconstitution of the production system as a transactions-intensive congeries of small and specialized but complementary firms, the agglomerative forces holding the entire complex together in geographic space were reinforced and its regional competitive advantages secured.

The Christopherson-Storper story represents the first really serious attempt to understand the organizational and locational foundations of Hollywood as a productive agglomeration, and it must be given high marks for its pioneering analysis, especially in view of the fact that the shifts the authors were trying to understand were far from having fully emerged and were still very much subject to confusing cross-currents. Their basic characterization of the new Hollywood in terms of shifting networks of small flexibly-specialized firms provides us with eminently useful insights, notwithstanding the criticism to which this idea has been subject of late. Analysts such as Aksoy and Robins (1992), Blair and Rennie (2000), Smith (1998), Véron (1999), and Wasko (1994), have all questioned the emphasis on flexible specialization, and have instead averred that contemporary patterns of production in Hollywood can only be understood as an expression of the economic power and leverage of the majors. Other recent work that has laid stress on the continuing muscle of the majors has been

In actuality, it is no doubt fair to argue that Christopherson and Storper paid insufficient attention to the durability and importance of the role of the majors in the Hollywood production system, though they certainly did not overlook this aspect altogether. For their part, a number of the critics – notably, Aksoy and Robins -- can be faulted for their radical depreciation of the role played by small producers, amounting virtually to an exercise in writing them out of any meaningful analysis of contemporary Hollywood. Aksoy and Robins are right to maintain that oligopoly never ceased to exist in Hollywood, (though its foundations were greatly shaken over the 1960s and 1970s). However, they fail seriously to identify the sources of the majors’ market power, which at least since the Second World War has resided mainly in the internal economies of scale that characterize the distribution systems (Huettig, 1944). The market power created in this manner is by no means necessarily incompatible with the existence of an efficient and dynamic production system based on flexible specialization à la Christopherson and Storper. In fact, in Aksoy and Robins’ account, we lose sight entirely of the production system itself as a dense regional complex made up of thousands of intricately interdependent firms, and, by the same token, of the independent segment of the industry as a substantial locus in its own right of innovation, skilled work, and many and varied final products.

I shall attempt to demonstrate as follows; a more accurate portrayal of Hollywood today involves acknowledgment of the important roles played by both large and small firms, i.e. by the majors, by independent production companies and by the firms that supply them with different specialized service inputs. The argument interweaves with a further refrain focussing on the rapid globalization of Hollywood’ s market range (Balio, 1996), and this
phenomenon actually appears – for the moment at least – to be reinforcing the centripetal locational attraction of Southern California for motion-picture production activities of all kinds.

An Analytical Taxonomy of Firms

At the outset, we need to clarify some of the conceptual language that has already made its entry in the previous section, and to use this exercise as a platform for a more disciplined description of the motion-picture industry. This will help us, in addition, to overcome some of the more disabling elements of the one-sided debates about the extent of flexible specialization versus large-scale oligopolistic production and distribution in Hollywood today.

In a very schematic way, any modern production system may be represented in terms of the size of its component units and the standardization (or variability) of their outputs. This idea is codified in Figure 2.1, where scale and standardization represent orthogonal axes defining a space within which any given unit of production can then be situated. Three paradigmatic outcomes relative to these axes are identified in the figure. One of these is designated mass production, which is exemplified by plants or establishments that produce standardized outputs in large quantities. Another is represented by systems houses, which can be defined as large-scale production units turning out limited numbers of extremely variable and complex products (like space satellites or blockbuster films). The third case is labeled flexible specialization, which refers to small

4. The term is taken from the jargon of the aerospace industry; see Scott (1993).
production units that focus on a relatively narrow line of business (for example, talent agencies, costume designers or film editing services), but where the design specifications of each particular job, or batch of jobs, are different from all preceding jobs. A fourth paradigmatic case (corresponding to the northwest corner of Figure 2.1) can conceivably be identified in the guise of small-scale process industries (Adam Smith’s pin factory comes to mind), though this case would seem to be of limited empirical interest today. In reality, we rarely observe pure examples of these paradigmatic cases. Rather, actual production systems are usually composed of more or less hybrid production units, representable by points at intermediate positions relative to the vertices in Figure 2.1.

In spite of the notion developed by several analysts to the effect that the Hollywood studios had moved into something like paradigmatic mass production by the late 1930s, a brief scrutiny of their actual working operations reveals that this was not quite the case. Even less is it plausible to claim, as some have done (cf. Creton, 1994, 1997), that the system approximated to Fordist mass production. Notwithstanding the efficiency gains that flowed from finely-grained technical divisions of labor, the use of continuity scripts, the constant re-utilization of formulaic plot structures, and the search for regular production schedules, film-making in the classical studio era was never standardized in any ultimate sense. We might argue, rather, that the classical studio can be represented by a location somewhere in the vicinity of point $x$ in Figure 2.1, which is to say that its technical and organizational configuration was marked by quite high levels of scale and a degree of routinization, but nothing equivalent, say, to the typical Detroit automobile assembly plant churning out identical models by the thousands.

The old studios were nonetheless very much characterized by vertical integration over virtually all segments of the industry. Storper and
Christopherson (1987) are probably correct to invoke the Paramount decision and the advent of television as being major factors in the destabilization of the industry’s markets and its consequent restructuring, though the fact that very similar processes of break-up were proceeding at the same time in the music-recording industry and in television broadcasting (cf. Hirsch, 2000; Scott, 1999a) suggests that there may well have been more general trends at work. In addition to the rupture between distribution and exhibition, two other main organizational effects flowed from vertical disintegration in the motion-picture industry. The first was the transformation of the studios themselves into something closer to systems houses, i.e. large-scale (though comparatively downsized) establishments now focussing on the production of many fewer and increasingly grandiose films. The point labeled $y$ in Figure 2.1 represents a typical case. The second was the emergence of masses of small independent production companies and service providers as exemplified by points $z_1$ and $z_2$ in Figure 2.1. This second category of firms comprises flexibly-specialized producers and near relations in the sense that they concentrate on making a narrow range of outputs in comparatively limited quantities, and in ever-changing shapes and forms. With the disintegration of the old studios after the 1940s, the latter types of firms colonized an enormous number of different market niches, and they have continued subsequently to push out the organizational boundaries of Hollywood, a notable recent instance being the formation of a vigorous special-effects sector in the 1980s and 1990s. To be sure, even in the age of the classical Hollywood studios, small, specialized firms were not uncommon, but in no way did they achieve the significance, either as independent film producers or as specialized suppliers, that they have now.\(^5\)

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\(^5\)Mezias and Mezias (2000) suggest that in 1929, vertically-integrated firms
The Hollywood production system today can hence be described in terms of a prevailing pattern of major and independent film production companies (see Table 2.1), intertwined with ever-widening circles of direct and indirect input suppliers. These firms interact with one another in complicated ways as any given motion-picture production project moves through its three main stages of development, namely, (a) pre-production, involving elaboration of the initial idea, scenario preparation, raising finances, set design, casting, and so on; (b) production proper, an intense period in which large numbers of workers are mobilized in directing, acting, camera-operating, and numerous allied functions from set construction to lighting and make-up (DeFillippi and Arthur, 1998); and (c) post-production, namely, photographic processing, film editing, sound editing, and so on. In practice, as the discussion will now show, the production companies engaged in this sort of work can be segregated into two distinctive functional tiers, represented on the one side by the majors and associated firms (both subsidiaries and independents), and on the other side by a mass of independent production companies whose sphere of operations rarely or never intersects with that of the majors.

**A Bifurcated Production System**

The world of the majors. At the present time, there are eight major studios in Hollywood: Metro-Goldwyn-Mayer, Paramount Pictures, Sony Pictures Entertainment (Columbia-Tristar), Twentieth Century Fox, Universal Studios, Walt Disney Co., and Warner Brothers, together with newcomer Dreamworks, (see Figure 2.2). The first seven of these units are joined together in the Motion Picture Association of America (MPAA), which functions as an exclusive cartel promoting their interests.

controlled about 80% of the market.
The majors have traditionally concentrated on the financing, production, and theatrical distribution of motion pictures, but over the last few decades they have actively diversified their operations, and they now earn as much if not more of their revenues through their specialized divisions in such fields as television programming, home video, multimedia, theme parks, and merchandising. Most of the Hollywood majors today constitute operating units within even larger multinational media and entertainment conglomerates (Litman, 2001). Three of these -- the News Corporation (which owns Fox), Sony (Columbia Tristar), and Vivendi (Universal) -- are foreign-owned. As Acheson and Maule (1994), Balio (1998), Gomery (1998), Prince (2000), Puttnam (1998), Wasko (1994) and others have suggested, the growing complexity of these conglomerates can be ascribed in large degree to attempts to internalize the synergies that are frequently found at intersections between different segments of the media and entertainment (and hardware) industries. The modern media-entertainment conglomerate accordingly functions as a sort of parallel in economic space to industrial clusters in geographic space, i.e. as an economic collective, with the difference that if in the one case, the relevant synergies are activated under the umbrella of common ownership, in the other they owe their genesis to geographic proximity. Figure 2.2 sketches out the ownership relations between the Hollywood majors and their parent companies, as well as between the majors and their most important subsidiary film-production and distribution companies. However, the figure refers only to the feature-film operations of the majors and makes no reference to other divisions, e.g. in television programming or home video production.

The majors as currently constituted engage in feature-film production with varying degrees of vertical integration and disintegration of
the relevant tasks. One way in which they proceed entails integrated in-
house development, shooting, and editing using their own creative staffs and
equipment as basic resources. It is important to note in this context that
whereas the majors today are certainly more vertically-disintegrated than
their pre-War forerunners, they never fully gave up all of their capacity to
produce motion pictures in-house, and in most instances, their continuing
level of vertical integration is quite considerable. Many of them, for
example, still own large-scale sound stages, and maintain significant pre-
and post-production facilities, all of which are also available for lease by
outside companies.\(^6\) That said, as any given production project by the majors
moves forward, other firms and individuals (such as producers, directors, set
designers, and so on) are commonly brought in on a subcontract or limited-
term contract basis to perform specific tasks.

Another way in which the majors proceed is to work with smaller
production companies, where the latter assume primary responsibility for
organizing overall production tasks. The smaller companies involved in
these ventures comprise both the major’ own subsidiaries and selected
independent producers, in projects that may range anywhere from a niche-
oriented film to a high-budget blockbuster. In these collaborative ventures,
the majors work in a range of protocols, though probably in the majority of
cases these grant significant control to the majors over production and
editing decisions. Typical procedures include financing, production
distribution deals, co-production pacts, joint ventures, split rights
agreements, “first look” contracts, and any and all combinations of these
arrangements. The majors also enter into negative pick-up contracts with
independents, that is, agreements to distribute films that have been already

\(^6\)MGM, by contrast, owns no studio facilities whatever, preferring to rent these as

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completed before being brought to the attention of any given studio. Many independents also unilaterally assemble packages of scripts, actors, directors, and other assets that they then present to the studios in the hope of securing a production or distribution agreement, though few are ever successful (Acheson and Maule, 1994).

The data given in Table 2.2 shed important light on the evolving world of the majors. The table indicates the number of releases by majors and their subsidiary companies at five-year intervals since 1980. Recall that the release or distribution of films is to be distinguished from the actual production of films, and that the majors release films made by themselves or their subsidiaries as well as films in which independent production companies participate in different degrees. By contrast, releases by subsidiaries owned by the majors are overwhelmingly produced by smaller independent companies. Many of these subsidiaries (e.g. Castle Rock, Miramax, New Line, Orion Pictures) began their existence as independents; others (like Fox Searchlight or Universal Focus) were set up as auxiliary units from the start. Table 2.2 reveals that since 1980, the number of films released by the majors proper has remained more or less constant at close on a hundred a year, whereas the subsidiaries have greatly increased production, in parallel with production in the independent sector (see below). Thus, although the majors continue to dominate the entire industry and to maintain a significant degree of in-house production capacity, they also rely more and more on smaller subsidiaries and independent production companies in order to spread their risks, to diversify their market offerings, and to sound out emerging market opportunities. In this connection, the business strategies of the motion-picture industry majors strongly resemble those of

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and when they may be needed.
majors in the music business (Dale, 1997; Hirsch, 2000; Scott, 1999a; Negus, 1998).

The world of the independents. The independent segment of the industry represents an important and flourishing element of the Hollywood complex. As the information set forth in Table 2.1 suggests, independent film production has increased greatly over the last two decades, with the period of most intense growth being the early to mid-1980s when a boom in independent film production occurred, fuelled by the growth of ancillary markets (Prince, 2000). Independent production companies make films for both domestic and foreign markets, for presentation in any and all formats (theatrical exhibition, television, or home video). They cater to a great variety of market niches, and their outputs include art films for specialized audiences, genre movies of all kinds, documentaries, television commercials, and direct-to-video films (among which a fair proportion is composed of the numerous pornographic films made by firms clustered in the San Fernando Valley). The distribution of films made by independent producers is handled for the most part by independent distribution companies, many of which were highly specialized with respect to market niche (Donahue, 1987; Rosen and Hamilton, 1987).

According to County Business Patterns some three-and-a-half thousand establishments were engaged in motion-picture and video production (NAICS 51211) in the five counties of Southern California in 1999, and the median size of these establishments was just two employees. The vast majority of these establishments comprise a cohort of independent production companies, some of which are allied with majors but most of which operate in an entirely separate sphere. Thus, in face-to-face interviews with representatives of many different firms it was found that significant numbers – perhaps the majority -- of Hollywood independents
rarely or never come into contact with a major, and work in an entirely separate sphere of commercial and creative activity. This observation is confirmed by results from a postal survey of independent production companies in Hollywood carried out in the summer of 2001. Out of a total of 115 respondents who were asked if they had engaged in any production deals with majors over the previous twelve months, 83 (72.2%) responded in the negative, and it was evident that some of those who responded positively were actually making a very liberal interpretation of the term “major.” Additionally, the average response to a question asking firms to rate the dependence of their business upon the production and distribution divisions of majors on a scale ranging from one (no dependence) to five (high dependence) was a rather low 2.8.

A bipartite or tripartite system? It is to be stressed that the two tiers of productive activity identified above are far from being hermetically sealed off from one another. First of all, there are obvious symbioses between the two in the sense that each generates externalities that are of value to the other, including important flows of new talent from the lower to the upper tier. Second of all, some independent production companies work partially in the one tier and partially in the other, and others move erratically in and out of the sphere of operation of the majors. Indeed, we might well want to qualify any description of the Hollywood production complex as a bifurcated system with the idea that the two tiers described above are actually complemented by a more indistinct circle of companies as represented by independents strongly allied to the majors together with the majors’ own subsidiaries. This middle tier provides a shifting but evidently widening bridge between the two more clearly definable segments as represented by the majors proper and the pure independents.
The Geography and Dynamics of the Hollywood Production Complex.

A schematic overview. Hollywood is neither just a metaphor nor just a business model; it is also a unique place, with a very distinctive structure as a production locale. As such, one important approach to understanding its character and evolution is offered by the contemporary theory of industrial districts and regional development. Since there already exists a large general body of literature on this issue (see, for example, Cooke and Morgan, 1998; Porter, 2001; Scott 1993; Storper and Scott, 1995), I shall be brief in what follows.

The key elements of the Hollywood production complex today can be described by reference to four main functional and organizational features (see Figure 2.3). These are:

1. A series of overlapping production networks in various states of vertical disintegration. The nodes of these networks are composed of majors, independents, and providers of specialized services from script writing to film editing.
2. A local labor market comprising a large number of individuals differentiated according to skills, sensibilities, and forms of habituation. This labor market is being constantly replenished by new talent from all over the rest of North America and the world.
3. An institutional environment made up of many organizations and associations representing firms, workers, and governmental agencies.

Some of the more important of these institutions being the International Alliance of Theatrical Stage Employees, the Director’s Guild, the Producers’ Guild, the Screen Actors’ Guild, the Writers’ Guild, the Academy of Motion Picture Arts and Sciences (which organizes the annual Academy Awards), the Alliance of Motion
Some of these organizations exert considerable influence over the developmental trajectory of the industry.

4. A regional milieu whose peculiar geographic and historical features emerge in part in relation to the phenomena identified in points 1, 2, and 3, and it is a repository of crucial resources for the industry. These range from the cinematic traditions that are embedded, as it were, in the very fabric of Hollywood as a production locale, through the conventionalized background landscapes of Southern California, to the synergy-laden potentials offered by proximity to the region’s many other cultural-products industries (Molotch, 1996).

These four points all allude to important positive externalities underlying the Hollywood production complex, endowing it with strong competitive advantages in the form of increasing returns to scale and scope and positive agglomeration economies. Such advantages are fundamental in maintaining the status of the region as the leading center of motion-picture production in the world today. They are also major elements of an organizational-geographic framework that functions as a seed-bed of creativity and innovation for the industry (cf. Scott, 1999b). Like many other regional complexes, this framework evinces a periodic tendency to lock-in to relatively fixed configurations over time; yet so far in its long history, the industry has always in the end managed to overcome the many crises of adjustment that have been sparked off by periodic shifts in basic technological and market conditions like the invention of talking movies or the development of new digital technologies.

Picture and Television Producers, the American Federation of Television and Radio Artists, the American Film Marketing Association, the Motion Picture Association of America, the Entertainment Industry Development Corporation.
Two other brief remarks complement the discussion of Figure 2.3, and will be picked up again in more detail later. First, in spite of the centripetal locational pull of Hollywood, expanding streams of production activities have been moving to distant satellite locations since the 1980s. Second, distribution represents an especially critical adjunct to production. Without effective distribution, the production system could attain neither the scale nor the scope that helps to make it such a formidable source of competitive advantages today.

**Development and growth, 1980 – 2000.** All of this productive activity calls for an enormous variety of worker skills, service inputs and entrepreneurial effort, and Southern California offers an extraordinarily dense concentration of these assets. Most of the industry is clustered in a relatively small geographic area centered on Hollywood itself, but also spilling over into other parts of the region. The detailed geographic outlines of the complex are represented by Figure 2.4, which shows the locations of individual production companies in the region. Observe the dense swath of firms sweeping from Burbank in the east through the central pivot of Hollywood to Beverly Hills and Santa Monica in the west. Remarkably few production companies are located outside this dense primary cluster.

The motion-picture industry has grown greatly in Los Angeles County over the last few decades, as indicated by Figures 2.5 and 2.6, which trace out changes in employment and number of establishments in motion-picture production and in allied services since 1980. The information presented in these two figures is defined in terms of the old standard industrial classification (SIC), as opposed to the new North American industrial classification system (NAICS) that succeeded it in 1997. As it happens, SIC 7812 (Motion Picture and Video Production) is perfectly matched by NAICS 51211 and thus we can extend any data series under the
former rubric beyond 1997. SIC 7819 (Services Allied to Motion Pictures) has no corresponding NAICS codes, so that data series defined under this rubric cannot be continued after 1997. Over the period 1980 to 1999, employment in SIC 7812 in Los Angeles County actually declined from 39,318 to 29,262; by contrast, the number of establishments in the same sector increased massively from 983 to 3,237. Employment in SIC 7819 grew from 10,946 to 120,000 from 1980 to 1997, and the number of establishments in the same sector expanded from 509 to 2,326, which clearly reflects the great rise in demand for intermediate inputs to the industry, including special effects and other digital services (Hozic, 1999, 2001; Scott, 1998). Thus, taken as a whole, motion-picture production and service activities (SIC 7812 plus SIC 7819) in Los Angeles County grew at a rate of 194.0% for employment and 248% for establishments between 1980 and 1997. This trend runs parallel to the considerable increase in the total number of films produced in the United States over the same period (from 214 in 1980 to 684 in 2000, according to MPAA records). The global deregulation of television in the 1980s and 1990s no doubt also helped to stimulate this expansion. In the same period, a significant downsizing of establishments occurred in SIC 7812, in association with a corresponding increase in average establishment size in SIC 7819. In the former case, establishment size in Los Angeles County fell from 39.9 to 9.0 employees on average; in the latter, it rose from 21.5 to 51.6. It is tempting to interpret these data in terms of continued vertical disintegration in production and increasing internal economies of scale in associated service providers, but in the absence of suitable statistics at the individual firm level, analysis of the precise mechanisms at work here must await further research.

Figures 2.5 and 2.6 indicate that the growth of the motion-picture industry in Southern California has been accompanied by parallel expansion
of the industry (and most notably by an increase in the number of small establishments) in the rest of the United States. Even so, Southern California remains the primary agglomeration in the country, followed in distant second place by New York. In 1980, combined employment in SICs 7812 and 7819 in Los Angeles County represented 63.3% of the US total. In 1997, the figure was 61.4%. Hence, the industry not only continued to grow in absolute terms in Los Angeles over the 1980s and 1990s, but maintained its high level of relative geographic concentration as well.

**Satellite production locations.** Despite this outstanding historical performance, there has been much decentralization of production activities from Hollywood to satellite locations in recent years. Decentralization occurs for two main reasons, one being the search for realistic outdoor film locations (which has always been a feature of the industry’s operations), the other being the search for reduced production costs (which is a more recent phenomenon). In the vernacular of contemporary Hollywood, firms engaging in these two types of decentralization are referred to as “creative runaways” and “economic runaways” respectively (Monitor, 1999).

A number of studies have shown that the latter kind of decentralization has been increasing rapidly for film-shooting activities since the late 1980s (Coe, 2001; EIDC, 2001; ITA, 2001; Monitor, 1999). Most of it is directed to Canada, Australia, Britain, and Mexico, with Canada receiving 81% of the total. The Monitor Company (1999) estimates that the total dollar loss to the United States as a result of economic runaways was $2.28 billion in 1998. The presumed Canadian share of this total is $1.85 billion. By contrast, the Canadian Film and Television Production Association estimates that total revenues from foreign film
shooting in Canada in the 1999/2000 season was just $1.00 billion\(^8\) (CFTPA, 2001). Even given the discrepancy between these two estimates, the total loss to Hollywood is evidently of major proportions, and the point is underlined by the fact that of 1,075 US film and television projects surveyed in 1998, 285 involved runaway production to foreign countries (Monitor, 1999). According to EIDC (2001), most of this activity is currently accounted for by television productions, with movie-of-the-week programs being the staple item.

Figure 2.7 provides a simple analytical language for thinking about this issue. The central elements of the figure are average cost curves for a particular package of production tasks (in the present instance, film shooting) at two different locations. One of these, Hollywood, is the home base, and the other is a satellite location. The cost curves depict typical increasing and decreasing returns effects as a function of the size of any given package, with \(c_1\) representing production in Hollywood, and \(c_2\) representing production in the satellite location. We may assume that there are fixed set-up costs at the satellite location so that \(c_2\) is greater than \(c_1\) at relatively low levels of production; but because of various advantages at the satellite location, \(c_2\) falls below \(c_1\) at higher levels. Among these advantages we may count relatively low wages, low rental rates for sound stages and equipment, advantageous foreign exchange rates, governmental tax credits and subsidies, and so on (ITA, 2001). Any shift of production from the home base to a satellite location also entails transactions costs, including expenses for transport of personnel and equipment, communications charges between the home base and the satellite as production is proceeding, and perhaps most importantly of all, implicit costs due to diminished managerial

\(^{8}\) “Runaways” re-surface in Canada as “export value.”
and creative control over day-to-day work activities and hence over the quality of the final product. These transactions costs (which may, like production costs, be subject to increasing and decreasing returns) are apt to be particularly onerous where a high-budget feature film is concerned, but relatively low in the case of a more routine television program with limited production values and frequent repetition of the basic package specifications. The interplay between average production costs and transactions costs at different levels of scale then determines whether runaway production is economically feasible in any given case. As shown in Figure 2.7, a strong production cost advantage at the satellite location can be completely eliminated where transactions costs are high; then, as transactions costs are lowered there will be a greater and greater incentive to shift production to the satellite location. Eventually, if average transactions costs fall from $t_1$ to $t_2$, as in Figure 2.7, production at the satellite is likely to occur for task packages larger than $p$.

This exercise clarifies the interactions between all of the various costs brought into play in runaway production relative to the size and complexity of the tasks to be completed. In view of this analysis, we can obtain a clearer grasp of just why (relatively standardized) television films are more susceptible to runaway production than feature films. And we can extend the analysis by increasing the number of possible satellite locations. For example, a significant appreciation of the Canadian dollar from its current exchange rate of C$1.54 per US$1.00 to C$1.15 per US$1.00, will just offset the reputed 25% cost advantage of Canada for film production, therefore making substitute satellite locations more attractive. In view of this logic, there is every likelihood that Hollywood will continue indefinitely to
lose certain kinds of production to one country or another, subject to the availability of adequate sound stage facilities and crews at alternative locations. A dramatic parallel case can be found in the Los Angeles clothing industry where a steady increase in offshore “full-package” contracting has been occurring since the late 1980s (Kessler, 1999; Scott, 2002). So far, runaway production has not seriously undermined the vitality of the Hollywood film industry, and it may well never become life threatening, at least in the more creative segments of the industry. This inference is based on a presumption (a) that the towering competitive advantages of Hollywood in pre- and post-production work will continue to prevail, and (b) that films requiring close supervisory control and complex customized inputs at all stages of production will continue to constitute a significant core of the industry’s product range. Accordingly, and even though the great flow of shooting activities to Canada has unquestionably given a developmental boost to the motion-picture industries of Toronto and Vancouver where most of the work takes place (cf. Coe, 2000a, 2000b, 2001), there seems little reason to suppose that the locational attractions of Hollywood are on the point of dissipation. In the same way, it is surely implausible to claim, along with Clough (2000), that as a consequence of the increasing use of special effects and digital technologies in the industry, its center of gravity in California may be shifting toward the Bay Area. The claim is yet more implausible (despite the defection of Industrial Light and Magic to Marin County in the late 1970s) in view of the extensive development of precisely a robust cluster of digital media and special effects firms in Southern California over the last decade (Scott, 1998).

In brief, Hollywood’s competitive advantages -- deriving from its overlapping transactional networks, the skills and creativity of its workers, its dense institutional underpinnings (including the many guilds, labor
unions, and producers’ associations), its roots in a supportive regional milieu (one of whose attributes is the diverse and striking visual imagery of Southern California), and its proximity to related cultural-products industries – would appear to afford it some durability as a going concern. Its current vibrancy is all the more assured when we add to these advantages, the benefits that it derives from its unparalleled distribution system, (Wildman and Siwek, 1988). Accordingly, the pronouncements of Aksoy and Robins (1992, p. 19) to the effect that “Hollywood is now everywhere … production now moves almost at will to find its most ideal conditions, and with it go skills, technicians, and support services,” and of Hozic (2001, p. 153) who talks about “Hollywood’s exodus into worldwide locations,” are both exaggerated and premature.

**Distribution, Markets, and Competition**

Hollywood today is a large-scale, many-sided, cultural-production and franchising complex, disgorging an endless variety of products designed for many different market niches. The linchpin of the entire system is the high-concept, mass-appeal blockbuster, that is, a big-budget film with a simple but climactic central narrative, an uplifting finale, a major star presence, and possession of many marketable assets (Branston, 2000; Garvin, 1981; Wasko, 1994; Wyatt, 1994). The origins of this type of film are usually traced back to *Jaws* in the mid-1970s, with *Titanic* as its ultimate expression to date. The market for all films is risky, and the high-concept blockbuster faces especially hazardous prospects. Only a few such films actually recoup their costs directly from theatrical exhibition, but the ones that do generally
compensate for the ones that do not (de Vany and Walls, 1997). In addition, the studios now also reap large revenues from repackaging films for home video, broadcast and cable television licensing, product placements and spin-off products such as recorded music, games, toys, fashions, books, theme park rides, and so on.

The distribution system. Distribution has been always a vital element of the motion-picture industry. The distribution system disseminates the industry’s products on wider markets, pumps revenues and information back into Hollywood, and hence is a basic condition of the sustained economic well-being of the central agglomeration (see Figure 2.3).

Employment in the distribution branch of the business is densely developed in Los Angeles alongside the production activities that it serves. In 1999, Los Angeles County could claim 22,399 employees and 299 establishments in NAICS 51212 (Motion-Picture and Video Distribution), compared with 27,669 employees and 706 establishments in the entire United States. Distribution is the segment of the industry where oligopoly is most in evidence. For the United States as a whole in 1997, the four-firm concentration ratio in NAICS 51212 was 74.6%, as compared with equivalent ratios of 33.5% and 16.4% in NAICS 51211 (Motion Picture and Video Production) and NAICS 51219 (Post-Production and Other Motion Picture and Video Industries), respectively.10 This high level of concentration derives from the internal economies of scale that are inherent to distribution activities, especially where, as in the film industry, they assume the form of extensive networks with strong central management and

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9. These examples draw attention to the misnomer involved in the term “high concept” and clearly distinguish the type from the film d’auteur.
widely-diffused regional offices. These networks can then be organized on
the basis of repetitive operating rules in which the transmission of the
variable product itself becomes relatively routinized. The economics of
blockbuster production, with its associated logic of high-intensity, saturation
marketing and distribution, greatly intensifies this tendency to concentration,
especially given that the marketing and distribution costs of many
blockbusters today are equal to or even greater than their actual production
costs (Cones, 1997).

For any given blockbuster, prevailing marketing/distribution practices
typically entail intense publicity campaigns over a short period of time, and
exhibition in many different theaters simultaneously. These practices,
combined with the huge sums of money at stake, make it imperative for the
majors to engage in close relational contracting with owners of theater
chains to secure assured and regular bookings well in advance of the
publicized release date of their films. By the same token, there are certainly
strong incentives to vertical reintegration of the entire production-
distribution-exhibition chain in the motion-picture industry (cf. Blackstone
and Bowman, 1999; Waterman, 1982), and vertical integration has been
indeed on the increase of late. This development can be traced back to the
Reagan era when the Antitrust Division of the Justice Department began to
take a more tolerant attitude toward infringements of the Paramount
decision (Prince, 2000), and by the early 1990s, according to Prindle (1993),
the majors owned over ten percent of all theaters in the United States.

11. A strategy that has now more or less displaced earlier distribution methods based
on exclusive booking of films in a few selected theaters, and reliance on word-of-
mouth as a means of garnering audiences for subsequent rounds of release.
In light of these remarks, it is not surprising to observe that the same bifurcation characteristic of production activities in the Hollywood motion-picture industry is also -- and even more – characteristic of distribution. As Table 2.3 indicates, nine of the top ten film distributors in the United States are either majors or subsidiaries of majors, and the one independent shown in the table (USA Films) has only recently displaced MGM from the top ten. The point is brought further home by an examination of detailed box-office statistics for films distributed in the United States. Consider Figure 2.8, which shows frequency counts of domestic box-office returns for major and independent producers. The figure is based on 142 films released by majors, and 304 films released by independents in 1999. A strikingly bimodal structure characterizes the pattern of frequencies displayed in Figure 2.8, and the two counts overlap only in a small intermediate zone. For independent distributors, the average domestic box-office per film is $2.3 million, and for majors it is $46.1 million. So great is the discrepancy between the two, there might well be a prima facie case for inferring that the majors are in some sense crowding the independents out of more lucrative markets (Daly, 1980). The business concentration of the majors is magnified by what Cones (1997) refers to as their “creative accounting” practices, where revenues are creamed off at the distribution phase, thus reducing the flow-back to production and by the same token diminishing claims for payment by outside contractors based on a percentage of producers’ revenues.

In a study of motion-picture distribution in Canada, Globerman and Vining (1987) have claimed that because there is rotating leadership among the larger distributors, and low barriers to entry at the bottom end of the system, the market is “workably competitive.” Whatever the situation in Canada may be, the very marked concentration in the distribution sector in
the United States, and the difficulties of outsider penetration into the top tier of the sector mean that significant impediments to competition exist. This situation can be scarcely qualified as being anything but oligopolistic.

The globalization of Hollywood. Astute marketing and distribution are crucial not only to the majors’ domination of domestic markets, but to their ever-growing incursions on foreign markets too (Hoskins et al., 1997; Jarvie, 1998; Scott, 2000).

Table 2.4 shows the main pattern of US film and tape rentals to other countries over the period from 1986 to 1999. The first thing to notice from the data displayed is the tremendous growth in the total volume of exports since 1986 (364.7% growth in terms of constant dollars compared with 28.9% growth in domestic box office returns). Europe is the main destination with 65.5% of all exports in 1999, followed by Asia and the Pacific region with 17.4%. Britain, Germany, the Netherlands, France, and Japan are the top individual importers. Two of the majors provided unpublished information to the author indicating that they own distribution facilities in all of the main countries mentioned in Table 2.4, as well as in a number of lesser markets such as Austria, Finland, Israel, Hong Kong, Singapore, Panama, and Peru. In yet other markets the majors engage in joint ventures and contractual agreements with local distributors. It is not uncommon for the majors to have a main office in the largest city in their principal foreign markets (almost always in geographical association with an agglomeration of local audiovisual firms), together with a number of field offices in the provinces (cf. Bonnell, 1996; Nachum and Keeble, 2000).

Since 1995 the costs of Hollywood feature films released by the majors have on average consistently exceeded their domestic box office returns, so that foreign box-office earnings are now critical to overall profitability (cf. Vogel, 1998). Thus, contrary to views expressed from time to time by
European critics about the “dumping” of Hollywood films on foreign markets, this is not strictly the case in economic terms, even if the charge may ring a sympathetic chord on a more cultural register.

Strategic trade rather than dumping is Hollywood’s trump card in international commerce. In contradistinction to classical atomized competition between individual free-wheeling firms, strategic trade is an outcome of imperfect competition in the context of increasing-returns effects, and is hence a source of rents over and above normal profits. In the case of the motion-picture industry, these effects derive in important ways from the potent agglomeration economies of Hollywood itself and from efficiencies of size in distribution, and it is almost certainly these endowments that constitute the primary source of the strategic prowess that has pushed American films so firmly to the fore in so many different foreign markets. Concomitantly, the relatively less well-developed character of these endowments in the film industries of other countries severely impedes them from making stronger inroads into American markets (Chase, 2000; Waterman and Jayakar, 2000). There are no doubt also marketing difficulties that foreign films in the United States face as a result of peculiarities of language and culture, though it is difficult to understand why these should operate necessarily in one direction but not in the other, all else being equal. In fact, all else is far from being equal, because over the entire post-War period, large US-based multinational corporations have honed their competencies to a fine point in matters of commercial propaganda and far-flung product distribution, perhaps most especially in media, entertainment, and other culturally-charged products. Even if the multinationals of other countries are rapidly catching up in this respect, the pioneering efforts of US firms have more or less naturalized American cinematic idioms on many foreign markets, making Hollywood films highly
competitive with purely local products (Finney, 1996; Waterman and Jayakar, 2000). Furthermore, under the provisions of the Webb-Pomerane Act of 1918, monopolistic practices on the part of American firms are explicitly permitted on foreign markets, enabling them to penetrate and dominate those markets more effectively. Thus, block-booking by US-owned film distributors is prevalent in foreign markets, even though it is illegal in the United States.

The rents generated by strategic trade can be almost always much enhanced by agencies of collective action, such as industry associations and governmental bodies. A standard maneuver in this regard is to work on clearing away obstacles that limit access to foreign markets, thus releasing new rounds of growth based on self-perpetuating increasing-returns effects. This is certainly a principal objective of the powerful MPAA, which has offices in Washington, DC., and Los Angeles, as well as in several foreign countries. The MPAA is a highly-financed cartel representing the combined voice of the majors, and it has proven itself to be extraordinarily aggressive and successful in shaping trade agendas in audiovisual products, as well as in many other political tasks of concern to the industry. Thanks to the lobbying efforts of the MPAA, Hollywood has always received untold help from the US Commerce Department and the US State Department (Segrave, 1997). Under the banner of free trade and fair competition, it has long carried out intensive lobbying campaigns with different government agencies in the effort to pressure foreign countries to lower barriers to the strategic trading activities of its members. Independent distributors, too, have a collective representative in the guise of the American Film Marketing Association (AFMA), which is based in Los Angeles and counts over 170 different companies as members. Besides vigorous defense of its members’ interests in general, AFMA also holds the annual American Film Market in
Santa Monica, which has grown over the last two decades to become the world’s largest motion-picture fair, attended by more than 7,000 people from 70 countries.

The very success of American motion pictures on foreign markets has, of course, given rise to a world-wide debate not just about the economics of trade in audiovisual products, but also about the cultural predicaments that follow in its train (Chase, 2000; Feigenbaum, 1999). The issue came to a head in the GATT negotiations of 1993, when, under the prompting of the European Union backed up strongly by France, audiovisual products were exempted from the trade liberalization provisions contained in the final agreement. It is, however, an open question as to how long the exemption will survive in its present form under the newly-constituted WTO. In any case, stubborn cultural and political resistances to the globalization of Hollywood are evident all over the world, from Canada to China and from France to South Korea. And since culture is always, and in profound ways, about identity, ideology, and power, as much as it is about profits and cash flow, the current situation poses predicaments that call for some more imaginative framework of supra-national regulation than approaches based on the erroneous proposition that cultural products are essentially just inert commodities like steel or car parts.

Conclusion

With the steady improvement of electronic methods of distribution and information diffusion, the predicaments alluded to in the previous paragraph are liable to intensify greatly. This remark reflects in part the speed with which new communications technologies are currently demolishing
international borders; it also is based on an expectation that the majors are just as likely to dominate content supply in the new order as they have done in the old. More accurately, we should say that if, in theory, new electronic means of communications allow small producers to tap readily into global markets, the massive resources of the majors will still in all likelihood enable them to gain a decisive edge in publicity and marketing, and hence in sales.

Over a more distant time horizon, the situation becomes increasingly murky. For one thing, as I have argued elsewhere (Scott, 2001), new and revivified cultural-products agglomerations are on the rise in many different parts of the world today. Notwithstanding the current hegemony of Hollywood, the ingredients of its success are not in principle forever locked in at one place, and it is entirely conceivable that other regions may eventually mount credible challenges to it on global markets, even granted the enormous hurdles that exist. For another thing, policy-makers in other countries are now turning their attention to the tasks of building indigenous cultural-products industries with much greater capacities for market contestation than in the past. In the European Union, for example, the Media Plus Program initiated in January 2001 (in succession to the earlier Media I and Media II programs) is now engaged in a many-sided effort to improve the international competitiveness of the European audiovisual industries, including a push to put more effective distribution systems into place. The increasing trend to international co-productions lends further complexity to these matters. Moreover, expansionist of European media corporations such as Vivendi, Bertelsmann, or Polygram are vigorously scouring the world for new production and marketing opportunities while at the same time strengthening their roots in their home territories. Quite apart from these developments, the notorious unpredictability of consumer tastes in matters
of popular culture means that Hollywood production companies can never rest on their laurels. They are always potentially subject to devastating competition from unexpected quarters, and despite Hollywood’s long domination of world-wide film markets, its ascendance can never be absolute or final. Indeed, there have been numerous instances in the past when it has faltered even on its home terrain, including the notable period in the late 1960s when imports grew to the point where they represented fully two-thirds of all the films released in the United States (Schatz, 1997).

If these comments point to potential perils ahead, Hollywood in its current incarnation is nonetheless one of the most remarkable examples of a successful industrial agglomeration anywhere in the world. Its size and complexity, its longevity, its global impact, and the mystique that surrounds its products, all combine to bring it into sharp relief. It is all the more fascinating because unlike many other case-study industrial districts, (Silicon Valley, Orange County, or Boston’s Route 128, for example), its outputs trade on a purely cognitive register. For this reason alone, Hollywood is one of the most arresting examples of the burgeoning cultural-products agglomerations that are on the rise all over the world today, no matter whether their stock-in-trade is film, multimedia, music, fashion, or any other vehicle of aesthetic and semiotic expression.

In the present paper, I have described the mainsprings of the Hollywood production complex, with special reference to its status as both a local and a global system of relationships. I have attempted, in particular, to lay out a new map of Hollywood and the world that is attentive to the ways in which this local/global system reflects the industry’s peculiar tendency to structural and functional bifurcation. Much more research, of course, is needed on particular aspects of Hollywood’s operations, including many questions about new digital technologies, creativity and innovation, local
labor markets, the institutional fabric of the industry, agglomeration and decentralization processes, corporate organization, marketing, the dynamics of demand, and so on. The discussion presented here offers a conceptual and empirical context that eases the task of approaching these and allied questions. The discussion also points firmly, if laconically, to the steady convergence that appears to be occurring between the economic and the cultural in contemporary global capitalism, and to a few of the important analytical problems raised by this turn of events.
References


Table 2.1 Feature films released in the United States by majors and independents.a

| Year | Releases | | |
|------|----------|---|---|---|
|      | Majors   | Independents | Total |
| 1980 | 134      | 57           | 191   |
| 1985 | 138      | 251          | 389   |
| 1990 | 158      | 227          | 385   |
| 1995 | 212      | 158          | 370   |
| 2000 | 191      | 270          | 461   |

aNote that in this table, the term majors refers to both the majors proper and their subsidiary releasing companies.

Table 2.2 Films released by majors and their subsidiaries, 1980 – 2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Releases by majors less releases by subsidiaries</th>
<th>Releases by majors’ subsidiaries</th>
<th>Subsidiaries as a percent of</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>94</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1985</td>
<td>103</td>
<td>12</td>
<td>11.7</td>
</tr>
<tr>
<td>1990</td>
<td>109</td>
<td>27</td>
<td>24.8</td>
</tr>
<tr>
<td>1995</td>
<td>127</td>
<td>85</td>
<td>66.9</td>
</tr>
<tr>
<td>2000</td>
<td>104</td>
<td>75</td>
<td>72.1</td>
</tr>
</tbody>
</table>

Source: Calculated from information in: Academy of Motion Picture Arts and Sciences, Annual Index to Motion Picture Credits. Subsidiaries involved in these counts are: Castle Rock Entertainment, Dimension Films, Fine Line Features, Fox Searchlight, Miramax, New Line Distribution, October Films, Orion Pictures, Orion Film Classics, Paramount Classics, Sony Classics, Tristar Pictures, Triumph Releasing, Twentieth Century Fox International Classics, United Artists Films, Universal Focus and Warner Classics. Note that some of these entities have operated as independents at various times, and some are no longer in existence. They are included in the present counts only for years when they actually functioned as subsidiaries of majors. Buena Vista Pictures is the principal distributing arm of Disney and is treated as a major. The discrepancies observable between the data given in Table 2.1 and Table 2.2 stem from the different sources used.
Table 2.3 Top ten film distributors in the United States, 2000.

<table>
<thead>
<tr>
<th>Distribution Company</th>
<th>Number of films released</th>
<th>Domestic box-office revenue $ millions</th>
<th>Average per film</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buena Vista (Disney)</td>
<td>19</td>
<td>1,089</td>
<td>57.3</td>
</tr>
<tr>
<td>Universal</td>
<td>15</td>
<td>1,053</td>
<td>70.2</td>
</tr>
<tr>
<td>Warner Brothers</td>
<td>22</td>
<td>863</td>
<td>39.2</td>
</tr>
<tr>
<td>Twentieth-Century Fox</td>
<td>14</td>
<td>849</td>
<td>60.6</td>
</tr>
<tr>
<td>Paramount</td>
<td>12</td>
<td>792</td>
<td>66.0</td>
</tr>
<tr>
<td>Dreamworks</td>
<td>10</td>
<td>668</td>
<td>66.8</td>
</tr>
<tr>
<td>Sony</td>
<td>22</td>
<td>664</td>
<td>30.2</td>
</tr>
<tr>
<td>Miramax (Disney)</td>
<td>25</td>
<td>507</td>
<td>20.3</td>
</tr>
<tr>
<td>New Line (Warner)</td>
<td>14</td>
<td>388</td>
<td>27.7</td>
</tr>
<tr>
<td>USA Films</td>
<td>17</td>
<td>202</td>
<td>11.9</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>170</strong></td>
<td><strong>7,075</strong></td>
<td><strong>41.7</strong></td>
</tr>
</tbody>
</table>

*Source: Hollywood Reporter, Film 500, August, 2001.*
Table 2.4 US exports in the form of film and tape rentals; percentage values by destination.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>10.2</td>
<td>8.6</td>
<td>8.6</td>
<td>7.8</td>
</tr>
<tr>
<td>Germany</td>
<td>7.5</td>
<td>9.6</td>
<td>10.5</td>
<td>13.2</td>
</tr>
<tr>
<td>Italy</td>
<td>10.0</td>
<td>7.3</td>
<td>4.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>15.2</td>
<td>17.5</td>
<td>17.4</td>
<td>11.5</td>
</tr>
<tr>
<td>Spain</td>
<td>-</td>
<td>5.1</td>
<td>5.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Sweden</td>
<td>-</td>
<td>1.8</td>
<td>1.4</td>
<td>1.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10.6</td>
<td>11.0</td>
<td>9.8</td>
<td>13.4</td>
</tr>
<tr>
<td>Europe</td>
<td>60.3</td>
<td>66.5</td>
<td>64.9</td>
<td>65.5</td>
</tr>
<tr>
<td>Australia</td>
<td>10.3</td>
<td>3.4</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Japan</td>
<td>8.3</td>
<td>11.5</td>
<td>8.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>-</td>
<td>0.8</td>
<td>1.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-</td>
<td>0.5</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Asia and Pacific</td>
<td>22.1</td>
<td>18.3</td>
<td>19.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Brazil</td>
<td>-</td>
<td>0.8</td>
<td>2.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Canada</td>
<td>10.4</td>
<td>8.7</td>
<td>6.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.3</td>
<td>0.9</td>
<td>1.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Americas</td>
<td>17.9</td>
<td>12.5</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>South Africa</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Africa</td>
<td>-</td>
<td>1.0</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Middle East</td>
<td>-</td>
<td>0.5</td>
<td>0.8</td>
<td>1.2</td>
</tr>
<tr>
<td>World ($ millions, current)</td>
<td>1,071</td>
<td>1,962</td>
<td>4,982</td>
<td>7,556</td>
</tr>
<tr>
<td>World ($ millions, constant)</td>
<td>1,628</td>
<td>2,400</td>
<td>5,290</td>
<td>7,566</td>
</tr>
</tbody>
</table>

Figure 2.1 Schema of basic organizational possibilities in industrial systems: x and y represent old- and new-style studios, respectively; z₁ and z₂ represent common kinds of independent production companies or service suppliers.
Figure 2.2 The Hollywood majors: corporate ownership relations. Sources: various directories, reports, and web sites.
Figure 2.3 Schema of the Hollywood motion-picture production complex and its external spatial relations. $M_1$, $M_2$, ..., $M_5$ represent markets differentiated by niche and by geography.
Figure 2.4 Motion-picture production companies in Southern California. The inset shows locations of the majors and selected place-names. Sources of address data: Blu-Book, 2001 (Los Angeles: Hollywood Reporter), and Producers (Los Angeles: Ifilm).
Figure 2.5 Employment in the motion-picture industry, Los Angeles County and the USA. SIC 7812 = Motion-Picture and Video Production; SIC 7819 = Services Allied to Motion Pictures. Source of data: US Department of Commerce, Bureau of the Census, County Business Patterns.
Figure 2.6 Number of establishments in the motion-picture industry, Los Angeles County and the USA. SIC 7812 = Motion-Picture and Video Production; SIC 7819 = Services Allied to Motion Pictures. Source of data: US Department of Commerce, Bureau of the Census, County Business Patterns.
Figure 2.7 Analysis of runaway production; $c_1$ is the average cost curve for a given package of production tasks in Hollywood; $c_2$ is the average cost curve for the same tasks at a satellite location; $t_1$ and $t_2$ are unit costs of transacting between the two locations.
Figure 2.8 Frequency distributions of domestic box-office returns for films released by majors and independents, 1999. Note that the x-axis is defined on a logarithmic scale. Source of data: National Association of Theatre Owners, Encyclopedia of Exhibition, 2000-2001.
CHAPTER 3

A Voice for Place in Contradictions between Commerce and Culture:
A Case Study of Cultural Districts in Seoul

Won Bae Kim and Jae Yoon Yoo

Introduction: Development Processes and Development Culture of Seoul

Seoul and Korea are known for their compressed growth in the latter half of the twentieth century. Seoul, with a population of more than 10 million persons, is a dynamic city and has a long history. It began as a capital of the Joseon Dynasty, which lasted from 1392 to 1910. Seoul was relatively a small city with a population around 200,000 during the Dynasty. But its centrality in the political order of those days was unchallengeable. The spectacular growth of Seoul began since the 1960s when Korea adopted an export-oriented development strategy. Seoul was the center of Korea’s modernization drive and as such it acquired an enormous momentum for growth and structural transformation. In result, Seoul commands the Korean political economy, while accounting for one-fifth of Korea’s population.
What transpires from the remarkable growth of Seoul in a short period of time is an explosive dynamism. This dynamism, however, breeds contradictions in many fronts including one between the traditional and the modern and consequently generates many challenges, some of which cannot be appropriately managed by even the strong state. For instance, traffic congestion, environmental pollution, and social alienation are not satisfactorily addressed even at the beginning of the 21st century. More troublesome is the inertia and unfathomable logic accompanied by such dynamism. As seen in the feverish escalation of housing and land prices during the 1980s and even the recovery phase after the 1997 financial crisis, the dynamism is hard to put a lid on it and consequently creates conflicts and contradictions in the urban landscape of Seoul—sometimes severely damaging the underlying social and moral order of the city.

The following four points summarize the characteristics of development processes in Seoul up until very recently.

1) Economic concerns have dominated all other concerns.
2) The mode of development has been top-down and hierarchical.
3) Development has been oriented toward hardware development.
4) Instrumental rationality has prevailed in the development processes of the city.

In a word, Seoul was a developmental city, wherein economic growth and material expansion were the foremost goals. Tradition was perceived to be a factor inhibiting modern development and culture was treated as an appendix. Although Seoul is being transformed into a post-modern city by internal social changes and global forces, Seoul still retains many traits of a developmental city. Whereas post-modern architecture and Yuppie culture take root in some quarters of Seoul, traditional ways of life
continue in the poor quarters of Seoul. The large, modern art complex built in the southern part of Seoul boasts its size as the number one in Asia, while some Korean movies try to convey traditional Korean culture and life in globally communicable symbols. Developers and residents’ coops often destroy structurally sound low-rise apartment buildings just for the sake of higher property values, on the one hand, and environmental groups fight for the preservation of mountains, on the other. More importantly, nepotism, which is a trait of a tribal community, is displayed in formal and informal business decisions. Thus, the coexistence of the traditional, modern, and post-modern in Seoul creates ambivalence and confusion in everyday urban life.

The urban landscape of Seoul is a result of such a culture of development engraved upon the social fabric and spatial structure of the past. It contains multiple layers of history. The urban design and spatial configuration of the old city, which is surrounded by four gates, are the product of the Joseon Dynasty. They represent the political, social and moral orders of the Dynasty (Kim 1997). The urban pattern in the early 20th century manifest planning ideas and concepts of the Japanese colonial rule. Rebuilding Seoul after the devastation by the Korean War and ensuing urban development processes represent more or less the national goal of economic development. Material growth was and still is the dominant objective of Korean society. The urban development processes of Seoul did not pay much attention to soft and non-material dimensions of development, let alone culture and tradition. Seoul’s cultural heritage and traditional elements of landscape have been neglected for the sake of ‘modern development.’ In a sense, it was inevitable to pursue material growth and associated urban building for the underdeveloped economy. To catch up with advanced economies, Seoul had to emulate advanced cities of the West.
through importing ideas and concepts of modern urban planning. Obviously, such emulation had limitations. For example, rationality, the essential quality of modern society and planning, was narrowly interpreted so that instrumental rationality prevailed over the thinking and planning of modernization projects. There was not much room to think about the comprehensive rationality of life incorporating the aesthetic and spiritual dimensions of life (Kim 1999).

Similar to Hong Kong’s culture of a bazaar (Ng 2001), where the purpose of life is centered upon making money, the dominance of economic concerns in Seoul has shaped the city’s cultural development. The belated recognition about the value of culture and tradition came about in the 1990s when the Korean society passed the stage of economic survival. Another related factor behind the appreciation of culture and tradition was the democratization of the Korean society and the emergence of the civil society in the 1990s. Increasing concerns about culture and tradition among some Korean intellectuals and citizens were also a reaction to the one-way street of modernization without cultural identity. The intensified globalization processes in recent years forced the adoption of global (often American) standards and norms, on the one hand, and raised people’s awareness about their own culture and tradition, on the other hand.

Such renewed interests in culture and tradition in Korea are, however, still dominated by economic concerns. For example, the economic value of culture is increasingly appreciated since knowledge-based economies require more cultural and intellectual contents in the production of goods and services. Like many other countries, Korea promotes cultural industries. Many cities in Korea also engage in culture and tradition-based place marketing. Although place identity and cultural promotion are listed as goals of place marketing, the main emphasis of these efforts seems to aim at
acquiring economic values rather than cultural values per se. This bias toward economic concerns still governs the urban development process in Seoul. Two cases that we deal in our paper reveal this fundamental contradiction embedded in the culture-economy relationship in the market-driven process of urban development in Seoul.

The Growing Importance of Cultural Industries in Seoul

With the advance of a knowledge-based economy, most countries recognize the value of culture in the urban and national economies. Seoul and Korea are not an exception to this culture-based economic development campaign. The marriage of culture with the multimedia industry is a new trend and it applies well to the case of Seoul. Looking at the changing profile of cultural industries in Seoul between 1996 and 2000, we can discern a remarkable growth in the game and software industry, followed by film production and distribution (Table 3.1). The traditional art activities such as performance and visual arts remain a small proportion of the total cultural industries. Also more established cultural industries such as broadcasting and publishing have a lesser weight than before in terms of total employment. On the whole, we observe the largest growth in the more peripheral cultural industries such as the game and software industry, implying a technology orientation of Seoul’s cultural industries. Nonetheless, the cultural

1 According to Throsby (2002), culture is related to urban development in four respects: 1) cultural facilities may comprise significant cultural symbols or attractions affecting the urban economy; 2) a cultural district may act as a node for development in local areas; 3) cultural industries may constitute a vital component of a city’s economy; and 4) culture may foster community identity, creativity, cohesion and vitality.
industries gain importance in the economy of Seoul, accounting for 8.2 percent of total employment in Seoul in 2000.
<table>
<thead>
<tr>
<th>Year</th>
<th>1996</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Whole Country</td>
<td>Seoul</td>
</tr>
<tr>
<td><strong>Industries</strong></td>
<td>Est. Employees (persons)</td>
<td>Est. Employees (persons)</td>
</tr>
<tr>
<td><strong>CoreArts Industries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Activities</td>
<td>374</td>
<td>3,924</td>
</tr>
<tr>
<td>Museum, Gallery, etc.</td>
<td>158</td>
<td>2,072</td>
</tr>
<tr>
<td>Individual artists</td>
<td>713</td>
<td>1,307</td>
</tr>
<tr>
<td><strong>Other Cultural Industries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Film Production &amp; Distribution</td>
<td>3,592</td>
<td>15,518</td>
</tr>
<tr>
<td>Music Production &amp; Distribution</td>
<td>4,226</td>
<td>13,848</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>902</td>
<td>27,790</td>
</tr>
<tr>
<td>Publishing</td>
<td>15,831</td>
<td>122,362</td>
</tr>
<tr>
<td>Photography</td>
<td>12,287</td>
<td>24,097</td>
</tr>
<tr>
<td>Renting of Books &amp; Other Recording Related Industries</td>
<td>36,559</td>
<td>46,551</td>
</tr>
<tr>
<td></td>
<td>61,513</td>
<td>253,824</td>
</tr>
<tr>
<td><strong>Game and Software Advertisement</strong></td>
<td>49,249</td>
<td>128,837</td>
</tr>
<tr>
<td><strong>Specialized Design</strong></td>
<td>4,429</td>
<td>28,677</td>
</tr>
<tr>
<td>Total of Cultural Industries</td>
<td>136,155</td>
<td>511,293</td>
</tr>
<tr>
<td>Share of Cultural Industries(%)</td>
<td>4.85</td>
<td>3.65</td>
</tr>
<tr>
<td>Total of Whole Industries</td>
<td>2,807,802</td>
<td>14,006,754</td>
</tr>
</tbody>
</table>
The primacy of Seoul in the Korean economy is well known. Once again, it is confirmed in the cultural industries. Although Seoul’s share in the nation’s cultural industry employment slightly fell between 1996 and 2000, it still accounts for 48 percent of the nation. As shown in Table 3.2, Seoul is dominant in most categories of cultural industries except for museums and galleries and renting of books and other recordings. The dominance of Seoul in Korea’s cultural industries is most pronounced in advertisement, publishing, film production and distribution. Understandably, Seoul has higher degrees of specialization in the production stage of cultural industries rather than in the distribution and consumption stages (Shin 2000). Whereas consumption of cultural products is more or less proportionately distributed across the country according to market size, production processes are skewed to a few locations where talents and capital are concentrated.
Table 3.2 The Primacy of Seoul in Cultural Industries, 1996 & 2000

<table>
<thead>
<tr>
<th>Industries</th>
<th>Seoul’s Share in National Employment (%)</th>
<th>Avg. Ann. Growth Rate of Employment, ’96–’00 (%)</th>
<th>Location Quotient (Seoul, Employment-based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Arts Industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Activities</td>
<td>57.59</td>
<td>40.16</td>
<td>14.23</td>
</tr>
<tr>
<td>Museum, Gallery, etc. Individual artists</td>
<td>14.24</td>
<td>25.64</td>
<td>14.23</td>
</tr>
<tr>
<td></td>
<td>46.44</td>
<td>50.89</td>
<td>-8.95</td>
</tr>
<tr>
<td>Other Cultural Industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Film Production and Distribution</td>
<td>59.40</td>
<td>61.57</td>
<td>16.49</td>
</tr>
<tr>
<td>Music Production and Distribution</td>
<td>48.13</td>
<td>50.23</td>
<td>-4.39</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>56.98</td>
<td>46.54</td>
<td>-0.88</td>
</tr>
<tr>
<td>Publishing</td>
<td>52.12</td>
<td>61.76</td>
<td>-6.77</td>
</tr>
<tr>
<td>Photography</td>
<td>33.01</td>
<td>31.41</td>
<td>0.90</td>
</tr>
<tr>
<td>Renting of Books and Other</td>
<td>24.85</td>
<td>24.50</td>
<td>-2.71</td>
</tr>
<tr>
<td>Related Industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Game and Software Advertising</td>
<td>51.31</td>
<td>47.82</td>
<td>12.49</td>
</tr>
<tr>
<td>Cultural Industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.88</td>
<td>26.28</td>
<td>-0.72</td>
</tr>
</tbody>
</table>
The Evolution of Cultural Policy in Seoul and Korea

Cultural policies in Korea until the early 1970s were limited to the preservation of cultural heritage. In the 1980s, the focus of cultural policy shifted to the promotion of arts and cultural activities. Also emphasized was the expansion of the opportunities for the population to enjoy cultural activities. Following this cultural democracy approach, the Korean government stressed the importance of informatization of culture. Naturally, the promotion of information industry and its connection with cultural access were linked to the development of cultural industries in the 1990s. More attention has been paid recently on the promotion of local cultures and the development of cultural contents (MCT 2001). The current administration, recognizing the importance of culture, has increased culture expenditures to more than one percent of the central government budget. Among these, expenditures for the cultural industries accounted for more than 10 percent of the total cultural budget in 2001.

With the reinstitution of local autonomy in 1995, local authorities have adopted cultural policies to establish the cultural identity and to achieve the economic development of local regions. These policies are, however, often imitations of other regions in and outside Korea. For example, many localities adopt events-focused cultural policy wherein such events have no necessary association with the place or local cultures (Kang 2001). Place-marketing strategy adopted by local governments is often geared to sell stuffed traditions that are unrelated with the living culture of a place. Nonetheless, the promotion of culture and cultural industries is believed to benefit local populations and moreover to contribute to the economic development of local regions (Kim H. 2002).
Although there are no coherent official cultural policy statements of Seoul, we can infer from various documents and announcements produced by the central and Seoul metropolitan government (SMG 1995, Shin 2000). At the macro level, we can discern three strands of policy. The first is a conventional cultural policy providing supports to traditional and core forms of cultural activities like dance, classical music, opera, visual arts, theater, and literature. The second is related to the promotion and utilization of cultural heritage for tourist attraction and city identity. The third is geared to the development of cultural industries, in particular, the film, animation, and game industries. The first line of policy is reflected in the city budget as cultural expenditures covering supports to cultural activities, the maintenance of cultural heritage, and the operation of fine arts centers and museums.\(^2\) The second line of policy includes the establishment of tour

\(^2\) The city’s budget on those items accounted for 3.75% of the city’s total general funds budget in 2001 (http://culture.seoul.go.kr/html/admin_04.html).
routes of history and culture within the old gate city, to recover and preserve historical relics and traditional cultural events such as the Jongmyo ritual and meritocracy examination. Such a policy obviously emphasizes the conservation of traditional and cultural precincts such as Insadong and Daehakro, which will be discussed in detail later. Another item that can be included in this category is the revitalization of the Dongdaemoon Fashion Mart. Strictly speaking, the Dongdaemoon Fashion Mart is not a cultural district. Given some elements of fashion design and shopping characteristics connected to the Korean wave, the Mart can be considered as a cultural precinct in a broad sense (Yoo and Ra 2001). The basic idea of the Seoul Metropolitan Government is to improve the physical and cultural environment of the area so as to attract more tourists and visitors from China and other Asian countries.

The third line of policy is more directly linked with the promotion of cultural industries. The target industries are film production and multimedia (Shin 2000). With respect to the film industry, the city administration has pursued the establishment of the Seoul Film Commission composed of eminent persons working in the field. Through the establishment of a one-stop service system necessary for film shooting and location, Seoul attempts to promote the growth of the film industry. This effort is jointly pursued with the Korean Film Commission for the promotion of the film industry. Another item related to the film industry promotion is to build a cinema hall in Jeongrungdong, where the first

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3 The Korean wave refers to the increased consumption of Korean cultural products including songs, dance, dramas, and clothes by East Asians. Although it is not clear why Korean actors and actresses and associated cultural products appeal to Chinese, Taiwanese, Japanese, and Vietnamese youngsters, many agree with the thought that the mixed characteristics of Korean cultural products—a fusion of Western culture
Korean movie ‘Arirang’ was made. The longer-term objective of Seoul is to make the vicinity of the Arirang Street in Seonbukgu the core of film production. The construction of the cinema hall has begun in January 2001 and will be completed by June 2003.

The city administration has paid more attention on the promotion of the multimedia industry. The key of Seoul’s plan is to build a digital media city in Sangamdong (SMG 2002). This digital media city (DMC) is expected to function as one of media and entertainment hubs in Northeast Asia. The DMC is designed to form a cluster of industries centering on digital contents. The city administration has already begun marketing activities to host media, entertainment, software, and information technology service industries into the DMC.

Apart from the conventional cultural subsidy policy, Seoul’s cultural policy revolves around two major strategies: place-marketing and cultural industry promotion. The place-marketing strategy is essentially designed to sell cultural heritage and tradition of Seoul to visitors from other places in Korea and abroad. The cultural industry promotion strategy targets at two industries—film/animation and multimedia. This strategy, however, contains place-making as part of culture industry promotion. In other words, material space is created for industry promotion as revealed in the development of DMC and the Jeongrung film production district. In a broad sense, Seoul’s cultural strategy is place-bound and therefore local cultural resources are mobilized and manipulated for the economic and cultural development of the city.

**Cultural Districts in Seoul**

and Korean traditional culture—have a better appeal to the youngsters in East Asia
Since it is difficult to precisely define what constitutes cultural streets and districts, we adopt here a generic definition. A cultural district refers to a place wherein we find a noticeable agglomeration of cultural consumption and production activities in a limited geographical area (usually within walking distance) with distinct identity (KCPI 1999). Agglomeration and identity are two major qualities, which define a cultural district. It is, however, still ambiguous on what cultural properties constitute cultural districts. If we focus on the agglomeration of cultural activities or facilities, we may classify cultural districts into three broad types. The first type is a place where a substantial agglomeration of activities and facilities containing traditional cultural heritage is found. The second type is a place where cultural facilities such as museums, galleries, exhibition halls, performance centers are concentrated. The third type is a place where cultural and culture-related industries are concentrated. On the other hand, if we focus on economic properties and institutional dimensions, we may come up with different models of cultural districts as Santagata (2002) discusses.

Using the generic definition of cultural district, we may find such agglomerations in several places of Seoul including Insadong, Daehakro, Gwanghwamoon, Hongdaeap, Chungmuro, Cheongdamdong, Apgujeongdong, and so forth. There are other smaller scale cultural places such as Sagandong (where galleries are concentrated) and the Seoul Arts Center. Although not strictly cultural, Dongdaemoon Fashion District is a place where fashion-related shopping culture is appreciated. These cultural

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4 Frost-Kumpf (1998) defines a cultural district as a well-organized, labeled, mixed-use area of a city in which a high concentration of cultural facilities serves as the anchor of attraction (requoted from Brooks and Kusher 2001).
streets and districts have different origins in time and place but the process governing the formation of them is fundamentally same. Market demand and supply determine the formation and transformation of cultural districts and streets. Consumers’ taste and preferences are important determinants. Producers, by their cultural competence, play a certain role in shaping the cultural contents and activities of those cultural districts. The public sector is not a leader in the cultural arena but it can facilitate the formation and transformation of such districts. Citizens and NGOs are another actor that can affect the contour of cultural landscape in the city. Thus, cultural districts should be understood within a larger context of social and economic development of the city. With these points in mind, we will focus on the following two areas for an in-depth analysis: Insadong and Daehakro.

Santagata (2002) discusses four models of cultural districts: the industrial cultural district; the institutional cultural district; the museum cultural district; and the metropolitan cultural district.
<Map 3.1> The Location of Cultural Districts

- Daehakro
- Insa-dong
- Jongro-gu
- Jung-gu
Dynamics of Cultural Districts

Insadong: place marketing in trouble

Insadong is a small, square-shape area composed of one main street stretched about 690 meters from Angookdong Rotary to Tapgol Park and the east-west section running from the Gongpyong Building to Nakwon Shopping Street (about 375 meters). The area is classified as a commercial zone according to the city plan. The northern part of the area is designated as Insadong Planned Unit Development District, while the southern part as Gongpyong Urban Renewal District. The number of workers in the area is estimated to be about 3,000 persons, while the number of visitors runs about 50,000 during work days, 70,000 during the weekends, and about 100,000 during the days of ‘No Cars on Street.’

Insadong is well known to tourists from abroad. It is a place where Koreans and foreigners alike experience traditional Korean cultures including food, clothing, paintings, and antiques. There is also concentration of shops related to visual arts like galleries, picture mounting shops, and writing-brush shops. The history of the area goes back to the Joseon Dynasty when the area was a residential quarter for the middle-income people. The area occupied the location between the administrative quarter and the commercial quarter. It was an integral part of a traditional urban layout of the Dynasty. As such, it has a traditional street layout typical for residential quarters—with a main street and many small alleys branching out from it (KCPI 1999).

In the early 20th century when Japanese and Korean collectors and specialists looked for Korean antiques, Insadong became a place for selling antiques. In the 1950s, factories, storages, and religious facilities came into
<Map 3.2> The Profile of Shops and Stores in Insadong
the place. Small merchants were congregated in the area and formed the Nakwon market. The mixed-use of the area was a characteristic of the time. Since the 1970s, galleries began to come into the area and strengthened the image of a fine art street. In addition, large and medium-sized office buildings were constructed in the periphery of the area. The current image as a street of traditional culture was fortified in the 1980s when stores selling antique paintings and furniture, and traditional craft works were concentrated. The area began to take a more commercial look when restaurants, tea houses, and cafes grew rapidly in the 1990s. Perhaps such a change was not unrelated to the changed profile of visitors and customers from the middle-aged and high-taste specialists to the younger-aged and ordinary people.

Currently, there are 94 galleries, 87 antique shops, 57 picture mounting shops (for traditional Korean paintings), 41 painting brush and rice paper shops, and 82 traditional hand-craft shops. These shops and stores are mostly small in size and rental-based operations and they are regarded as core activities of Insadong.

In addition, there are a sizable number of restaurants and shops serving traditional Korean cuisine and tea. In particular, those shops engaged in traditional culture-related activities occupy the ground floor of low-rise buildings with strong traditional architectural characteristics. As such, the concentration of antique shops, brush stores, picture mounting shops, and galleries in this small area provide Insadong with an image of traditional culture and arts. Recent trends, however, indicate the rapid decline of traditional culture-related shops and stores (Table 3.4). Between 1998 and 2000, the number of antique shops and brush stores declined sharply from 172 to 87 and from 85 to 41 respectively, while the number of galleries and picture-mounting shops decreased by about 10 to 30 percent.
The decline of these traditional culture-related shops was compensated by a remarkable increase in the number of restaurants and handcraft shops. This
change in the use of space in Insadong reflects basically the shift in consumers’ demand. As Insadong became firmly established as a major tourist attraction, there was a shift in visitors’ profile from the middle-aged, high-taste customers of traditional arts to the younger-aged, ordinary-taste consumers. Accordingly, shops and stores serving the taste of these new consumers mushroomed through the rebuilding of old stores and shops. This process of rebuilding and expansion of average size of stores and shops drove up rents, which resulted in crowding out some of traditional culture and arts shops and stores from the area.

Table 3.4 Change in Space Uses in Insadong between 1998 and 2000

<table>
<thead>
<tr>
<th>Use</th>
<th>No. of shops 1998</th>
<th>No. of shops 2000</th>
<th>Change in No. of shops between 2000 and 1998, (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antiques</td>
<td>172</td>
<td>87</td>
<td>- 85 (-49)</td>
</tr>
<tr>
<td>Galleries</td>
<td>108</td>
<td>94</td>
<td>- 14 (-13)</td>
</tr>
<tr>
<td>Picture mounting</td>
<td>87</td>
<td>57</td>
<td>- 30 (-35)</td>
</tr>
<tr>
<td>Rice paper</td>
<td>85</td>
<td>41</td>
<td>- 44 (-52)</td>
</tr>
<tr>
<td>Handcrafts</td>
<td>32</td>
<td>82</td>
<td>+ 50 (156)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>484</td>
<td>361</td>
<td>- 123 (-25)</td>
</tr>
<tr>
<td>Restaurants</td>
<td>83</td>
<td>388</td>
<td>+ 305 (368)</td>
</tr>
<tr>
<td>Traditional tea shops</td>
<td>54</td>
<td>54</td>
<td>0 (0)</td>
</tr>
</tbody>
</table>

Source: SMG (2001)

The ‘No cars on Sunday in Insadong’ program, which began in April 1997, was one important factor that brought changes to the area in both positive and negative senses. It heightened inherent contradictions
between commerce and culture. More visitors into Insadong raised the profile of the district. Whereas the program benefited street vendors, tea houses, boutique sellers, and restaurants, it did not bring benefits to galleries and antique stores. Street vendors sold cheap kitsch items with no connection to the Korean culture and tradition. The culture and tradition of Insadong drew more tourists and visitors but they in turn drove out culture and tradition. This was a dilemma facing Insadong.

The success of Insadong as a tourist attraction brought a problem. Ironically, rental fees and land prices have risen after the implementation of ‘No cars on Sunday.’ Small tenant shops faced a problem of high rents resulting in a latent conflict of interests between landowners and tenant shops, and between main street and back alley shopkeepers (Kang 1998). The rise in rental fees has already made impact; galleries have been moving out to the southern part of Seoul where space could be rented with lower fees. Antique shops have moved out to another part of Seoul. Instead, the space vacated by the relocation of galleries has been filled by restaurants and bars with an ability to pay high rents. Table 5 shows the ratio of sales revenue against rent by different categories of shops and stores. If the ratio is below 1, it means an absolute loss. The ratio between 1 and 2 means an operational loss accounting for taxes, wages, and other operational expenses. Considering the underreporting of sales revenue by shop owners, the figures still show a relatively weak position of shops selling antiques, picture-mounting, and rice paper in comparison with less traditional culture related shops.

Table 3.5 Percentage Distribution of Ratio of Sales Revenue over Rent by Category of Shops

<table>
<thead>
<tr>
<th>Shop Category</th>
<th>Below 1</th>
<th>1 ~ 2</th>
<th>2 ~ 3</th>
<th>3 ~ 4</th>
<th>4 ~ 5</th>
<th>Over 5</th>
<th>Total</th>
</tr>
</thead>
</table>
106
<table>
<thead>
<tr>
<th>Ratio</th>
<th>14.3</th>
<th>57.7</th>
<th>0.0</th>
<th>14.4</th>
<th>14.4</th>
<th>0.0</th>
<th>100.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antiques</td>
<td>18.2</td>
<td>6.1</td>
<td>27.4</td>
<td>27.4</td>
<td>9.1</td>
<td>9.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Galleries</td>
<td>25.0</td>
<td>50.0</td>
<td>25.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Picture mounting</td>
<td>55.4</td>
<td>0.0</td>
<td>0.0</td>
<td>22.4</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Brushes &amp; paper</td>
<td>25.0</td>
<td>25.0</td>
<td>0.0</td>
<td>25.0</td>
<td>12.5</td>
<td>12.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Crafts</td>
<td>8.4</td>
<td>8.4</td>
<td>16.8</td>
<td>0.0</td>
<td>16.8</td>
<td>49.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Traditional food</td>
<td>0.0</td>
<td>33.4</td>
<td>25.0</td>
<td>8.3</td>
<td>25.0</td>
<td>8.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Traditional Tea</td>
<td>24.0</td>
<td>33.0</td>
<td>9.5</td>
<td>0.0</td>
<td>9.5</td>
<td>24.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Others</td>
<td>20.2</td>
<td>25.0</td>
<td>13.1</td>
<td>10.7</td>
<td>13.1</td>
<td>17.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: SMG (2001)

Against such a worrisome trend, there have been rising concerns and activities to preserve the identity of Insadong and revitalize 'cultural' activities. The main actors involved in the efforts are the Insadong Society for the Conservation of Traditional Culture, which was organized by the shop owners, Urban Coalition, the Insamo group (people who love Insadong), and a committee composed of city officials, representatives of residents, and experts (chaired by the vice chief of the Jongro Ward Office). Even though the Society has a representation problem (the membership includes only 200, which is far short of representing about 500 establishments there), it together with Urban Coalition carries out diverse programs and events. The most important is 'no-car street event on Sunday', which started in April 1997. Other important project by the association and Urban Coalition includes 'saving the twelve small stores' in 1999 (Seong 2000). This project was intended to save twelve small traditional stores at the center of Insadong, which were about to be evicted by the new owner who purchased the land on which those stores were located.
Urban Coalition, the Society for the Conservation of Traditional Culture, and other concerned culture and arts professionals together took a campaign for saving the twelve stores. This effort resulted in a success, in which the new owner agreed to accommodate the operation of the twelve stores in the new building. Moreover, citizens’ voice was heard by the city government. In December 1999, the city of Seoul announced a moratorium on new construction in the northern part of Insadong for the next two years until a new detailed plan for the district was established. Also, the city introduced some restrictions on the use of space in the new buildings in the southern part of Insadong, where urban renewal was taking place. Following up these actions restricting building uses, the city also designated Insadong as a planned unit development area in April 2000. In addition to

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6 Those new buildings facing Insadong should accommodate culture-related activities in their ground floors (possible up to the third floor).
these actions regarding zoning and building regulations, the city government made efforts to improve the streetscape of Insadong including pavement, sewer and water pipes, toilets, tourist information booth and street furniture in the two consecutive years of 2000 and 2001 (SMG 2001).

The Society for the Conservation of Traditional Culture and citizen organizations have been pushing the idea of designating the area as a cultural district. The main purpose of the idea is to preserve the identity of the area where traditional cultures can thrive without the threat of commercial development. Obviously, the idea includes some incentive measures for those ‘cultural’ activities and facilities, while discouraging the establishment of ‘non-cultural’ activities and facilities in the area. According to the Society, traditional cultures are defined as to include only those core activities related to the sales of antiques and traditional craft items such as mulberry paper, calligraphy brush, tea cups, traditional clothings and wooden products. Galleries, picture mounting shops (for Korean paintings and calligraphy works), tea shops, and restaurants serving traditional Korean food are also included as closely related activities. On the other hand, five categories of activities such as game rooms, fast food stores and bakeries, beer and western bars, cafes and karaoke rooms are explicitly defined as non-cultural activities to be strictly controlled (Park 2002). However, what activities constitute traditional cultures and serve best for Insadong vary by one’s perspective. The views of local merchants on thriving cultural activities with commercial profitability are different from that of citizen groups, who emphasize the preservation of the area for pleasant walking. Even not all local merchants agree with the above definition of traditional cultures. A more fundamental issue is whose interests are served by defining cultural and non-cultural activities in such a manner. A conflict is evident between the owners of buildings and tenants.
Tenants, who engage in culture and tradition-related activities and also comprise the members of the Society, are for the designation of the areas as a cultural district. In contrast, building owners are against the designation of cultural district because it will inevitably restrict development activities in the Insadong area.

In April 2002, the proposal was adopted by the Seoul Metropolitan Government and Insadong was designated as a cultural district. Tax incentives are provided to the shops engaged in culture-related activities. Construction of large buildings will be prohibited, whereas low-interest loans will be made to repair and operate old buildings. Those culture-related shops and stores, if they are evicted, will be purchased and re-rented by the city government. Similar to American cities, the city administration decided to establish a joint private and public fund to support preservation efforts. The city will initially contribute a 500 million won to the fund (SMG April 2002).

The case of Insadong raises two important questions regarding place-making. One is how culture and tradition are used in place-making and the other is how a place maintains its identity in the capitalist and bureaucratic development processes. The latter obviously is related to the larger processes of socio-political development and dominant value system in society in general. In particular, managing conflict between commercial interest, which is direct and tangible, and cultural interest, which is dispersed and intangible is indeed difficult in private-led urban development processes in Seoul, where revalorization frequently occurs in the form of urban renewal and redevelopment. It remains to be seen whether the designation as a cultural district is an effective way to guarantee the survival of the Insadong area.
Daehakro: commercialization of youth culture and performing arts

Daehakro (literally University Street) is perhaps the first cultural street built by the city government. When Seoul National University moved to another site in 1975, the area stretching for 1.1 km from the Hyehwa Rotary to the Ehwa crossroads gradually became a street of cultural and artistic activities. As the name symbolizes, it represents the culture of youth. Currently, there are two major cultural institutions (the Korean Culture and Arts Foundation and the Federation of Artistic and Cultural Organizations of Korea), 14 galleries, 44 theatres, and 2 cinemas as of 2001. However, non-cultural commercial activities such as restaurants, bars, cafes, and game rooms overwhelm those cultural activities.

Although we do not have information on recent changes in building uses in the Daehakro area, Table 6 shows a trend in the use of space in the last one and a half decade. Between 1985 and 1999, residential uses declined rapidly, while commercial, office, and cultural uses increased sharply. In more recent years between 1995 and 1999, changes were mainly toward increased commercial uses, while cultural, educational, and office uses were in decline (Shim 1999).
<Map 3.3> The Activity Profile of Daehakro
The dynamics of Daekakro in the past two decades reveal tension between commercialism and cultural activities in a place. The beginning of the cultural street was closely linked with the construction of the Munye Theater in 1981. This facility was built near the Korean Culture and Arts Foundation as part of the central government’s cultural infrastructure expansion policy in the early 1980s.

The location of the Munye Theater in Daekakro drew many theatrical groups and activities into the area. The concentration of small theaters was also encouraged by changes in performance related acts in 1982, by which small theaters could be built without government permission. Place-making efforts of Daekakro began in earnest in 1985 when the Seoul

### Table 3.6 Building Uses in the Daehakro Area

<table>
<thead>
<tr>
<th>Classification</th>
<th>Uses</th>
<th>1985</th>
<th>1995</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of buildings</td>
<td>Percent</td>
<td>No. of buildings</td>
<td>Percent</td>
</tr>
<tr>
<td>Cultural, education, and office</td>
<td>Exhibition</td>
<td>3</td>
<td>5.1</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Theater</td>
<td>2</td>
<td>3.4</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Public cultural use</td>
<td>2</td>
<td>3.4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Private teaching</td>
<td>1</td>
<td>1.7</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Office</td>
<td>4</td>
<td>6.8</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>12</td>
<td>20.3</td>
<td>70</td>
</tr>
<tr>
<td>Residential</td>
<td>Housing</td>
<td>32</td>
<td>54.2</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>32</td>
<td>54.2</td>
<td>20</td>
</tr>
<tr>
<td>Commercial</td>
<td>Restaurant</td>
<td>9</td>
<td>15.2</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Coffee &amp; snack</td>
<td>0</td>
<td>0.0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Café</td>
<td>2</td>
<td>3.4</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Karaoke</td>
<td>0</td>
<td>0.0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>4</td>
<td>6.8</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>15</td>
<td>25.5</td>
<td>99</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>100.0</td>
<td>189</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Shim (1999)*
city administration paid an attention to the potential of the street as an arts and culture street. The core of public intervention in place-making of Daehakro was no car on weekends. However, this no car policy did not last for long and was abandoned in 1989 due to the complaints from the residents and the student associations of universities located in the area. Another factor contributing to the abolition of no car policy was the frequent use of the street by students and citizens for protests and demonstrations against the government during 1987 when the democracy movement was at the peak in Korea (Shim 1999).

During the four-year period from 1985 to 1989, Daehakro experienced a significant growth in the number of theaters and galleries.
Many small theaters were newly opened and some moved in from other parts of Seoul. There were also substantial shifts in the composition of space use in the area during the period. The share of culture and education activities increased from 13.2% to 18.4%. A rapid increase was also seen in commercial uses such as restaurants, cafes, and bars. These increased shares of space use by cultural and commercial activities were at the expense of residential use of space in the area (Shim 1999, SMG 2001).

Figure 3.4 Fast food restaurants and cafes surrounding a small theater

After the abandonment of no car policy in 1989, Daehakro underwent another transformation. The city government designated Daehakro as a cultural street in 1990. This was part of a nation-wide campaign to secure cultural spaces for cultural promotion. Given limited support from the central government, place-making works were delegated to
the Jongro Ward Office, which was directly responsible for public services in the area. Without a thorough inventory taking and coherent strategy for the development, the efforts by the Ward Office were limited to the operation of an outdoor stage at the Marronier Park, holding several cultural events, and the installation of street fixtures such as information posts and ticket boxes. Even though the intention of the Ward Office was to preserve an image of Daehakro as a cultural street utilizing the existing cultural resources in the area, it was not supported by sufficient financial resources and strategic ideas. Furthermore, the Office did not have any control over the use of spaces. Hence, the image of Daehakro changed gradually from a theater street to a street of performance arts and to a street of conspicuous consumption. Even the content of theaters was degenerated into more commercially-oriented plays including porno-type adult theaters (Shim 1999).

During the 1985-89 period when ‘no car on street’ policy was implemented, the number of visitors, especially young students, increased drastically. As a consequence, commercial facilities expanded greatly and in turn drove up the prices of land and building rents. Obviously, small theatres running on the rental basis in the Daehakro area could not afford to pay high rents. In result, most of them moved to cheap storage buildings in back alleys or underground floors. As a matter of fact, 31 out of 38 theatres in the area currently occupy the underground floors with poor conditions (SMG 2001).

Moreover, these small theatres have been facing problems of profitability in their operation. According to the survey results of 1999, which was the worst year after the 1997 Korean financial crisis, all 15 small theatres experienced deficit in their operation (KCPI 1999). The average deficit of 3.76 million won (around US$3000) for 15 theatres raised a
question whether these theatres could continue to operate in the Daehakro area. Such a situation did not improve much after the recovery of the Korean economy in 2001. More importantly, these theatres have faced a serious problem of declining numbers of theater viewers due to the spread of Internet and the shift of viewers to movies.

Given the experimental nature of small theatrical performances, it is impossible to expect them to stand alone without subsidies. The central government has been providing indirect assistance to the performing arts community through enabling viewers to buy tickets at discounted prices. These subsidies, however, are not sufficient enough to continue performances of small theatrical companies. In fact, the National Theater Association of Korea expects that the government at both central and local levels provides more direct and indirect support for performing arts.

In addition to government subsidies, however meager they are to the theatrical community, other indirect supports include lumpsum subsidies earmarked for particular cultural events in the Daehakro area. The Daehakro Culture Festival is typical, in which the semi-government organization, the Korea Culture and Arts Foundation, supports the event. Another one is the Seoul International Theater Festival, for which the National Theater Association of Korea, a non-profit professional organization, obtains support. A non-governmental organization, the Young Korean Academy (the headquarter of which is located in Daehakro) has involved in place-making through organizing the Daehakro Youth Festival. The main concern of the organization is the promotion of sound youth culture. These organizations, although interested in preserving the identity of Daehakro and promoting

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7 Viewers can purchase tickets by discounted prices (which is called Sarang ticket) and theatres can reclaim the discounted portion from the Korea Culture and Arts Foundation. Small theatres can redeem 1,000 won per ticket since April 2000.
cultural activities for culture’s sake, do not have substantial expertise in place-making. Holding cultural events are therefore the most often adopted strategy by these organizations. We need to remember that cultural events, if they are not closely associated with local arts and cultural activities, tend to become short-lived.

**Table 3.7 Monthly Deficits of Theatres in the Daehakro Area**

<table>
<thead>
<tr>
<th>Deficits (million won)</th>
<th>No. of theaters (Percent Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2</td>
<td>0 (0.0)</td>
</tr>
<tr>
<td>2 – 4</td>
<td>5 (20.8)</td>
</tr>
<tr>
<td>4 – 6</td>
<td>4 (16.7)</td>
</tr>
<tr>
<td>6 – 8</td>
<td>1 (4.2)</td>
</tr>
<tr>
<td>8 – 10</td>
<td>1 (4.2)</td>
</tr>
<tr>
<td>10 – 12</td>
<td>3 (12.5)</td>
</tr>
<tr>
<td>Over 12</td>
<td>1 (4.2)</td>
</tr>
<tr>
<td>No response</td>
<td>9 (37.5)</td>
</tr>
<tr>
<td>Total</td>
<td>24 (100.0)</td>
</tr>
<tr>
<td>Average</td>
<td>3.76 million won</td>
</tr>
</tbody>
</table>

*Source: KCPI 1999.*

In a sense, like Insadong, success breeds problems in Daehakro. Increasing visitors and users drive up the rents in the area so that cultural activities with less commercial contents lose out in the space-bidding process. The growth of commercially profitable activities, however, inevitably brings change to the image and identity of the area. Concerned with the prospect of Daehakro turning into another consumption and entertainment street, cultural workers and local associations suggest that the city and ward administration should take policy actions. A first priority is to designate the area as a cultural district with accompanied management strategies. In fact, the city government is considering designating the Daehakro area as a cultural district in 2003.
Consumers’ Views of Insadong and Daehakro

The conflict inherent in the above two cultural places between culture and commerce cannot be resolved by the public sector alone. Citizen organizations, cultural communities, and other interest groups are playing a role in redefining the nature of the districts and reshaping their visual attributes. Ultimately, however, the evolution of these cultural districts depends on market operations on the basis of consumers’ preferences and tastes. To understand the consumers’ views on Insadong and Daehakro, we took a survey in June 2002. The majority of respondents perceive both areas as mainly cultural space. This perception is slightly higher in Insadong (78.6 percent) than in Daehakro (60.3 percent). The percentage shares of visitors who perceived the area as primarily commercial zone are 14.3 and 18.3 percent respectively in Insadong and Daehakro. The majority of respondents also think that each area has its own unique cultural characteristics distinguishing from other areas in Seoul. Such place identity is more pronounced in Insadong than in Daehakro (80 vs. 62.5 percent). More than 60 percent of respondents in Insadong identified ‘traditional culture’ as a special feature of the Insadong area, whereas 56 percent of respondents in Daehakro ‘civic culture’ as a characteristic feature of the Daehakro area. The latter result is rather surprising given the concentration of small theaters in the area. Nonetheless, the survey results indicate that the image perceived by visitors is consistent with the general image known for Insadong but inconsistent with that for Daehakro.

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8 The survey was taken for visitors both at Insadong and Daehakro. The number of visitors surveyed at each place was one hundred twenty.

9 Only 20 percent regarded performing arts as a major characteristic of the area.
Table 3.8 Perception on Insadong and Daehakro

<table>
<thead>
<tr>
<th>Perception of Place</th>
<th>Insadong</th>
<th>Daehakro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural place</td>
<td>78.6</td>
<td>60.3</td>
</tr>
<tr>
<td>Commercial place</td>
<td>14.3</td>
<td>18.3</td>
</tr>
<tr>
<td>Business place</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Place for leisure &amp; rest</td>
<td>5.6</td>
<td>19.8</td>
</tr>
<tr>
<td>Others</td>
<td>1.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0 (126)</td>
<td>100.0 (131)</td>
</tr>
</tbody>
</table>

The total number of respondents was 120 and some answered in multiples.

<table>
<thead>
<tr>
<th>Cultural image</th>
<th>Insadong</th>
<th>Daehakro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and arts</td>
<td>19.5</td>
<td>20.2</td>
</tr>
<tr>
<td>Traditional culture</td>
<td>61.7</td>
<td>12.3</td>
</tr>
<tr>
<td>Commercial culture</td>
<td>10.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Civic culture</td>
<td>4.7</td>
<td>56.1</td>
</tr>
<tr>
<td>Youth culture</td>
<td>1.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Others</td>
<td>1.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0 (128)</td>
<td>100.0 (114)</td>
</tr>
</tbody>
</table>

The number of respondents were 107 and 101 respectively for Insadong and Daehakro and some answered in multiples.

Even though the respondents do not perceive either Insadong or Daehakro as a commercial area, they are concerned about the commercialization of Insadong. Perhaps this is related to the possibility that commercialization may weaken the image of Insadong as representing traditional culture. In contrast, the commercialization of the Daehakro area is not regarded as a big concern since it does not project the image of a place with culture and arts only (at least to the respondents to our survey). However, more than four-fifth of the respondents at both areas agree with the necessity to preserve them as cultural districts (percentage is a little bit higher at Insadong).
The growth potential of these cultural districts depends on both the number of visitors and the amount of expenditure that those visitors spend. The amount of average expenditure was 84,000 won (about US$70) and 75,000 won (about US$63) in Insadong and Daehakro respectively. Considering the majority of respondents are younger generation in twenties (67.5 percent at Insadong and 70 percent at Daehakro), such amount reflects high consumption expenditures. If we break down the average expenditure into different items, we find, however, that not a big portion goes to cultural expenses such as watching theatrical performances, exhibitions, or buying cultural goods. Instead, a large portion goes to other entertainment activities, food and drinks, and the purchase of general merchandise. The above composition of expenditures means that non-cultural activities are important sources of generating revenues for both areas and that cultural activities cannot be separated from non-cultural activities in the areas.

With respect to the types of facilities needed for the area, close to half of the respondents at both Insadong and Daehakro mentioned parks and green space. Less frequently mentioned were cultural facilities such as exhibition spaces and performance halls. This is confirmed again in the question about unpleasant experiences or inconveniences in the areas. Insufficient public restrooms, sitting and walking spaces were the most frequently mentioned items. In other words, from the consumers’ view, a more pleasant physical environment is highly valued rather than cultural facilities and services that both areas render.

Table 3.9 Average Expenditures of Visitors by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Won</td>
</tr>
</tbody>
</table>

121
However, such a view does not represent the whole picture. The respondents to the survey consider that the public sector should play a role in providing supports to cultural facilities and events in addition to parks and parking spaces (Table 3.10). Some even go further to suggest that the public sector should prepare comprehensive measures for Insadong or Daehakro to maintain the ambience of the areas. Less proportion of the respondents considers it necessary to give financial support for theatrical companies or traditional cultural shops. Interestingly, a large proportion of respondents at both areas regard that general public and citizen organizations should be the key players in preserving the identity of each place. Next come workers related to culture and arts in the area and then the Ward Office and city government. Residents or shop owners in the area are accorded last.

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Insadong</th>
<th>Daehakro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural expenditure (e.g., theater, purchasing ceramic arts, etc)</td>
<td>17,100</td>
<td>22,000</td>
</tr>
<tr>
<td>Entertainment</td>
<td>12,800</td>
<td>19,000</td>
</tr>
<tr>
<td>Food &amp; drink</td>
<td>11,500</td>
<td>17,400</td>
</tr>
<tr>
<td>General merchandise</td>
<td>17,300</td>
<td>12,300</td>
</tr>
<tr>
<td>Others</td>
<td>16,000</td>
<td>13,600</td>
</tr>
<tr>
<td>Total</td>
<td>74,700</td>
<td>84,300</td>
</tr>
</tbody>
</table>
Table 3.10 Suggested Roles of Public Authority for the Development of Insadong and Daehakro

<table>
<thead>
<tr>
<th>Suggested activities</th>
<th>Insadong</th>
<th>Daehakro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement of illegal business activities</td>
<td>4.7 percent</td>
<td>8.3 percent</td>
</tr>
<tr>
<td>Enforcement of street vendors, illegal parking, and outdoor ad fixtures</td>
<td>11.5</td>
<td>9.6</td>
</tr>
<tr>
<td>Support for cultural facilities &amp; events</td>
<td>26.2</td>
<td>26.1</td>
</tr>
<tr>
<td>Provision of parks, parking space, street furniture, etc.</td>
<td>18.3</td>
<td>21.7</td>
</tr>
<tr>
<td>Financial support for performing arts companies, traditional shops and stores</td>
<td>15.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Comprehensive measures to maintain the place identity</td>
<td>23.6</td>
<td>24.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0 (191)</td>
<td>100.0 (157)</td>
</tr>
</tbody>
</table>

Note: The number of respondents were 120 for each place and multiple answers were allowed.

The Viability of Cultural District Strategy in Seoul

Main Actors involved in the designation of cultural districts\(^\text{10}\)

As discussed in the foregoing sections, diverse groups of people expressed their concerns about the precarious status of Insadong and Daehakro. Among them, local merchant associations such as the Association for the Preservation of Traditional Culture at Insadong and Daehakro Association for Cultural Development, professional organizations such as the Association of Small Theaters and the National Theater Association of Korea, and citizen organizations such as Urban Coalition and Citizen Coalition for Cultural Reform has been most outspoken. With respect to Insadong, the local merchant association, despite an opposing opinion of

\(^{10}\) This and the following sections are largely based on the interviews with representatives of local associations and professional organizations in the two case study areas.
some merchants running the antique art shops,\textsuperscript{11} made a coherent voice together with the Urban Coalition (especially the subgroup called ‘Insamo’ which means ‘people who loves Insadong’) and it succeeded in persuading the city government to designate Insadong as a cultural district in April 24, 2002.

In the case of Daehakro, the most outspoken organization is the Association of Small Theaters with the support of the National Association of Theaters of Korea. Unlike Insadong, this professional organization is more concerned with the promotion of performing arts for culture’s sake. Although the local merchant organization, Daehakro Association for Cultural Development, seems to pay attention to the cultural value of theaters in the area, its supporting activities are limited to the extent that their business interest is not undermined. On the other hand, the citizen organization, Citizen Coalition for Cultural Reform, appears not as active as Urban Coalition in the case of Insadong. Nonetheless, by the strong appeal of the National Association of Theaters, the city government of Seoul considers designating Daehakro as a cultural district in 2003. Similar to Insadong, incentive measures considered are local tax exemption and low-interest loans. In addition, the National Theater Association of Korea and the Association of Small Theaters proposed to the city government to build a second Culture and Art Hall in the Daehakro area. Whether such a proposal will be adopted remains to be seen.

\textsuperscript{11} The owners of antique art shops do not participate in the Insadong Society for the Conservation of Traditional Culture. They are also critical about the ‘No Car Street on Sunday’ program because the increased number of visitors and tourists do not help their business. Instead, they blame the program for destroying the ‘traditional’ ambience of Insadong.
Policy goals and measures of the official cultural district strategy

The designation of a cultural district includes both incentives and regulations. For the Insadong area, these incentives include low interest loans to building owners for new construction, remodeling, and repairing of buildings as well as to operators of ‘cultural shops’ for furnishing and operation, tax incentives such as local tax exemption and reduction of comprehensive land tax and urban planning tax by 70%, and the direct purchase or re-renting of cultural shops and stores by the city government. Regulations basically do not allow new openings of non-cultural shops and stores, which will be defined by the city ordinances and implemented accordingly after July 2002. Examples of non-cultural activities are speculative activities as defined in the law, bars and nightclubs as defined in the food and health law, and other activities that contradict with the purpose of cultural district designation. In terms of financing, the city government decided to contribute 500 million won to the joint public-private fund, which will be used for the purchase and re-renting of cultural shops and stores.

For Insadong, the city government spells out its goal as to conserve and nurture place characteristics of traditional culture. Here the emphasis is on place rather than cultural activities. Such place-making aims at conserving a place for a major tourist attraction and yet maintaining a distinct Korean traditional cultural flavor. Obviously, tourists and visitors are the major constituency for the place. Although cultural and economic regeneration is implicit in the government policy, these goals are not translated into specific programs. On the other hand, Daehakro is not yet designated as a cultural district but it is soon to be. The primary objective does not seem to lie much in the conservation of the place. Instead, the goal
is likely to be to promote cultural development, in particular, theatrical performances. The target constituency of the would-be Daehakro cultural district is residents in Seoul. In the case of Daehakro, the rationale for public involvement in place designation seems to be the provision of cultural services to citizens. In short, the ordering of objectives in the two cultural districts is slightly different. Whereas maintaining place identity is the foremost goal for Insadong, maintaining cultural activity—theatrical performances—is the primary objective for Daehakro. By designating these places ad cultural districts, the government wishes to enrich cultural life in the city and to revitalize local economies.

**Different focuses and programming needs for Insadong and Daehakro**

Although the metropolitan government of Seoul did not spell out the details of cultural projects and programs for the two districts, some preliminary ideas were discussed in the recently produced report by the government (SMG 2001). We will base our discussion on those ideas and add our own interpretations based on the observations and interviews conducted at the two places.

Since major activities at Insadong are selling goods and services with traditional cultural contents, producers or performers of culture and arts are not direct targets of the cultural district strategy. And yet, how those traditional cultural contents are embodied through goods and services will affect the image of Insadong.\(^\text{12}\) Moreover, the endogenous growth potential

\(^\text{12}\) Streetscapes such as traditional street layout and architectural resources are another element of the image that Insadong projects to visitors.
of the district will greatly depend on the design and use of traditional cultural motifs and materials. To the extent that the future of Insadong depends on private-sector activities, public involvement is limited to setting the perimeters of private-sector activities through zoning and building regulations and providing or improving infrastructure such as open spaces and street fixtures. As a matter of fact, the cultural district strategy of Seoul stops at the perimeter-setting jobs and does not go into programming of cultural activities. Even if the city government desires to get involved in programming, it will face difficulties in defining what constitutes traditional cultural contents. As we discussed in the foregoing sections, consumers' tastes and preferences and particularly their perception of traditional culture will ultimately determine the nature and composition of cultural activities in Insadong.

In this respect, the purchase of a core parcel of land by the fashion design company, Ssamzi, and its intention to construct a building specialized in traditional handcrafts suggest an avenue to explore for restructuring of cultural activities in Insadong. This parcel of land does not only occupy the core location but also has a symbolic meaning in the respect that the twelve, most typical small stores engaged in traditional cultural activities are located on it. These stores were the target of Urban Coalition’s campaign for ‘saving small stores.’ Considering these concerns, the Ssamzi company agreed to accommodate these stores in a proposed new building, which will allocate space by producer and by category of traditional handcrafts and moreover establish small workshop and event spaces for hands-on experience and lectures for the visitors who are interested in traditional handcrafts. Such a design of cultural spaces by the private company
provides not only an innovative idea but also a method of mitigating conflicts between building owners and tenants.\textsuperscript{13}

In contrast with Insadong, Daehakro is the place where actors, playwrights, and directors are directly involved in cultural activities (theatrical performances) and partly place-making efforts. Although direct subsidies from the public sector to the producers in the area are preferred by culture-related workers, it raises a question of equity by discriminating against cultural workers in other fields and areas.\textsuperscript{14} Public support for performing arts is justified on the ground that they enrich the cultural life of citizens. This form of support is usually not place-specific. The central government of Korea has already a cultural subsidy program for performing arts including low-interest loans to performing arts companies. Public support measures that are discussed specifically for Daehakro include two types. They are tax and financial privileges and infrastructure provision. Financial privileges include low-interest loans for the repair and maintenance of small theaters to building owners and for the operation of small theaters to theatrical companies, and local tax exemption or reduction for owners of buildings who accommodate small theaters. Granting exemption of traffic inducement charge to buildings for performing arts is also considered as a possibility (SMG 2001).\textsuperscript{15}

As for infrastructure provision, the major item suggested by the National Theater Association is building another culture and art hall at the current site of Korea National Open University. In addition to performing

\textsuperscript{13} However, some small store owners in Insadong question whether such a good will of the Ssamzi will continue since it is a profit-seeking, private company.

\textsuperscript{14} The National Theater Association of Korea proposed to the mayor of Seoul to establish cultural funds to support performing arts in the city.

\textsuperscript{15} In Seoul, buildings over certain size generating traffic are required to pay traffic inducement charges.
arts hall, convention center, park, and underground parking can be built to accommodate more cultural and arts activities. Other projects suggested for the improvement of the Daehakro area are streetscaping, reorganizing outdoor advertisement fixtures, joint ticketing booth, and visitors’ and information booth.

Moreover, in order to improve the physical ambience of the area, the Association of Small Theaters strongly suggests enforcing noise regulations in the area, where karaoke bars and entertainment shops place loud speakers outside the store to attract young customers. Street violence and juvenile drinking is also pointed out as a problem in the area, which requires guidance and control by public authorities including the police.

With respect to the proposal of designating the Daehakro area as a cultural district, opinions vary between cultural and non-cultural businesses. Non-cultural business owners obviously do not fully agree with the image of the area as cultural space exclusively for performing arts and naturally do not want regulations that will accompany by the designation of a cultural district. In fact, the Association for the Promotion of Cultural Development in Daehakro (which is the association of major commercial business owners in the area) adopts a more liberal definition of culture including jazz cafés and discotheques. The Association, although sympathetic with the views of professionals working in theatrical performances, does not believe that the area can survive on classic arts alone. As revealed by the survey results, consumers’ view of the Daehakro area is not particularly emphatic on classical arts. Instead, their perception of the area is a place of diverse cultures, classical and popular, accommodating the needs of both young and old generations. In this respect, the view of the Association that the definition and the contents of culture change as time goes by is worthwhile considering.
A more fundamental question for the Daehakro area is whether theaters and theatrical companies can survive in the age of Internet. The biggest threat to theatrical companies in recent years is the decrease in the number of viewers. College students, housewives, and salary men were the major customers of the theaters in Daehakro a few years back. How to re-attract a substantial proportion of those customers lost due to the spread of personal computer and Internet facilities back to theaters is the key to the future of theatrical arts in general and small theaters in Daehakro in particular. Many ideas have been circulated for this purpose. They include a membership program through Internet, the diversification of viewers from college students to children and middle-aged citizens by offering plays tailored to each viewer group, and the formation of amateur theater associations in connection with related movie and theater departments at the universities.

In relation to the last point, there are positive signs. Recent relocation of a few theater and movie-related departments of major universities into the area offers a hope in several respects. First, it means an increase in the number of viewers. Second, amateur associations formed by those students will add new blood to the dwindling pool of actors and actresses in theatrical performance. Third, the area will secure an educational function that will enhance the existing cultural and arts activities in the area. By combining cultural and educational functions, the Daehakro area will have a better prospect for its long-term survival.

**Issues and problems of cultural district strategy**

The foregoing discussions on Seoul’s cultural district strategy raise several issues and problems associated with the cultural district strategy in particular and cultural strategies in general. These issues and problems
touch upon the purpose, substance, and implementation of cultural strategies as evident in the existing literature (Frith 1991; Bianchini 1993; Basset 1993; Philo and Kearns 1993; Zukin 1995). Since our immediate interest is in the cultural district strategy, we will limit our attention to the issues and problems directly related to the cultural district strategy.

As introduced in the beginning of the paper, Seoul’s cultural policy contains three strands: cultural subsidy for classical arts and culture, cultural industry promotion, and conservation of cultural heritage and tradition. Except for the last strand of policy, place is not a primary concern of the official cultural policy. The cultural district strategy of Seoul is obviously a recent addition, which has grown out of public consciousness about culture and tradition. Even though it still needs further refinements, the cultural district strategy can be considered as a significant step forward by the public authority involving in urban cultural strategy. Three issues are addressed below and they are the effectiveness and mode of public involvement, managing conflicts between culture and commerce, and the relationship between place and activity.

Firstly, we can question about the effectiveness of public involvement in cultural district management. The involvement of the Seoul Metropolitan Government in cultural districts (at the moment Insadong only but Daehakro soon to be added) encompasses zoning and building regulations, financial incentives, infrastructure provision, and special funds. There is no special organization to administer cultural districts at the moment but the responsibility falls on the city government and the Ward Office. Recognizing the importance of citizen participation, the city government encourages local residents associations and citizen organizations to get involved in the management of the district. Collaborative governance in one form or another is implicit in Seoul’s
cultural district strategy. However, public involvement in cultural district projects has inherent limitations unless the public sector controls over not only the physical layout and design of the district but also the content and quality of activities in it. Given the fact that much of real execution of a cultural district lies in private hands, direct control by public authorities is impossible. In short, a cultural district cannot be sustained without voluntary efforts by the private sector to adjust to changes in the cultural market. In this regard, the prospect is brighter for Insadong than Daehakro since local merchants and citizen organizations in Insadong make a more or less unitary voice and they are much more involved in the management of the district than the counterparts in Daehakro do.

Secondly, we can point out a more fundamental issue of inherent conflict between commerce and culture. This issue is more serious in Insadong than Daehakro because the very existence of Insadong depends on the market for cultural tourism. Whereas Daehakro has a rationale of enriching citizens’ cultural life by cultural subsidy to performing arts (in as much as the value of performing arts is appreciated by citizens), Insadong has a somewhat different rationale for public support, i.e., to conserve the place with traditional cultural characteristics. This difference stems from the nature of cultural activities and resources that Insadong claims to have. First of all, selling handcraft items, antique arts, and serving traditional foods and teas are not cultural activities in a strict sense, even though these activities contain the cultural contents. Most production activities of these so-called

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16 In the example of the South Bank of Thames, Newman and Smith (2000) argue that the claims of cultural quarter were largely image-based with little influence on the development and location of cultural development.

17 Brooks and Kushner (2001) list the management strategy of cultural districts ranging from designation to domination. The domination strategy is only possible when the public sector provides a full financing of cultural district projects.
‘traditional cultural’ goods is done not inside but outside of the area. Furthermore, the substance of traditional culture is amorphous and fluid and therefore does not provide a firm ground to public support. As Kang (1998) aptly pointed out, the merchandizing of cultural tradition is inherently contradictory in nature and is subject to incorporation into the market logic. In the end, the cultural district of Insadong could be left with stuffed tradition and commodified culture, which satisfy commercial interests rather than genuine cultural interests.

Finally, the foregoing discussion leads to the conceptual and practical problem of cultural district strategy, i.e., the relationship between activity and place. What do we want to preserve and promote? Cultural activity or place? The target taken by the city government for Insadong appears to be place, whereas it seems activity for Daehakro. Even though activity and place are intertwined in reality, we need to distinguish one from the other for conceptual and practical purposes because the way that cultural activities are embedded in a place makes a substantial difference in the development of the place as well as cultural activities.18 The material and visual attributes of Insadong, for example, a curved main street with low-rise human-scale buildings and narrow back alleys with a traditional Korean house rooftop, played a big role in the place-making of Insadong. The place has been there but rediscovered by contemporary Koreans since the 1970s. Antique shops and galleries agglomerated to the place because of relatively cheap rents. It happened to be a good match with the physical environment of the place. In a sense, it was a filling in process of a place. Now, the place

18 Place embeddedness has a critical importance in certain cultural activities or industries because this embeddedness provides a source of social capital by which cultural competencies are maintained and circulated (Scott 2000). But in a strict sense, it is not a place but a community (e.g., professional communities and associations) that sustains and nurtures cultural capital (Frith 1991).
is getting old in a physical sense. There is a pressure for redevelopment. Even though the cultural district strategy employs strict building codes and regulations, the material and visual attributes of Insadong will gradually change. What will then constitute proper cultural activities to match the changed image of Insadong? Perhaps, all that the cultural district strategy can do is to slow down the process of change so that we can enjoy our nostalgia of the past in Insadong.

The activity focus in the Daehakro area provides a different story. It is not really a place but a cultural activity—theatrical performances—to be nurtured. However, the commercialization of the area by restaurants, cafes and low-taste entertainment facilities such as karaoke bars in recent years indicates the possibility of driving out culture and arts activities by simply spatial crowding out. In this sense, place manipulation has a relevance, which calls for public involvement. Conventional measures such as building regulations and urban planning employed in cultural district strategy seem partially effective. In order to address a more fundamental objective of promoting cultural activities—theatrical performances in this case, direct subsidy to the producers of cultural works and services would be most effective. Then, place designation may be not necessary. To resolve this dilemma, a compromised solution is possible: to build anchor facilities for theatrical performances and education in the Daehakro area, which essentially repeats the initial process of agglomeration of small theaters around the facility of Culture and Arts Hall, which began in the early 1980s. Whether public support for building such cultural facilities is justified or not will ultimately depend on the value that the citizens of Seoul attach to theatrical arts and performances.
Concluding Observations

As one of the authors of this paper discussed in the earlier paper, cultural strategies can be classified into three types: people-oriented, product-oriented (as in cultural industries), and place-oriented (Kim 2001). The cultural district strategy is basically a place-oriented one, in which physical space is used both as a means of cultural production and consumption and as symbols and attractions for visitors and capital. In theory, policy for cultural districts can be place-based and yet offering the possibility of dealing with thematic and people-centered issues at the same time. However, as Newman and Smith (2000) discuss in the example of the South Bank of the Thames, it is not easy to incorporate people and activities in a cultural district. The two cases of Insadong and Daehakro (the former is designated and the latter yet to be designated) also prove that it is difficult to develop programs for cultural districts. They also suggest that the role of the public sector is inherently limited in programming activities since most cultural activities are carried out by the private sector. Even though the public sector can set perimeters or shells as seen in the case of Insadong and Daehakro by regulations and financial instruments, it cannot influence much on the content and quality of cultural activities within them. Instead, local residents, associations, and professional organizations in the area are the real actors who can design and develop cultural activities with creativity and passion. In this respect, private initiatives from local associations and professional organizations such as the merchant association and traditional craft industries community in Insadong and theater associations and educational departments related to performing arts in Daehakro should be encouraged with public support. This also implies that the management of cultural
districts should take a collaborative form of management incorporating local residents (merchants), professional organizations, citizen groups, and the city administration.

The private-public partnership suggested here in the management of cultural districts does not, however, mean that conflicts and contradictions between culture and commerce will be resolved by such a partnership. We have already seen the tendency of commodifying traditional culture in Insadong and smearing performing arts in Daehakro by commercial interests. These tendencies, which are unavoidable in the market-driven processes of urban development, can only be mitigated by critical cultural discourses among local citizens. Non-governmental and non-profit organizations can take a lead in generating such discourses as exemplified in the cases of Insadong and Daehakro. Such discourses may cover from the specific issues of each cultural district to the general issues of cultural districts and strategies in the city. Furthermore, in order to improve the effectiveness of cultural district strategy, the goals and programs of cultural district strategy need to be carefully developed and the results need to be regularly evaluated with multiple sets of criteria representing the full spectrum of views on culture and its meaning.
References


CHAPTER 4

The Cultural economic spaces of Sydney

Chris Gibson and Robert Freestone

The cultural economic spaces of Sydney

One particular spatial dimension of the cultural economy of cities is the so-called ‘cultural district’. This paper seeks to assess the efficacy of ‘cultural districts’ as a marker of distinctiveness and as an instrument for cultural economic planning and policy with reference to Sydney. The aim is to begin to critically evaluate the notion of cultural districts rather than simply embrace it as an unproblematic catchphrase. Cultural districts have not entered Australian planning discourse to anywhere near the extent they have in Europe and the United States. Nor does Sydney’s geography exemplify the tight concentration or de facto zoning of functions conventionally associated with the term. At the same time, there are numerous spaces, streetscapes and signifiers that underscore the cultural dimension of the city’s economy. We suggest that ‘active’ interpretations of the interplay of culture and economy, grounded in discussions of urban governance, development pressures, demographic change and the cultural diversity in
cities, may provide more fruitful explanations for the identification and emergence of cultural districts.

Recent work at the interdisciplinary face of social science has made it worthwhile reconsidering the notion of a cultural district. Fruitful intellectual ground has been explored by conflating and juxtaposing ‘culture’ and ‘economy’ in both empirical and hermeneutical senses. This has been propelled by several factors: recognition of the increasing ‘culturalisation’ of economy, the embeddedness of all forms of economic activities in social and cultural relations, the rising importance of aesthetic dimensions of commodity production, and the growing application of the ‘cultural turn’ in social sciences upon the domains of economic production, exchange and personal consumption (see for example Lash and Urry 1994; Coe 2000; du Gay and Pryke 2002; Kong 2000; Scott 2000). As culture infuses the economic, and vice versa, a veritable ‘pandora’s box’ of issues and impacts has been liberated (Thrift 2000). Within that context, the policy turn toward cultural districts may not only prove problematical in its naivety but inevitably will capture only a fraction of the meanings that can be ascribed to the economic significance of urban cultural spaces. The role of the state in seeking to legitimise, commodify, construct and manage cultural districts thus emerges as a central consideration.

We first look at conventional approaches to cultural districts, and then begin to sketch a more expansive interpretation, which intersects with the broader appreciation of historical-cultural aspects of the urban change, before looking explicitly at Sydney. There, a mosaic of cultural-economic landscapes is acknowledged. None are perhaps archetypal cultural districts of the received wisdom, but all have instructive narratives of the spatial interplay of the economic and the cultural in a contemporary urban setting. We focus on two cultural spaces unified by initial state support and
controversy: the Leichhardt Forum and Fox Studios. Both also reveal the ascendancy of the ‘economic’ over the ‘cultural’, the former mired in dispute between developer and local authority, the latter illustrative of state power in the global city sweepstakes. The key to our analysis is an approach which combines an interest in the discursive and symbolic dimensions of cultural districts created over time, with a series of more material observations and trends, notably the built forms within which such activities take place and the cultural politics that surrounds the social use of urban space.

**Cultural districts**

The notion of a ‘cultural district’ or ‘quarter’ is nothing new. Cities have always had spaces for entertainment, arts and cultural consumption, whether as scattered venues across the metropolis that hosted music, comedy, drama or art, or in clusters of entrepreneurial activity: the French Quarter of New Orleans, SoHo and the West End in London, and Potzdamerplatz in Berlin. Such spaces represented a ‘night-time economy’ of pubs, bars, music, performance, consumption and hedonism (Wynne 1992). Michel Foucault (1986) called them *heterotopias*, or ‘places of Otherness,’ that gained their distinctiveness from an ambivalent relationship to other urban sites – those of work, domestic life, and transportation – where more restrictive social relations were often enforced and the vagaries of everyday life played out. Cultural districts have thus often been sites of transgressive activities within cities – where rules were to be bent and social mores relaxed. A sense of animation, of escape and expectation, has accompanied the everyday meanings evoked about them.
A much wider range of spaces in the city have over time come to be included under the rubric of the term ‘cultural district’. The term has become more popular in some spheres of planning, geography and place marketing as a descriptor of how, in certain parts of the city, representational and symbolic production can be transformed into economic value. The very concept now defies a singular, homogeneous connotation as it becomes a popular brand name widely and loosely applied as much to spaces of pure consumption as to production (Landry 2000).

Informed by the long-established ‘avant garde’ quarters of world cities, Wynne (1992: 19) defines a cultural district as ‘that geographical area which contains the highest concentration of cultural and entertainment facilities in a city or town’. This is similar to one of the four types identified by Santagata (2002) - a metropolitan cultural district, characterised by physical concentration of performing arts facilities, leisure industries, communication and e-commerce firms. Santagata (2002) also defines industrial cultural district (business clusters based on positive externalities, like the movie industry in Los Angeles), institutional cultural district (linked directly to local culture and traditions, with naming rights, such as a wine-producing region), and museum cultural district (generally public policy-driven central urban spaces based around museum networks and artistic activity). Cultural districts for Brooks and Kushner (2001) are demarcated, named mixed-use precincts anchored by cultural facilities. They are increasingly common in American cities, with 90 such zones being identified. There is also considerable variation in their character defined by the extent of public sector involvement, the range of management strategies evident, and the dominant ‘theme’, which might be classical (stressing the facilities of traditional high culture), popular (private sector venues targeted
at a younger market), and *educational* (production, education and living spaces).

The cultural district, then, even as an officially recognised urban construct begins to assume real heterogeneity. As an economic phenomenon, the ‘regional cluster’ model has been the focus of most interest (Scott 2000). Creative or image-producing sectors (e.g. fashion, jewellery and design) have historically displayed a tendency to agglomerate in particular parts of cities, underpinned by particular relations of production. Agglomerations of cultural industry firms in certain places often contribute to the growing reputations of those locations as sites of creativity, although the products on offer may not actually be produced in those same spaces. Such sectors offer the ‘key points to understanding how the cultural economy works’ (Evans 2001: 158). Other cultural districts seemingly weight the cultural more than the economic. Many of those in inner urban areas commence life as spaces ‘co-opted by marginal groups’ with a counter-cultural flavour, although inevitably the pioneers are priced out of the locality as it opens up to a more affluent ‘landscape of consumption’ (Hannigan 1998). Upmarket heritage quarters, revitalised and commercially gentrified ‘old towns’ targeted at cultural tourism, have morphed out of abandoned and marginal zones to be a *zeitgeist* of the postmodern city (Freestone 1993). Concentrations of cultural arts spaces can sometimes be conspicuous, based around performing arts venues, concert halls, museums, and more day-to-day civic facilities. Elsewhere, cultural districts are related to the presence of particular social groups as residents or occupiers of those spaces. These support discrete economic actor-networks within their own defined ‘ethnoscapes’ (Appadurai 1990), but also often form spaces of micro-tourism on a smaller, metropolitan scale – attracting residents from all over the city to sample food, crafts and cultural expressions.
Coming on top of earlier waves of industrial, commercial, retail and leisure-led panaceas for urban revitalisation, cultural districts of various kinds have become a more common feature of urban redevelopment strategies around the world. In part, this is the product of the ever-more diverse populations that inhabit major cities (King 1996). But a major trend in those cities afflicted by the detrimental impacts of economic restructuring and deindustrialisation has been the seizure of arts as a primary tool for revitalisation. Empty industrial spaces have been adaptively reused for new galleries, bars, performance spaces, and loft living. There are grounds for optimism about the ability of cultural industries and creative arts to not only reinvigorate the cultural life of cities but also generate significant monetary rewards and spur on new rounds of investment and redevelopment (Brooks and Kushner 2001; Wynne 1992). In some parts of the world, notably in the United Kingdom and United States, cultural districts have become a spatial economic development model enjoying favour within local and regional government. Different planning instruments from regulation to development bonuses tuned to particular place needs and opportunities facilitate implementation. Manuals on best practice approaches have been compiled (Brooks and Kushner 2001; Hannigan 1998; Landry 2000).

**Inventing and critiquing cultural districts**

One pervasive (and somewhat boosterish) notion is that cities can ‘invent’ cultural districts from previously abandoned industrial spaces, through mixed-use planning initiatives and a mix of public/private investment, thereby ‘unleashing ingenuity and imaginative action in the city’ (Landry 2000: 257). Such agendas entail a tendency to see all aspects of city life and
urban space as a resource capable of transformation into economic value for exploitation. Cultural districts can ‘translate creativity into culture, and culture into valuable economic goods and services. This powerful link with the social environment and its historical evolution is the source of the main competitive advantages’; such strategies require actors to be ‘district minded, to become a local system and to produce positive externalities in the field of design, technological innovation, managerial organization, the creation of new products, labour market flexibility and commercial distribution’ (Santagata 2002: 11-12). Occasionally such sentiments are made more formal, in the case of European ‘appellations’, where the cultural products of a region are afforded rights in intellectual property through location-specific brand names and terms, or where specific sales and property tax regimes apply, in order to finance and support local creative arts endeavours.

Yet, as Santagata (2002: 14) was forced to conclude, ‘the crucial requirements and necessary conditions for building an industrial cultural district are, in fact, hard to be found anywhere’. Most cultural districts have established traditions of industrial production or consumption, and have developed over relatively long periods in places with high levels of accessibility, on-going public funding of the arts, and appropriate built environments (venues, studios, museums, public spaces). The designation of cultural districts as such reflects the build-up of webs of connections between players in creative ‘scenes’ (music, film, art and fashion) and the public sector, all dependent on localised demographic trends (such as gentrification of older industrial districts) that are not possible to recreate uniformly from place to place, and which might not be desirable from a social justice standpoint. Many attempts at fostering the growth of cultural districts have simply failed to generate tangible material benefits in the face
of industrial decline (Hudson 1995). Other attempts to foster community-rich networks and partnerships in cultural production have been supplanted by market-led tourist-orientated property redevelopment, as on London's South Bank (Newman and Smith 2000). While a core of successful creative firms may survive, the notion that organic, authentic cultural districts can be created overnight through sound investment decisions, rather than as a reflection of local cultural vitality, remains naïve at best. Attaining ‘critical mass’, as Wynne (1992) puts it, is the critical challenge, especially in the short term.

Thus, some attempts at arts-led urban regeneration have been criticized. They have alternatively been identified as part of a shift to entrepreneurial local governance that has further polarized local communities (because of the dislocations enacted through residential redevelopment or diversion of funds away from provision of basic infrastructure and welfare-orientated services), as shallow place-making attempts that merely construct ‘simulacra’ of more ‘authentic’ local cultures, or because of the more complex cultural politics surrounding the recasting of meanings and a sense of ownership for urban space (see Dowling 1997; Dunn, McGuirk and Winchester 1995; Hall and Hubbard 1996; Hannigan 1998; O’Connor 1998). Such questions, of what culture is produced for whom and of the distributional impacts of ‘reinvented’ cultural districts, are linked to much bigger issues of urban justice and participatory democracy.

Moreover, some approaches to cultural districts, whether or not they embrace a hard developmental perspective or more softly endorse the expression of multiculturalism, can slip into a logic of mapping culture as if it is homogeneously ascribed to place, and spatially bounded in a static, stable way. Implicit in the very notion of the ‘cultural district’ is a cartesian
logic assuming that cities can be known by drawing boundaries around parts of the city, and designating them as ‘cultural’ because of the presence of particular social or ethnic groups or clusters of ‘creative’ industry firms. This belies the extent to which all localities have their own complex histories and politics, are places of diverse cultural meanings (whether or not a locale is celebrated more widely for its creative output), and the extent to which cities are governed by inter and intra-regional linkages and actor networks that transcend the limits of a municipality or precinct.

**Cultural districts in Sydney**

Metropolitan Sydney is a rapidly globalising and multicultural city with an increasingly creative edge to its economy, but one also characterised by fractures and tensions as urban spaces are transformed by redevelopment and demographic change. Across a range of cultural sectors, from music, film and television production to photography and fashion design, Sydney dominates the national picture of creative production (see Figure 4.1; Gibson, Murphy and Freestone 2002). Within Sydney this activity can be associated with a limited number of locations. However, unlike New York, London or Seoul, where particular precincts in the city have become well-known for certain products (jewelry quarters, multimedia corridors, theatre districts and so on), the cultural industries in Sydney are generally not tightly concentrated in monopolistic fashion in single localities. It is not possible to say that Sydney has, for instance, a fashion district, although individual streets might feature a cluster of certain types of stores (as with Castlereagh Street in the CBD, home to most of the international fashion houses like Gucci and Versace).
The general geography of cultural-economic activity is more amorphous, albeit not completely random. The CBD (central business district) effectively functions as a central ‘metropolitan cultural district’ because of its primacy in museums, galleries, live theatres, big footprint multi-purpose entertainment facilities, and venues for major outdoor events and spectacles. These routinely draw audiences from the widest catchment. Facilities are scattered around and in central city parkland, the harbour foreshores, and along conventional retail-commercial business streets. The ‘cultural axis’ of the CBD runs north-south, defining not only the linear structure of city extension but also dividing the more conventional tourism attractions of the west from the more ‘nocturnal’ clubland of the inner
eastern suburbs (Sant and Waitt 2000). The two identifiable mainstream tourist-leisure precincts on the western rim are Darling Harbour and The Rocks. The former exemplifies an American-style waterfront festival marketplace redevelopment (Sawicki 1989) based on retailing, restaurants, hotels, convention and exhibition centres, tourist attractions, and a maritime museum; the latter is Sydney's most prominent cultural heritage zone – once the scene of union ‘green ban’ actions seeking to protect working-class heritage in the face of Le Corbusier-style modernist urban redevelopment, but nowadays a more sanitised revitalisation of colonial warehouses, factories, houses, missions and shopping streets (Bennett 1993; Waitt and McGuirk 1996; Shaw 2002a). Both are ‘destinations’ which lack substantial residential populations.

The mixed-use nineteenth century inner suburbs to the east, south and west of the central commercial, governmental and cultural zone have historically been the seedbed for small-scale creative production. Low rents, high density, closeness to the central area and attractions, a ‘bohemian’, alternate or student social ambience, proximity to educational institutions, and a stock of industrial and commercial buildings have been some of the factors traditionally supporting suburbs like East Sydney, Surry Hills, Glebe and Balmain, as hearths for sunrise creative industries. The defining commercial strips which are their functional and representational focal points reflect the importance of main street consumption spaces defined by Sydney’s old tram system (Bridge and Dowling 2001). The cultural capital of these places has steadily accumulated (cf. Bourdieu 1984). Since the 1950s Oxford Street, Darlinghurst, has been transformed from a conventional, somewhat down-at-heel mainstream shopping precinct into an axis of restaurants, clubs, boutiques, dance music production, and home studios that is also the most visible gay space in the city with the ‘pink
dollar’ vital to the local economy (Faro with Wotherspoon 2000; Murphy and Watson 1997).

The escalation of property values is a continuing and growing threat to the inner city as a sustainable zone of cultural innovation. Urban consolidation policies based on medium and high density middle and upper-income residential blocks have made major incursions into the fabric of Victorian and early Edwardian communities. Nevertheless, the inner city remains closest to that revanchist notion of a new media economy ‘flourishing largely without public intervention in characterful urban quarters where old industrial buildings can be recycled’ (Landry 2000, 137-8). The media continues to paint pictures of cultural-economic cutting edge innovation, with new design firms, for example, working with local and international clients, for corporate and pro bono work, on a variety of projects - fashionwear, shoes, advertising campaigns (Sydney Morning Herald 25/9/1999). The inner city remains the most accommodating environment for new creative ventures, though the specific habitations change as the property market is restructured. As elsewhere (Smith 1996; Zukin 1995), artists and other creative producers constitute early ‘waves’ of gentrifiers, with new bohemian scenes emerging in locations with relatively cheaper rents, which in turn generate cultural capital, residential appeal and increasing property values, with continuing displacement effects (Shaw 2002b). Thus, south Newtown, an example of a ‘frontier’ location for cultural industries and gentrification, has recently witnessed an increasing popularity of micro-fashion houses where garments are made by designers themselves in rooms above and behind shop fronts. These have increasingly replaced the artist, avant-garde and electronic music collectives (such as the vibe tribe rave collective responsible for a series of well-frequented free dance parties) that had dominated that area in the early 1990s.
The corporate business landscape of the lower north shore, on the other side of the Harbour, and stretching from North Sydney to Ryde, constitutes Sydney's main ‘dot.com corridor’ (Fagan 2000; O’Connor, Stimson and Daly 2001). This is the most visible intersection with the hi-tech information economy, but unpacking the area reveals deeper creative and cultural currents. Within the corridor are three major television stations - ABC, SBS and the 9 Network - and above metropolitan average concentrations of advertising firms, publishers, and architects. The corridor also harbours significant concentrations of graphic designers and multimedia firms (De Valence and Searle 2000). Growth in these activities has spawned burgeoning consumptive sectors (specialist retailing, ‘eat streets’) underpinned by new high rise residential developments. Further afield, major sub-regional centres like Parramatta in Sydney’s west have added cultural activities to their functional mix and the wider metropolitan area is studded with museums, cinemas, local civic-cultural precincts, and major club complexes.

At this broad scale, the spatial patterns described represent the outcomes of a variety of interacting forces, local and global, demographic and economic, historical and contemporary. The loose agglomeration displayed by some cultural activities derives not only from the functional linkages and interdependencies generated through proximity but also the lifestyle choices of people involved in the cultural industries, who choose to work and live in amenity-rich parts of the city, such as the inner-city and northern beaches (Gibson, Murphy and Freestone 2002). At the sectoral and regional scales, urban planning has had little impact on the geography of cultural activity. Although cultural district planning is evident in some Australian cities and towns (as remote as Alice Springs), in Sydney where cultural significance has been vested in precincts this has tended to be
expressed through tourism and marketing strategies rather than as formal interventions to incubate and showcase cultural industry activities. The Sydney City Council’s Living City vision has formally acknowledged culture as a dynamic dimension of city life, translating it into a series of projects in different parts of the CBD. One discussion paper floated the idea of a Circular Quay Cultural Precinct reaching from the Opera House to Millers Point, adding to the existing attractions with a new Cinemathique at the Museum of Contemporary Art and a Museum of Architecture (neither of which have happened) to provide ‘a highly visible focus for the performing arts in the city’ (Drew 1999: 20).

Lying behind the ‘Cultural Quay’ concept is the viewpoint that Sydney has lacked ‘a coherent cultural district to provide an arts focus within the city’ (Drew 1999: 20). Such spaces have been more evident in Perth, Adelaide and Melbourne, with the new Federation Square precinct in the Victorian capital representing a major experiment in creating a contemporary mixed-use cultural complex in a city centre. Historically, in Sydney, there has simply not been the same commitment to civic planning at broad scale. The city beautiful era of the early twentieth century came and went without a tangible civic space to show for it (Freestone 2000). While generous tracts of parkland have helped unify a public realm, cultural institutions have always been largely scattered, often stranded on sites reluctantly allocated by a rampaging private property market. At the same time, large-scale urban regeneration efforts have not been as pressing a political priority with an inner city suffering less from the economic upheavals and suburban flight characteristic of the United Kingdom and North America. So cultural quarters have just happened rather than been planned, and where the public policy has played a strategic role the
outcomes and receptions have been mixed, as we will see shortly in our case studies.

At the same time, the government has recognised the economic and broader social importance of investment in cultural production through assistance on a site-specific basis as needs, opportunities and political pressures have arisen. Within the last 12 months, for example, the state government has made major financial commitments in several scattered locations. In late 2001, an old public works depot in Canal Road, Leichhardt, was set to be converted into premises for more than 50 ‘gypsy-like’ specialist support services in the film and television industry. The local MP and not coincidentally Minister for Small Business was a key player in this $1.6m commitment (*Sydney Morning Herald* 8/10/2001). In February 2002 came two major announcements. First, the Eveleigh Carriage Works in inner city Redfern adjacent to the ‘new economy’ Australian Technology Park was earmarked to become a permanent home for small theatre companies, with offices, rehearsal studios, and a contemporary performance space. Second, assistance with long-term accommodation for several arts bodies such as the Australian Ballet and Australian Youth Orchestra, and the Sydney Festival was provided in a recycled building in The Rocks called the Arts Exchange (*Sydney Morning Herald* 21/3/2002). Some cultural districts and precincts perform specific functions and are clusters of certain cultural activities, but most are more amorphous and fluid than that. Within individual cultural districts and development projects, stories are even messier.

**Fox Studios: culture, commerce and controversy**
The Fox Studios story begins with a government gesture towards a cultural project, and while excluding the local authority, it deeply implicates the state government and indeed the whole planning system in a controversial scheme that has raised many planning, heritage, and financial issues. The basic narrative has been well tracked in the media and has not failed to escape attention as a government-assisted, community-dividing, asset-liquidating, fast-tracked exemplar of flexible planning for economic ends (Searle and Bounds 1999; Searle and Cardew 2000, Williams 1997). The focus here is the complexities raised by government’s most ambitious attempt to develop a cultural precinct in Sydney since the Opera House in the 1950s.

A joint venture with property giant Lend Lease, News Corporation’s Fox Studios complex at Moore Park officially opened in November 1999. It comprises professional production studios, sound stages, screening rooms, construction workshops, the offices of many film and TV related small businesses (production, marketing, special effects, casting, transportation etc), the Bent Street shopping, eating and entertainment precinct, a showring used for markets, ice skating and special events, and allied facilities such as the Hordern Pavillon used for concerts and exhibitions. An unprofitable backlot mini ‘theme park’ - was closed in late 2001. Since the first feature film Dark City in 1998 (O’ Regan 2001), steady progression of ‘Hollywood’ scale movies in the Star Wars, Mission Impossible and Matrix film series have been shot here. Fox Studios was never conceived as a ‘creative village’; residential uses were excluded in a pure amalgam of film production and commercial consumption. The 24.3 hectare site was part of the Royal Agricultural Society (RAS) Showground which first established at Moore Park in the 1880s and played host to the annual Royal Easter Agricultural Show – an iconic Sydney event. It is now
integrated into the ‘Centennial Parklands’, an extensive network of open space and recreational facilities that includes Moore Park, Centennial Park, the Sydney Cricket Ground and the Sydney Football Stadium.

In the late 1980s, the RAS was set to move to Homebush Bay citing the expense in repairing and maintaining the heritage buildings on the site, lack of parking, and a constricted site no longer large enough to comfortably accommodate the Royal Easter Show. In 1989 the state government considered several development options through design competitions, including medium density housing, open space, and commercial redevelopment. Detailed conservation and planning studies were completed. The Showground was suggested as the site for the major film studio Sydney had long been seeking in a decisive 1994 intervention by Prime Minister Paul Keating in the landmark ‘Creative Nation’ Statement. It was clear early on, and through a competitive tendering process in 1994-95, that Rupert Murdoch’s News Corporation, through 20th Century Fox, was the preferred developer. A major film studio could take advantage of the lower production costs, high skill base, environmental amenity, and political stability which Australia offered the international industry. For the state, Fox Studios was an symbolic economic coup, helping to maintain Sydney’s position as Australia’s centre for film and television production (in front of the Gold Coast where Warner Brothers and Village Roadshow were based), allaying fears of losing the development to Melbourne, and promising thousands of jobs and investment on the economy, and additional revenue. At the same time, the NSW Government was prepared to offer tax concessions, refurbishment costs, liquor licenses and favourable rents.

Unlike the Leichhardt Forum mired in the politics of local governance, Fox Studios was considered one of those select class of major developments deemed of state significance where the government
effectively overrides the planning powers of the local Council and instates a State Environmental Planning Policy making the Minister for Planning the key consent authority. The vehicle for this was SEPP 47: Moore Park Showground, gazetted in November 1995. One of its major objectives was ‘to improve the cultural and recreational facilities of Sydney for the people of New South Wales by furthering the development of Sydney as a world class film, television and video production centre’. A whole succession of development applications has subsequently modified the original masterplan and upscaled the development with more land, more buildings, more floor area, and a multi-storey carpark. The ill-conceived theme park is to be redeveloped. Half of the site has been approved for the expansion of the studios to create Australia's largest facility; approval is also being sought to redeploy the balance for corporate and community events, auctions, exhibitions, extra retailing and a mini golf course.

Fox Studios has created an employment cluster for film, television and related productions (Table 4.1). There are some 80 businesses now established on site having some direct relevance to the production of films, television and associated media. The great majority of these are in the secured professional studio zone; the balance in the publicly accessible Bent Street precinct. Many businesses have moved from other locations in the inner suburbs and lower north shore, triggering a reverberating process of relocation and restructuring in Sydney’s film industry. Some players in the local film industry were critical of the Fox development as a powerful form of economic and cultural globalisation inimical to the development of a more modestly scaled Australian industry exploring local themes and stories. These criticisms have subsided a little given the employment opportunities created for the local industry by the major productions undertaken there, but
its symbolic status as a site of transnational entertainment capital (as opposed to ‘authentic’ local production) remains powerful for some.

**Table 4.1** Selected creative industry firms in the Fox Studios complex

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Logic</td>
<td>Graphics and animation production, digital effects</td>
</tr>
<tr>
<td>Arena Sports &amp; Entertainment</td>
<td>Sport and children's television</td>
</tr>
<tr>
<td>ATLAB</td>
<td>Film processing and negative matching</td>
</tr>
<tr>
<td>Ausfilm International</td>
<td>Markets Australia as allocation for film/television/commercials</td>
</tr>
<tr>
<td>Casting Workbook</td>
<td>Industry casting website</td>
</tr>
<tr>
<td>Centaur Films</td>
<td>Documentary and television production</td>
</tr>
<tr>
<td>Cineffects</td>
<td>Mechanical, explosive, pyrotechnic &amp; atmospheric effects</td>
</tr>
<tr>
<td>Channel [V] HQ</td>
<td>Production studio for pay TV music video channel</td>
</tr>
<tr>
<td>Digital one/petrol records</td>
<td>Internet radio programming</td>
</tr>
<tr>
<td>Faith Martin Associates</td>
<td>Casting consultants</td>
</tr>
<tr>
<td>Fox Film Distributors</td>
<td>Film distribution for 20(^{th}) Century Fox</td>
</tr>
<tr>
<td>Fox Home Entertainment</td>
<td>Video distribution for 20(^{th}) Century Fox</td>
</tr>
<tr>
<td>Fox Television</td>
<td>Sales of programs</td>
</tr>
<tr>
<td>Frontier Media</td>
<td>Advertising agency</td>
</tr>
<tr>
<td>Global Television</td>
<td>Broadcast equipment hire</td>
</tr>
<tr>
<td>Go Man Go</td>
<td>Website, broadband, e-commerce, online marketing, consulting and design</td>
</tr>
<tr>
<td>Guy Gross Music Pty Ltd</td>
<td>Film composer</td>
</tr>
<tr>
<td>If Media</td>
<td>Film industry magazine</td>
</tr>
<tr>
<td>Company</td>
<td>Services</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Lloyd Hart Entertainment</td>
<td>Entertainment lawyers</td>
</tr>
<tr>
<td>Moneypenny Production</td>
<td>Production accountants</td>
</tr>
<tr>
<td>Mountains Studio</td>
<td>Graphic design and artwork production</td>
</tr>
<tr>
<td>Panavision</td>
<td>Equipment sales, hire &amp; service, expendables</td>
</tr>
<tr>
<td>Promotion Department</td>
<td>Publicity and promotions</td>
</tr>
<tr>
<td>RLC Entertainment</td>
<td>TV, film, web concept to full service production</td>
</tr>
<tr>
<td>Screensound Australia</td>
<td>National film and sound archive</td>
</tr>
<tr>
<td>Showcase Placements</td>
<td>Product placement</td>
</tr>
<tr>
<td>Showfilm</td>
<td>Freight and transport</td>
</tr>
<tr>
<td>Silver Lining Films</td>
<td>Film, television &amp; commercial production</td>
</tr>
<tr>
<td>Song Zu T.V &amp; Film Soundtracks</td>
<td>Music composer for film &amp; television</td>
</tr>
<tr>
<td>Soundfirm</td>
<td>Sound recording, editing &amp; mixing</td>
</tr>
<tr>
<td>Spectrum Films</td>
<td>Picture editing</td>
</tr>
<tr>
<td>Studio Kite</td>
<td>Model making, animatronics, costumes and mechanical effects</td>
</tr>
<tr>
<td>Talentbank</td>
<td>Talent agents</td>
</tr>
<tr>
<td>TECHRE8</td>
<td>Information technology solutions</td>
</tr>
<tr>
<td>The Lantern Group</td>
<td>Public relations &amp; management for media &amp; entertainment industry</td>
</tr>
<tr>
<td>The Premium Movie Partnership/ Showtime</td>
<td>Product supplier for pay TV movies</td>
</tr>
<tr>
<td>The Stunt Agency</td>
<td>Stunt co-ordination &amp; stunt performers</td>
</tr>
<tr>
<td>Trackdown Music Services</td>
<td>Music editing, mixing &amp; recording</td>
</tr>
</tbody>
</table>

*Source: Fox Studios website and fieldwork, July 2002*

The Fox Studios development is almost an archetypal case study of entrepreneurial governance for the postmodern global city: lacking transparency; attracting major public subsidies; alienating public land, and
bypassing local planning controls in such a way as to lift ‘a commercial venture out of the normal planning process’ (Sydney Morning Herald 25/11/95). Promoted by deteriorating government finances and the need to attract footloose investment capital, the development strategy as it unfurled ‘implicated the state in a process of reducing accepted levels of public participation and local government involvement in the approval process and in substantial but mostly unpremeditated government subsidy’ (Searle and Bounds 1999: 171).

From our standpoint, Fox Studios is an example of a planned industrial agglomeration, with interlinkages between the studios, production companies, and creative talent, and one enjoying superlative centrality in a city the size of Sydney. Overall sustainability is dependent on external market forces and corporate machinations, rather than on the vitality of a local film production ‘scene’. It is a cultural-economic zone in rather than of its a local community. Fox Studios remains an enclave, its alienation from the community reinforced by the extant high surrounding brick walls of the old Showground. Community distrust and outright opposition surfaced very early. The public outcry to the rezoning and change on use on the site prompted an unprecedented number of critical submissions when the first masterplan went on public exhibition (Williams 1997). The ‘Save the Showground for Sydney Inc’ group in December 1995 commenced proceedings in the Land and Environment Court seeking unsuccessfully to overturn the validity of SEPP 47. A raft of concerns lingers around noise, water and air pollution, heritage protection, restricted public access, traffic, parking, opening hours, commercial exploitation, and developer-friendly approvals. At the end of the day, Fox Studios is a controlled, privatised, commercially aggressive precinct in which the innate transgressivity of the
organic cultural district has been comprehensively expunged with the assistance of the state.

**Cultural districts, ethnic quarters**

More unsettling again in the depiction of cultural-economic spaces are interpretations of ‘culture’ as ‘ethnicity’, and the status of ethnic quarters within the city. Only recently have some authors considered the cultural economy in ways more explicitly connected to ethnicity and the multicultural contexts of contemporary cities, despite it being a seemingly obvious lens through which any urban analysis might be conducted (Shaw 2000). The increasingly multicultural dimension of most western cities is nonetheless becoming part of the language of local economic development planning, incorporated into city marketing as part of a wider push for global status and significance; Sydney is no exception (Murphy and Watson 2002). The presence of diverse linguistic skills, for instance, has buttressed Sydney’s bid for international presence in the media, finance and other information-based industries. Within the city, ethnic quarters are increasingly the subject of domestic tourism campaigns and have become intra-metropolitan consumptive destinations (see Figure 4.2).
Marketing multiculturalism, revisioning Cabramatta and Fairfield as culinary cultural districts. Cabramatta, a working class district in western Sydney, has for many years suffered negative media representations: as a site of Vietnamese settlement, triad gang activities and drug (heroin) trafficking. Campaigns from local and state governments have attempted to challenge such representations through appeals to urbane (non-Vietnamese) Sydneysiders to travel west for ‘authentic’ Vietnamese food and ‘Asian culture’.

While research in the area of cultural economy has emphasised the social and cultural embeddedness of all forms of production, ethnic and inter-ethnic dimensions of cultural industry activities are less often discussed. Where the cross-cultural aspects of creative production have featured, this has tended to emerge from cultural studies and communications studies where researchers have been more explicitly concerned with syncretism, hybridity and identity politics in cultural texts (Amit-Talai and Wulff 1995; Lipsitz 1994; Appadurai 1996). Where multiculturalism has featured in work on cultural districts, it has tended to
be explained as either a barrier to economic development (as if heterogeneity prevents strategic dissemination of ideas) or as a new source of possibilities for marketing and product innovation:
on the one hand [multiculturalism] can destabilize communities as immigrants bring in habits, attitudes and skills alien to the original community, on the other it can enrich and stimulate possibilities by creating hybrids, crossovers and boundary blurring …The challenge for urban policy makers is to find further ways to be inventive with mutual understanding between cultures and ideas of tolerance (Landry 2000: 264).

The story is, however, more complicated than this, especially in the contexts of individual cultural districts. Meanings ascribed to ethnic cultural precincts remain contested. They are often portrayed as ethnic ‘ghettos’ in mainstream media, or constitute sites of consumption (particularly of food) for residents from across the city; these images of place are in turn different from their status as ‘lived’ spaces of community exchange and sustenance for migrant communities (Dunn 1993; 1998). In some instances, migrant communities have moved on (or through gentrification and rising rents have been forced elsewhere) as generations pass and upward social mobility (for some) enables spatial mobility. Ethnic enclaves in Newtown, Marrickville (both Greek and Vietnamese), Surry Hills (Lebanese, Indian) and Leichhardt (Italian) are being to various extents replaced by a more urban, Anglo-Saxon professional class. Ethnic quarters within the city cannot be ignored in any discussion of ‘cultural districts’, but their inclusion should not predicate a simply designated set of discrete spaces with universal meanings for localities and precincts.
Community and identity: consuming Italian-ness in Leichhardt’s Italian Forum

In a small number of cases in Sydney, more explicit attempts to capture and commodify local ethnicity in specific urban redevelopment schemes have been contested, both within and beyond the community concerned. Understanding the ethnic dimensions of cultural districts requires a focus on both the local scale (understanding community responses and participation) and macro-scale processes (state planning, globalisation etc) that play a part in regulating urban space and economic activities. One example from Sydney’s inner-city and its prominent Italian community reflects this.

For nearly 70 years the inner-city suburb of Leichhardt has been associated with an Italian migrant community. Leichhardt had the highest concentration of Italian-born persons in Sydney as far back as the 1930s (Solling and Reynolds 1997), a presence that became much more significant in the post-war period, as migration policies shifted away from an exclusionary ‘white Australia’ stance in order to fulfil labour shortages and boost Australia’s population (recast as vulnerable after world war II, hence the dominant ‘populate or perish’ ideology of the time). By 1971 there were 5000 Italian-born residents in Leichhardt and over 10000 within three kilometres of the Norton Street-Parramatta Road intersection. Over 160 Italian businesses were located in Leichhardt by 1976, including pastry cooks, butchers, delicatessens, greengrocers, dowry gift shops, travel and real estate agencies and an Italian newspaper press (Burnley 2000). Since then, Italian-born persons and those of Italian background have dispersed, particularly to Sydney’s west in suburbs such as Fairfield and Liverpool. Despite this, Leichhardt remains the symbolic and functional centre of the
Italian community, with a large number of Italian restaurants and shops, and the central offices of Italian language newspapers, media outlets and schools.

In 1988 a parcel of land previously owned by the NSW Ministry of Public Works was handed to Leichhardt’s Italian community by the then Wran Labor State Government as a bicentennial gift and in commemoration of ‘40 years of Italian integration in the area and to hold Leichhardt up as a model of social change and cultural revival’ (Outline Planning Consultants 1988). The site, located directly adjacent to Norton Street, the suburb’s main café strip, was earmarked as a new cultural centre and focal point of Sydney’s Italian district, celebrating Italian history and identity in Leichhardt (see Figure 4.3). Images of Siena and Florence were evoked in marketing material for the project, promoting the piazza as ‘the urban heart of Italian life…express[ing] the spirit of the community and effect[ing] social continuity…the focus of culture, trade, religion, politics, art and theatre’. The official ceremony even involved the visiting of Italian Prime Minister to lay the first foundation stone.
A public, non-profit company, Italian Forum Ltd, was formed to oversee construction and management of the new development. The ruling idea was to create a forum in ‘authentic’ Italian style, with a central piazza and bell tower, to provide cultural space serving not only the Italian but the wider community. The key cultural facilities to be included were an auditorium, function hall, meeting room, art gallery and library, constituting approximately 40 percent of the total floorspace (Table 4.2). Further, according to the 1989 covenant resting on the land title for the Italian Forum, one of the roles of the registered proprietor was to ‘ensure that the cultural facilities and outdoor recreational areas are utilised principally for cultural and similar activities’. 
Table 4.2 Original floorspace dimensions, cultural and commercial uses, Leichhardt forum, 1988*

<table>
<thead>
<tr>
<th>Designated use of space</th>
<th>floorspace (m²)**</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piazza</td>
<td>2500</td>
<td>17.5</td>
</tr>
<tr>
<td>Auditorium</td>
<td>1000</td>
<td>7.0</td>
</tr>
<tr>
<td>Function hall and meeting rooms (community designation)</td>
<td>1000</td>
<td>7.0</td>
</tr>
<tr>
<td>Art gallery/library</td>
<td>250</td>
<td>1.7</td>
</tr>
<tr>
<td>Italian Institute of Culture</td>
<td>500</td>
<td>3.5</td>
</tr>
<tr>
<td>CO.AS.IT</td>
<td>250</td>
<td>1.7</td>
</tr>
<tr>
<td>San Francesco Catholic Society</td>
<td>100</td>
<td>0.7</td>
</tr>
<tr>
<td>General offices</td>
<td>1200</td>
<td>8.4</td>
</tr>
<tr>
<td>Retail/service shops</td>
<td>7500</td>
<td>52.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14300</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Outline Planning Consultants 1988

* Original plans contained an intention to increase the proportion of cultural space within the project dependent on meeting a A$2 million funding target

** Figures provided here are in selected cases the ‘upper’ estimates in each category

Financing the development became a problem. The intended fundraising avenues included a joint venture with a developer for total construction (in return for exclusive leasing of commercial space), with tax-deductible corporate and community contributions enabling the fit-out and operation of cultural spaces. Fundraising initiatives largely stalled, in part because of difficulties attracting a major investment partner, but also because of on-going tensions between some community leaders and the Leichhardt City Council. The council, with responsibility for local planning and development control, prevented community markets being established on the site prior to its development. These were intended as one way of
generating income for the project. It became evident to the developers that the project needed an increase in the proportions of major commercial elements - retail and residential - to make viable the overall project.

Years of conflict within the community over the make-up of the space ensued. Both local (non-Italian) councillors and leaders of the Italian community were highly critical of the commercial encroachment into the project and the slow drift away from the original community model, while surrounding retailers feared loss of trade (Mitchell 1988; House 1995). Eventually, a development application for a mixed-use project was approved in 1995 and construction began in 1997. This comprised retail outlets, apartments, designated spaces for community cultural purposes in an updated forum development with piazza, Tuscan-influenced architecture, fountain and even a statue of Dante (Figure 4.4). Opened in 1999, the apartments sold quickly, demand for the vacant commercial spaces was strong, but the cultural facilities were not filled.

The Forum remains devoid of the very functions planned as the core of the original proposal, despite designated space (currently empty) and signage suggesting intended uses. An on-going dispute between the developers, Chase Property Investments, Italian Forum Ltd and Leichhardt Council for fit-out costs is partly to blame. Having made profits from the sale of apartments and retail leases, the developers now seem reluctant to proceed with the library and cultural centre components (despite council concessions and a waiver on development application fees and section 94 contributions in exchange for construction of library and cultural facilities), the whole venture now dragging through the courts (Jamal 2000; Kearney 2001; Cameron and Dennis 2001). The Italian community has been highly critical of progress on the project.
At another level, the Forum has ironically been successful in solidifying Leichhardt’s reputation as the premier Italian district in Sydney (see Tasker 1995; Widdicombe 1997; Davis 1997 for examples of metropolitan media coverage of the Forum in this way). It has played a pivotal role in the gentrification of the area, particularly from young professional couples. The building of new cinema complex, new bookstores, bars and live venues all coincided with the Forum development. Leichhardt now performs a wider city role linked to tourism. The Forum has become a signature venue for consuming Italianess. The presence and persistence of other nearby businesses, schools, and media companies serving the Italian community further authenticate the space as Italian. In an even broader sense, because of its commercial popularity the Forum is part of a widespread fetishisation of Italian design and aesthetics in Australia (Stynes 1999). This one example of a planned cultural precinct thus reflects a number of tensions and readings enacted at local, metropolitan and national scales. It remains a contested site: within an ethnic community keen to solidify its presence in a symbolic site of settlement it has thus far failed to perform vital social functions, yet its presence as an iconic space in the city
spurs tourism, residential investment and new forms of displacement (Lake 1998). This role in promoting further socio-spatial division in the city emerges as an almost inevitable consequence of property-led improvement strategies (Kearns and Philo 1993; Watson 2001). Local cultural identities enabled commodification, but that commodification undermined the very identities that the cultural precinct was meant to celebrate.

**Conclusion**

Cultural districts are one way in which the cultural economy is spatialised in the built environment of cities. In general, the phrase seems difficult to apply to Sydney in the same ways as in North America and Europe. In part this relates to the historical processes by which civic space has been accommodated by the private property market and partly because the local state has been less explicitly involved in delineating and regulating expansive urban spaces for arts-based urban revitalisation. The central city and inner suburbs have more than their fair share of cultural industry activities but these have not tightly clustered in discrete ways across sectors. The overall character is more an urban amalgam of creativity than a zonation of discrete cultural quarters.

What cultural-economic spaces can be identified are more than simply blank spaces within which creative activities occur. There are key tensions underneath, between production and consumption, image and reality, local and global, private and public, consensus and conflict, and ‘organic’ and ‘staged’ authenticity. Staged cultural precincts are invariably spaces of contestation in which stakeholders seek to shape form and meaning. In the case of the Leichhardt Forum, power and influence have wavered between the community, the private developer and the local
authority. Fox Studios has benefited from the exercise of centralised power with planning being cast as a key tool to secure a major investment.

In this paper we have begun to explore ways in which relations between the ‘cultural’ and ‘economic’ dimensions of urban life are manifested in the built environment. New interpretations of cultural district emerge, not just sites of production for the cultural industries but more diffuse landscapes imbued with cultural values as well as ‘products’ within the cultural economy itself, tied to symbolic meanings of place, the presence of cultural industries, and distinctive local cultures. Many of these districts remain sites of meaning and significance within the everyday lives of residents and workers, but they are often, as demonstrated here, also contested spaces.

Acknowledgements

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Introduction

This paper argues that the unique historical trajectory in Hong Kong has produced very rich cultural capital, which until recently was not recognised or valued by the average citizen. To the elites with cultural competence to appreciate high arts, Hong Kong is a “cultural desert”. However, with the onset of the Asian financial crisis, the cultural turn of the tourism industry and the “arrival” of the post-modern cultural paradigm through globalization and “touring cultures” (Rojek and Urry, 1997), the vast “cultural gold-mine” is now in active operation. Hong Kong is rediscovering her historical roots and cultural heritage, trying to build a “cultural supermarket” that suits the various demands of tourists from all over the world. The commodification of culture has met little resistance from a pragmatic population who are eager to find ways of creating more employment opportunities. In fact, the cultural turn of the tourism industry has helped
Hong Kong, for the first time in history, search for her roots. The production and expansion of tourist spaces also provide a dynamic setting for the international city to further develop and sustain her unique mix of “East meets West” cultures.

**Cultural Economy and Cultural Spaces in Hong Kong**

**Cultural Economy**

Ever since the mid-1990s, Hong Kong has become a largely service-oriented economy. However, the concept of a “cultural economy” is relatively under-explored. Although Hong Kong is a popular tourist destination and Hong Kong films and filmmakers have attained international reputations, the size of Hong Kong’s cultural economy is small in terms of number of establishment, employment and income generated. Table 5.1 lists the number of establishments, employment and income generated in the cultural industries, tourist-related industries and service industries. The cultural industries (excluding tourism) constitute 4.7 and 4.8 per cent respectively of the total number of employment and economic establishments in Hong Kong. Although comprehensive figures are not available on the income generated by the cultural industries, available figures suggest that the cultural industries’ direct contribution to GDP amounts to about 2 to 3 per cent.

**Table 5.1 Establishments, Employment and Value of Production of the Cultural Economy in Hong Kong**
<table>
<thead>
<tr>
<th>Year</th>
<th>Establishments</th>
<th>Employment</th>
<th>Service Income (US$,m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cultural Industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libraries, museums &amp; cultural services</td>
<td>2001&lt;sup&gt;1&lt;/sup&gt;</td>
<td>70</td>
<td>433</td>
</tr>
<tr>
<td>Miscellaneous amusement &amp; recreational services</td>
<td>2001&lt;sup&gt;2&lt;/sup&gt;</td>
<td>581</td>
<td>14,807</td>
</tr>
<tr>
<td>Motion pictures and other entertainment services</td>
<td>2002&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2,686</td>
<td>20,051</td>
</tr>
<tr>
<td>Publishing</td>
<td>2001&lt;sup&gt;4&lt;/sup&gt;</td>
<td>4,849</td>
<td>44,050</td>
</tr>
<tr>
<td>Design</td>
<td>2001&lt;sup&gt;5&lt;/sup&gt;</td>
<td>1,725</td>
<td>5,547</td>
</tr>
<tr>
<td>Architecture</td>
<td>1999&lt;sup&gt;6&lt;/sup&gt;</td>
<td>386</td>
<td>4,729</td>
</tr>
<tr>
<td>Advertising and related services</td>
<td>2001&lt;sup&gt;7&lt;/sup&gt;</td>
<td>4,089</td>
<td>19,014</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td>14,386 (4.8%)</td>
<td>108,631 (4.7%)</td>
</tr>
<tr>
<td><strong>Tourist-related Industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurants, retailers, travel agents and other service providers serving visitors</td>
<td>2000&lt;sup&gt;8&lt;/sup&gt;</td>
<td>32,073 (10.8%)</td>
<td>285,453 (12.4%)</td>
</tr>
<tr>
<td><strong>Major Service Industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale, retail, trades, restaurants, hotels, transport &amp; communications, financing, real estate &amp; business services, community, social &amp; personal service, ownership of premises</td>
<td>2000&lt;sup&gt;10&lt;/sup&gt;</td>
<td>274,858 (92.5%)</td>
<td>1,974,685 (86.1%)</td>
</tr>
<tr>
<td><strong>All Economic Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All economic activities</td>
<td>2000&lt;sup&gt;12&lt;/sup&gt;</td>
<td>297,109</td>
<td>2,293,171</td>
</tr>
</tbody>
</table>

(%) % of GDP in Hong Kong.

Source:
Cultural Places

Hong Kong is a very compact city. Although the city has a land area of 1,097 km², only 179 km² (16.3%) are built up. Given the unique history in its development, there are two building density regimes in Hong Kong. The rural New Territories can only accommodate low-density development. Before Hong Kong’s economic integration with the Mainland, the New Territories was once tranquil and rural in nature. The Government had tried to maintain the rural nature of the New Territories. As promised by the then Governor, Sir Henry Arthur in 1900, “your [residents of the New Territories] commercial and land interests shall be protected and your customs and good traditions will not be interfered” (Hong Kong Hansard, 1991, p.933). After the Open Door Policy in the Mainland China, the rural landscape in the New Territories has changed dramatically. Nevertheless, traditional Chinese cultural heritage is still relatively rich in these areas.

Figure 5.1 Traditional Chinese cultural heritage in the New Territories
The situation is rather different in old urban areas. Many old urban areas witnessed various waves of industrial and urban development over time with buildings of different height and density juxtaposing one another. Many old urban districts exhibit special characters (Figure 5.2 and Table 5.2). For instance, the Western District saw the birth of colonial Hong Kong. The Central and Sheung Wan Districts still retain many interesting trades such as antique shops along Hollywood Road and Cat Street Bazaar; dried seafood stores and traditional Chinese medicine and birds’ nest street in Sheung Wan. In Kowloon, the Sung Wong Tai Garden and Kowloon Walled City Park were close to the old Kaitak airport. Lei Cheng Uk Han Tomb and Garden, and Ap Liu Street Flea Market (specialises on electronic goods) in Sham Shui Po, the earliest developed district in Kowloon, are popular tourist spots.

**Figure 5.2** Major attractions in different districts in Hong Kong
Interesting trades in Central

Han Tomb in Sham Shui Po
### Table 5.2 Attractions in Different Parts of Hong Kong

#### Central & Western
- Peak Tower
- Hollywood Road
- SoHo + Lan Kwai Fong
- Mid-Levels Escalator

#### Eastern
- Museum of Coastal Defence
- Chinese New Year Flower Market
- Tam Kung Temple
- Tin Hau Temple
- Noon Day Gun

#### Islands
- Big Buddha
- Cheung Chau Bun Festival
- Seafood on Lamma Island
- Lantau Peak
- Cheung Po Tsai Cave

#### Kowloon City
- Kowloon Walled City Park
- Food District Festival
- Whampoa Gourmet Place
- Karting Mall, Bowling and Flea Market at the Kai Tal Airport Site

#### Kwai Tsing
- Tsing Ma Bridge
- Bauhinia Festival
- Maritime Square
- Kwai Tsing District Arts Festival

#### Kwun Tong
- Lei Yue Mun Seafood Bazaar
- Seafood Festival
- Tin Hau Temple

#### North
- Fung Ying Seen Koon
- The North District Flower, Bird, Insect and Fish Show
- Lung Yeuk Tau Heritage Trail

#### Sai Kung
- Hung Shing Temple
- Seafood Festival
- The Jockey Club Kau Sai Chau Public Golf Course

Song Wong Tai: a place the Emperor of the Song Dynasty visited when he fled to Hong Kong
• Liu Man Shek Tong + Hau Kui Shek Ancestral Hall + Pang Ancestral Hall

**Sham Shui Po**
• Cheung Sha Wan Road Fashion Street and Apliu Street
• Yu Lan Festival
• Lei Cheng Uk Han Tomb and Garden
• Festival Walk
• Lung Cheung Road Lookout

**Sha Tin**
• Hong Kong Heritage Museum
• Festival Lighting
• Che Kung Temple
• Snoopy's World
• Sha Tin Racecourse
• Penfold Park

**Southern**
• Stanley Main Street and Murray House
• Alfresco Dining
• Ocean Park
• Repulse Bay
• Jumbo Floating Restaurant

**Tai Po**
• Lookout Tower in Tai Po Waterfront Park
• Heritage & Architectural Walks
• Hong Kong Railway Museum
• Man Mo Temple
• Lam Tsuen Wishing Trees

**Tsuen Wan**
• Sam Tung Uk Museum
• Yuen Yuen Institute
• Tai Mo Shan Country Park
• Festival Lighting

**Tuen Mun**
• Ching Chung Koon
• Dolphin Watch
• Hong Kong Gold Coast
• Miu Fat Buddhist Monastery

**Wan Chai**
• Expo Promenade
• Special Flag Raising Ceremony
• Hong Kong Convention & Exhibition Centre
• Fire Dragon Dance at Tai Hang
• Happy Valley Racecourse
• Hong Kong Racing Museum

**Yau Ma Tei Tsim Sha Tsui Mong Kok**
• Ping Shan Heritage Trail and Tsui Shing Lau
• Mai Po Nature Reserve
• Big Bowl Feast
Until recently, the rich cultural heritage in different districts and localities has not been recognized and remained untapped. In fact, much has been swept away in the course of rapid urban development. In the history of Hong Kong rapidly becoming an industrial and financial powerhouse, “everything that is solid melts in the air”. Hong Kong has no long-term heritage conservation policy (Ng, Chung and Yan, 2001, p.62). In fact, heritage conservation had not been practised in Hong Kong until 1976 when the Antiquities and Monuments Ordinance was enacted. Hong Kong still has over 9,000 pre-1950 structures of varying forms and quality (Chu and Uebergang, 2002, p.62). Among them, however, only 69 are declared monuments (Ng et al, 2001). Many historical landmarks such as the Lee Theatre, the former General Post Office, the old Hong Kong Club and Repulse Bay Hotel were demolished.

Before the construction of the City Hall in 1962, there were a number of privately owned cultural venues such as the “Lee”, “Ko Shing” and “Tai Ping” Theatres featuring Chinese operas and other performances. However, all these are now redeveloped. The opening of the City Hall forty years ago marked the Government’s involvement in the arts. Since then more performing venues have been built, some of which are community-based facilities. At present Hong Kong has some 30 major cultural facilities with regular cultural activities, and many of them are scattered throughout the various districts in Hong Kong (Table 5.3). It is therefore difficult to differentiate the “cultural districts”. Nevertheless, a “core triangle” of
cultural activities can be found in Tsim Sha Tsui (TST) in Kowloon, and Central and Wan Chai Districts on Hong Kong Island (Figure 5.3). Most of the cultural facilities are managed and owned by the Government.

City Hall in Central: High & Low Blocks

Cultural Centre in TST

Arts Museum in TST

Convention & Exhibition Centre in Wanchai
Table 5.3 Major Cultural Facilities in Hong Kong

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outside Metropolitan Areas</strong></td>
</tr>
<tr>
<td>Tsuen Wan Town Hall</td>
</tr>
<tr>
<td>Tuen Mun Town Hall</td>
</tr>
<tr>
<td>Sha Tin Town Hall</td>
</tr>
<tr>
<td>Tai Po Civic Centre</td>
</tr>
<tr>
<td>North District Town Hall</td>
</tr>
<tr>
<td>Lut Sau Hall</td>
</tr>
<tr>
<td>Kwai Tsing Theatre</td>
</tr>
<tr>
<td>Yuen Long Theatre</td>
</tr>
<tr>
<td>Hong Kong Heritage Museum</td>
</tr>
<tr>
<td><strong>Within Metropolitan Areas</strong></td>
</tr>
<tr>
<td>Tsim Sha Tsui</td>
</tr>
<tr>
<td>Hong Kong Cultural Centre</td>
</tr>
<tr>
<td>Hong Kong Coliseum</td>
</tr>
<tr>
<td>Hong Kong Museum of Art</td>
</tr>
<tr>
<td>Space Museum</td>
</tr>
<tr>
<td>Science Museum</td>
</tr>
<tr>
<td>Hong Kong Arts Library</td>
</tr>
<tr>
<td>Wan Chai/Causeway Bay</td>
</tr>
<tr>
<td>Hong Kong Academy for Performing Arts (HKAPA)</td>
</tr>
<tr>
<td>Hong Kong Central Library</td>
</tr>
<tr>
<td>Hong Kong Arts Centre</td>
</tr>
<tr>
<td>Hong Kong Racing Museum</td>
</tr>
<tr>
<td>Central/Sheung Wan Area</td>
</tr>
<tr>
<td>Hong Kong City Hall</td>
</tr>
<tr>
<td>Fringe Club</td>
</tr>
<tr>
<td>Sheung Wan Civic Centre</td>
</tr>
<tr>
<td>Hong Kong Visual Arts Centre</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>Queen Elizabeth Stadium</td>
</tr>
<tr>
<td>Ngau Chi Wan Civic Centre</td>
</tr>
<tr>
<td>Sai Wan Ho Civic Centre</td>
</tr>
<tr>
<td>Ko Shan Theatre</td>
</tr>
<tr>
<td>Sun Beam Theatre</td>
</tr>
<tr>
<td>Law Uk Folk Museum</td>
</tr>
<tr>
<td>Hong Kong Museum of Coastal Defence</td>
</tr>
<tr>
<td>Hong Kong Film Archive</td>
</tr>
</tbody>
</table>

*Source: Modified from Planning Department, 1999, Table 1.*
Figure 5.3 “Core Triangle” of Cultural Facilities and Tourist Attractions in Hong Kong
Modernizing and Urbanizing an “Untapped Cultural Gold-mine”:
Hong Kong as a “Cultural Desert”?

Hong Kong was like a melting pot in the 1950s. The setting up of the communist regime in the China Mainland had led to a massive influx of refugees into the Colony. Most of the refugees had nothing except their hands. This “refugee” generation had worked very hard in the course of Hong Kong’s “transferred industrialization” (as capitalists alike fled to the Colony with their resources). The rapid industrialization and urbanization processes in a refugee society ruled by the British colonial government had bred a very special and unique culture. As argued by Luk (1995, p.73), the Chinese rural and commercial practice combined with the British technology and culture had produced an economic miracle and social changes in Hong Kong. Hong Kong then was a truly creative city, “a city in economic and social flux, a city with large numbers of new and young arrivals, mixing and merging into a new kind of society” (Hall, 2000, p.248). This brief discussion shows that there is a “gold-mine” of interesting cultural heritage and practice in Hong Kong. However, in colonial Hong Kong, a “borrowed time and a borrowed space”, development was identified with modernization, and urbanization was regarded as the only royal road to economic growth. As a result, there is, on one hand, a “creative destruction” of the rich “cultural gold-mine”, the sweeping and withering away of mixed cultures bequeathed by a unique historical trajectory. On the other hand, we can see a “destructive creation” of a “modern cityscape”, the replacement of many interesting historic buildings and areas with rich cultural capital1 by

---

1 A good example is the relocation of Yuen Po Street (known as Birds Street) from a Mongkok back alley to a small garden next to the railway in the Prince Edward.
high-rise buildings which can fetch “a few dollars more”.

Before the setting up of the People’s Republic of China and the consequent “transferred industrialization” process in Hong Kong in the late 1940s and the early 1950s, the colonial Government of Hong Kong had practised basically a Victorian laissez-faire policy. It was only after the Shek Kip Mei squatter fire on the Christmas Eve in 1953 that the Government had started to play a more active role in planning and housing the growing population influx from the Mainland. However, the Government’s involvement then was mainly in housing the people and providing land to accommodate industrial development. The refugee generation worked very hard each day to make ends meet. There was a strong culture of survival. If not because of the riots in 1966 and 1967 (spill-over effects of the Cultural Revolution in the Mainland), the Government might take many more years to get her involved actively in providing more arts and cultural venues. After the riots in the late 1960s, the colonial government started to promote leisure and cultural activities in the youthful society. Developments in the 1970s prompted an internal study by the Government in 1977 which identified the role of the Government in arts development as a coordinator and catalyst, as a provider of necessary infrastructure and as a promoter, providing wherenecessary financial or other assistance to nurture budding artists or new art forms (Hong Kong Government Information Service, 2002).

Through the partnership with the then Municipal Councils (MCs), the Government provided necessary infrastructural support in terms of building cultural venues and offering performance opportunities to various performing arts groups (Op cit., 2002). The two MCs had played an

Many people comment that there is a loss of character after the move (Chu et. al.)
instrumental role in promoting arts development from the 1960s to the 1990s. They organized and presented performances, festivals, exhibitions, workshops, seminars and talks. They operated and managed cultural venues and libraries. They also managed professional performing companies (the Hong Kong Chinese Orchestra, the Hong Kong Repertory Theatre and the Hong Kong Dance Company), funded the Hong Kong Philharmonic Society Ltd and provided an annual subvention to the Hong Kong Arts Festival Society Ltd. From 1995 to 1999, the two MCs also managed the Music Office, which provided music training to young people and organized music promotion activities for the community (Op cit, 2002).

In April 1994, the Arts Development Council (ADC) commenced its operation and became an independent statutory body on 1 June 1995 with executive powers, public and private funding and serviced by its own directly recruited staff. With the approval of the Finance Committee of the Legislative Council, a capital grant of $130 million as seed money was provided to the ADC (Op cit, 2002). A Five-year Strategic Plan was drawn in December 1995, with a vision for a more dynamic and diverse arts scene in Hong Kong to improve the quality of life for the whole community. It has been under implementation since 1 April 1996. Subsequently, a new Three-year Plan was drawn up and has been implemented since May 2001 (Op cit., 2002).

However, the MCs were dissolved in 2000 and the Leisure and Cultural Services Department was formed and has assumed territory-wide responsibility for the provision of leisure and cultural services. A high-level non-statutory advisory body, the Cultural and Heritage Commission was established in April 2000 to advise the Government on policies as well as
funding priorities on culture and the arts. Its key responsibility is to formulate a set of principles and strategies to promote the long-term development of culture in Hong Kong (Op cit., 2002).

Currently, the Government has promoted and encouraged the development of culture and the arts through the provision of financial support (mainly through the Hong Kong Arts Development Council (ADC)), education (through the Hong Kong Academy for Performing Arts (APA)) and publicity. The Government has embarked annual recurrent subventions of $109.0 million and $177.2 million for the ADC and the APA respectively for the period of 2002-2003 in support of their activities. The Government is also a provider of infrastructural support in terms of building venues. It operates altogether 15 cultural venues of varying sizes and capacity situated at accessible locations all over the territory. In addition, there are 61 libraries of various sizes and eight mobile library vans serving different districts. The Hong Kong Central Library has been opened for public use since May 2001. The Government also manages a visual arts centre, which houses the newly established Art Promotion Office, and 13 museums including the Hong Kong Museum of History with 7,000-square meter Permanent Exhibition Gallery in August 2001 (Op cit., 2002).

However, the Government did not have a coherent arts and cultural development policy. Its involvement had largely been confined to providing and maintaining venues for leisure and entertainment as “the bricks and mortar of community sentiment” (Lilley, 1998, p.53), to relieve social pressure, as a form of social welfare and as a symbol of a modern cosmopolitan city (Ng et al, 2001, p.62). Basically, the Government has been promoting arts and cultural development through the provision of hardware for cultural performances while the software, the cultural practices
of local population and artists, have been outside the Government’s policy concern until rather recently (Ng et al, 2001, p.62).

While the hardware provides important venues for artists’ performance, the level of participation of the general public in cultural activities has remained low. According to a survey conducted by the Planning Department between the mid-1998 and the early 1999, less than 20 per cent of the respondents had participated in cultural activities and on average they spent less than 12 days on artform activities in 1997 (Planning Department, 1999). The majority of them participated as audiences or as visitors to an exhibition. The level of participation in cultural activities tended to be higher for those who were better educated, had professional jobs and had higher incomes (Op cit., 1999). Reasons cited for people not participating in cultural activities were the lack of time, interest and knowledge about events (Op cit., 1999). In this sense, Hong Kong can be regarded as a “cultural desert” as “high/formal culture” has a small audience in the city and is not particularly relevant to the lives of the majority of the population in Hong Kong.

However, beneath this “cultural desert” is actually a “gold-mine” with extremely interesting cultural practice emerged from a society blending east and west, Chinese and foreign, old and new, and modern and traditional. Unfortunately, until recent years, this unique culture has been regarded as “low culture” and has not been recognized or appreciated by the Hong Kong citizens themselves. This inadvertent neglect of the rich cultural capital in the city is reflected in the city marketing strategy employed by Hong Kong before 1997.
City Marketing and the Cultural Economy

Before 1997: Coping with a Growing Number of Tourists

In the compact city of Hong Kong, except some private tour operators and the Hong Kong Tourist Association (HKTA)\(^2\) which was formed in 1957 by the Government to facilitate the development of the territory’s tourism industry, “relatively few facilities, no attractions, few events and almost no infrastructure…[are] provided primarily for visitors. The tourism industry is therefore intrinsically bound to local residents’ business and leisure activities” (HKTA, 1995, p.3). In the Visitor and Tourism Study for Hong Kong (VISTOUR) (HKTA, 1995, p.5), it was argued that an overall strategy was needed:

- To address the potential internal threats and to minimize their impact on the industry;
- To meet the external competition within the region;
- To help Hong Kong reap maximum benefit from the increasing number and changing nature of visitors; and

\(^2\) HKTA comprised travel industry and ordinary members. The HKTA Ordinance provided that the objects of the Association shall be: to endeavour to increase the number of visitors to Hong Kong; to further the development of Hong Kong as a tourist destination; to promote the improvement of facilities for visitors; to secure overseas publicity for the tourist attractions of Hong Kong; to co-ordinate the activities of persons providing services for visitors to Hong Kong and to make recommendations to and advise the Governor in relation to any measures which may be taken to further any of the foregoing matters (HKTA, 1995, p.27). HKTA was renamed as the Hong Kong Tourism Board in April 2001. The principal tasks of the HKTB are “to promote Hong Kong as a tourist destination, to enrich visitors’ travel experience and to enhance Hong Kong’s attractiveness through improving and developing tourism itineraries in collaboration with the tourism industry” (Economic Services Bureau, 2001, p.13).
To help to optimise the contribution the tourism industry can make to the health and diversity of the economy and the welfare of Hong Kong citizens.

Potential threats to the tourism industry in Hong Kong included (HKTA, 1995, p.4):

- An anticipated shortfall in visitor accommodation;
- Major infrastructure projects and reclamations which may impinge on the traditional urban tourism product;
- Perceptions of a deteriorating urban environment;
- High inflation; and
- Shortage of suitable trained staff.

In fact, the HKTA has also pursued various issues with the Government, including (Op cit., 1995, p.4):

- Importance of the industry to the Hong Kong economy;
- Simplification and speed of immigration procedures;
- Law and order;
- Courtesy;
- Environmental improvements and beautification of Hong Kong;
- Improvement of the operation of Kai Tak and timely implementation of Chep Lap Kok;
- Support for hotel industry;
- Support for new tourism products;
- Preservation of country parks and Chinese and colonial cultural heritage; and
- Development of the cruise market.
It is interesting to note that “culture” did not seem to occupy a very important position in terms of improving the tourism industry before 1997. “The goal of the Vistour Strategy is to optimise the contribution of visitors and tourism to the economy in order 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

The market positioning of Hong Kong then was to be “a business capital, a ‘shopping and dining’ capital, an events capital, a ‘cultural and leisure capital’ and a ‘major cruise hub’” (Op. cit., 1995, p.12). The pressure before 1997 was to cope with the rapid growth of tourists. The number of tourists was expected to double every 6-8 years (Op cit., 1995, p.9). Figure 5.4 shows that the number of tourists grew from 6.8 million in 1991 to about 13 million in 1996.
Hence, in *VISTOUR* (HKTA, 1995, p.10-17), the HKTA urged the Government to support the tourism industry through a variety of strategies:

**Strategies for Facilities**

- The continued application of plot ratio concessions to encourage bona fide hotel development;
- Licensing and regulation;
- Labour importation quota;
- Simplification of immigration procedures;
- Ease of access to visitor visas and relaxed travel regulations;
- Easy and safe travel to/from Hong Kong and within its environs;
- Competitive prices compared to other destinations in the region;
- Information on the range and nature of facilities, attractions, services and events;
- Sufficient hotel and other accommodation of a range of standards and affordability;
- Transport means to Hongkong or an entry/exit facility with adequate connecting links to the end destination;
- Shopping with variety and quality at competitive prices; and
- A range of attractions and activities to enjoy and an incentive for coming to Hong Kong.

**Strategies for Tourist Attractions**

- Should encourage greater visitor use of currently under-utilised existing small, but high quality attractions by enhancing information and transport to them;
- Encourage the development of new facilities and attractions to generate new business;
- Diversify Hong Kong’s visitor attractions for business and leisure visitors and to make them leading edge;
- 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 accessibility to major viewpoints and parking lots.

**Strategies for Services: HKTA should encourage**

- The provision of the range and quality of services for visitors to match the best in the world;
- New forms of visitor services as demand arises;
- Upgrading of the skills and performances of tourism industry employees;
- Coordinating a general improvement in the quality of services offered by focusing on training, attitudes, languages, signage, information, etc.
- Government to introduce and implement a coordinated, comprehensive system of tourist signage throughout the urban area and in popular locations in the urban fringe, countryside and coastal areas.

**Strategies for Events:** HKTA should

- Continue to encourage the expansion of the diversity, range and quality of events to attract and entertain visitors;
- Promote convention and incentive travel market segments strongly and work with event coordinators to ensure a wide range of events is provided throughout the year;
- Provide a balanced programme of events;
- Support and encourage the Government and private sector to provide new and improved venues; and
- Promote the use of a large part of the Kai Tak airport site.

**Strategies for Infrastructure**

- Maintenance and enhancement of existing infrastructure and development of new forms of infrastructure for visitors;
- Priority to working with public transport operators to provide visitor information and service;
- Development of new comprehensive berthing facilities and terminal complex for international cruise ships to be located conveniently to main tourist areas.
The strategies have been cited in details to reveal the facts that the tourism industry in Hong Kong up to the mid-1990s was concerned primarily with improving existing facilities, attractions, services, events and infrastructure to cope with the growing number of tourists. The emphases were lopsided towards the provision of hardware and not much was about the software. Even less was on promoting culture. As tourists flooded into the former colonial city, the natural response was to accommodate them. It was not until the 1997 Asian Financial Crisis that the cultural turn of the tourism industry took place in Hongkong.

**After 1997 : The Cultural Turn of the Tourism Industry—“Tourism as a Cultural Practice”?**

A number of factors account for the cultural turn of the tourism industry. As shown in Figure 5.4 above, the number of tourists dropped dramatically after the outbreak of the Asian Financial Crisis in 1997. Although the number of tourists picked up after 1998, it was not growing as rapidly as expected. Moreover, the composition of tourists and their spending patterns changed rather dramatically (Figures 5.5 and 5.6). The number of tourists from Mainland China has been growing rapidly. In 1996, the number of tourists from Taiwan and Mainland China made up of about one third of the total number of tourists. The percentage was increased to 50 per cent in 2001. Yet, the average spending power of tourists has dropped since 1996. In 1996, per capita tourist spending was over HK$7,000 but in 2001, the amount dropped to less than HK$5,000. Table 5.4 also reveals cultural differences in the expenditure patterns. While most western tourists spent large portion of their spending on hotels, tourists from Asia, especially those from the Mainland and Taiwan, favoured shopping.
Table 5.5 shows that the preferences of Western and Asian tourists in “consuming” Hong Kong. Almost all tourists favour the Chinese food
culture. Chinese gourmets are the most popular attraction for tourists in Hong Kong, followed by heritage. However, while Western tourists are interested in arts/cultural exhibits and traditional Chinese festivals, Asian tourists are attracted to horse racing, film/TV studio visits or international concerts. In order to lure more tourists to save the declining local economy, Hong Kong has to reinvent its tourism industry. Hence, we can see the cultural turn of the industry as revealed in *Hong Kong Tourism: Expanding The Horizons* (Tourism Commission, 2000).

The vision set up in *Expanding the Horizons* was “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 is positioned 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 Chinese Mainland in particular, taking maximum advantage of our strategic location at the heart of Asia.
- Premier business and services centre in the region, and 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.

This new positioning of Hong Kong is different from the previous one, and culture, at least rhetorically, features prominently in the new strategy. The
<table>
<thead>
<tr>
<th>Country Region</th>
<th>Shopping</th>
<th>Hotel</th>
<th>Meals</th>
<th>Town</th>
<th>Entertainment</th>
<th>Other</th>
<th>Total</th>
<th>Per capita (HK$)</th>
<th>Per diem (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia, New Zealand &amp; S Pacific</td>
<td>451.50 (26.6)</td>
<td>733.27 (44.6)</td>
<td>231.70 (16.2)</td>
<td>20.59 (1.2)</td>
<td>70.75 (4.1)</td>
<td>135.67 (7.6)</td>
<td>1,738.48 (100)</td>
<td>4,465</td>
<td>1,147</td>
</tr>
<tr>
<td>Americas</td>
<td>1,387.10 (29.6)</td>
<td>2,767.31 (44.9)</td>
<td>929.70 (14.6)</td>
<td>93.08 (1.5)</td>
<td>167.62 (2.6)</td>
<td>408.13 (6.9)</td>
<td>6,334.00 (102)</td>
<td>5,072</td>
<td>1,542</td>
</tr>
<tr>
<td>Europe, Africa &amp; Middle East</td>
<td>1,483.05 (24.8)</td>
<td>2,411.40 (43.5)</td>
<td>913.41 (16.3)</td>
<td>78.80 (1.4)</td>
<td>221.82 (4.1)</td>
<td>414.24 (7.5)</td>
<td>5,532.75 (132)</td>
<td>4,723</td>
<td>1,202</td>
</tr>
<tr>
<td>Japan</td>
<td>2,551.01 (46.2)</td>
<td>1,664.96 (30.2)</td>
<td>734.10 (13.3)</td>
<td>186.96 (3.4)</td>
<td>130.00 (2.4)</td>
<td>241.03 (4.4)</td>
<td>5,513.06 (102)</td>
<td>4,125</td>
<td>1,778</td>
</tr>
<tr>
<td>Taiwan</td>
<td>6,023.09 (26.2)</td>
<td>2,384.16 (22.3)</td>
<td>1,249.48 (12.8)</td>
<td>101.37 (0.9)</td>
<td>152.56 (1.4)</td>
<td>658.90 (5.6)</td>
<td>13,696.35 (100)</td>
<td>4,422</td>
<td>1,914</td>
</tr>
<tr>
<td>South &amp; SE Asia</td>
<td>3,124.57 (45.2)</td>
<td>1,935.05 (29.3)</td>
<td>1,065.28 (15.3)</td>
<td>117.76 (1.7)</td>
<td>161.70 (2.3)</td>
<td>438.24 (6.4)</td>
<td>6,943.60 (102)</td>
<td>3,952</td>
<td>1,231</td>
</tr>
<tr>
<td>Mainland China</td>
<td>14,656.94 (63.7)</td>
<td>3,549.66 (15.4)</td>
<td>2,949.27 (12.8)</td>
<td>640.63 (2.8)</td>
<td>335.48 (1.5)</td>
<td>851.20 (3.7)</td>
<td>2,993.38 (102)</td>
<td>5,156</td>
<td>1,404</td>
</tr>
<tr>
<td>North Asia</td>
<td>3,163.10 (45.2)</td>
<td>2,112.22 (30.0)</td>
<td>934.69 (13.3)</td>
<td>276.47 (3.9)</td>
<td>212.21 (3.0)</td>
<td>326.41 (4.7)</td>
<td>7,027.11 (102)</td>
<td>3,983</td>
<td>1,712</td>
</tr>
</tbody>
</table>

strategy argues that “the Hong Kong product needs to be under constant review to capitalize on the latest trends—economic tourism, green tourism, heritage and culture, and adventure tours. Table 6 lists the latest projects undertaken or under active planning and implementation by the Government. It can be seen that instead of emphasizing on improving infrastructure, or increasing accommodation capacities, a lot of the emphases are now placed on regenerating local heritage. Moreover, a lot of the new initiatives involve close partnership with district councils, local NGOs and community members. The commodification of culture initiated in the tourism industry has helped turn the “cultural desert” into an interesting “cultural supermarket” with Hong Kong characteristics. A number of factors facilitate the current developments.
<table>
<thead>
<tr>
<th>Existing Activities</th>
<th>All countries</th>
<th>Americans</th>
<th>Europe, Africa &amp; Middle East</th>
<th>Australia, New Zealand &amp; S. Pacific</th>
<th>North Asia</th>
<th>South &amp; S.E. Asia</th>
<th>Taiwan</th>
<th>The Mainland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquatic Activities</td>
<td>14</td>
<td></td>
<td></td>
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<td>16</td>
</tr>
<tr>
<td>Arts &amp; Crafts Demonstration</td>
<td>20</td>
<td>19</td>
<td></td>
<td></td>
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<td>17</td>
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<tr>
<td>Art/Cultural Exhibits</td>
<td>17</td>
<td>24</td>
<td>22</td>
<td>24</td>
<td></td>
<td>14</td>
<td>18</td>
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<tr>
<td>Astrology/ Fortune Telling</td>
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<tr>
<td>Ecotourism</td>
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<tr>
<td>Golfing</td>
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<td></td>
<td></td>
<td>14</td>
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<tr>
<td>Concert (International)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>42</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Film/TV Studio Visit</td>
<td>14</td>
<td></td>
<td>12</td>
<td>15</td>
<td></td>
<td></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Gourmet-Chinese</td>
<td>39</td>
<td>43</td>
<td>44</td>
<td>45</td>
<td>41</td>
<td>43</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Heritage</td>
<td>17</td>
<td>21</td>
<td>21</td>
<td>25</td>
<td>15</td>
<td>13</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Hiking in the Countryside</td>
<td></td>
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<tr>
<td>Horse Racing</td>
<td>17</td>
<td></td>
<td></td>
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<td>19</td>
<td></td>
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<tr>
<td>Major Sports Competition</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Traditional Chinese Festivals</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>25</td>
<td></td>
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</tbody>
</table>

Table 5.6 Actions undertaken by the Government to Promote Tourism Industry

Infrastructure, Facilities and Products

Local Urban Heritage
- To improve the landscape of the Tsim Sha Tsui Promenade to make it a landmark (ESB)
- To improve the landscape of the Stanley Waterfront to enhance its attractiveness as a popular tourist spot (ESB)
- To improve the landscape of the Peak to enhance the area as a visitor attraction (ESB)
- To improve the landscape of the Stanley Waterfront to enhance its attractiveness as a popular tourist spot (ESB)
- To develop a heritage trail covering the former military sites on Hong Kong Island (Hong Kong Tourism Board (HKTB))
- To implement a pilot scheme on the Wong Nai Chung Gap Military Trail in collaboration with the Antiquities and Monuments Office of the Leisure and Cultural Services Department
- To launch, in conjunction with tour operators, a new “Kowloon Tour” covering attractions in Wong Tai Sin and Kowloon City (HKTB)
- To launch a self-guided walkway covering the Hong Kong Heritage Museum and other attractions in Shatin (HKTB)
- To publish a guide book on heritage trails in the New Territories (HKTB)
- To publish a guide on urban heritage trails (Hong Kong Tourism Board (HKTB))
- To work with the Planning Department to identify the options for developing Aberdeen into a tourist hub (Economic Services Bureau (ESB))
- To invite proposals for the development of the former Marine Police Headquarters into a tourism-themed project (ESB)
- To implement improvements in Sai Kung, Shatin and Wong Tai Sin and formulate a programme of work in other districts
- To introduce tourist signage and information improvements in tourist districts, and public transport nodes leading to heritage trails and country parks (ESB)
- To identify the heritage tourism potential of the Yaumatei Theatre (HKTB)
- To assess the tourism potential of the harbour and its waterfront area (Planning Department)
- To produce new publicity material such as a Festival Calendar, special leaflets and multi-media products to promote Heritage Tourism (HKTB)

Natural Heritage
- To construct an International Wetland Park at Northern Tin Shui Wai (Agriculture, Fisheries and Conservation Department)
**New Facilities**

- To work with The Walt Disney Company to establish Hong Kong Disneyland (*Economic Services Bureau (ESB)*)
- To examine the programme for the development of a new tourism node at South East Kowloon (*ESB*)
- To construct a cable car system linking Tung Chung and Ngong Ping on Lantau Island (*ESB*)
- To work with the European business and diplomatic community to organise Hong Kong’s first EuroChristmas (*ESB*)
- To develop an Avenue of Stars at Tsim Sha Tsui Waterfront Promenade (*HKTB*)
- To undertake a Study on the Improvement of the Peak as a Visitor Attraction (*HKTB*)

**Quality of Service**

- To review the Quality Tourism Services Scheme (*Hong Kong Tourism Board (HKTB)*)
- To set up a data warehouse to enhance information-based strategic planning and marketing
- Capabilities of the Hong Kong Tourism Board (*HKTB*)
- To develop an education kit on hospitality culture for use in secondary schools (*Economic Services Bureau (ESB)*)
- To conduct the annual Price Competitiveness Survey (*HKTB*)
- To broadcast a series of five minute episodes on TV to promote the hospitality culture among the general public (*ESB*)
- To sponsor activities organised by outside organisations (other than schools) which promote a hospitality culture in Hong Kong (*ESB*)
- To improve the service quality of inbound tour guides (*ESB*)
- To develop a quality assurance system for tour guides in 2002
- To work with the travel industry on the implementation of the Travel Agents (Amendment) Bill 2001 after it is enacted (*ESB*)
- To issue licences to inbound travel agents and work with the Travel Industry Council on the regulation of inbound travel agents
- To set up a Hotel Development Information System to facilitate access to updated information by the industry (*HKTB*)
- To establish a computer database to improve the flow of market information within HKTB and among HKTB members, service providers and potential visitors (*HKTB*)
- To launch a territorywide publicity and public education campaign on hospitality culture (*Economic Services Bureau (ESB)*)
To regulate inbound travel agents to ensure the service standard of the industry and protect Hong Kong’s reputation as a tourist-friendly city (ESB)

To improve the Hong Kong Group Tour Scheme (Immigration Department (Imm D))

To promote and expand the coverage of the Quality Tourism Services Scheme (Hong Kong Tourism Board (HKTB))

To improve the handling of visitors’ complaints (HKTB)

To introduce Russian language training for tour guides (HKTB)

To simplify and improve entry arrangements for Taiwan residents (Imm D)

### Hong Kong as an Attractive Tourism Destination

- To strengthen the Internet marketing capabilities of the Hong Kong Tourism Board (Hong Kong Tourism Board (HKTB))
- To review the International Events Fund (HKTB)
- To organise five mega events under the “City of Life: Hong Kong Is It!” campaign between December 2001 and early 2003 (HKTB)
- To stage the Hong Kong Lights Up, the International Chinese New Year Parade, the Hong Kong Flower Extravaganza and the Mega Hong Kong Sale in 2002
- To implement recommendations of the Strategic Organisation Review of the Hong Kong Tourism Board (Economic Services Bureau/Hong Kong Tourism Board (HKTB))
- To expand the use of e-marketing to enhance the effectiveness of promoting Hong Kong overseas (HKTB)
- To revamp the HKTB website, incorporating the new “City of Life” advertising graphics and simplifying the navigation (HKTB)
- To refresh and revitalise the “City of Life” campaign (HKTB)
- To undertake joint promotional efforts with the Mainland authorities to promote multi-destination tourism (HKTB)

### Factors Contributing to the Building of a “Cultural Supermarket” with Hong Kong Characteristics

After decades of rapid industrialization and urbanization, the melting-pot refugee society in Hong Kong has gradually developed her unique culture, with influences of western modernism, colonialism and traditionalism (Canton culture, other provincial and county level cultures). The cultures of affluence, of survival, and of deliverance are cultural strands that pull in different directions (Chan, 1995, p.48). The traditional Chinese values together with British administrative practice have produced a lively, aggressive, dynamic and open society in Hong Kong. Indeed, Hong Kong is
the birthplace of China’s revolutionary thoughts and the production site of China’s first newspaper, first movie and first drama (Chan, 1995, p.80). However, the unique social culture was not treasured in the process of modernization. The blending of the East and West cultures has bred a very interesting cityscape but no one takes particular notice of it. Before 1997, Hong Kong was taken as a place with no culture. “People in this place [Hong Kong] are machines for making money…All that Hong Kong people can do is to earn money…Hong Kong has no culture; it’s not a home” (Mathews, 2001, p.301).

The tourism industry took a cultural turn after the Asian financial crisis. Coincided with the development of the post-modern cultural paradigm that broke down conventional distinctions of high/low culture, art/life, culture/street life, home/abroad, which had kept different social practices within different social/spatial locations (Rojek and Urry, 1997, p.3), people start to take a new look at Hong Kong’s cultural capital. Once the refined aesthetic sense and cultural competence can be done without in appreciating different social practices, Hong Kong has rediscovered herself as a city rich in cultural capital. Due to uneven geographical development in the capitalist mode of production, there are different localities replete with “glacial times” that are full of local character and are different from the modernity landscape that is increasingly instantaneous and placeless (Meyerowitz, 1995).

The fact that Hong Kong has been an international city for decades also helps shape and enrich the theme of an evolving cultural supermarket. The vulnerable open economy has been receptive to different cultures over the years. Hong Kong has been famous for her adaptability. Tomlinson’s notion of “travelling cultures” (1999) reminds that “culture travels as well as people...what is involved in the movement of cultures is the migration of
objects and people” (Rojek and Urry, 1997, p.11). “Tourists bring with them not only a set of perceptions and expectations about their destination, but also their own cultural preferences and forms of behaviour, their own forms of indigenous knowledge” (Meethan, 2001, p.142). Hence, “all cultures get remade as a result of flows of people, objects and images across national borders, whether or not it involves colonialism, work-based migration, individual travel or mass tourism” (Robinson, 1999, p.11). It is in the dynamic integration of local and travelling cultures that Hong Kong becomes a unique socio-spatial experience for the tourists and local citizens.

Robinson (1999, p.11) argues that when “culture becomes a servant of consumerism, its deeper meanings, social functions and authenticity are lost to the superficial.” Boniface (1999, p.304) also opines that “tourism presents a considerable challenge for the future of humanity. At stake are the preservation and best use of cultural and natural resources and heritage, the possibility of a harmonious development based on these resources, and the contribution of tourism to world peace by promoting quality encounters between different cultures (UNESCO, 1997, p.18). … Yet, without intervention of information, of planning, of the creativity of fresh ideas and applications, of new participants, of suitable levels and types of partnerships, and of adequate and rewarding patterns of communication—an agenda for consensus between tourism and culture will remain distant.” Tai O, “the Venice of Hong Kong,” is a case in point.

The conflicts between the Government’s objective of developing Tai O into a tourist attraction and local community’s aspiration of conserving its precious social capital and social network had led local residents to criticise the Government’s original draft recommended a revitalization strategy as “too commercial,” a strategy that would turn Tai O into a village without spirit and local ways of life (Ng et. Al., 2001). The
draft strategy recommended the tearing down of two thirds of Tai O’s stilted houses to make way for anchorage for boats, an entrance plaza and a folk museum (Reuters, 2000). The villagers will be removed and the structures will be replaced by new stilted forms found in Malaysia and Myanmar for commercial and tourist uses (Ng et. Al., 2001, p.70).

Because of the strong reactions of local communities and interested bodies, the Government announced the following key changes:

- The stilted structure areas should be retained and upgraded as they constitute a unique and important component of the fishing village character of Tai O;
- Filling of existing wetlands to the south of Tai O Road is not supported;
- Additional community facilities should be provided in view of the remote location and special demographic profile;
- Location of the proposed helipad should be reviewed;
- Transport facilities to the area should be improved; and
- The requirement for the Sheltered Boat Anchorage (SBA) should be reviewed (Planning Department, 2002).

The new strategy seeks “to rejuvenate the fishing village of Tai O with its unique heritage and character. It seeks to sustain the community of
Tai O and the cultural heritage, natural environment and local economy of the place” (Op cit., 2002). This case illustrates that although the commodification of culture had first led to conflicts between the industry and the local communities, the same process helped involved parties to learn more about cultural and heritage conservation in the course of place promotion and marketing.
Concluding Remarks

The cultural turn of the tourism industry in Hong Kong has coincided with intensified economic restructuring in the city. It is also a time when the fledgling civil society trying various ways to learn to govern itself. Different sectors are seeking ways to rejuvenate the local economy and reinvent the city’s heritage and historical past to lure tourists. The commodification of culture has met little resistance in local urban communities, as people in Hong Kong are pragmatic in nature. Everyone is seeking new ways to create employment and revitalize the economy. The results of the building of a cultural supermarket remain to be seen. However, the process has led different stakeholders in various districts to review their historical roots and cultural capital. The cultural gold mine, after a long dormant period, is now under active mining. The “Pearl of the Orient” is once again being uncovered and beneath the Hong Kong Tourism Board’s slogan of the “City of Life” is for the first time in the city’s history, a real attempt to find out the cultural heritage of individual districts and answer Lynch’s (1972) question of “what time is this place?”
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CHAPTER 6

Rejuvenating Shanghai’s Cosmopolitan Culture: Municipal Strategies and the Transformation of the Built Environment

Weiping Wu

Early in the 20th century cultural activities associated with a modern industrial society made their appearance in Shanghai. While determined by economic forces, the formation of Shanghai’s urban culture at the time involved the growth of both socioeconomic institutions and new forms of cultural activities in modern literature, print media, cinema, and theater. The city also obtained a kind of sophistication with a strong merchant character and commerce serving as the primary motor of society. In effect, Shanghai was regarded as the epicenter of modern China’s commercial culture and gained the name of Haipai culture (the Shanghai school). Its built environment and urban space offered a powerful manifestation of this commercial culture.

With a contrast of old and new, elite and ordinary, and Chinese and Western, urban culture in Shanghai was decisively cosmopolitan. To a large extent, this stemmed from a local tradition of easy acceptance to outsiders, which formed as the city opened its door to foreigners and a great variety of
migrants from other parts of China. 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). Scholars have argued that it was precisely due to this heterodoxy that Shanghai rose above a country of vast conservatism and became a great, modern city (Lu 1999a and Lee 1999).

After 1949, however, the city experienced more than thirty years of neglect and disinvestment. Tightly controlled by the central government, Shanghai was the single largest contributor to the country's revenue and served as a major pillar of the planned economy (Wu 1999). Despite its growing population, Shanghai was not able to upgrade its infrastructure and 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, after more than three decades of cultural drought, Shanghai’s reserve of cultural heritages is still significant. Most apparent among them is the array of physical attributes, including the Bund, architectural landmarks, and streetscapes in the former concession areas. As the country gradually opens up to the world and undergoes market reforms, Shanghai is renewing its cosmopolitan reputation and transforming its physical environment. Cultural strategies have become an integral part of the modernization drive. Shanghai has launched, to recreate a sense of place and to put the city back on the map of great world cities.

With a permanent population of more than 13 million and land area of 6,340 square kilometers in the metropolitan area, Shanghai is the second largest city in China (see Table 6.1). With a GDP of $49 billion, it has a per

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1 This population figure includes only registered permanent residents. An estimated number of 3 million temporary migrants, mostly from rural China, also reside in
capita income of $4,163 (current dollars in 2000), 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 of Shanghai’s special administrative status—consists of 17 urban districts (10 of them are located in the central city) and 3 suburban counties. This paper intends to study the changing cultural map of Shanghai through exploring its historical undercurrent, commercial nature, and urban space. 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 current municipal strategies to rejuvenate this cosmopolitan culture? (3) In particular, how are the built environment and urban space reshaped to facilitate the revival of Shanghai’s commercial culture? To conclude, the paper explores the city’s need to create a more conducive cultural climate to artistic innovation.

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 measured by metropolitan population in China.
Table 6.1  Indicators for Shanghai, 2000

<table>
<thead>
<tr>
<th>Resident population (millions)</th>
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<tbody>
<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>
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<tr>
<td>1970</td>
<td>10.73</td>
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<tr>
<td>1980</td>
<td>11.47</td>
</tr>
<tr>
<td>1990</td>
<td>12.83</td>
</tr>
<tr>
<td>2000</td>
<td>13.22</td>
</tr>
</tbody>
</table>

| Population density (persons/square kilometer) | 2,084 |
| Annual natural growth rate (%)                | -1.9  |
| Per capita income (US$)                       | 4,163 |
| Annual economic growth rate (%)               | 9.5   |
| Unemployment (%)                              | 3.5   |
| Infant mortality (per thousand)               | 5.05  |

Sources: Shanghai Statistics Bureau (2001); Yiren Zhou, A Study of Population Change in Old Shanghai (jiu shanghai renkou bianqian de yanjiu) (Shanghai: People’s Press, 1980).

Cultural strategies in an era of globalization

Scholars point to the rising importance of the cultural economy for cities in the era of globalization. There seems to be a convergence of cultural and economic development as the “real of human culture as a whole is increasingly subject to commodification” (Scott 1997, p. 323). Local culture helps shape the nature of many urban economic activities and economic development becomes a dynamic element of a place’s culture-generating capacity. As a result, the study of a city’s cultural economy may target particular sectors of production, or cultural industries. The core of these
industries includes a number of creative endeavors producing cultural products: music, motion pictures, television, art, design, books, new media, and architecture (Gibson and others 2001, Power 2002).

Cultural strategies adopted by many cities around the world, particularly in the United Kingdom since the early 1980s, have embraced more issues than a singular focus on cultural industries. Often, the arts are incorporated into urban redevelopment. Bassett (cited in Murphy 1999) identifies seven themes in these strategies: opening cultural institutions to wider public involvement, expending support for community arts, building infrastructure for cultural production, supporting new technology sectors central to popular culture, promoting flagship projects, promoting high profile events, and investing in public art and reviving public spaces. It is my belief, therefore, that cultural development of a city entails the creation of cultural institutions, the formation of new cultural activities, the transformation of urban space as cultural media, and the growth of cultural industries.

There are at least three different types of cultural strategies, depending on the major intervention targets (Kim 2001). People-oriented strategies emphasize human development, focusing on either principal producers of arts or cultural consumers. Cultural subsidies and funding for artistic activities can target producers, while cultural classes and workshops serve local consumers directly. Product-oriented strategies emphasize the industrial networks and institutions through which cultural workers are mobilized. They very much resemble industrial policies used in other sectors to encourage agglomeration, increase worker skills, and cultivate a productive social environment. Place-oriented strategies aim at attracting capital investment and enticing tourists. They often involve infrastructure and property development, the promotion of cultural events, and the building
of cultural institutions (e.g. museums, theaters, libraries). The actual implementation of these three types of strategies can and often do overlap one another.

Cultural policy and strategies have been pursued with a growing pace by many cities, which often combine different types of strategies. To make a successful cultural policy, some conditions need to be met (Watson 2001). First is the championship by local officials, particularly those at the senior level. Second, there needs to be sufficient investment and revenue for new capital projects. Third, a coherent government structure needs to be in place to support cultural and creative industries. Last, a regulatory structure should ensure that policies are carried through and implemented properly.

Many global cities have capitalized the commercial value of cultural creativity. Several types of function are commonly associated with such cities. They 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, as an aspirant, is no exception and has followed a similar path in preparing the city’s pathway to a global city.

**Historical trajectory – commercial culture and urban space in Shanghai**

Shanghainese in the early 20th century were viewed as the most cosmopolitan people of China (Lu 1999a). They were linked with a kind of sophistication obtained only by living in a complex city with a strong merchant character. The incursion of western mercantilism into this semi-
The colonial city and the establishment of China’s first modern institutions of higher learning helped make 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 Asian city from that period could “match Shanghai’s cosmopolitan and sophisticated reputation” (Yeung 1996, p.2).

Shanghai’s modern culture showed a hybrid, commercial nature from the start. By instituting an education designed to promote the nation’s cultural essence with foreign means, the new cultural and educational institutions straddled between conservative ideology of nationalism and pragmatic values of commercial culture. This also reflected the simultaneous rise of political parties and commercial elites at the time (Yeh 1990). The construction of a commercial culture in Shanghai, some argues, marked the beginning of a modern era (Cochran 1999). Consequently, Shanghai culture or Haipai was regarded as “just the helper of commerce” in contrast to the more rigid, official Beijing culture (Lu 1999b).

This hybrid culture and liberal tradition were in part attributable to the city’s 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. Shanghai also offered artists the most stimulating environment in China to pursue their work. 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 1999a).

Sino-Western contact had in no small way shaped modern Shanghai and its commercial culture, in spite of the academic debate on whether foreign influence was decisive in the creation of this commercial culture during the
earlier 20th century. Western imports punctuated the city’s history of commercial development, while local adaptations gave them unique Shanghai style. Some scholars further argue that Western material and commercial culture had a greater impact on transforming China than political and military interventions (Chan 1999, Cochran 1999). The typical response of Shanghai natives to material aspects of Western modernity followed “the pattern of shock, wonder, admiration, and imitation” (Lee 1999, p.6). For many Chinese, Shanghai meant not only openness but also access to Western ideas.

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 100 financial institutions in neoclassical and Art Deco buildings (see Figure 6.1). As the center of colonial power and finance, it blended the older British styles and subsequent, new American construction techniques. 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 (Shanghai arguably has more Art Deco buildings than any other city in the world. See Streshinsky 2000). A new height of urban development was achieved in the 1930s with the construction of more skyscrapers. Every country and every style was represented somewhere in Shanghai.

Immediately to the west of the Bund was the commercial center of the city—Nanjing Road, Shanghai’s equivalent of New York’s Fifth Avenue and later the number one street of China. In the early 20th century it witnessed the birth of department stores and other modern shops that introduced Chinese not only to new forms of consumption but also to Western ideas and trends. The rapid growth of this two-mile commercial core occurred after the introduction of Shanghai’s first trolleys (see Figure
6.2) and the area really took off after two department stores opened around 1918.

**Figure 6.1** The Pre-1949 Bund

![Image of the Pre-1949 Bund](image)

*Source: Zuan Zheng, One Hundred Years of Shanghai (Shanghai: Xuelin Press, 1999).*

By around 1920, Nanjing Road had become China’s shopping mecca, with more than 300 commercial establishments (Chan 1999). In the next decade or two, through promoting the idea of acquiring and consuming material goods, Nanjing Road’s retail merchants helped creating and consolidating a new commercial culture for Shanghai.

**Figure 6.2** Nanjing Road in the 1930s

![Image of Nanjing Road in the 1930s](image)

*Source: Cochran (1999).*
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 1999a). 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.

Other new forms of urban space came into being with this commercial culture and under Western influence, including cinemas, coffeehouses, theaters, dance halls, parks and racecourse (Lee 1999 and Lu 1999a). 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 modern, secular culture, which stood for adaptability, popularity, and modernity. Specifically, the city embodied modern China’s commercial culture. The confluence of art and commerce in combination with the introduction of new art forms not only provided new creative outlets for artists and intellectuals, it also created jobs (Yatsko 2001). Commerce and commercial culture were no doubt intertwined, and commerce served as the primary motor of society. Consequently, 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 (Lu 1999b).

**New Shanghai’s cultural strategies**

For several years now, Shanghai has been proclaiming its intention to become an international cultural center, as part of its plan to become an international metropolis of the 21st century (Melvin 2001). The nostalgia for its past economic and cultural glory has been renewed with vengeance, coupled with the ambition to revitalize a cosmopolitan reputation that Shanghai acquired in its early 20th century golden age and had since lost.

Cultural strategies are an integral part of the city’s modernization drive and a blend of product- and place-oriented approaches. Among them, the key approaches include the creation of new cultural venues, organization of cultural events, attraction of international investment, development of cultural industries, and the transformation of the built environment to revive the once-thriving commercial culture. Underlying the different approaches adopted by the city is the municipality’s strong commitment to cultural regeneration by increasing investment and restructuring institutions.

*Creating the hardware and venues of culture*

In a manner typical of socialist cities, Shanghai’s cultural renaissance begins with the building of big buildings and organization of big projects. Compared to the annual amount of 1 billion yuan (about $121 million) during 1990-1995, the annual investment in cultural infrastructure doubled between 1996 and 2000 (Yin 2000). 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; “Art Rivalry,” *Time International*, 10 April 2000).

The creation of new cultural venues is a major showcase of the city’s drive to become not only the best in China but also to compete to be among the best in the world. The new Shanghai museum is now considered the finest museum of Chinese art in the world. Every major school of Chinese art is shown with style and clarity (Yatsko 2001). The new grand theater has put Shanghai on the international cultural map, making it more likely that world-class troupes will perform here. But at present it often plays half-empty for the lack of interesting programming.

Hosting national, regional, and international cultural events has become an important instrument for the city to increase its visibility and influence. The Shanghai government during the 1990s organized at least one international cultural festival, spotlighting painting, performing arts, movies, fashion, or television (Yatsko 2001). For instance, in 1998 when Shanghai held its seventh Television Festival (launched in 1986), more than 34 countries and regions participated with close to 900 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).

Since the early 1990s, Shanghai 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 advertising 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 the 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.

Developing cultural industries

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 (see Table 2, and 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 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.

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 share-holding companies with state, collective, and private partners.

### Table 6.2 Overview of Shanghai’s Cultural Industries, 1996-98

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total output (¥1,000,000,000)</td>
<td>28.18</td>
<td>35.32</td>
<td>37.86</td>
</tr>
<tr>
<td>Value added (¥1,000,000,000)</td>
<td>12.31</td>
<td>14.88</td>
<td>15.90</td>
</tr>
<tr>
<td>Cultural output(%)</td>
<td>43.7</td>
<td>42.4</td>
<td>42.0</td>
</tr>
<tr>
<td>Growth rate(%)</td>
<td>17.7</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>Municipal GDP(%)</td>
<td>4.2</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Wages value-added(%)</td>
<td>61.2</td>
<td>63.9</td>
<td>64.8</td>
</tr>
</tbody>
</table>

| Breakdown of value-added(%)    | 100.0    | 100.0    | 100.0    |
| Cultural manufacturing         | 25.8     | 28.0     | 22.8     |
| Cultural retailing             | 9.9      | 8.0      | 8.2      |
| Cultural services              | 64.3     | 64.0     | 69.0     |

*Source: Yin (2001).*
In contrast to other major Chinese urban centers, Shanghai’s recent cultural development shows some unique characteristics in its institutional structure. 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 the 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 it needs to nurture an internationally competitive cultural economy by attracting investment and talent widely.

Shanghai’s cultural industries also face 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 in other industrial sectors. For such global cities as Paris and New York, the success of their cultural economies also has relied on global consumption.
Transforming the built environment for the revival of commercial culture

Since the late 1980s, Shanghai has been undergoing an accelerated process of urban development and reconstruction, thanks to investment from both the central government and foreign investors. The transformation of urban space embodies both reservation and creation. One of the first items on the city’s agenda is to revive and restore the mile-long Bund, along which about 250 buildings have recently been designated as historic (Streshinsky 2000). A special agency has been organized to help relocate government departments in the historic buildings. The old Shanghai Club, Cathay Hotel, Hong Kong and Shanghai Bank building, and other historic buildings of the early 20th century are being preserved. But Bund’s preservation really has less to do with restoring the buildings than it has done with widening the street and becoming a new tourist attraction (see Figure 6.3).

Figure 6.3 The Bund Today
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 the fully-pedestrianized Nanjing Road and connecting to the Bund (see Figure 6.4).

**Figure 6.4** The New Commercial Center on Nanjing Road

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. What Shanghai aims for is a CBD that can house a variety of business activities and, most importantly, financial and business services that are the backbone of other major world-class cities. After careful consideration, the city planners have selected Lujiazui, an area of 1.7 square kilometers on the east bank of the Huangpu River and within the Pudong New Area. The building of 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, and 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 6.5).

Figure 6.5 Shanghai’s New Central Business District in Pudong

These efforts are significant elements of Shanghai’s new commercialism that resounds clearly with the city’s commercial culture in the early 20th century. To many, this culture served as an expression of modernism in the past (Waara 1999) and may continue to distinguish Shanghai from other Chinese cities. 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). Its acceptance of other cultures, particularly Western
ones, still outpaces most other Chinese cities, helping the city quickly regain its reputation as a modern and dynamic city.

**Need for an conducive cultural climate**

In contrast to the substantial investment into the hardware of culture, little has been done in the way of supporting the arts and artists themselves. Art activities in the city are overseen by the Shanghai Cultural Bureau, which seemingly is still imposing censorship repressive even by Chinese standards (Napack 2001). For instance, until recently, official permits were rarely granted for rock concerts. There is also a de facto ban on covering alternative music in the local media, which operates under government auspices (Movius 2001). A fledgling artists’ community covering several blocks along the Suzhou creek, where old warehouse space has become home for artists and gallery owners, is being torn down to make way for a park and high-rise apartment buildings (Fackler 2002).

Unlike the capital city Beijing, where ministries overseeing cultural activities are perhaps more preoccupied with running the country, Shanghai cultural authorities keep a tight rein on the arts. They seem to play a more active guiding role than those in Beijing and local officials often use cultural institutions as vehicles for personal ego trips. The Bureau of Broadcasting, Film, and Television approves all documentaries and other film related activities. The Cultural Bureau reins over the performing arts, making sure to attend all rehearsals. As a result, there are fewer loopholes for artists to exploit and the city lacks the creative passions that fuel underground culture in Beijing (Esaki-Smith 2001).

By comparison, Beijing’s universities and art schools attract the rougher edges of Chinese culture. In particular, painters have taken
advantage of the looser political environment of the 1980s and formed artistic colonies in Beijing. Ironically, artists enjoy more freedom to create in the nation’s political center than in its cosmopolitan commercial hub (Yatsko 2001). This increasingly livelier creative atmosphere, coupled with a cheaper cost of living and more abundant foreign buyers, attracts even more artists to Beijing, generating a virtuous cycle. The congregation of talent ultimately makes it the country’s artistic heart. Shanghai can barely compete.

Shanghai’s lag behind Beijing in attracting a critical mass of artistic talent is partially attributable to the socialist legacy. After 1949, the central government has put the most important cultural institutions in the capital city and transferred considerable talent there from across the country (Yatsko 2001). During the reform era, Beijing also has greater opportunities for international cultural exchange and houses a larger foreign community that serves as a market for Chinese and modern art.

Shanghai, therefore, is still a long distance away from reasserting its cultural prominence and is not the center of artistic innovation in China despite progress in building cultural infrastructure. Cultural censorship dampens the climate for artistic creativity not only in more traditional fields but also in more progressive arts. The dwindling interests in traditional Chinese arts partially stem from the emerging youth culture in the city. The new generation is more captive to cultural trends outside of China, as shown in the growing popularity of hip pop music among Shanghai’s youth. But Shanghai is not leading the way in pop arts either. For instance, in the 1990s, the city did not produce bands, singers, or other pop icons that captured nation-wide reputation (Yatsko 2001).

Financing difficulties also may have cost the city the loss of artistic talent. As shown in Table 6.3, the number of employees in art institutions, as well as in institutions of mass culture, has declined steadily since 1996. For
instance, almost all theater companies are in financial crises and Chinese traditional theaters are having a particularly tough time. For many of them, the more performances they put on, the more money they lose. At the root of the problem is financing. Theater performances were often used as a means of socialist education during the “good old days” of the 1950s and 1960s when the popularity of theater was forced onto organized audiences (Jiang 1994). Today, these audiences are no longer there. Such financial woes are plaguing many art troupes, and both the numbers of their employees and audiences are on the decline (see Table 6.4).

Table 6.3 Cultural Institutions in Shanghai, 1990-2000

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>92</td>
<td>74</td>
<td>76</td>
<td>76</td>
<td>79</td>
<td>79</td>
<td>79</td>
</tr>
<tr>
<td>Historical preservation</td>
<td>18</td>
<td>23</td>
<td>24</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>Libraries</td>
<td>51</td>
<td>31</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Mass culture</td>
<td>407</td>
<td>332</td>
<td>348</td>
<td>352</td>
<td>355</td>
<td>349</td>
<td>340</td>
</tr>
<tr>
<td>Art education</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>31</td>
<td>54</td>
<td>46</td>
<td>32</td>
<td>61</td>
<td>60</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>602</td>
<td>517</td>
<td>529</td>
<td>519</td>
<td>554</td>
<td>547</td>
<td>527</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>6,011</td>
<td>4,532</td>
<td>4,815</td>
<td>4,574</td>
<td>4,557</td>
<td>4,270</td>
<td>4,223</td>
</tr>
<tr>
<td>Historical preservation</td>
<td>667</td>
<td>768</td>
<td>1,289</td>
<td>1,218</td>
<td>1,214</td>
<td>1,266</td>
<td>1,214</td>
</tr>
<tr>
<td>Libraries</td>
<td>1,609</td>
<td>1,686</td>
<td>1,768</td>
<td>2,288</td>
<td>2,364</td>
<td>2,377</td>
<td>2,513</td>
</tr>
<tr>
<td>Mass culture</td>
<td>2,574</td>
<td>2,612</td>
<td>4,389</td>
<td>4,144</td>
<td>4,316</td>
<td>4,119</td>
<td>3,874</td>
</tr>
<tr>
<td>Art education</td>
<td>353</td>
<td>370</td>
<td>376</td>
<td>393</td>
<td>400</td>
<td>416</td>
<td>458</td>
</tr>
<tr>
<td>Others</td>
<td>1,606</td>
<td>1,500</td>
<td>1,291</td>
<td>1,160</td>
<td>1,452</td>
<td>1,433</td>
<td>1,249</td>
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<tr>
<td>Total</td>
<td>12,820</td>
<td>11,468</td>
<td>13,928</td>
<td>13,777</td>
<td>14,303</td>
<td>13,881</td>
<td>13,531</td>
</tr>
</tbody>
</table>

Source: Shanghai Statistical Bureau (2001).
Conclusion

The modernization program Shanghai has embarked on involves rejuvenating a vibrant cosmopolitan culture. Cultural development is now intrinsically linked with commercialism, particularly for the young generation. As Shanghai’s cultural institutions and 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. Even some city officials recognize that Shanghai’s progress is all about commercialism and have little to do with history. Cultural diversity also may have steadily deteriorated over time as early migrants have assimilated into the local culture and the new generation of urbanites is no longer tolerant of millions of recent migrants.

Table 6.4  Art Troupes and Performances in Shanghai, 1950-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Troupes</th>
<th>Employees</th>
<th>Performances by troupes</th>
<th>Performance venues</th>
<th>Number of shows at venues</th>
<th>Spectators (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>209</td>
<td>53,360</td>
<td>24,190</td>
</tr>
<tr>
<td>1955</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>170</td>
<td>83,363</td>
<td>34,850</td>
</tr>
<tr>
<td>1960</td>
<td>77</td>
<td>-</td>
<td>65,913</td>
<td>89</td>
<td>42,622</td>
<td>37,050</td>
</tr>
<tr>
<td>1963</td>
<td>75</td>
<td>-</td>
<td>101,233</td>
<td>84</td>
<td>36,368</td>
<td>34,760</td>
</tr>
<tr>
<td>1970</td>
<td>15</td>
<td>-</td>
<td>458</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1975</td>
<td>10</td>
<td>-</td>
<td>4,034</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1978</td>
<td>17</td>
<td>4,245</td>
<td>6,637</td>
<td>31</td>
<td>3,636</td>
<td>6,180</td>
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<tr>
<td>1980</td>
<td>48</td>
<td>6,111</td>
<td>49,383</td>
<td>47</td>
<td>11,585</td>
<td>9,640</td>
</tr>
<tr>
<td>1985</td>
<td>44</td>
<td>5,606</td>
<td>34,353</td>
<td>52</td>
<td>9,157</td>
<td>7,080</td>
</tr>
<tr>
<td>1990</td>
<td>36</td>
<td>4,216</td>
<td>21,259</td>
<td>49</td>
<td>6,477</td>
<td>4,590</td>
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<tr>
<td>1995</td>
<td>31</td>
<td>3,156</td>
<td>10,228</td>
<td>43</td>
<td>6,369</td>
<td>2,860</td>
</tr>
<tr>
<td>2000</td>
<td>29</td>
<td>2,713</td>
<td>13,016</td>
<td>44</td>
<td>4,847</td>
<td>2,620</td>
</tr>
</tbody>
</table>

To truly rejuvenate the cosmopolitan culture so prided by Shanghai natives in the earlier 20th century, the city faces a daunting task of blending the Chinese and the Western to create a new, unique identity and evolving beyond the commercial market dictated by non-Chinese tastes. Shanghai’s reign as China’s financial and commercial center, nevertheless, bodes well for the funding of cultural activities. For instance, much of the cash flow for the arts has come from a leading Shanghai businessman. With money to import top stars, Shanghai may have the potential to be an international arts capital as it boasts the functioning modern cultural production sector, the supporting networks and the necessary fund of skills. Also promising are the city’s efforts to host cultural festivals and attract foreign names. But Shanghai must overcome its bureaucracy’s drastic control over creativity and its difficulties in retaining domestic talent.
References


Pott, Francis Lister Hawks. 1928. *A Short History of Shanghai*. Shanghai: Kelly and Walsh, Ltd.


CHAPTER 7

Cultural planning, Media and Transnational labor in Taipei City

Lucie Cheng

Introduction

Scholars of international migration are increasingly challenged by accelerated globalization during the last decade. Received concepts of immigration and emigration that underlie theories of the field are no longer able to explain emerging patterns of population flow. Changes in the number and frequency of people who move across state border, the number of states involved in the flow, and the complexity of migrant composition are obvious. Less obvious but more significant are changes in the relations between migrants, the states and local societies involved, and the global capitalist economy, as well as between migrants, new supra-state organizations and an emerging transnational society.

As more people all over the world become more mobile and economic and social networks span across national lines, countries find themselves under pressure to reevaluate their state-building ideology and policies of incorporation. Instead of either exclusion (ideology that guided
state formation of China, Japan, Korea, and Germany, for example) or assimilation (more inclusive ideology that guided, though not without limitations, state formation of the United States, Canada, and Australia), multiculturalism has emerged as the preferred ideology of state-building, and policies with the explicit purpose of incorporating diverse peoples become more acceptable (Table 7.1). Politically, this new orientation is manifested in changes already in effect or being proposed concerning citizenship eligibility and even the definition of citizenship itself (Cheng 2002). More germane to this workshop are the changes in cultural planning, cultural industry, and cultural philanthropy and their mutual relations. My paper will explore these issues as they play out in Taiwan by analyzing the self/other representations of migrant labor.

**Migrant (Foreign) Labor in Taiwan**

Since the mid-1990s, foreign labor in Taiwan has become a permanent rather than a transitory presence (Cheng 2002). Depending on their race, country of origin and class status, transnational migrant workers are treated quite differently both in law and in society. An overwhelming number of the foreign labor force consists of unskilled or semi-skilled workers from Southeast Asian countries such as Indonesia, the Philippines, and Thailand (Table 7.2). Mainstream media in Taiwan have, with few exceptions portrayed them in two polar stereotypes: as culturally backward and belligerent people and a social problem; or as hard-working, docile and contented workers. Local residents also differentiate among the national groups in stereotypic terms such as: “obedient Indonesian servant” versus “calculating Filipino domestic.” Recently, the Taipei City government has sponsored a series of cultural performances with the explicit purpose of
“making the foreign workers feel at home.” With the appointment of a long time labor activist as the City’s Labor Bureau chief, more cultural activities were staged, including a foreign labor poetry contest. Although mainstream media gave little attention to these efforts, the City’s own public relations mechanisms and alternative media heralded them. The latter are providing Taiwan people with a different view of foreign workers, focusing directly on their self-presentation through music, art, poetry, literature and, last but not least, talk. To understand the emergence of the “authentic” voices of foreign labor, it is necessary to view this process within the context of transnational labor migration, a state-building ideology privileging multiculturalism, and an evolving global economy that gives rise to the nascent cultural industry of alternative media.

**Migrant Identity: Differentiating “Us” from “Them”**

“Sojourner” and “settler” are bipolar concepts that sociologists have developed to represent migrant identity. But these are not static concepts and need to be historicized in at least two senses. One relates to the processual character of the concepts. Rather than being a state of orientation, sojourning and settling are processes. One’s intention to sojourn or to settle is always subject to change, and is not predetermined as a permanent or fixed identity. An exclusive state building ideology, racism, economic deprivation, and so forth may transform a migrant’s identity. Another sense of historicization relates to the context within which these concepts evolve. Whereas previously a migrant was either a sojourner or a settler at any moment, in the current global system, these concepts are no longer just opposites of a continuum, but may overlap. The meaning of sojourner or settler changes as state-building ideology changes
from uni-cultural (such as assimilative or exclusive) to one privileging multiculturalism or multi-nationalism. Some migrants today may see themselves as transnationalists who are simultaneously anchored in more than one country.

In contrast with migrant workers to the United States, Canada and Australia, foreign workers going to countries that hold a more exclusive ideology such as Germany, Japan, and Taiwan do not anticipate to belong, thus identify themselves as sojourners rather than settlers or potential settlers. Therefore, while migrant workers to the more inclusive societies tend to struggle for citizenship, those to the other more exclusive countries are more focused on gaining either local social/political rights or more broadly, human rights or human dignity. Discussions over a redefinition of citizenship that has either a narrower or a broader locus than the national are indications of this concern.

When Filipinos, Indonesians and Thais come to work in Taiwan, they see themselves and are seen by resident “others” as sojourning outsiders, rather than potential insiders. How is their individual national identity mediated through migration? How do local cultural industries represent these identities? How do the central and local levels of the state, under a publicly proclaimed new state-building ideology of multiculturalism, deal with their presence in cultural planning?

How does a migrant worker form her/his identity? Following Weber, Simmel, and Bourdieu, I view identity as embedded in social interaction and in the social realities in terms of which people act (Jenkins 1996). Any identity involves the process of boundary drawing, and thus a differentiation between “us” and “them.” Sociologists nowadays see identities as multiple, overlapping, and to a certain extent situational. Viewed in this perspective, there are two issues that need to be discussed regarding migrant identity.
First, migrant workers as a group must see themselves as similar to each other and as different from those who are not. This issue is more complex than meets the eye. The identity of migrant worker does not begin or end with the worker’s stay abroad, but extends before and after in time and space. The intention to work in a foreign country and the preparations one makes for that often take form way before the actual departure, and may even be part of a family or territorial “heritage” as shown in chain migration in many villages around the world. It is also evident that the migrant worker identity survives long after the work is terminated. The formation of qiaoxiang (communities with a large number of natives overseas) in China is an example. Giddens’ (1984) time-space distanciation or Harvey’s (1989) concept of time-space compression may be illuminating especially when “migrant worker is no longer a temporary status within a designated space but rather an enduring mode of adaptation in globalization.

Migrant workers are certainly not a homogeneous group. They differ among themselves at least in nationality, gender, ethnicity, class, and occupation, and each is in itself a source of social identity. Thus, the similarity among migrant workers is constructed vis-à-vis their difference from non-migrant workers, and from local employers of migrant workers. Here we have a conflation of nationality, ethnicity and class. The former is a differentiation within class, whereas the latter involves both class and nationality differentiations.

Second, as identity is embedded in social interaction, and constructed through a process of boundary drawing by recognizing similarities and differences, the sources that inform this process are critical. Both form and content of the sources are important. A typical list would include: face-to-face interaction, participatory and non-participatory
observation, and various mass media.

Language is of course the major problem in communication among different national groups of migrant workers and between migrant workers and their others. Knowledge and fluency of our and “their” languages greatly circumscribe the quantity and quality of interaction, and are usually regarded as the most significant factor in identity formation. Language serves to distinguish and differentiate between us and “them. Radio broadcasts, television programs, newspapers and other printed media, and even e-mail and internet communication in the vernacular languages are primary indicators and sources of group identity.

To understand migrant identity formation it is therefore necessary to examine the actual interactions that take place among the migrant workers and between them and us. This examination entails discovering not only how migrant workers see themselves and their others, but how they understand how others see them.

Perhaps the most significant resource for understanding the self-presentation of migrant workers is their own words, spoken without the prompting of an interviewer or the structure provided by others. I am not talking about utterances in private isolation, but in interaction with targeted person(s). Two kinds of targets are differentiated: presumed in-group members or other migrant workers, and people who are not migrant workers. The former may be further differentiated between those sharing the same nationality and those who do not; the latter may also be divided into employers and native workers. Actually employers of migrant workers and employers of non-migrant workers can be expected to have different views on migrant workers. But since employers of non-migrant workers rarely
come into contact with migrant workers, they are not important in terms of the identity formation of the migrants. Therefore, I have excluded them in my discussion below.

**Observations**

**Case 1:** Walking down the street in Wenshan, I came across a group of five Filipina-looking women in their late twenties or early thirties. They were laughing and talking vigorously, pointing to buildings along the way. Spotting me, one of them came forward holding out a camera. She asked in English if I would take a picture of them. “We want to have a photo in front of this (pointing to the six-storied building with a small pond in front).” Why? I asked. Oh, just to show our families that we are happy here. Are you? They looked at each other and laughed: “Only when we have a holiday and can be with people like ourselves. We came from the same place, you know. Do you know the Illocos? Maybe not, that’s in the Philippines, where we came from. We can see that you are different from us, and we know that you don’t know much about us--workers from Illocos, Philippines.

**Case 2:** Linda is a 30-year old Filipina taking care of a bedridden old man and his working wife. She is the assistant of a live-in Taiwanese nurse in her fifties. When I met her at the garbage collection site she had already been here almost two years. She is one of about four Filipino domestic workers in the neighborhood, and clearly the most sociable. Children seemed to know her well, and you could hear them calling out: Linda, Linda, 来跟我們玩！(come play with us) They ran after each other. The mothers told me that Linda is 孩子王 (Queen of children), adding in a
Both you and I know that we know I am a sojourner here for a specific purpose. While I am here I participate in the community life, and the situation is good enough so that I will, following your rules (a foreign worker could only be employed for two years at one time), go home and come back until I fulfill my purpose.

Foreign Labor, Multiculturalism and Cultural Planning

Officials of various levels of the Taiwan state have proclaimed that cultural diversity is the best and the most desirable characterization of Taiwan. The co-existence of multiple cultures is now proudly pointed out in public relations literature, and a large number of cultural policies designed explicitly to promote “multiculturalism” have been announced. Schools are now required to teach children their mother tongues even though they may no longer know these. In addition to the national language, Mandarin or guoyu, languages of major ethnic groups Taiwanese or Minnan, Kejia (HAKKA) and those of certain aboriginal groups are mandated. This new requirement is stalled by a serious shortage of qualified teachers, especially in aboriginal languages. Since not even members of the same tribes communicate among themselves in their native tongue, the project has been criticized as chauvinistic, wasteful, and unrealistic. Furthermore, since no school is contemplating to offer Vietnamese and Indonesian, the mother tongues of many children of mixed parentage, nor are there any adult classes in the languages of most foreign workers, some critics claim that the policy
is politically motivated to win votes rather than a genuine concern for minority culture.

The ideology of multiculturalism adopted in the current state-building project of Taiwan is not intended to be all inclusive. It applies only to “us” and not to “them.” The obvious exclusion of cultures of migrant workers and “foreign brides” challenges the state’s proclaimed commitment to multiculturalism.

Recent government sponsorship of cultural activities of migrant workers may be seen as one response to this challenge. Cities with a large number of foreign workers have put on dance and music performances of Thai, Indonesian, and Filipino cultures. These performances are designed to “lessen the homesickness of the Thai (etc.) workers, increase the harmony and cultural understanding between the foreign employees and their Taiwan employers” (United Daily News, May 5, 2002). Mainstream newspapers typically end their reports with comments like “the foreign workers enjoyed playing their own games and eating their own food, and were as happy as they were in their own homelands.” (United Daily News, May 5, 2002).

Organized cultural activities of foreign workers are most visible in the city of Taipei. Partly because of their concentration, but the appointment of a progressive labor activist to head the City’s Labor Bureau is more likely the reason. The activities are typically planned and executed by non-profit, often church connected, organizations with financial supplement from the state. Most of these take place during major holidays of the different national groups. Since religious affiliations of groups differ--Indonesians are mostly Muslims, the Thais are Buddhists, and the Filipinos are Christians--the holidays, place of occurrence, contents and format of cultural activities also differ. The City, under its own auspices runs annual “Cultural Festivals” that focus on individual national groups at public parks. Attendance consists
mostly of foreign workers of the particular group, elderly local residents and children, followed by a few employers. More employers of Indonesian domestic workers than Filipino ones show up at their respective festivals. These activities often draw tourists, and white-collar Black and white foreign workers. Performers include some migrant workers but generally are popular groups invited from the migrant workers’ homeland. Last year (2001) at the Indonesian Cultural Festival, 26 Indonesian women workers put on a fashion show displaying the traditional wear of the 26 provinces. Audience response was unusually enthusiastic. When asked why local people tend to respond more enthusiastically to Indonesian performances, many Indonesian workers say it is because most of them are of Chinese ancestry even though they no longer speak Chinese. Some sort of cultural affinity seems assumed.

The City and some NGOs intentionally promote cross-national interaction by staging cultural activities for all groups of migrant workers together in one place for an extended period. Often labeled as “Foreign Labor Cultural Week,” national dances, music and other forms of performing arts of different groups are paraded on stage. Organizers and observers claim that success is very limited. “When Filipino workers were reciting their poems, others were talking away.” Generally members of the same national group tended to stay together. At the persistent urging of the organizers, Filipinos were often observed to act more actively in mingling with others, and the Thais were singled out by observers as the most timid in these mixed-group parties.

With the increase of foreign workers, a host of commercial establishments mushroomed to meet their cultural, not to mention physical needs. Stores usually operate targeting a specific national group. They sell newspapers, books, magazines, and CDs from the group’s home country and are patronized only by workers from that country. However, aside from
consuming homeland cultural products, migrant workers produce their own cultural products yet to be commoditized. They sing their own songs and recite their own poems in their own gatherings unstructured by “the other.”

The City of Taipei in 2001 organized the first poetry contest for foreign workers. A total of 216 entries in English, Indonesian, Tagalog, and Thai were received. The finalists, selected by those knowing the respective languages, were translated into Chinese. Five judges who did not know the three Southeast Asian languages then selected 16 winners. Among the 16, eight were Indonesians, seven were from the Philippines, one Vietnamese and one Thai. Table 7.3 gives their breakdown by national origin, gender and education. Since I have not obtained the personal data for all of the authors nor their poems, I have no way to ascertain how the winners might differ from those who lost in the contest.

The winning poems, 17 altogether, appear in a little book called Taipei, Listen to Me 台北，請聽我說！ published by the City’s Labor Bureau (台北市政府勞工局 2002). I am told that more than 1,000 entries have been submitted to the 2002 contest at the Foreign Labor Information Center. I excerpt several poems to illustrate the over-riding themes of sojournning, outsider, homesickness, etc., themes found in other immigrant literature such as Chinese American poetry in the late 19th and early 20th centuries (Hom 1987).

The grand prize was given to a 27 year-old female Indonesian caregiver. A graduate of junior high school, she worked at a shoe factory before marriage. When her child was three-years old, she went to work for a Taiwanese entrepreneur as a domestic. She left her two children in Indonesia. Her winning entry Lakon Hidup (Life is a Play人生劇) uses the image of a cloth doll to stand for life and migrant worker. The author says: “For me, writing poetry is a form of communication, and a way to express my
thoughts and feelings. It has become a routine in my daily life. When I am feeling low or when I miss my family, I always pick up the pen and write poetry to express what lies in my heart. —Lakon Hidup, translated from Indonesian (台北市勞工局 2002).

While Lakon Hidup conveys a sense of helplessness, the following poem by a 26-year old, college educated Filipina domestic is more proactive, and explicitly recognizes the similarity among foreign domestic workers and their difference with Taiwanese employers. When asked about her writing, she responded: I write as a result of pressures of making a living and disappointment. Actually what I want is very simple, an occasional day off to relieve some stress. But my employer would not let me take a day off. Now I hope through this poem, people in Taiwan can understand the living condition, feelings and loneliness of a foreign worker.”

**Migrant’s Cry**

God is the master of our destiny;  
He has a perfect plan for you and me  
But unfortunately, I did it my way,  
A silly human thing I should say.  
I step on my plight arrogantly;  
Self-directed escapades  
Of a hardheaded like me.  
Signing paying my own penalty, which is  
Behind bars for not less than 365 days,  
Isn’t it crazy?

Forced to be heavily indebted  
rather than free,  
For a mere desire to escape from poverty.  
But why? Oh, why?  
I’m poorer than I used to be,  
In the hands of a treacherous enemy,  
A broker to emphasize it clearly!
Final verdict comes guilty,
Which officially directed me
to cell 1st F, 39-B
Shared with an inmate,
my helpless ward indeed,
That often receives a visit
even in my time of sleep.

In my lonely cell, it’s lifeless undeniably.
Language unspoken, no phones from family
Privacy invaded,
sound of silence is what was heard.
Depression, anxiety and fears made my life
disappear at alarming rate.

I cried desperately,
set me free! Set me free, to the outside world
where I used to be.
Waves of sorrow overwhelmed me,
Why giving free day is too difficult for thee!
I believe, day-off is a basic need,
Not just for you
But also for migrant workers like me.
Shedding tears and praying alleviates
My misery, thanks to God,
He is always there for me
To all the migrants like me, value every
Single penny of hard earned salary.
Bring something for the survival and
Advancement of the family
Not just fancy clothing, jewelry and other
Materials for life’s luxury.
An attitude that will prompt you again to
further slavery.

For migration is nothing but a harsh reality;
Broken family, loneliness,
Pain and uncertainty.
Contract violation, exploitation
And abuse is too much for a cost
Can’t you see?
Island of Taiwan, listen to my cry and plea;
Respect my human rights and dignity.
I also contributed to your prosperity,
Why is treating me fairly impossible for thee?
I hope to have an opportunity to compare the winning entries with others
submitted. I also hope to compare the 2001 entries with those received in the
2002 contest.

The use of poetry, even in one’s own native language, to present
oneself to the “others” is obviously not available to every migrant worker.
Among those who do use poetry, the contest probably represents only a few.
Themes found in migrant literature in other countries such as imperialism,
colonialism, racism, sexism, and capitalism are not found in the winning
poems. Five alternative explanations, some not mutually exclusive, are (1)
migrant workers to Taiwan do not read their conditions in these terms so
none is out there; (2) migrant workers do not wish to present themselves in
these terms; (3) official sponsorship unintentionally precluded the
submission of such poems; (4) sponsors of the event and the judges selected
out those themes; (5) technical problems such as inadequate publicity
precluded wider participation.

The existence of writings by migrant workers in Taiwan that link
global capitalist exploitation to poverty and the search for work overseas
should eliminate the first explanation (Qiu 2002b). It seems fair to surmise
that some migrants do see their condition in the context of global dynamics
while others do not. Judging from the number of migrant workers in Taiwan
who join poetry clubs and read their poems to each other, it is clear that only
a small minority submitted anything to the City-sponsored contest. But there
are no data to show systematic self-exclusion.

Nine judges made their selections of the winning entries. Since they
did not know the languages in which the poems were written, a two-step
process was used. First, poems were translated by bilingual staff members of
the City’s Foreign Workers Counseling Center. After the judges made a first cut, potential winners were recited in the original language in front of the panel to give the judges a feel for the rhyme and rhythm of the poems. Among the nine judges, there is a well-known local poetess, a male columnist of a major newspaper, a male director of a progressive drama troupe, a male aboriginal poet, a female teacher, a senior female reporter of an English language newspaper, a visiting professor from a Bangkok university, a professor of Chinese literature at the Indonesian University, and a professor of Southeast Asian Studies in Taiwan. Printed comments from the judges indicate their empathy with the plight of the writers, and their surprise and delight at hearing the “authentic voices” of migrant workers. Jeng Tsuen-chyi, Director of the Labor Bureau claimed that he was shocked to find the high quality of the poems, and attributed this to the educational policy of these foreign countries that teach students to write poetry to express their inner emotions and feelings. It is the Director who tried to provide a common bond between the foreign workers and local resident labor: “Their poems have made me reflect on our own local laborers, such as, what means do they use to express their true feelings? What means do they have to express life? What life contents can they express? Like the migrant friends can they use poems to speak of the sweat and toil of their lives?” (Taipei City 2002, p.173). Jeng had organized a band with local laborers called “Black Nakasi” that performed their own songs, the most popular was one with the title “Prosperous Bullshit.” He had also organized composition contests of local laborers with titles such as “My working father,” “My working mother” and “My toiling career.” Organizing labor through culture has been a prominent characteristic of his work. It is not surprising to see him extend the cultural approach to deal with two current issues in migrant labor: the class solidarity of labor, and the ethnic prejudice of Taiwan society.
against foreign laborers. “Our negative impression of migrant workers as having low educational background, dirty, black, uncultured, etc. has to be changed. The contents of their poems bear witness to their superiority (sic) culture, art and their way of living. I hope reading their poems will help us to correct our wrong and biased impression of the migrant workers.” (p.175).

Taiwan media generally do not report the cultural expressions of foreign workers in terms similar to the ones represented by Director Jeng. It is in alternative media that the voices of migrant labor are typically heard. Pots, a weekly newspaper supported by the Shih Hsin University in Taipei provides an example. It published a series of reports on migrant poetry between April and May of 2002 (Issues 207, 208, and 209). According to its reporter, the acknowledged leader of the Samahang Makata –Taiwan (International Filipino Group of Writers in Taiwan), Jun, writes poetry that is infused with anti-colonial sentiments. He says in an interview, “The common principle of creative writing in Samahang Makata is: using poetry to express ourselves as overseas workers. Members of the group are self-conscious of their difference with their fellow workers in the Philippines, as well as with other workers in Taiwan (Qiu 2002b). The group has about 20-odd regular members and meets on every weekend to recite their poems to each other. From the SMT example, one can easily discover the multipresentation of art and its social effects. It breaks down the stereotypic roles that people hold for others, especially their views of foreign labor. Furthermore, their poetry provides a mirror for Taiwan society, clearly reflecting our increasingly ugly face on our road toward prosperity and globalization. (Qiu 2002a)

The Liberty Poetic Ladies is a group of women migrant workers from the Philippines who spend their only off-day per week sharing their poems with each other at the H.O.M.E. (House of the Migrants
Empowerment）台北市外勞文化中心. Compared with the SMT, this group is more socially conscious. Several are single mothers, and all are self-proclaimed feminists (Qiu 2002c).

The radio broadcasting programs, mostly underground or unregistered, in Indonesian, Tagalog, and Thai languages stand out as the most frequently cited sources of information and networking by migrant workers of those nationalities. Several members of the SMT and the LPL credit the 8pm Filipino program for keeping their sanity and for finding each other. Unlike most call-in programs in Taiwan that focus on political issues and society gossip, migrant poets and poetesses are called in and read their compositions on the air. They provide a valuable channel for the vanguard voices of foreign workers.

In conclusion, as state-building ideology changes from uniculturalism to multiculturalism, all institutional actors make adjustments in their work. The state, private business, and non-profit organizations must fulfill their functions, or justify their activities under different values. Many cultural programs organized by the state for foreign workers acquire legitimacy because they enrich the City’s cultural landscape and reflect the commitment to multiculturalism which is now valued. The utilitarian purpose of these programs may be to keep the foreign workers happy and to show residents that foreign labor does not have to be a problem. On the other hand, under the flag of multiculturalism, the voices of foreign labor have a legitimate claim on resources and thus can be heard not only by themselves, but by the “others” that they must face in their daily lives.
Table 7.1 International Migration, Migrant Rights and the State

<table>
<thead>
<tr>
<th>Migrant Identity</th>
<th>State-building ideology</th>
<th>Territoriality</th>
<th>Rights Claimed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign workers</td>
<td>Exclusion</td>
<td>Territorially-bound</td>
<td>Local(municipal,etc.)</td>
</tr>
<tr>
<td>Immigrants</td>
<td>Assimilation</td>
<td>Porous borders</td>
<td>Citizenship (national)</td>
</tr>
<tr>
<td>Transnationals</td>
<td>Multiculturalism</td>
<td>Borderless</td>
<td>Dual/Multiple Citizenship</td>
</tr>
<tr>
<td></td>
<td>Multinationalism</td>
<td></td>
<td>Human rights and dignity</td>
</tr>
</tbody>
</table>

Table 7.2 Foreign Workers in Taiwan by Country of Origin, 1991-1999

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Phil</th>
<th>Thai</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1,610</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>15,924</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>97,565</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>151,989</td>
<td>2%</td>
<td>4%</td>
<td>25%</td>
<td>69%</td>
</tr>
<tr>
<td>1995</td>
<td>189,051</td>
<td>3%</td>
<td>1%</td>
<td>29%</td>
<td>67%</td>
</tr>
<tr>
<td>1996</td>
<td>236,555</td>
<td>4%</td>
<td>1%</td>
<td>35%</td>
<td>60%</td>
</tr>
<tr>
<td>1997</td>
<td>248,396</td>
<td>6%</td>
<td>--</td>
<td>40%</td>
<td>53%</td>
</tr>
<tr>
<td>1998</td>
<td>270,620</td>
<td>8%</td>
<td>--</td>
<td>42%</td>
<td>49%</td>
</tr>
<tr>
<td>1999</td>
<td>298,106</td>
<td>12%</td>
<td>--</td>
<td>41%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Sources: Council of Labor Affairs, Executive Yuan, ROC

Table 7.3 Winners of the 2001 Taipei City Migrant Workers Poetry Contest, by Nationality, Gender and Education.*

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Indonesian</th>
<th>Filipino/a</th>
<th>Thai</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>F M</td>
<td>F M</td>
<td>F M</td>
</tr>
<tr>
<td>Mid S</td>
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<td>0 1</td>
</tr>
<tr>
<td>Ed H S</td>
<td>3 1</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td>College</td>
<td>0 1</td>
<td>6 0</td>
<td>0 0</td>
</tr>
</tbody>
</table>

*Data from Taipei City Labor Bureau, 2002. 台北。請聽我說！Taipei, Listen to Me! Taipei.
References


CHAPTER 8

Consuming Thailand? The Rise and Rise of Thai Restaurants in Sydney

Caterina Embersic and John Connell

Introduction

Over the past three decades eating out has boomed in most western cities for a variety of reasons (income rises, women in the workforce, DINKS, etc.) that have intimated at the emergence of a ‘new cultural class’ (May 1994). This has paralleled the rise of ethnic restaurants, suggesting to some the emergence of a local variant of ‘gastronomic tourism’, in parallel with other forms of globalisation of consumption. A new social economy of food consumption has emerged bound up with the cultural capital of ethnicity. Thai restaurants in Sydney have boomed since the 1970s, especially but not exclusively in the inner city, and particularly Newtown. Restaurants have deliberately created an imaginary geography that both essentialises Thailand, through restaurant names, decor, music and menus, and exceptionally also invents Thailand in search of an ever elusive authenticity. At the same time Thai food has been reconstituted to suit foreign palates, and emerged in new hybrid forms, that domesticate alien experiences. More recently Thai cuisine
has increasingly become a new ‘fast food’ with a cultural twist, gradually moving towards the situation of long established Chinese restaurants in Sydney. As Thai restaurants have become increasingly familiar, so too has the particular consumption experience, hence the cultural capital once bound up in ethnic food consumption eventually declines. Cultural experiences slowly become more commonplace economic experiences.

But there is a strange sense in the cities of Australia, that as good globalised citizens, we should be able to eat foods from as many different places as possible (O’Shea 2001: 9).

The rise in eating out has been a phenomenon of the late twentieth century, through rising incomes (at least for some) and other related socio-economic changes. This has been matched by the growth of ‘ethnic’ restaurants that purport to (or do) offer the culinary experiences of otherwise distant places. Eating out in ethnic restaurants raises questions about its cultural significance, and the manner in which the cultural capital embedded in such restaurants is a significant influence on consumption experiences. More generally, changing relationships between food and cultural identity enable an understanding of spatial and temporal processes that have become more complex, interrelated and fragmented (Cook and Crang 1996: 133). This paper seeks to trace the development, expansion and evolution of Thai restaurants in Sydney, the manner in which they have offered (and sought to offer) a distinctive experience and the cultural and economic significance of this. It is suggested that the cultural significance of ethnic food consumption is relatively short-lived, to be eventually displaced by eating out primarily as a response to socio-economic factors, and hence that the cultural capital of ethnic restaurants is relatively transient.
The knowledge of, and ability to choose, particularly distinctive foods and appropriate consumption and culinary practices, have been argued to convey distinction, or cultural capital, on relatively elite consumers (Bourdieu 1984). Here this is developed in a rather broader sense to refer to the manner in which particular goods (Thai foods) have both economic and cultural values that are also both tangible (restaurants, decor, foods, etc.) and intellectual (the ideas and values inherent in the creation of these) and that are embodied as social capital (Throsby 2001: 46). The acquisition of cultural capital is thus linked to the processes of consumption, with capital accruing to goods (foods), but also experiences, that are relatively rare or exotic. This paper argues that deliberate processes are put in place to convey images of uniqueness, authenticity and exoticism, and that there is a symbiotic relationship between the processes of consumption and production, that is often ignored, whereby restaurant owners create and purvey cultural capital, and consumers (and food writers) accept and enhance that process.

**Dining Out**

Throughout the western world eating out has become substantially more important than at any time in the past, especially in metropolitan areas. This has followed rising incomes for many urban residents, more conspicuous consumption, growing proportions of women (the ‘traditional’ cooks) in formal employment, the growth in numbers of childless double-income (DINK) households, and paradoxically both a rise in leisure time (following shorter formal working hours) and growing pressures on the time of some workers (loosely categorised as yuppies). Necessarily this is linked to the greater availability of, and access to, a diversity of restaurants and the relatively low cost of many such restaurants (relative to income levels); for
many people eating out is no longer a very costly experience. While restaurants have always been a feature of urban life, the rise of eating out has emphasised two trends– the simultaneous increase in numbers of ‘ethnic’ restaurants and of fast-food outlets (that some would see as being euphemistically termed restaurants), such as McDonalds and Pizza House.

Eating out is not the only response to time constraints (or perceived time constraints). Take away food consumption has similarly boomed, and become more diverse and sophisticated. Supermarkets increasingly devote shelf space to ‘instant’ foods, which are similarly more diverse and sophisticated, and demand a minimum of cooking time and little if any preparation time (Ironically such trends also parallel the rise in significance of ‘health’ foods, and even the ‘medicalisation’ of food and diets). Reasons for eating out generally include ‘doing or experiencing something different from the everyday, getting a break from cooking and serving, relaxing, having a treat, socialising, celebrating, a liking for food and preventing hunger’ (Warde and Martens 2000: 47). Implicit in this is the comparative cheapness of eating out. Many ethnic restaurants have a comparative advantage in providing cheap food through reliance upon unpaid family members, easy access to food supply chains and extended kin support in capital provision.

These changes parallel the gentrification of many inner city areas, which in turn is linked to the rise of DINKS (and SINKS), growing pressures on time and different choices in the use of leisure time. Most studies of gentrification suggest that the choice of inner city residence has some relationship to values that emphasise the convenience of inner city living, in terms of access to particular patterns of consumption, that include the consumption of ‘exotic’ foods (May 1996, Bridge and Dowling 2001). In a wider sense there is some relationship between particular patterns of
commodity consumption and perceptions of identity (Jackson and Thrift 1995). There is then some broad relationship between gentrification, the changing social composition of the inner city especially (in terms of the rise of a middle class) and dining out.

Exotic foods are associated with ‘ethnic’ cuisine, but any definition of ethnicity is elusive, contested, and constructed within a wider social context of cultural differentiation, as is ethnic art or music (Cook et. al., 1999: 228-9). Here ethnic food is simply seen as that food associated with minority migrant groups in Australia, but it cannot be assumed that this implies some degree of ‘purity’ or ‘authenticity.’ In practice post-war Australia has gone through crude phases of Americanisation, Europeanisation and eventually Asianisation, in terms of food marketing (Sheridan 2000) with no one phase being more exotic than the last. None displaced what had gone before but each complemented or supplemented it.

In this context the relationship between gentrification and eating out has been described in inner London in terms of the rise of a ‘new cultural class’ (May 1994) for whom regular eating out in ethnic restaurants is synonymous with cosmopolitanism, where that involves ‘an intellectual and aesthetic stance of openness towards divergent experiences from different cultures. There is a search for and a delight in contrasts between societies rather than longing for uniformity’ (Lash and Urry 1994: 308), and an emerging tendency to embed identity within consumption. In Sydney Hage (1997) has described similar practices as ‘cosmo-multiculturalism’ where preferences for international food are a construct of the dominant Anglo-Celtic society. More generally in the western world, the slow shift from ‘eating to live’ to ‘living to eat’ is reshaping the sociology of consumption and redefining geographies of consumption (Sheridan 2000: 320). Such trends have emphasised, even centred on, culinary diversity.
Not only does this represent a change in behaviour but it has also contributed to changing the face of the urban landscape of most large cities, and shifting employment structures towards the service sector. ‘Eat streets’ have become a familiar part of the inner city, notably King Street, Newtown, and a significant component in the evolving diversity and identity of the streetscape. In another sense therefore there is a transition towards ‘we are where we eat’ (Bell and Valentine 1997). This paper examines one particular social and spatial trend – the rise of Thai restaurants and their cultural, economic and social significance.

The Rise of Ethnic Restaurants

The rise of ethnic restaurants is as much a global phenomenon as the expansion of eating out and gentrification, and is related to both of them. In some contexts ‘ethnic’ restaurants have emerged to serve the food needs of migrants from particular places - classic examples of ethnic ‘niche economies’ and ‘ethnic entrepreneurs’- but have later become part of the food consumption experience of a wider ‘non-ethnic’ community. In other contexts ‘ethnic’ restaurants appear to have developed almost entirely to serve the needs of people of different ethnicities, the situation that is largely true of Thai restaurants in Sydney, and was probably also true of Chinese restaurants in Australia. Over time, whatever their origin, many ethnic restaurants have come to have a clientele that is dominantly composed of members of the host community, as is the case with Thai restaurants, where it is rare to find Thai consumers.

The rise of eating out parallels the rise of ethnic restaurants but does not account for it. Few surveys have examined the rationale for visiting ethnic restaurants, but this has not deterred numerous attempts at explanation.
In a global context the most fashionable explanation has been linked to tourism. Firstly, western populations are more mobile than ever before and are able to experience in ethnic restaurants the food that they have enjoyed overseas. However, whether or not they have travelled, the experience may be seen as a form of vicarious tourism, which offers ‘the world on a plate’ (Cook and Crang 1996) or ‘gastronomic tourism’ (Zelinsky 1995). Less generously this has been described as ‘consumer cannibalism or culinary neo-imperialism’ (Cook et al 1999: 230-231), and ‘food colonialism’ and ‘culinary imperialism’ (Narayan 1997: 178-9). The latter broadly relates to the situation where some Europeans eat ethnic foods but ‘display a shallow interest in “exotic” foods, exploit the food of others to enhance their own prestige and sophistication and eat “ethnic” without any real interest in, or concern for, the cultural contexts of the ethnic food eaten’ (Narayan 1997: 178). In either context, this may be seen as part of a more general shift where ‘people are increasingly consumers of cultures as well as products, and indeed the differences between these are anyway dissolving’ (Ohmae 1990: 3-5). Secondly, ethnic restaurants offer a relatively cheap, quick and convenient meal and are now readily accessible. Indeed many ‘eat streets’ are absolutely dominated by ethnic restaurants rather than restaurants that offer indigenous alternatives.

The few studies that exist in Australia suggest that most consumers of Thai food (and most other Asian food) do so for a combination of taste, convenience and lifestyle, where taste equals diversity, convenience concerns accessibility and cost, and lifestyle reflects shortages of time (Lim, pers. comm, 2001). However there is little evidence, other than anecdotal and observational, on whom these consumers are and the extent to which there are subcultural and market niches. In inner Birmingham, Balti (Indian) restaurants were largely patronised by students and professionals in the quest
for a distinctive experience (Ram et al 2002: 30, 36). While there is some probability that this is also true of Thai restaurants in such inner city areas as Newtown, the pattern of consumption may be quite different in the city and in suburbia.

The second cluster of explanations is largely absent in the literature, which has almost entirely perceived the expansion of ethnic restaurants as one more variant of the globalisation of culture, previously described in terms of clothes, music, literature and a variety of other phenomena. In other words ethnic cuisine is smart and trendy, and belonging to a ‘new cultural class’ that is part of a cosmopolitan elite. Beyond that the diversity of ethnic cuisine appears part of an appropriate multicultural future and therefore represents a progressive change.

We seek here to examine the extent to which these kinds of rationale are true of Sydney and whether there has been any temporal change in the pattern of consumption in Thai restaurants.

**Thai Restaurants in Sydney**

Little has been written on Thai migration to Sydney, but it is largely a late twentieth century phenomenon rather like (but much less numerous than) that from other parts of Southeast Asia. In 1986 there were less than 7,000 Thais in Australia – one of the smaller Asian communities in Australia – but the number had increased to just under 19,000 by 1996. A considerable proportion of the population is students (and not in the workforce), the majority of those employed are in sales and services but a significant number are in the professions (Taneerananon 2001). In 1996 there were 7,554 Thai-born in New South Wales, most of whom were in Sydney, the largest concentration of Thais in Australia (but of all national Southeast Asian
groups in Sydney, only the Laos-born were fewer). The Thai population is spread over many parts of Sydney, with the largest numbers being in Randwick, Campbelltown and Leichhardt, but there are also significant numbers in North Sydney, Warringah, Waverley, Rockdale and Fairfield-Liverpool.

To a greater extent than is true of any other migrant group in Australia, Thais have been characterised by their propensity to establish restaurants. Indeed the only general account of Thais in Australia states simply

The Thai presence is visible in the community through its restaurants. In 1975 there were no Thai restaurants in Sydney; by 1986 there were over 40. By 1999 there were more than 400 in Sydney alone (Taneerananon 2001: 704)

Otherwise seemingly similar groups, such as Indonesians, Malaysians and Vietnamese, all of whom have much larger numbers in Sydney, have opened relatively few restaurants. The first Thai restaurant, the Siam, opened in Bondi in August 1976, but numbers grew most rapidly around the end of the 1980s, a period characterized as ‘Thaimania’ (Ripe 1993), and slowed at the end of the 1990s, when there appeared to be some degree of market saturation (at least in terms of the rapid turnover of Thai restaurants, if not in any decline in number). Outside of Thailand, Sydney probably has the largest number of Thai restaurants per capita in the world.

Very crudely the rise of eating out in Sydney has generally paralleled the rise of Thai restaurants, evident, for example, in the emergence of the Sydney Morning Herald Good Food Guide in 1984, and the popular Cheap Eats in 1981, and their subsequent annual appearance. In 1993 they were joined by the annual SBS Eating Guide. Over that time period guide books to Sydney increasingly drew attention to the rise of ethnic cuisine and its role in the travel experience.
The earliest Thai restaurants in Sydney tended to be close to the city centre, around Paddington and in the eastern suburbs. Over time their distribution has extended throughout the city (Figure One), though they have remained clustered in the inner city. The single greatest concentration of Thai restaurants is in Newtown, an area of contemporary gentrification, with a large SINK and DINK population, close to the city centre and to two universities. Two different surveys in Newtown at the start of the 2000s, in slightly different areas, recorded nine Thai restaurants out of 65 restaurants (Bridge and Dowling 2001:1000) and 13 out of 46 restaurants (R.Tyson, pers comm, 2001). These numbers continue to grow. The two surveys respectively recorded 21 and 17 different ethnicities of eating places, in a part of the city that fits Hage’s description of ‘culinary multiculturalism’ (1997). As one food writer has observed

The world on a plate. A food writer searching for metaphors couldn’t come up with a better one to describe King Street Newtown. ..this street literally has it all. A walk down King Street is something of a world tour at your doorstep. From Tibetan to Thai, Italian to Turk, African to Malay, it’s entirely probable to choose a cuisine and then choose one of the restaurants that has it. If anyone has any doubts as to the success of multiculturalism they will be changed by the dynamism of King Street (Tacker 2000: 8).

Thai restaurants, like most other ethnic restaurants, have tended to be in inner city areas, especially those that have experienced relatively recent gentrification, such as Balmain, Newtown and Glebe, but certainly not exclusively so. Each of these suburbs has eat streets at their core. Whilst demand explains some locational concentration, cheap rents for inner city premises are equally important. Many follow each other on the same site. The location of Thai restaurants has little, if any, relationship to the location of the Thai population of Sydney. Thai restaurants primarily cater to a non-
Thai clientele, and in most restaurants Thai customers are rare. One chain of restaurants – Isan – does cater to the Thai population, and has a cuisine that is similar to that of north-east Thailand, with elements that would be identified with ‘peasant’ cuisine. The distribution of Thai restaurants is also much more like that of the Sydney population as a whole than is true of most ethnic restaurants in most places.

**A Taste of Thailand?**

Cook and Crang opened their article on changing patterns of food consumption in Britain with a quotation from an advertisement in a London magazine that reads ‘Give your tongue a holiday and treat yourself to the best meals in the world – all without setting foot outside our fair capital’ (1996: 131). The extent to which this is true for Thai restaurants in Sydney can now be examined. What is abundantly clear is that cultural difference and diversity have become commercial phenomena to be exploited in a variety of ways.

1. Imaginary Geographies and Traditions

Restaurant owners have usually created their restaurants in particular ways (subject to leasing requirements) that identify the restaurant as Thai. This takes several forms of which the name is most obvious, followed by the distinctiveness of the food, the restaurant decor, the music and sometimes the dress of staff and the icons on menus, all designed to create a particular cultural ambience. Even in relatively early years certain food writers were beginning to see all this as crass, naive and repetitive. Thus in the *Good Food Guide* (1984) the owners of Thai Rama had ‘sprinkled a few token Thai artefacts around’, Thai Orchid had ‘a couple of luridly coloured
photographs of the king and queen of Thailand’ but U-Thong had achieved a ‘minimum of kitsch.’

Many restaurant names are Thai words, sometimes those of their owners, such as Prasit’s; most others are names that are never translated, such as Narai Thai, Thai Pothong or Thong-U Rai, but which are evidently ‘different.’ Others have particular tourist resonance, such as Chao Praya (the river that flows through Bangkok), or the names of distinctive Thai places: Bangkok, Chiang Mai, Sukho-Thai, Phuket and River Kwai. Vast numbers emphasise Thai in the title. Increasingly such names have taken on a playful guise, especially in the inner city, including Thai Foon and its near neighbour Thaicoon, Thai Tanic, Thai Panic, Bow Thai, Tie the Knot, Thai Spy, Why? Thai, Mai Thai, Thainatown, High Tide Thai, N’Thai Sing and even Bad Thai and Thai Bomb. Alongside these there are Monkey Magic, Thai Harmonic and No Problem. A very few have acquired such Australian names as Bonza Thai, Thai Tucka and Thai Down Under. One food writer, observing that the Sumalee (Newtown) was almost the only one in the suburb with a name that involved no pun, nonetheless observed ‘The food’s to-Thai-for and the serves are big enough to sink the Thaitanic’ (SMH, 2002). Such naming practices emphasize the possibility of an enjoyable and usually exotic experience.

The food itself is evidently Thai. Like the restaurants themselves, most foods have Thai names (and English translations) some of which hint at degrees of exotica unknown in Australian cuisine. Many of even the most common dishes, such as Tom Yum and Larb Ghai, sound vastly more exciting that the translations of seafood soup and minced chicken salad. Beyond the most common dishes many of these sound quite exotic, and few menus escape such linguistic challenges as Praram Long Song, Gai Tom Ma Now Dong, Moo Pad Prik King, Hed Had Phrink King or Goong Ob Woon.
Sen, even if in translation they are rather more humble. Yet even the most humble food can be transformed by absent translation. Indeed, at Benjarong (Bondi Junction), ‘our only quibble is the absence of Thai names on the menu. Somehow “barbecued beef salad” does not tempt as much as yum nua, nor does “fillet of fresh fish with chilli”’ (CE, 1991). However familiar dishes in most restaurants include Jungle Curry, alongside Money Bags and Golden Boats. At the same time dishes in many restaurants can also be boosted in translation. Common on many menus is Crying Tiger (sliced beef) while numerous restaurants offer dishes along the lines of Dragon Wings, Glass Noodle Soup, Condom Noodles, Drunken Noodles, Crazy Thunder Soup, Volcanic Chicken and Heavenly Crab. Wok Station (a chain of five inner city restaurants) has taken this to extremes in its menu, which includes such dishes as Green Forest, Beautiful Chiang-Mai, Bangkok Delight, The King and I, Sweety Sydney, Heaven on Earth, Chicken@Sydney.Thai, Anne Cho Vee and Cinderella.

Even the smallest restaurants offer enormous diversity. Few offer less than forty dishes and many offer more than a hundred. That diversity, which includes numerous vegetarian dishes, accounts for part of the cuisine’s popularity. Many restaurants, through flyers and menus, claim to offer ‘authentic Thai cuisine’ and many offer the possibility of ‘classical’ dishes and sumptuous banquets. Peppermint Thai (Newtown) points out that ‘Thai food is considered one of the world’s most famous and delicious dishes with the distinct taste of Thai culture. Uniquely delightful and flexible, reflecting Thai people’s lifestyle...We are proud to present various appetising dishes for traditional Thai and contemporary Thai-style.’ In the midst of the diversity, other than I-San restaurants (see below), very few restaurants differentiate dishes from different parts of Thailand, thus
contributing to the notion that there is simply a generic and thus authentic Thai cuisine.

Some restaurants emphasise Thai connections. Anna’s Cafe (Darlinghurst) which claims to be ‘serving real Thai cuisine at affordable prices’ also notes that ‘In Bangkok Anna’s cafe is one of Bangkok’s most talked about Thai restaurants.’ Other restaurants point to their chefs having worked in Thailand. At Thai Sasithorn (Bondi) ‘our restaurant is proud to present Chef Sasithorn Waitayavanit whose extraordinary skill and creativity in traditional Thai cooking is well recognised by international clients of high level and major five star hotels.’ Such claims imply both quality and authenticity.

The distinctive experience of Thai cuisine was early on even enhanced by instructions on consumption techniques. At U-Thong ‘there are also hints on how to eat (banquet-style and with a spoon and fork) and how to handle the rice (respectfully, not eating too much)’ (GFG, 1984). Traditional Thai cutlery, crockery and linen further contributed to credibility. Particular changes were quickly made in some Thai restaurants; at Boonchu (Manly) ‘the only concession to Westerners is chopsticks: the cheerful owner got tired of telling people that Thais eat with spoon and fork’ (CE, 1983). That merely added exoticism.

Almost all Thai restaurants have some decor redolent of Thailand, including particular colours (purple and gold), photographs and oil paintings of ‘typical’ Thai rustic scenes (mainly involving forests, temples and elephants) and of the King and the royal family, and Buddhist shrines, often with incense burning. That repetition generated derogatory remarks. One of the pleasant experiences of dining at the relatively expensive Bangkok (Darlinghurst) was said to be that ‘one dines with ornate golden cutlery from classical but traditional blue and white crockery, in a dining room notable for
the absence of Thai travel posters’ (GFG, 1989). A different experience was being created.

Decor may be complemented by Thai music. Waitresses, and other staff, who are almost always from Thailand, may be dressed in Thai clothes (urban traditional chic) in Thai colours and formally greet customers with Buddhist handclasps. At Thim Thai (Granville) ‘The stylish tableware and traditionally garbed staff lend a touch of elegance’ (CE, 2002). Ironically I-San restaurants, the most typical of Thai food styles in Thailand, are least likely to be decorated and embellished in any way since they are more likely to be catering to a Thai clientele.

In some contexts Thailand has been invented. Half the floorspace in the Thailand restaurant in Newtown is given over to sitting on the floor to eat, a practice unknown in Thailand itself (if common in Japan or Korea), and suggestive of a more generic Asian ethnic experience. Moreover ‘the cushions are very popular with those seeking an imperial experience’ (CE, 1994). Thailand and other restaurants have thus participated in ‘inventing tradition’ (Hobsbawm 1983) and creating an exotic and simplified past.

Cushions and other primarily visual symbols and styles have created a particular Thai ambience, that plays some part in constructing a cultural experience designed to suggest that entering a restaurant is visiting Thailand, however temporarily. It is however a Thailand that has never existed other than in tourists’ (and restaurateurs’) imaginations.

Menus and restaurant flyers (aimed at the eat-in and takeaway market) have similar iconic and essentialist cover illustrations (Figure Two) which tend to emphasise the ‘authenticity’ and ‘traditional’ nature of the cuisine, and its continuity with Thai culture. Advertising brochures thus create an essentialised and exoticised Thai cultural identity that includes Thai classical dancers, elephants and temples, rivers, markets, food and
textiles, a gendered representation centred around Bangkok where Thailand becomes a ‘brand (cf. Jory 1999) and landscape and custom become packaged as commodity. Throughout the flyers there is an emphasis on ‘tradition’ and a total lack of references to ‘modernity’ (other than in rare references to freshness and cleanliness, etc.).

Restaurants became more elaborately decorated over time, often gradually erasing traces of the Greek or Italian restaurants they had sometimes hitherto been, a physical change that was symbolic of social change and the growing acceptability of Asian foods and peoples, a situation paralleled elsewhere (Arreola 1983). The deliberate identification of restaurants with Thailand, including but beyond the food itself, created cultural capital where image was seen to be crucial. Creating Thai images is a form of ‘symbolic power’ where restaurant owners ‘seek to put these classifications at the service of their material or symbolic interests’ (Bourdieu 1991:227). Symbolism has been a powerful economic strategy.

2. Beyond Chilli

The early days of many Thai restaurants in Sydney, were marked by the realisation on the part of both customers and owners that Thai food was often too hot for most western palates. Subsequently Thai cuisine evolved to suit foreign tastes. Typical of this is the claim of Wok Station that it will ‘bring you the freshest exotic flavours of Thailand...Hand selected fresh Australian produce mixed with authentic Thai aromas, combine to create a tantalising feast of creative, cultural dishes.’ Some combination of culture and creativity are ubiquitous, but the latter is rarely mentioned.

The use of chilli has declined though some hotness is an essential component of an exotic cultural experience. Such items as fish heads play no part in Sydney dining. Thai I-San restaurants, such as those in Bondi and
Newtown, however have distinct I-San components to the menu which include such dishes as Tub Warn (tasty liver salad), Sai Krog (Lovely sausage), Yum Leb Meu Nang (Chicken feet salad), Kin Yang (Grilled tongue), Yum Pah Ki-Rew (Honeycombed bible salad – tripe) and Moo Yang (Grilled pork neck) which may hold limited interest for a non-Thai clientele.

Familiar Australian foods have become components of Thai meals. Many vegetables such as potatoes, broccoli, snow peas, French beans, pineapples, cabbage, celery, carrots, etc. have all been included, alongside quail, snapper, New Zealand mussels, pippies and macadamia nuts. Chinese elements have even brought Thai yum cha to some places, alongside menu components such as Hokkien noodles. Several nominally Thai restaurants offer a range of Southeast Asian cuisines. A significant proportion of Thai restaurants are run by Vietnamese, Laotians (and Thai Chinese), indicative of the cultural capital that is particularly tied up in Thai food (and not shared by that of other Asian nations) in that such restaurants remain labelled Thai.

Thai food has gradually become more hybrid and creolised, towards a more generic and essentialised Asian meal. Components of meals, such as spring rolls, laksa and satay sticks, normally absent from Thai cuisine, have become components of several menus. At Sunita (Balmain) ‘A few borrowings from other Asian cuisines introduce a touch of cosmopolitan variety, so that fishcakes, satays and curry puffs share the menu with deepfried Chinese wontons and gado gado’ (CE, 1994).

A very few restaurants offer such distinctive hybrid creations such as Thai Hi Pie (with Aussie Puff Pastry) and Thai Aussie Vegi Delight (choko, cauliflower, broccoli, beans and zucchini), since most hybridity is buried within Thai names and dishes. Again, exceptionally, Thai restaurants may serve Australian cuisine. Thai Flavour, situated in the General Gordon
Hotel (Sydenham) and offering ‘authentic Thai cuisine’ has a section of its menu, which includes Hamburger with chips, Steak with Chips and other similar dishes.

The more expensive restaurants have deliberately chosen particular Australian elements. Thus ‘Prasit...has his fishmongers scour the market for quality seasonal ingredients. In winter he might have West Australian marron on the menu and in spring the lovely Moreton Bay bug meat’ (CE, 1996), while ‘there are weekly seasonal specials such as Queensland stingray, Balmain bugs or rabbit’ (CE, 1994). Darley Street Thai and Sailors Thai have worked with similar foods including pheasant and other expensive seasonal ingredients.

A dessert course (focused around ice cream and lychees) has usually been added, as in structure too Thai meals become closer to those of Australia. Even after dinner mints are sometimes available. At U-Thong (Cammeray) ‘the only dessert on the menu is creme caramel’ (CE, 1983) and at Thong-U-Rai (Ramsgate) ‘for a bit of nostalgia there’s fried ice-cream’ (CE, 2002). Elsewhere, somewhat remarkably, there is Swiss Banana with Ice Cream.

In a small number of more exclusive up-market restaurants, such as Phat Boys and Darley Street Thai, cooks have experimented with Thai food in a manner unknown in Thailand (see below). For most Thai restaurants the objective is commercial (some degree of economic success) rather than culinary, hence experimentation, other than in the movement towards a more generic Asian and simplified Australian menu, is largely absent. Thai chefs usually have minimal creative input.

Over time Thai cuisine has gradually become blander, more ‘Asian’ and more Australian. In the conflict between the exotic and the manageable and familiar the latter have gradually triumphed, a process described
elsewhere as the ‘taming of authentic cuisines’ (Lu and Fine 1995: 550). There is some evidence that most customers seek the generic experience, and avoid experimentation, a paradox if indeed dining out is in search of novel and distinctive exotic experiences. However this is part of a long history of domesticating indigenous foods such as pasta, pizza and cappuccino. Thai cuisine has also been absorbed into the menus of ‘otherwise-European’ restaurants, brasseries and bistros (Ripe 1993). Hybridity and syncretism are standard within particular ethnic cuisines and within individual patterns of consumption.

**Absorbing Thailand**

The images that restaurant owners have sought to create have largely been absorbed and further disseminated by restaurant reviewers (and, by implication, by consumers). While reviews have usually focused on food (and its value for money), they have also extended to other components of the eating experience. Analysis of more than a hundred restaurant reviews in books and magazines through the 1990s demonstrates a number of themes.

Firstly, Thai restaurants are seen as ‘cheap and cheerful’ and convenient. Food arrives quickly, without fuss. At Thai Pothong ‘service is friendly and swift’ (GFG, 1993) and, in general, ‘customers have come to expect that a Thai restaurant will by definition be inexpensive’ (GFG, 1989). In St Ives ‘Rama King serves food fit for a king at beggar prices’ (CE, 1996). Potential customers have even been advised that ‘prudent menu planning avoids an over-reliance on the expensive options like fish and seafood’ (GFG, 1989). At Khun Dang Photchana (Potts Point) ‘Don’t expect anything too adventurous, just good, fast service and tasty dishes that won’t break the bank. The formula seems to work as this family operation is still serving the
faithful after eighteen years’ (GFG 1997). At Thai Thai (Alexandria) ‘This laminex cafe is hardly the Ritz at Redfern, but pop in almost any time for a real value Thai fix and find fare that’s authentic, delicious and presented with flair’ (CE, 1994). Value for little money is an abiding theme.

Secondly, Thai food offers distinctive and authentic tastes that are not replicated elsewhere.

In early years food names challenged writers: at Pailin Thai (Stanmore)

the dishes have names that look like mah jong hands. Take for instance, ‘thoong thong’, ‘mee grob’, ‘tom kha gai’ or ‘peeg gai pailin,’ not to mention such tongue twisters as ‘gang chud hao hu moo sub’ which is reminiscent of a wartime telegram reporting shipping movements (GFG, 1988).

Whilst, confronted with an almost incomprehensible menu, ‘a look of helplessness when appealing to the staff for advice can produce some unusual results’ (GFG, 1984). Many early reviews commented along the lines of ‘names of the dishes are as exotic as the results’ (CE, 1983), and often advised diners to seek advice (especially on the use of chilli), suggest the restaurant provided food for a particular sum of money, or provided detailed explanations of what particular dishes entailed. Many dishes seemed unusually exotic. In the first Cheap Eats guide at, Sawwaddee (Bondi), ‘ Mee grob looks like compost but contains a birdsnest of crispy noodles with fried beancurd (looking like tiny potato crisps), eggs, beans and more. Even the boiled rice is interesting because it comes in a plastic bag inside a wicker basket’ (CE, 1981). One writer, decrying what he saw as the blandness and similarity of ‘suburban-Thai’ wrote ‘a main of stir-fried pork with black fungus and ginger was surprisingly gutsy, while a salad of crying tiger-esque slices of beef, chilli and cucumber balanced fire and lime deftly’ (SH, 8 July 2001). Elsewhere ‘sure the pork blood jelly and intestines of the tom jued luert moo and the vivid pink of the yentafo calamari soup aren’t to
everyone’s taste but authenticity is assured’ (SH, 9 June 2002) and ‘Thai-style crocodile stir-fry is sure to raise an eyebrow’ (SH, 8 August 1999). Isan restaurants were the homes of particularly hot food; ‘if the staff at this small eating house ask ‘You like it hot? You like chilli? it’s best to say no, for your own safety’ (SMH, 27 August 1999). At Thai Thai (Alexandria) ‘among the truly authentic Thai food served, noodles are a specialty, the flavours as deep as jungle rainforests and resonating like a bird’s song’ (CE, 1996). Such tastes were not evidently shared by other cuisines.

While food writers were often critical of excessive standardisation, they were also critical of deviations from what was seen as authenticity; ‘we still wonder what a yellow rice with sultanas has to do with Thai food but our musings are purely academic since the Manohra Thai is packed out every night’ (GFG, 1989). Others were conscious that change was not necessarily problematic; ‘there may be less chilli in the curries and less bang in the nam prik in this Aussification of Thailand, but genuine flavours remain intact’ (GFG, 1997). Changes could not erode distinctiveness.

Thirdly, eating in a Thai restaurant is a cultural experience that may be akin to virtual tourism. Typically ‘tall rooms show off large sandstone blocks, trimmed with little altars and pictures of the revered Thai king and queen. Mellow music laps at the mind’s edge where the herbal atmospherics leave off, and tables are candle lit’ (GFG, 1998). At the Lime and Lemongrass (Kings Cross) ‘Sorat Sae-Keow’s menu captures the essence of Bangkok, a city where food is taken seriously’ (GFG, 1993). At Khun Dang Photchana (Potts Point) ‘Thai music, waitresses in traditional dress, and batik prints add to the atmosphere’ (GFG, 1996). At ttt e-sarn (City) patrons can ‘recline in traditional Thai style on the cushions in the corner’ (CE, 1996). At Banks Thai (Enmore) ‘Lounging in the courtyard on pillows beneath plastic grapevines threaded with fairy lights, traditional Thai music
blaring from the speakers, eating here is like being in some exotic harem in Bangkok’ (SH, 8 August 1999). At much the same time it was also noted that ‘Out back at Banks is one of the funkies party rooms in town. Pure kitscherama. In front young lovers sit cross-legged on cushions. Older ones on the candlelit tables, with incense aroma wafting from Buddha’s belly’ (SMH, 27 August 1999). Three years later, ‘This popular local Thai evokes Southeast Asia with its incense, shrines, shadow puppets, candles, cushions and wonderfully hospitable staff’ (CE, 2002). In Thai La-Ong (Newtown) ‘the staff speak minimal English but this is a plus; it adds to the ambience’ (City Hub, 8 July 1999). At Suan I San ‘We first saw a woman sitting in the window, peeling a laundry basket load of garlic’ (SH, 11 March 2001). At Sumalee (Newtown) ‘The walls are lined with cane blinds. Birdcages hang. Teak canoes divide the area..The only clues that I’m not in Ubud [sic] or by a beach in Phuket are the dark green cast-offs from State Rail’ (SMH. 2002). At Sukho-thai (Crows Nest) ‘Decorated with Thai paintings and wood carvings, there is much to look at while you wait for the food. The fat stomachs and happy faces of the Buddha statues are an apt advertisement for things to come’ (CE, 1996). Thai restaurants offer a broad Asian experience.

Evident in this cultural experience is that it is redolent of Thailand and that transient consumption experiences are akin to tourism. Underlying many restaurant reviews was the notion that this was deliberately engineered: ‘Thip Thai looks as though it’s been done out by the Thai tourist office, filled with animals studded with inlaid mirrors and rosewood furniture’ (GFG, 1993). Others emphasise friendly family ownership and homely ambience.

Attempts to create related cultural experiences were not always successful or appreciated; at Dusit Thani (Crows Nest) ‘the waitresses cope prettily with in their chiffon dresses with puffy sleeves and appliqued
flowers’ (GFG, 1989). At Siam (Paddington) ‘noise levels are reminiscent of
Bangkok at peak hour’ (GFG, 1989), and at Phan Thong (Edgecliff) ‘The
large colour photo of a Bangkok freeway inside the menu guarantees
authenticity – the noise, fumes and heat are almost tangible as you select the
meal’ (CE, 1989). More generally as at Doy Tao (Newtown) ‘this small
unpretentious restaurant looks like every small eatery from Bangkok to Surat.
There are laminated tables, moulded plastic chairs and the hiss of oil as
another handful of spices hits the frying pan’ (SBS 1996). Such cultural
experiences may be fun. Many Thai restaurants are ‘open-plan’ where the
cooking can be observed, and smelled. At Spice Market (Double Bay)
‘Takeaway is fine but then you miss the theatre of Thai cooking. Flames leap
upwards and woks toss all manner of fresh produce, all of which you can
witness perched on a stool at the long communal tables’ (CE, 2002). Eating
is not merely an experience for one of the senses.

Fourthly, Thai restaurants are places to be. ‘Thai Terrific has a huge
reputation and is a trendy hangout for Bondi’s young and beautiful people’
(SH, 1998). At Longrain (Surry Hills) ‘Every night both bars and restaurants
are filled to the rafters with inner urbanites scoffing betel leaves and
drinking Moscow Mules’ (SMH, 19 October 1999). But only some Thai
restaurants, invariably in the inner city, are trendy to food writers, bored with
suburban life and critical of suburban Thai cuisine. More generally, as at
Thai Cotton (Surry Hills) ‘with delightful people and wonderful food, Thai

Fifthly, Thai restaurants give a character to the local scene. Thus at
Thai On Wok ‘the breath of the wok pours out of the open shopfront of this
Glebe landmark day and night, staining the awnings and perfuming the block
with its salty-sweet-sour-hot goodness’ (SH, 20 May 2001). Other
restaurants were seen as colourful and diverse additions to bland suburbia, and a hallmark of eat streets.

Restaurant reviewers have accepted ideas of authenticity and distinctiveness, and have even played some part in inventing tradition (‘exotic harem in Bangkok’). Beyond that, they have colluded in their desire to recognise and champion authenticity. Indeed ‘claims to authenticity and tradition are common to much contemporary food writing and food journalism...The foodie writers seek and find....the marks of authenticity in diversity, in the small scale and in local artisanal modes of production’ (James 1996: 87). These themes are constantly reiterated for the benefit of potential consumers.

Simultaneously, and in direct parallel to broad tourist contexts, restaurants have contributed to a staged authenticity where what is visible is ‘a kind of living museum’ (MacCannell 1996: 99), that emphasises cultural distinctiveness, continuity with the past, and the validity of authenticity and ethnicity. However not only does Thai cuisine exhibit significant regional and class differences within Thailand, but it has long been in transition there (Embersic 1998, Van Esterik 1992, Yasmeen 1996, 2000), hence for the most part ‘Thai food’ has been invented and essentialised outside Thailand. Very similar processes have occurred with Chinese and Indian food and restaurants (Narayan 1997, Ram et al 2002). Thai cuisine was constantly being created and recreated.

**Transforming Thailand**

While food writers might be expected to emphasise the distinctiveness of Thai cuisine, the extent of change had not gone unnoticed. Decor was becoming more minimalist. Thus at Thainatown (Haymarket) ‘The Laminex
booths, tins of instant coffee and non-stop radio assault give a real milk-bar feel, but make no mistake, these folks have a license to thrill’ (SH, 9 June 2002). In Pinto Thong (Clovelly) ‘It’s something more akin to a fish and chip shop with its bare white walls, sizzling cooking smells behind the counter and four timber tables down along one wall’ (SH, 2001). Some of the more distinctive decor was no longer evident.

Similarly, by the 1990s, Thai food was becoming increasingly familiar: ‘It would be hard to imagine there are any Sydney diners who have not yet eaten Thai food’ (CE, 1991). Consequently ‘no one could say that Sydney suffers a shortage of good Thai restaurants. Yet Prasit’s has managed to create new waves of excitement in a town where Thai cuisine has suffered virtual overkill’ (CE, 1991). Whilst most restaurants maintained a more or less set menu that rarely changed, a handful of restaurants began to diversify.

Cuisine was also recognised to be in transition. At Bank Thai (Newtown) ‘For carnivores the red beef curry was tender and unusually included Brussels sprouts’ (City Hub, 24 June 1999). Simple and Irresistible (Newtown) ‘ventures where few Asian restaurants dare: the sound of an espresso machine competing with the busy rows of clanging woks. If you wonder why Thai restaurants rarely tackle serious coffee, the answer is here. They shouldn’t’ (SMH, 6 July 1999). More generally reviewers praised the merits of those restaurants that emphasised innovation and flavour as ‘the perfect antidote to food-court Thai’ (SMH, 24 August 1999), while ‘Thai in Sydney is about as common as boredom in a nursing home’ (SMH, 6 July 1999). Frustration sometimes reigned at repetition; ‘There must be some UN ruling on Thai entrees- the ubiquitous fish cakes, peanut satays and curry puffs were all regulation issues’ (SH, 23 July 2000). Similar criticisms applied to decor; at Darlo Thai (Darlinghurst) ‘the walls are painted an
uncluttered white. There are a few tasteful knick-knacks set back into recesses but none of the fussy Thai kitsch that attends some restaurants as they attempt to purvey an authentic cultural experience’ (SMH. 9 April 2000). Similarly too much change posed problems; at the Arun Thai (Darlinghurst) ‘most of the food is somewhat bland – perhaps in mistaken deference to western palates’ (CE, 1989). Such changes continued the trend towards hybridity.

In some cases Thai restaurants have become linked to Australian icons; a handful in inner city areas, including Glebe, Newtown and Sydenham, have taken over rooms in pubs. Many have deliberately modified their cuisine, or some other facet of the consumption experience, to accommodate Australian tastes and attitudes. At Arun Thai (potts Point) ‘an extensive Thai menu served in a delightful garden setting is a real bonus among the towering blocks of Elizabeth Bay. But what makes this such a popular spot? Well, the little sticker on the window says it all: “I’m a Dinki Di Australian’” (GFG, 1994). In nearby Kings Cross, at the Lime and Lemongrass, ‘It was almost inevitable that a restaurateur with an eye to the main chance would take Thai cuisine into the essential Sydney format of the brasserie.....everything one expects of a good brasserie: stylish food, a good range of wines by the glass, plus cocktail bar, a young eccentrically attired staff, hard surfaces to lift the noise levels, designer decor and modish clientele’ (GFG, 1994). Local trends shaped international cuisine and its context.

A small number of up-market Thai restaurants have sought constant transformations. The much heralded Darley Street Thai changed menus daily (by contrast with the almost total stability of many restaurants) with its cook, David Thompson, who ‘transforms simple dishes like braised pork hocks with depth and complexity. He also delves into ancient and royal recipes to
give us layers of unexpected flavours and textures, sometimes subtle and sometimes explosive, but always amazing’ (GFG, 1997). Moreover ‘everything is fascinating, given David Thompson’s deep interest in Thai culinary traditions and never-ending search for new ways to present them’ (SBS, 1996). Thomson himself claimed that ‘authenticity is certainly not expressed in those standard cardboard menus that seem to be printed in one factory for Thai restaurants. It’s a great shame because it misrepresents the complexity of the cuisine and sadly some people don’t go beyond that cardboard cut-out concept’ (quoted in Bolles 2000: 14). Thompson eventually moved to Thailand to set up a cooking school and a research centre for ‘sourcing, recording and collating old recipes. We’ll be employing people to scour the country and ask the older women about what they ate, what they cooked and how they cooked it’ (quoted in Newton 1999: 10). Thai restaurant owners in Sydney were said to ‘universally praise him for raising Thai from its cheap eats image’ (Bolles 2000: 14) and for moving it away from adaptation to western tastes. As a myriad of such restaurants in Sydney proclaimed their authenticity it was no longer possible to find it in Thailand.

While failed transitions and experimentation were inevitably frustrating to the cognoscenti, though this indicated that Thai cuisine was inevitably diverse and in transition, such critiques were usually preludes to observations that excellent dining opportunities remained, even amidst disappointment. As several effectively emphasised, innovative introductions effectively contributed to the renewal of cultural capital.

At the same time, restaurants generally continued to advertise, or at least imply, the ‘authenticity’ of the cuisine. Just as in Chinese restaurants in the United States, this was a socially desirable image in a competitive and differentiated market (Lu and Fine 1995: 538). Despite change, food
reviewers similarly continued to applaud the best and recognise distinctiveness, as at Tom-Yum Thai (Epping) where ‘Their jungle stir-fry is very, very hot and proves a great challenge for even ardent chilli lovers’ (CE 2002). And the nearby Pent-Thai (Epping) was ‘no ordinary suburban Thai’ (CE 2002).

Thai restaurants have gone through exactly the same processes as those in Chinese restaurants in America (and, by extension, in Chinese restaurants in Australia, rather earlier). Chinese restaurants in America have effectively used rhetorical strategies directed at effectively combining what they perceived as two rather different consumer desires: the desire for an authentically ‘Chinese’ meal and the desire for something familiar enough to be enjoyable. They therefore performed an explicit Chinese ethnic authenticity whilst implicitly transforming the eating experience by restructuring the menu and using more sugar in cooking (Lu and Fine 1995; Cook et al 1999). It is this impossible imbalance that constitutes staged authenticity, or what Taylor has criticised in some forms of world music, strategic inauthenticity (Taylor 1997). Paler versions are evident in the flyers that attract customers and market takeaways.

As this has occurred, the cultural capital once more central to Thai restaurants – embodied in the experience of ‘consuming Thailand’ – has gradually declined both on the part of consumers who are now less likely to perceive Thai cuisine as exotic, and on the part of restaurant owners who are less likely either to create a visual Thai experience to parallel the food consumption, and more likely to either (in up-market restaurants) experiment with cuisine, or (in down-market restaurants, the vast majority) to offer a satisfying low-cost meal. For both consumer and owner the cultural has given way to the economic.
Change and differentiation within the Thai restaurant scene reflected different local markets and paralleled changes within Thailand, and especially Bangkok. There new restaurants were being developed where ‘traditional images, void of function and content, are used to add symbolic capital to both restaurants and other new spaces in Thai society. These spaces of food consumption and leisure are instrumental in the creation of a new Thai middle-class aesthetic, lifestyle and identity’ (Yasmeen 1996: 537). Such parallel changes emphasised both the deliberate construction of images and the convergence of local and global trends.

The Transience of Cultural Capital
The rise of ethnic cuisine and Thai restaurants is part of a complex structure of globalisation, migration, tourism, the development of consumer oriented cultures, new production and distribution networks, a greater fluidity of cultural flows (including food, cookery books and television cookery shows) and new structures of education. While it is evident that restaurant owners have sought to create a distinctive eating/cultural experience, it remains unclear whether consumers are seeking the distinctive cultural experience that Thai restaurants and food provide or whether they value variety for its own sake, see the consumption of ethnic cuisine as a measure of their own cosmopolitanism, believe that they are gaining social prestige and cultural capital or are simply benefiting from cheap, easily accessible food.

Thai restaurants have played a large part in selling and marketing Thailand. One Thai restaurant in Bondi is simply called Amazing Thailand, the slogan of the Thailand Tourist Office. Just as ‘fast food’ has contributed to selling a particular image of the United States (Fantasia 1995) so Thai food has created a particular essentialised Thai national identity – rural, royalist and traditional. Above all this is an exotic travellers’ Thailand – the
Thailand that might await in remote places, distant from modernity, a nostalgic perspective of a past that never was. In part, as in Thailand and elsewhere, that past has been deliberately invented in the search for authenticity. (In Sydney it has parallels in belly dancers in Lebanese restaurants and plate breaking in Greek restaurants). More generally, as references to shadow puppets and Ubud make clear, what has also been created is something of generic South-east Asia, where Thai restaurants represent a much wider region. Literally and metaphorically the stomachs and imaginations of a new cultural class have been fed.

There are then close parallels with the situation of Indian restaurants in many parts of the developed world where eating Indian food can be seen as a variant of orientalism, with the tasty image of spices and exotic difference, an ‘alluring vision of India’ which excluded less satisfying failures of development and colonialism (Narayan 1997: 164-5), an India if not entirely invented then primarily fabricated and reconstructed (to exclude regional differences) in the most positive light – effectively as a golden age of Buddhism and royalty.

Restaurants represent the aestheticisation of cultural difference that emphasises the spectacular and visual, through the packaging of difference hinges on simplicity, credibility and exoticism. It is quite removed from the evolving and diverse experience of Thai cuisine in Thailand and from any semblance of contemporary Thai life. Authenticity must always be elusive as cuisines are transported and transformed within wider cultural circuits and chains, whilst national cuisines are invented and reified in time and space.

Restaurants have sought to create authenticity in a number of ways, centring around the food and the decor, yet authenticity is never possible. Thai food styles have constantly evolved within Thailand (and have principally evolved with reference to foreign, mainly Chinese, influences);
there can be no fixed tradition that can be isolated as typical, though there are distinctive ingredients (lime leaves, coriander, lemon grass and galangal) that give Thai food in Australia a certain distinctiveness (Ripe 1993). Similarly there are regional variations within Thailand (such as Isan) that make a national Thai food impossible. Even more evidently decor cannot be pinned down as typical of Thailand. Many Thai restaurants in Sydney are run by Vietnamese and Laotians.

The impossibility of fixing authenticity does not deny the significance of commodifying culture (Jackson 1999), nor the fact that, though what exists within Thai restaurants is not a representation of Thai culture, eating Thai food provides a distinct and enjoyable cultural experience. Moreover ‘ethnicity’ is both created and experienced within the restaurants: owners, reviewers and consumers effectively collude.

Despite real and created distinctiveness, by the end of the 1990s it was evident that

Today, Thai restaurants are very much part of Sydney’s landscape and green curry chicken has become a kind of national dish....the Sydney food savvies like to whinge that Thai menus are so similar that it has become a generic experience going to them (Collins and Castillo 1998: 371).

Long before that a constant theme in restaurant guides ran along the lines of ‘The menu breaks no new ground’ (GFG, 1989) or alternatively ‘at last some new Thai dishes and some refreshingly new interpretations of the standards’ (GFG, 1989). While such criticisms from food writers may have been almost inevitable, there were wider concerns about generic cuisine, experience and ambience. Another food writer noted effectively that tastes and experiences were ever evolving: ‘The usual Friday night couch, video, green curry combo just don’t cut it’ (Hamilton 1999: 11). And another: ‘there was a time when Thai was Thai and it was a novel eating experience...Not any more.
We are now so familiar with Thai dishes and spices that we know when it’s ordinary and when it’s good’ (Turner 1999: 57). After a quarter of a century in Sydney eating Thai cuisine was beginning to lose its mystique, but it remained true that many restaurants such as the Manohra (Bondi) were ‘packed out every night’ (CE 2002). Some of the mystique might have gone while the food itself has been domesticated to become both more generically Asian and Australian, but its popularity had never shifted.

The structure of food consumption constantly changes in response to economic and social change. Consumers are increasingly mobile and fickle, tastes wax and wane and systems of provision alter. If ‘we are what we eat’ in any way, then identities are constantly in flux. Fluidity is more evident in a nation of cultural diversity and without any semblance of a national cuisine.

In earlier years of eating out in Australia ‘cultural’ experience revolved around Chinese and Italian restaurants. In this millennium it is more difficult to conceptualise most such restaurants as ‘ethnic’; they have become absorbed into the mainstream and no longer offer an experience of cosmopolitanism. They have also become located in shopping malls. Woks, chopsticks, ‘Chinese’ ingredients and cookery books are not unusual in Australian homes (Symons 1993), or at least those of the ‘new cultural class.’ This appears to be the phase of change that Thai restaurants have now entered into – a transition from cultural tourism to domesticity – the ‘new Chinese’ – where common dishes have become familiar, ingredients and processed versions of such foods are available on supermarket shelves and take-away is as important as dining out. Like its ethnic predecessors Thai cuisine has complemented and diversified what has gone before, rather than displaced it.

In Britain it has been argued that omnivorousness is the most critical demand factor, with ethnic restaurants benefiting from an unending search
for cultural distinction through culinary variety (Warde and Martens 2000; Ram et al 2002), even to the extent that this leads to ‘gastronomic promiscuity,’ that is a ‘constant shifting from one individual restaurant to the latest recently opened newcomer, from one form of ethnic cuisine to another, from established brand images to the newest culinary fad’ (Ram et al 2002: 30). Such changes would contribute to the demise, or at least the transformation, of particular ethnic cuisines over time. However, while there have been changes within the Thai restaurant scene in Sydney, their decline has never occurred, because they provide a distinctive cuisine (that still remains popular within culinary journalism), no subsequent migrant group has entered the market in a significant way and Thai restaurants are relatively cheap. The cultural capital embedded in Thai restaurants, and in dining there, cannot be separated from changes in the structure of wider urban society (and specifically the structure of international migration and economic restructuring) and from entanglement with economics.

Evidently globalisation has reinforced and engendered a certain kind of localisation. In some contexts this has resulted in ‘the strikingly pronounced re-discovery of many ethnic traditions and identities’ (Urry 1996: 1981), but in the present context it constitutes a deliberate construction and discovery of ethnic tradition, and a fetishisation of place and diversity. In the inner city fashion, authenticity and elitist consumption are combined in an ever changing landscape of eat streets.

In a sense this is a familiar pattern of both assimilation and multiculturalism as alien objects are absorbed and entangled within new contexts. In this process the cultural capital once embedded in Thai food gradually disappears. Nonetheless as long as no distinctive new ethnic cuisine becomes established in Sydney Thai cuisine will retain a considerable degree of cultural capital. Indeed there is no imminent answer
to the rhetorical question ‘when will Sydney’s love affair with Thai come to an end?’ (CE 2002). While consumption has increasingly been seen as a social process, at its core a powerful economic component remains in place, and constitutes one reason for cultural survival.
Note

Unless otherwise stated quotations come from the flyers produced and circulated by Thai restaurants. More than two hundred of these were collected over a four-year period between 1998-2002 and we are grateful to many university students who assisted in this. Other quotations come from a series of annual restaurant guides - the Sydney Morning Herald Good Food Guide (GFG), the SBS Eating Guide (SBS) and Cheap Eats (CE) – and newspaper reviews from the Sydney Morning Herald (SMH) and the Sun-Herald (SH).

References


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CHAPTER 9

Contesting control in transitional Vietnam: The development and regulation of traveller cafes in Hanoi and Ho Chi Minh City

Kate Lloyd

Contesting control in transitional Vietnam: the development and regulation of traveller cafes in Hanoi and Ho Chi Minh City

In 1986 the Vietnamese Communist Party (VCP) formally embarked upon a program of economic reform (known as doi moi). As part of this transition from a centrally planned economy to a socialist market economy, the country has variously embraced, and had forced upon it, new economic and cultural processes and associated foreign influences. As these foreign ideas flew into the country alongside other consumer goods and the presence of an increasing number of foreigners, the state found that it could not control these areas to the extent it would like. Therefore one of the Vietnamese state’s main dilemmas during transition from a command to a socialist market economy has been how to manage the emergence of market forces within the existing Marxist ideology. Moreover, the social, economic and political context in which new sectors, such as the private domestic sector
and new industries, such as foreign investment and international tourism, are gaining a foothold is complex and often contradictory. The development of the private domestic sector clearly represents this tension between economic liberalisation and political control. The rapid growth of this sector in the early 1990s took place within a new space created as the state withdrew to provide room for new economic processes associated with Vietnam’s transition to a socialist market economy. However the ambiguity, which existed over its right to operate and continued support of the dominant role of State Owned Enterprises (SOEs) has made this economic and political space problematic and the commitment to the private sector questionable.

As a burgeoning new industry, the international tourism provides a milieu demonstrating the state’s response to new cultural industries and the strategy employed to regulate such development. The study of tourism development in Vietnam also provides an opportunity to rectify the undertheorisation of social and cultural processes. Using a case study that focuses on traveller cafes in the backpacker areas of Ho Chi Minh City and Hanoi, this paper argues that the development and regulation of traveller cafes took place within a fluctuating regulatory environment characterized by a lack of legal procedures and weak enforcement of existing legislation. This paper examines the impact of government regulation and its pro-state owned enterprise (SOE) policy on the development of private small-scale tour operators and the coping mechanisms used by these businesses to survive in this insecure working environment. Through an analysis of private sector development, it is argued that traveller cafés have been subject to erratic responses by the government authorities, initially ignored then targeted for state intervention through formal regulation, informal payments and aggressive competition from SOEs. The paper concludes by arguing that attempts by the state to regulate the private tour operator sector are
undermined by personalised social networks, which are present at all levels. As a result, the institutional management of tourism is not absolute because of personal values, interests and bureaucrat’s ability to exercise discretion in the implementation of policy. It is argued that because all economic processes are socially and culturally embedded, an analysis that places as much emphasis on the role of the state, as on social and cultural relationships, is appropriate for explaining tensions in Vietnam.

**Vietnam in transition**

Formally approved by the Sixth Party Congress in 1986, Vietnam’s policy of *doi moi*, or renovation, has seen the country undergo transition from a Marxist Leninist state into a socialist market economy increasingly incorporated into a global capitalist system. This transformation was driven by a number of external and internal factors. First, isolated from the international community for over a decade, Vietnam watched while its regional neighbours participated in unprecedented economic growth. Globalising forces continued to pressure the Vietnamese government to capitulate from its isolationist stand. Second, Vietnam faced an internal economic crisis, induced by decades of war, and exacerbated by the attempt to integrate the southern Vietnamese economy into an already weakened socialist system after 1975. This contributed to the loss of confidence in the party’s competence and leadership. Economic failure necessitated people at the local level to search for alternative livelihood strategies thus laying the groundwork for economic reform. This was later formalised at the Sixth Party Congress, when the VCP adopted as its goal the task of reforming the economy along market lines while at the same time retaining the party rules. This decision was also fuelled by the recognition that the VCP’s political
legitimacy and stability, diminished by years of overcentralisation, corruption and economic mismanagement, rested on its ability to produce and maintain economic growth. Marr (1996: 4) notes that the VCP’s political rationalisation of this reversal in policy, has been “rich people, strong country” (dan giao nuoc manh), and a push for industrialisation and modernisation, which has also helped it retain a degree of legitimacy.

This transformation has been widely debated by Western social scientists and has resulted in a range of theoretical interpretations of the causes, sequence and outcome of Vietnam’s transition. The state-society approach is a commonly used framework and has been popular within the literature on transition in Vietnam. Kerkvleit’s work (1995a: 66-67, 1995b: 398-9) is instructive in this area through a comprehensive review of the main paradigms of this approach.

There are two main conceptualizations concerning the sequence of Vietnam’s transition. Analyses provided by leading neo-classical institutions argue that Vietnam's transition was driven by top down, policy driven change. Using this policy-driven approach a large number of studies (Ronnas and Sjoberg 1990; Leipziger 1992; Dapice 1993; Diehl 1993; Dollar 1993; Riedel 1993; Jefferies 1993) concluded that Vietnam’s economic transition was the result of “big-bang style micro-economic liberalisation and macro-economic stabilisation” (Sachs and Woo 1994: 274) - or, as Perkins (1993: 9) claims, an “across-the-board, big bang approach.” However, a conceptualisation of Vietnam’s transition which places too much emphasis on state and policy driven change is argued to be flawed as market forces were active well before the formalisation of doi moi by the Vietnamese government in 1986 (Fforde 1993; Fforde and de Vydler 1996). Instead the gradual process of micro-economic change took place first at the grassroots level and was formalised later by macro-economic reforms (Van Brabant
This paper argues that many studies using this current approach overestimate the power of the state and therefore attribute much of the change taking place in Vietnam to policy. In other words, there is an under-theorisation of social and cultural processes, which has led to a number of assumptions being made over the dominance of the state and policy in Vietnam’s transition. As a Western researcher it is difficult to know how policy is formulated, and the intention behind it. Much of the literature simply assumes this knowledge and imposes notions of intentionality upon ‘policy-makers,’ but this is clearly no more than speculation. To correct this imbalance, it is important to utilise an approach which acknowledges the important role of the state but also notes that economic transition should not be considered as an independent and determinant sphere of activity which selectively engages with ‘other’ spheres of society or governance, but is socially embedded and contingent.

This emphasis on the social and cultural context relates to what has been labelled the cultural shift, which has arched through social science disciplines during the past ten years. Instructive in this area is the body of literature on new economic geography where the onus now concerns the social and cultural practices, which constitute empirical changes in the economic composition of industry, agriculture or service industries such as tourism. Increasingly, research in these areas has highlighted the importance of social networks of personal contact for the transmission of business information and knowledge (Yeung 1994; Amin and Thrift 1995), and for the generation of trust in economic relationships (Platteau 1994; Leyshon 1998). This paper argues that these issues are particularly relevant in transitional countries and that the international tourism industry is
particularly useful in highlighting the linkages between culture and economy. Using the concept of the cultural shift, this paper seeks to show private tourism entrepreneurs as bearers of locally specific knowledge, who actively shape the policy content rather than (as a state-focused approach would have it) constitute mere receivers of state policy.

**International tourism industry in Vietnam**

As both a cultural and economic sector, the tourism industry is a useful medium through which to examine the issues discussed above, notably the importance of social and cultural factors in shaping Vietnam’s transition to a socialist market economy. The tourism industry also clearly illustrates the contradictions inherent in the Vietnamese government’s dual goals of political control and economic liberalisation. On the one hand, at various levels, the development of tourism, as a new market-oriented industry, has been supported by elements of the VCP, domestic private entrepreneurs and by international organisations for its perceived economic benefits. For example, at the Ninth National Congress tourism was identified by Deputy Prime Minister and Chairman of the Tourism Steering board, Nguyen Manh Cam, as an industry that should be "turned into a spearhead of the national economy" since it “helps with employment, expansion of cultural exchange, regional and global integration and earning foreign currency while promoting the national culture rich in identity" (*Nhan Dan*, December 11, 2000). Yet on the other hand, to Party members who fear that the broad scope and rapid pace of Vietnam’s transition may lead to the loss of political power, the tourism industry represents a volatile mixture of local and globalising forces that need to be controlled. Therefore the VCP has given high priority to the management of the state’s cultural sector which it sees as
Tourism in Vietnam is therefore representative, not only of the process of economic transition itself, but also of how this is facilitated through social, cultural and political networks. This paper therefore reveals how the interaction between private and state sectors is influenced and mediated by social networks and their associated cultural and socialist legacies. Using empirical evidence from a case study of one key sector of the international tourism industry - the development and operations of small-scale private tour operators and their ‘traveller cafes’ located in the backpacker areas of Hanoi and Ho Chi Minh City - the inclusion of social, cultural and spatial analysis provides explanations for understanding the nature and process of transition.

**Traveller cafes in the backpacker areas of Hanoi and Ho Chi Minh City**

The development of a tourism industry is a relatively new phenomenon in Vietnam with tourist arrivals jumping from just 188,000 in 1989 to 1.6 million in 1999 (VNAT 2000). The arrival of such unprecedented numbers of international tourists in the early 1990s, as a result of the lifting of restrictions and its open door policy rather than active tourism promotion, exceeded the expectations of tourism authorities. Faced with a severe lack of tourism infrastructure and skilled service personnel, the Vietnamese Government embarked on a tourism strategy which required the major
renovation and development of facilities and services to meet the needs of international tourists. The focus of this tourism strategy met the Vietnamese Government’s economic and political objectives by placing significant emphasis on the “safe” and non-intrusive luxury tourist market which promised lucrative financial benefits combined with few political and security concerns. However, Vietnam was quickly becoming a new destination on the low-budget traveller’s trail, resulting in the arrival of increasing numbers of backpackers (Travel Trade 1993: 39; Vietnam Investment Review, 18 September 1995).

Similar to the concerns of governments in many other developing countries in the region, noted by Picard (1996) and Hampton (1998), the VCP was reluctant to facilitate low-cost tourism since backpackers (known as Tay ba lo) were perceived as spending little money while bringing a “high risk” of negative socio-cultural effects on local communities (Vietnam Investment Review 1995). Therefore little emphasis was placed on developing infrastructure and services for the budget market and as a result a small group of entrepreneurs, first in Ho Chi Minh City, then in Hanoi, responded to the demand and established businesses, now known as traveller cafes, which provided services for this new budget clientele.

Today, traveller cafés in Vietnam are synonymous with backpacker areas and have become for many travellers an oasis from which to escape the clamour and hustle of Ho Chi Minh City and Hanoi’s busy streets. They are similar in function to the cafés that operate in the more established backpacker “ghettos” across Southeast Asia such as Bangkok’s Khao San Road, Jakarta’s Jalan Jaksa and Penang’s Jalan Chulia. Catering to mainly western backpacker clientele, traveller cafés form a safe bubble from which travellers can gaze out at the unfamiliar while surrounded by comforts from home. They provide cheap accommodation and a parallel range of transport,
restaurants, and support services, connecting tourists to regional information and communication networks (Hampton 1998). Having developed at almost every node of Vietnam’s transport routes, this informal traveller café network allows independent tourists to travel the entire length of Vietnam rarely venturing far from the safety and security offered by these backpacker havens. In effect this network creates a safe well-trodden predetermined traveller’s trail, curiously controlling low-budget tourist’s movements in a way favoured by the Vietnamese government.

The majority of traveller cafés are located in Hanoi’s Ancient Quarter and in Ho Chi Minh City’s Pham Ngu Lao and De Tham streets. While both areas are not officially designated as backpacker areas, guidebooks such as the Lonely Planet have been recommending these areas since the early 1990s “as the city’s main centre for budget travellers” (Storey 1994).

The Pham Ngu Lao area, located in District One of Ho Chi Minh City, is often the first destination for backpackers arriving in Vietnam and has become a base for many travellers exploring the country’s south. Marked by a vast array of mini-hotels, restaurants, traveller cafés, bars, photo shops, art galleries and souvenir shops, the area also draws motorcycle and cyclo drivers who with vendors selling cigarettes, water and other commodities fill the sidewalks and streets of the area.

As in the Pham Ngu Lao area, tourists were first attracted to the Ancient Quarter or its proximity to the city centre and budget accommodation. The Ancient Quarter of Hanoi is known for its retail and wholesale shopping, rich cultural heritage, long-established architectural form and vibrant patterns of street life - all of which appeal to visitors. The emerging backpacker presence in Hanoi’s Ancient Quarter differs from that found in Ho Chi Minh City’s Pham Ngu Lao and other backpacker ghettos,
in that it is not concentrated specifically on a few streets. Mini-hotels and tour operators are dispersed throughout the Ancient Quarter, although many of the tour operators have begun to congregate on the streets of Hang Bac and Hang Be.

Before describing the development of private entrepreneurs who run the traveller cafes in these areas, it is important to briefly outline the growth of the private sector and its characteristics within the transitional environment as it sets the context in which traveller cafes were established and regulated.

**The private domestic sector in Vietnam**

The development of the private domestic sector following the formalisation of Vietnam’s multi-sectoral economy in 1989 was initially characterised by the rapid growth of the private domestic sector. However despite the VCP's support for the private sector through laws, regulations and the creation of a multi-sectoral economy, the state's continued encouragement of State Owned Enterprises (SOE) made any commitment to the private sector questionable (Fforde 1997:4; Thayer 1998). Therefore by the end of the 1990s Fforde argues that the most striking and revealing aspect of Vietnam’s development style through the decade was the relative failure of the small-scale enterprise to emerge and grow strongly (Fforde 1998).

According to Gillespie (1996), the owners of private enterprises, aware of the unstable environment in which they operate, sought protection from powerful people in the administration and the party. Driven by strong individual economic imperatives, these networks were often facilitated by corruption within the state apparatus and a lack of authority and unwillingness to use force to implement regulations. Conversely,
government bodies and groups within society also used personalised social networks to access to the wealth created by new economic activities within the private sector. Patron-client relationships varied in type but studies of the private sector point to the large number of private entrepreneurs who registered their firms as either state or collective enterprises in order to evade heavy taxation. Many SOEs acted as shells for private enterprise or themselves carried on private enterprise as their directors took advantage of access to unofficial interest free loans, rent-free use of capital resources and opportunities to poach lucrative SOE contracts (Heberer and Kohl 1997: 11). Private enterprises also minimised their risk by keeping one foot in state employment even when pushing into new opportunities in private business (Fforde and de Vylder 1996). As a result, throughout the 1990s economic reform reinforced the growing horizontal relationship between state and non-state sectors both in reference to actual exchanges between sectors and to the increasingly mixed nature of state and non-state capital (Vasavakul 1996).

To illustrate the contradictions found in the government’s response to the development of the private sector, empirical evidence was collected from interviews with a variety of stakeholders in the private domestic tourism industry and in particular traveller café owners. A full enumeration of private traveller café operators located in these areas (14 in the Ancient Quarter and 9 in Pham Ngú Lao) was interviewed over a three-year period (1997-1999). Interviews were also conducted with various government authorities who were responsible for regulating the sector. This ranged from officials from the Vietnam National Administration of Tourism at central level to authorities from Nha Be district at local level.
Stages of development and regulation

The development and regulation of traveller cafes situated in Hanoi and Ho Chi Minh City took place within a fluctuating political and economic environment characterised by a lack of clear legal procedures and weak enforcement of existing legislation and can be divided into three stages. The first stage of traveller cafe development (1990-1994) following the formalisation of Vietnam’s multi-sectoral economy in 1989 was characterised by the growth of the private domestic sector. Private business development was largely unregulated and took place within a fluctuating political and economic environment characterised by a lack of clear legal procedures and weak enforcement of legislation. The turbulent economic climate also left an administrative gap of procedures to deal with the new processes associated with an emerging market economy and regulations related to the tourism sector lagged far behind the actual development of tourism services. This was certainly reflected in the development of private traveller cafes which sprung up first in Pham Ngu Lao and then in the Ancient Quarter in the early 1990s in response to a demand for services by backpackers. As a new component of Vietnam’s market based tourism industry, traveler cafes operated relatively unhindered during this period.

The second stage (1994-1996) in the development of traveller cafes, referred to as the “golden age” of traveller cafe tourism by entrepreneurs, was marked by a rapid expansion of cafes in both north and south fuelled by an increase in backpacker numbers and a demand for services that far exceeded supply. Both the Pham Ngu Lao Area and the Ancient Quarter were mentioned more frequently in guidebooks for their inexpensive accommodation and access to tourist services (Storey 1994; Storey and Robinson 1997). Moreover, the abolition of travel permits in 1993, which
had restricted tourist access outside the cities, allowed traveller café owners to expand their operations from the local vicinity and establish linkages with traveller cafés in the north and south. During this stage, traveller cafés were observed closely by other potential private entrepreneurs and local authorities. As the profitability of the industry became clear, competition among traveller cafes mounted and the cafés began to receive ever-increasing attention from local officials who were eager to benefit from this lucrative new industry. As the majority of traveller cafés remained unlicensed and therefore did not pay tax, private traveller café owners relied on their personal relations with officials to circumvent the growing regime of official regulations.

By the third phase (1996-2000) the state began to enforce regulations concerning private tour operators. The aim was to ensure that businesses were licensed, tax-compliant and of appropriate quality and also direct some of the wealth from this industry back to the state. In addition to the crack down on unlicensed companies in general, it became clear in the 1990s that the state continued to discriminate in favour of SOEs. In Vietnam the state-owned sector was preferred for both ideological reasons and because of interest groups which benefited from the state-owned enterprises (Gillespie 1994; Herno 1997). This had implications for traveller café operators, whose activities often conflicted with a favoured state policy, resulting in formal or informal resistance to their development from the state. Private traveller cafés were targeted by all levels of government and within the community itself. Those who displayed wealth and had only loose political connections faced recrimination from the state not only because of ideological reasons but also because of the strength of interest groups which supported SOEs (Herno 1997). Under socialism, wealth was shared; those who were seen to accumulate wealth for personal purposes – such as
traveller café operators who made substantial profits from budget tourist’s lucrative foreign exchange in a very short time and for what appeared for most Vietnamese to be for little effort – were regarded with disdain. Therefore for various reasons traveller café operators were targeted by the authorities and community alike because they catered to the backpacker market, a potentially sensitive area in need of constant surveillance.

The regulatory mechanisms used by the state can be divided into two forms. First, local authorities, intent on controlling unlicensed and profit-making businesses, increasingly enforced licensing regulations to fight tax evasion and undercut illegal business activities. For example major regulations such as CP-09 and CP-02 were introduced, requiring traveller café owners to apply for a licence to operate the tour business and register the enterprise with the relevant authorities (Herno 1997). In general these licensing procedures were extremely cumbersome: applications and supporting documentation had to go through several administrative offices or “doors” (cua), such as local city or provincial people’s committees, who required paperwork of often redundant information in triplicate (Pers. Comm., Cuong, Private Tour Operator 1999; Gillespie 1995).

These procedures also opened up new opportunities for local authorities, driven by individual economic imperatives, to act as “gate keeper” whereby officials would exercise their discretion in the implementation of regulations or issuing of licences to entrepreneurs with whom they had developed a personal relationship. Although the nature of the relationships differed in each case, the owners of private domestic traveller cafés became more closely linked with the state with many developing patron-client relationships with various government bodies.
Second, a more subtle and informal strategy to access to the profits from the backpacker market was to encourage state-owned tourist companies to establish branches in tourist areas and gain direct access to the budget tourist market. This change was driven partly by an acknowledgement of the difficulties in effectively implementing and enforcing regulations such as tax collection and licensing. These attempts to access to profits directly from their source was also coupled with an increased knowledge of the market-oriented tourism system and tourist markets in general, and a change in attitude toward the traveller café as a legitimate provider of services for the backpacker market. In addition, the decline in tourist arrivals, in part due to the Asian financial crisis, led many tour operators to reassess their business strategies and diversify into previously neglected markets. However, the government’s change in attitude toward the budget tourism market and traveller cafés did not extend to the private tourism entrepreneurs that ran them. Instead of supporting the already established businesses, the government strategy continued to discriminate against the private sector and instead encouraged state-run tour operators in this area. As a key part of this strategy to capture the backpacker market many large state-run tourist companies such as Saigontourist, Ben Thanh Tourist and Hanoi TOSERCO established “backpacker branches” in the Pham Ng Lao area in Ho Chi Minh City and the Ancient Quarter in Hanoi. Financial assistance in the form of subsidies and access to government loans, infrastructure and lucrative contracts was essential in enabling state-run tour operators to compete effectively with private traveller cafés.
Implications for traveller café operators

The entry of state-run tour operators such as Hanoi TOSERCO into the budget tourist market combined with licensing and quality control regulations influenced the ways in which traveller café operators functioned in both the Pham Ngu Lao area and the Ancient Quarter. By supporting and encouraging its own SOEs to develop branches in the budget tourist market, the government directly targeted the source of income. Moreover the introduction of a multiplicity of permits and licences created avenues for gate keepers to extract money from small-scale private entrepreneurs. Therefore from the relative freedom many private tour operators referred to in the early to mid-1990s, the environment in the late 1990s was characterised by many traveller café owners as insecure and unpredictable.

Unable to meet licencing regulations or compete with government tour operators in the area, many traveller cafes were forced to close down their operations. Others who continued to run their businesses reported using a survival strategy, which aimed for short-term profits and objectives, together with the diversification of business into more stable areas. Instead of reinvesting profits in their business, traveller café operators tended to diversify their investments, indicating a lack of trust in the long-term future of the private sector. Most private entrepreneurs interviewed said that they would stay in tourism as long as they could make money, but because of the lack of security, they ensured that they had “back-up” (Pers. Comm., Liem, Private Tour Operator 1999). In the south this tended to take the form of other businesses. A private traveller café in Pham Ngu Lao has a business providing information on joint venture procedures, and also trades in domestic goods (handicrafts), imported goods and terra cotta tiles. In the north, traveller café owners also diversified. They also stressed the
importance of maintaining ties in the bureaucracy, usually through a family member or relative, or by continuing part-time work in a government department.

Responses to regulatory mechanisms

To negotiate around both formal and informal regulatory mechanisms, all private traveller café operators interviewed referred to the importance of personal networks and patron-client relationships. Many noted that to ensure a positive outcome from their application to establish a business, it was necessary to have good personal relationships with individuals within the numerous arms of the bureaucracy who could use their discretion to grant approvals or certify documents. Others negotiated administrative barriers such as licences through the giving of ‘gifts’, extra licensing fees (generally to the directors of the government bodies) and favours such as the use of a tourist car or bus.

Measures employed by traveller café operators to circumvent government licensing and tax regulations were further assisted by the decentralised nature of the Vietnamese state. Local government authorities, at district, city and provincial levels, were often faced with different concerns when regulating businesses than the central government whose focus was on formulating national tourism policy. Local authorities such as district peoples committees’ often viewed traveller cafés more favourably than central level authorities because they not only provided employment in the local area, but their business activities also created numerous opportunities for personal gain. Opportunities for rent-seeking were more likely to take place at the local level, ensuring that ideological concerns were downplayed to give local level administrators the freedom to follow their
own ideas and interests, including those of commercial character (Herno 1997). Traveller café operators therefore played on the structural weakness and the decentralised nature of the bureaucracy, using personal relationships at the local level to cope with centrally formulated policy and regulations.

**Conclusion**

The Vietnamese government’s attempts to regulate the development and operation of traveller cafés reveals much about the tensions associated with transition to a socialist market economy and the different expectations over the role of the private sector. Several conclusions can be drawn. First, despite the spontaneous development of traveller cafés due to market and regulatory gaps, the small-scale entrepreneurs who run traveller cafés have been subject to an increasingly restrictive environment, as the government has tried to access to some of the lucrative profits associated with this sector. This policy objective was driven by ideological opposition to the private sector and support for tourism SOEs by groups with vested interests in the state monopoly of the sector. Different perceptions within the state over the rights of the private sector to exist and its role in Vietnam’s development strategy have resulted in contradictory policy implementation. To some extent traveller cafés have been tolerated, but rarely encouraged, because of their contributions to employment generation and provision of the skills and experience essential for economic development. However their accumulation of private wealth strikes chords of jealousy from within the community and from government authorities and SOEs who feel that the profits should contribute to a shared wealth. As a result, vested interests use a variety of methods to ensure that they share in the profits.
Second, this case study shows that it is important to look beyond the role of the state and its use of policy to understand the way in which entrepreneurs have responded to this top-down policy and regulation. Personal networks facilitate a partnership in which government authorities or SOEs gain financial benefits from entrepreneurs in exchange for protection, the use of licences and access to information. These networks shaped by patron-client relationships, are integral in establishing and maintaining business relationships and take place without much reference to the instrumental arms of the state. Any analysis that does not account for the role of social forces fails to see tourism entrepreneurs as bearers of locally specific knowledge, who actively shape the policy rather than constitute mere receivers of state policy. By taking into account personal relationships, cultural forces and regional dimension, it becomes clear that central policy does not control traveller cafés to the extent that policy, which repeatedly refers to the leading role of the state, implies. Instead the decentralised nature of the Vietnamese state, coupled with historical and regional factors – such as the market-driven nature of the south and the north’s predominance of rent-seeking officials – and the strong presence of personalised social networks, are likely to play a much stronger role in the future of traveller cafés in each region.
References


CHAPTER 10

Emerging Iconoclasm in Hanoi's Public Spaces: The unspeakability of political protest

Mandy Thomas

This paper deals with the question how the production of space in Asian cultural and historical environments might mesh with the globalising tendencies of modernity. One of the most distinctive features of the contemporary period is the burgeoning of ties between transnational space and the local. How then might the tendencies of iconographic space to be continually remade, reconceptualised and even destroyed operate within the shifting political and spatial arrangements where migration, mass media and electronic communication impact upon images of the sacred and images of power in local settings. I examine this collage of meanings in relation to the shifting domain of public space in Vietnam by moving through a conjunction of different spaces – the iconised, monument-filled spaces of urban Hanoi, the mediascapes of contemporary Vietnam, and the sensory world of everyday urban culture. These three sites exemplify the entanglements of media and embodied pleasure in the contemporary transformation of public space in Vietnam.

Incipient iconoclasm

Where communists icons and monuments have fallen, so have the regimes which built them – the Berlin Wall, Lenin’s statue. During the nineties more and more
Communist statues and monuments were destroyed and displayed prominently during every political change in Europe. This was a paradoxical resurrection of these monuments, a resurrection in the media of the power of icons, highlighting the visual and symbolic effectiveness of the imagery that was abused, defaced, pulled to the ground or thrown aside (Gamboni, 1997:51). At the same time in Tiananmen Square, the hastily put together model of the Statue of Liberty served as a counter-image to Chinese Communist statues. By contrast, in Vietnam statues and busts of Ho Chi Minh are still being made. Even though the monuments of Hanoi have been in the last decade increasingly ignored, impregnated against attention, and become works of art with few spectators, they are not yet defaced or destroyed. Ho Chi Minh himself still maintains a sacred aura and is described in hallowed terms, school children visit Ho Chi Minh’s museum, and rural visitors to Hanoi line up to see his body in the mausoleum. However, increasingly the monumental spaces of the city are being used for other purposes, for street trading, skateboarding and jogging. While these everyday incursions into and onto monuments are decidedly not political activities they reveal the way that stark public spaces of the state are now being used by citizens as backdrops for more and more apolitical activities, symbolize that these statues and state buildings no longer hold a sacred aura for much of the populace. The resurgence of an active and lively streetlife in Vietnam has occurred ‘as users become increasingly emboldened in their occupation of this space – as an extension of domestic space, an annexation of commercial space and a space for personal expression’ (Drummond, 2000:2389).

At the same time as Hanoi’s public spaces are being secularized and re-appropriated for new activities, the country as a whole is being re-invested with religious meaning. Hue-Tam Ho Tay reports there has recently been a proliferation of ancestral halls, pilgrimage sculptures and structures of commemoration refurbished or newly built with the help of overseas remittances (p229). She reports, ‘Commemorative fever is threatening to blanket the Vietnamese landscape with
monuments to the worship of the past. Every year it seems another museum opens, a new memorial is dedicated. Temples are refurbished, and rural roads bristle with signs pointing to historical sites’ (p 1). But as Ho Tay argues, these commemorative changes signal the possibility for counternarratives to Hanoi-produced histories – offering alternatives to the narrative of heroic sacrifices in the noble cause of war and revolution; people honoring their war dead as they wish rather than in state managed occasions; artists reinterpreting the periods of deprivation in the north not as noble sacrifice but as dire poverty.

The economic and social changes in contemporary Vietnam have paved the way for a dramatic transformation in the ways in which the past is imagined. Recently the efflorescence of individual mobility, street-trading and public crowding around certain popular events has led to the emergence of a distinct public sphere, one which is not immune from state control and censure but which isa flagrant rebuttal of the state’s appeal. The immediate struggles over space herald a new discursive arena for the contest over Vietnamese national imagery as represented in cultural heritage and public space, memorials and state-controlled events, which the public are rapidly deserting. What I’d like to suggest is that the everyday cultural practices that have created a bustling streetlife in urban Vietnam will inevitably provide the vitality and spectacle for the destabilisation of state control in a struggle for meanings in public space. While the work of political scientists such as Ben Kerkvliet reveals the ongoing negotiations between the party and the people, the lack of clear boundaries between them and unofficial political changes that are occurring, whittling away gradually at the authoritarian state, the state and its representation in public space still have an emotional valence against which many citizens have a sense of separation, a notion of anofficial ideology against which unofficial culture is contrasted.

In 1945, an excited and urgent crowd, wildly shouting with a revolutionary fervor, watched as Ho Chi Minh declared independence for Vietnam in Ba Dinh Square in Hanoi. Being a spectator of this formative national moment assured many
individuals of a lifelong commitment to the social revolution. Ba Dinh Square today is a very different space and has been reshaped, remodelled and rebuilt under different colonial regimes. Since Ho Chi Minh occupied that site to jubilantly claim independence, the immense formal public space has been restructured to reflect 'socialist architecture' in which the urban landscape marked an iconography of the relations between the Soviet Bloc and Hanoi (Logan, 1994:59-60). The site of Ho Chi Minh's inauguration of independent north Vietnam in 1954 is now surrounded by numerous buildings including Ho Chi Minh's Mausoleum, a massive, isolated, solemn shrine on a barren expanse of concrete. But what happened to that emblematic national crowd that gathered so urgently in the public space of Ba Dinh Square in 1945? As the spaces in the city have been filled with reinforced concrete structures of Soviet architecture, and more recently the glass towers of new capitalist investment, what has happened to the crowd that thronged through the streets to cheer Ho Chi Minh? The August Revolution in 1945 was a moment when youth movements in Vietnam changed the political direction of the country, responding to Ho Chi Minh's call to fight against colonialism. However at public political moments today such as the 1998 30th anniversary celebrations in Vietnam of the Tet Offensives, the turning point in the Vietnam War, there were few spectators and no crowds. On this occasion, as James Scott (1990:58-69) argued, the party-state had organised a ritual that displayed its leadership and celebrated its dominance, but only to itself. Here the imposed everyday vacancy and high security of the formal space of Ba Dinh Square marks the tension between a regime threatened by a socially responsive citizenry but needing to harness public support in elaborate parades and rituals. There are political and social consequences to the changing nature of public space and public entertainment in Vietnam, a country rapidly integrating into global media spaces.

**Mediascapes and Celebrities in Vietnam**
The move to a market economy has also meant that the icons of the socialist regime had become blanching of emotional power and eclipsed by celebrities, football players, singers and soap opera stars. In order to reveal the modalities through which the recent attraction to new forms of entertainment in Vietnam may express political change, it is important to explore how the notion of public figures has transformed. Older people in north Vietnam were involved in the revolution, which deeply influenced their perception of public figures and what their role should be. Leaders were expected to exemplify impeccable moral behaviour and social conscience (see Nguyen Khac Vien, 1974:47). Since the revolution in the north, public figures have been described in the media and in biographies in glowing terms, and historians were employed to write hagiographies of national heroes and revolutionaries (Duiker, 1995:182). Ideal public persons for this age-group had to combine patriotism with a socialist ideology. The type of individuality that has been revered in Vietnam is that of people who have been marked by a career in the service of their country, as moral exemplars and emblems of nationhood. Those raised in the political environment of the post 1954 socialist transformation of the north and the war for national reunification continue to be influenced by the public culture of the period.

The development of celebrity in Vietnam thus requires something in addition to media support. It depends upon the engagement of consumers with tangible cultural products of the icon. The advent of market economics and globalisation have brought the notion and practice of pop culture with icons and cultural products to Vietnam. Throughout the country, celebrities are being memorialised in obtainable objects, the media only providing the initial catalyst for the interest in an individual. Celebrities must be brought into the home embodied in artifacts. These posters, cassettes, soap operas, CDs, videos or even T-shirts with the pop images or names of the celebrities emblazoned on them are freely available in Ho Chi Minh City and Hanoi. Unlike neighbouring socialist China which had witnessed Mao revolutionary paraphernalia turned into a massive pop industry of T-shirts with slick slogans, posters with New
Age images, and cover designs for rock music CDs (Barme, 1996), Vietnam has not done the same with Ho Chi Minh's heritage. The reverence for Ho Chi Minh is mostly manifested through shrines and historical sites associated with his life and in the village and town memorials where his statues are very common (Tai, 1996:273). However, the commodities associated with popular icons are usurping some old mass cultural icons like the bust of Ho Chi Minh or lapel pins/badges of the emblems of the socialist state. It is evident therefore that with the rapid increase in the availability of consumer items, the attraction to celebrities is growing. At the same time as the relationship between popular icons and commodification is intensifying there has been a corresponding decrease in the circulation and interest in the iconography of the socialist regime.

It is clear that formal ceremonies that celebrate and dramatize the rule of the party have no audience on the street. Even though these celebrations are broadcast on television, the viewing audience is unengaged. Instead, audiences, crowds, spectators are being brought together throughout the country for potentially threatening activities. The shifts in the emotional valence and political meaning of the crowd in Vietnam over the last decade have allowed public space to become a site through which transgressive ideologies and desires may have an outlet. The crowd in Hanoi has had a huge semantic shift since the 1940s. Clearly, crowds for the party were the most splendid instantiation of state power in the past and now signify the worrying possibility of subversion. Memories of the crowds that tore down the Berlin Wall, of the crowds in Tiananmen Square and in 1998 at Parliament House in Jakarta would add to the concern that officials have for the power of the crowd to overturn and to threaten. The party has seen the impact of the potent mix of a public desire for reform and media interest in crowd formation in Eastern Europe as well as in China and elsewhere in Asia. The evidence for this is manifold. Recent rural uprisings, particularly in the northern coastal province of Thai Binh have clearly been of continuing concern for the regime. The party has to devote considerable effort to arrest
declining membership and has not been successful in promoting attendance at state-organised public events. Yet religious festivals are attracting larger gatherings of people every year and undergoing a resurgence in popularity with a rather dramatic flourishing of popular festivals and pilgrimages. Crowd behaviour at funerals and weddings as well as the phenomenon of groups of young motorbike riders racing through city streets has been increasing in frequency throughout Vietnam in recent years and the party is constantly attempting to curb these activities. Football crowds are also of concern to the party as they signify a disrespect for authority and a loosening of party control. In June 2002 Reuters reported from Vietnam that a few hours before the start of the 2002 World Cup, which is being co-hosted by the Republic of Korea (RoK) and Japan, Ha Noi football fans packed into cafes around the city to watch the opening match between France and Senegal. Thousands of young people, finding all the seats taken inside the cafes all over the inner city, simply sat outside on the pavement, drinking and talking about the World Cup. Many bet on their favourite teams and discussed the injuries incurred by star players. Newspapers at pavement kiosks and stands were sold in large quantities, especially World Cup "Express" News issued by numerous media organisations. Coca Cola Corporation has joined hands with JVC Electronics in organising a "Football Festival" programme at the Viet Nam-Russia Friendship Cultural Palace where 300-inch TV screens have been installed.

The eager reception of the media icon constitutes not so much a challenge to state power as a shift in the ideological landscape - one over which the state can no longer maintain its dominance. The Vietnamese obsession with the World Cup heroes does in this sense represent a nation gradually replacing its icons to a field of public figures involved in quite different nation-building projects. The large number of people on the street celebrating is only possible because of the changes in media reporting, the accessibility to television and the engagement of Vietnam in wider geopolitical relations in the last decade. Mass mourning and mass celebration both open
up sites of communal activity that express 'non-state' opinion. At a time of accelerating social change, the state has effectively delimited public criticism and yet a fragile but assertive form of Vietnamese democratic practice has arisen in public space, at the margins of official society, in sites previously equated with state control. In public space there is now a contest over 'symbolic control of the streets' (Low, 1996:391) and the people are literally voting with their feet. Where crowds were always a component of state(stage)-managed events, now public spaces are attracting a large number of people for supposedly non-political activities which almost always become transgressive acts condemned by the regime.

Since the process of reform has been undertaken urban space in Vietnam has been transformed not so much by architectural reconfigurations, but rather by the use of available space brought about primarily by economic transformation. Throughout the 1980s many report, that even if there had been money to buy goods there was nothing to buy. There was no street trading, but only large state-managed outlets for the distribution of goods from state-controlled co-operative farms and industries. As a result the streets did not bustle, and, as reported to me by Hanoi residents, people were under the close scrutiny of neighbours and employers and moved about to and from their places of study or work, but there were no hives of activity on the streets except at Tet. During this period individuals only experienced very limited freedom of movement and were almost continuously under surveillance by neighbours and colleagues. The economic transformations that then took place led to a rapid evolution of consumption patterns, to a highly diverse street trading cultural life and also to the possibility of people congregating in groups, at noodle soup shops, in parks, and with tea and cigarette sellers on the pavements. The transformations in the use of space and the corresponding dynamic city life that developed out of these spatial and economic changes have become too complex and uncontrollable to be disciplined by the police or the party in spite of ever-present directives and sanctions on street activities.
Cities in Vietnam over the last decade have come to provide the physical and social space of streetscapes and public areas where previously suppressed economic, political and cultural activities are being engaged and are openly viewed and enjoyed. Public spaces like Ba Dinh Square, although for the most part empty, have the possibility of being filled with citizens wishing to subvert its planned meaning (McDonogh, 1993:15). The formation of transgressive crowds is related to the revivifying of a public space that until recently encoded state control not only through the restrictions on people's movement but also through an economic system that emphasised production and workspace rather than consumption and leisure space. The use of public space for everyday activities has been a catalyst for crowd formation. Trading, religious festivals, performances, music and gambling have been performed historically on the streets of Vietnam and have now returned with a renewed intensity. It is for this reason that it is important to explore the ‘everyday embodiments’ of experience – those sensory elements of material culture, of food, fragrance, clothing, bodies and the landscape - which are commonly mentioned in the narratives of social change. I now explore what happens to the ‘sensing of space’ under profound economic change, what stays the same’ (Clifford 1994) what has become ‘re-performed’ and ‘re-vivified’.

Sense and sensibility

By the 1980s Hanoi had been under a communist regime for over 25 years, had suffered through a long war in the South, bombings in the north, extreme poverty, malnourishment and was a political pariah in much of the world. Throughout most of the 1980s many report, that even if there had been money to buy goods there was nothing to buy. As Gabriel Thien Than, an overseas Vietnamese described it, Hanoi was an ‘ascetic’ capital in the 1980s (in Logan 2000:217). Logan (2000:217) reported that during this period, ‘The once fashionable Rue Paul Bert is now an extremely
depressed Trang Tien Street; the private shops and cafes have gone, replaced by the State Department Store - a ‘palais de la desolation’ according to Galude Palazzoli. Population densities in the Ancient Quarter have become extreme ... and people were feeling that life was scarcely better now than during the war when at least they had their revolutionary ardour to cheer them’.

The contrast between the ascetic, carceral Hanoi of the 1980s and the sensuous, lively Hanoi of the present is exemplified in the following comments made to me by a Hanoi resident,

‘Our bodies and spirits were crushed then. It was a hunt for food every day. There were dark streets at night because there was hardly any electricity. We were miserable. Our food became more and more basic - rice, and fish sauce if we were lucky. Everything had no taste. We all wore our dark clothes - it was the only fabric available. We all looked the same. No hairdressers, no clothes shops, the grimmest of food, no drinks, just tea and water. And now we can get anything we want from anywhere in the world. We can buy, but we can also have fun. We can travel around the country, go visit temples and pagodas in the countryside. There’s music again, and people are doing up their houses and painting them, and we can all wear beautiful clothes. People are out much more - everyone’s on the street - activity everywhere - its fun to watch you know just sitting on the step and seeing all that colour go by. And the food is so varied, so abundant, so fresh. This morning in the market I could smell the green mangoes from the South. It was like Heaven. My mother is teaching me recipes her mother taught her when she was as child - she had forgotten them until now because there was no food to cook with! Its like a totally different world, an utterly different place than the one that I grew up in’. (Nguyen, 43 yrs old)

In contemporary Vietnam, the emerging focus on bodily pleasure rather than bodily discipline is mapping out social and political change and providing a cartography of a nation passing through a phase of critical re-evaluation. That many citizens describe the economic changes in the country in terms of a change in sensory experiences is mostly related to the contrast between the denial or pleasure, which was evident in the post-1975 period. Hanoi had been under a strict centrally planned economy and co-operativisation since 1954, yet in the south the sensory life-worlds of citizens in the sprawling metropolis of Saigon had been impacted upon by many more external forces, not least the US presence until 1975.
As Nhung commented above, food has been one of the most obvious changes in the everyday experiences of the world. The domain of eating is reintroducing concepts of pleasure into the realm of the popular. A scarcity of food meant that there was a scarcity of pleasure. An element of the economic impact of food is the legacy of the pre-1990 situation of poor nutrition and in many areas chronic malnutrition, especially amongst rural women in the north. The combination of a return to the normal open-air provision of food through stalls and streetside restaurants with the far better access to food led initially to a sharp rise in the quantity of food eaten. Later, higher incomes and better supply has tended to enable a shift to better quality and widening of the range of food eaten. As Probyn argues, food brings our senses to life (Probyn, 2000:7) and foregrounds the viscerality of life. Perhaps the most striking aspect of the change in food in Hanoi has been a ‘return’ to an earlier style of cooking, where women had to bring up from their memories the way things used to taste before the communists came. As a result of many foreign influences over centuries, and even in people’s lifetimes—Chinese, French, American, Eastern European—the diet, at least in urban areas, was early penetrated by items such as breads, cakes, pate, dairy products (especially yoghurt) and, more recently, espresso coffee (Fforde, 2002). All these additions have been reintroduced yet the basic diet and tastes appear to have remained fundamentally unchanged with no new insertions of foreign food products in spite of their ready availability to foreigners. There has been a huge growth in restaurants and the new urban wealthy are having long large family lunches on West Lake, ice-creams by Hoan Kiem Lake, and coffee on Hang Bong, an important shopping street. One woman told me ‘Our tastes have returned’. She was referring to her perception of indigenous ‘taste’—even if this is normally expressed with the French loan word ‘gu’.

John Kleinen in his study of northern Vietnamese village life, reports that family feasting at weddings and funerals and death anniversary banquets have been revived to often spectacular displays of food and music (p. 182-3). Ceremonial
processions, where gifts and wedding robes are displayed and traditional umbrellas are put up, are coming back in often flamboyant fashion (p.177). Before the mid 1980s weddings were rather Spartan, involving a limited number of guests and a modest dowry. Dowry was officially limited to personal clothing, a pillow or a blanket’. As Hy Van Luong reports, during that time, government rules restricted the size of wedding feasts by limiting the quantity of pork or amount of rice delivered by the groom’s family to the brides’. These strikingly changed ways of making ‘sense’ of events like marriage are being experienced throughout the north of Vietnam.

Official Vietnamese policy on the roles of rituals and religion has not changed dramatically since 1986, as shown by the new Constitution of 1992 which on the one hand recognizes freedom of religion but on the other hand warns against ‘reactionary thinking and decadent culture’ and calls for repressions of ‘superstition’. Before 1945 the main focus of village rituals was the dih or communal house, a multi-purpose institution that served worldly and spiritual affairs. Kleinen reports that in the northern village of Lang To, since 1945 the dih has stopped having celebrations and festivals and has been gradually desecrated and used as temporary storage for rice, but during the 1980s was refurbished and set up as the Party’s offices. Finally in 1990 as political and economic changes were underway, permission was given to again hold rituals there. Each year lotteries, games like wrestling, karaoke, and video-recorded comedy have become standard fares in the dih. The 1992 festival ended with a fireworks spectacle and feast. Again the unmistakable revival not just of folk festivals, rituals and commemorative activities but of an intensification of ancestor worship, funerals and the celebrations of weddings have been accompanied by a sensory revival.

Religion in Hanoi has seen a resurgence since the initiation of the Renovation (doi moi) period in the late 1980s. Pagoda (chua) and communal house (dinh) rituals are once again being performed as part of the religious lives of communities within the city (Malarney 1998:7; Marr 1994:15). Other officially prohibited religious activities
such as shamanistic rituals (len dong) and seances (goi hon) have also become popular, although they are less prominent because of continued state disapproval. As Hue-Tam Ho Tay reports there has recently been a proliferation of ancestral halls, pilgrimage sculptures and structures of commemoration refurbished or newly built with the help of overseas remittances (2001:229). She reports, ‘Commemorative fever is threatening to blanket the Vietnamese landscape with monuments to the worship of the past. Every year it seems another museum opens, a new memorial is dedicated. Temples are refurbished, and rural roads bristle with signs pointing to historical sites’ (p. 1). As Philip Taylor (forthcoming) and Alex Soucy (forthcoming) have written, travelling to pilgrimage sites throughout Vietnam is almost entirely the domain of women, who organize the trips and focus on food, enjoyment of travel and social programs of the pilgrimage. The pilgrimages have a carnivalesque atmosphere with lively consumer activities, performances and food. The sites of pilgrimage, cemeteries for the war dead and temples are reinvigorating not just public memory but also the landscape. As a by-product of economic reform this re-enchantment of the landscape brings with it carnivalesque travel for pleasure, complete with traveling performance troupes and musical groups and an explosion of restaurants, drink stands and souvenir stores available from the sites and along the road.

There are many sensory correspondences in Vietnam, which create a sensory code where colours may be associated with smells, flavours and musical tones. In the period of sensory depression, not only was fragrance unavailable, but music was restricted and foods rationed. This reinforced the notion of the sensory integration of experience. Rituals can be performed now in taste-ful splendour, with music, wines and new types of incense, more pungent than before. Now one sense conjures up another, in a cultural synaesthesia where smells, tastes, textures and sensations are intertwined. In the last decade the local market for music, foodstuffs and body products have simultaneously expanded. The Vietnamese cosmetics and related markets are exhibiting a classic trajectory. According to economist Adam Fforde
(2002), the market for perfumed body products is exceptionally large compared with those of other countries on the region and in one survey, the proportion of women’s incomes in Ho Chi Minh City spent on perfumes, cosmetic, skin care, shampoo etc was around 1 per cent in 1991 and is now around 20 per cent. Alan Tomlinson argues that there is an ‘aura’ to commodities. This air of fantasy, the aroma of the commodity carries meanings of status, freshness and effectiveness. There is a desire not just to smell good, but to carry an aura of modernity, of status and fantasies of the whiff of prosperity.

These new olfactory symbols are also embedded in new relations of power. As Constance Classen reminds us in her book ‘Aroma: the cultural history of smell’ (1994) unlike vision which is focused on surfaces, through smell one interacts with interiors. Odours cannot be readily contained, they escape and cross boundaries (p. 4). Evoking or manipulating odour values is a common and effective means of generating and maintaining social hierarchies (p. 8). Foreigners are thought to exude undesirable odours, and the workers are thought to smell of poverty. Groups with power are characterised as smelling good, and those on the periphery as odorous. Bodies are not only adorned with fragrances or covered in odours in this new economy of Vietnamese taste, but are also decorated and clothed. Hairdressers have had a spectacular growth in trade, along with beauticians and manicurists. The feel of cloth, the smell of leather, the silkiness of skin are all linked to bodily pleasures and eroticised, even fetishised. Until the early nineties almost all shoes in Hanoi were plastic, even high heeled court shoes. In the shoe street, women and men rub their fingers over the leather shoes imported from Korea and China and smell them before buying. Where cotton and acrylics were the major fabrics, now silk has had a resurgence of popularity. The new elites are attempting to distinguish themselves through conspicuous consumption of brands and odours, from sanitising their homes with the smells of disinfectants and deodorisers, to adorning themselves with modish styles, hair products and French perfumes.
And if the smell of Hanoi and Hanoians has altered so too have the sounds of the city - principally Honda motorbikes, music, and recorded firecrackers. Economically, motorbikes and music are very important, as can be seen from the widespread purchases of hi-fis and tape-recorders, and the equally widespread availability of pre-recorded tapes and counterfeit cds. There is now an emphasis on purchasing perceived noise quality of consumer durables such as the Honda ‘Dream’ or other Japanese brand motorbikes. And where the party used to broadcast messages on loudspeakers throughout the city now one hears the syrupy love songs of cantopop stars blasting from nightclubs, karaoke clubs and cafes. At the Tiger Games in Hanoi in 1998, after a semi final won by Vietnam, there were numerous arrests relating to public disorder and the setting off of firecrackers which are now banned in Vietnam. The sounds of firecrackers, once deafening at Tet, the new year celebrations, have come back in full force in spite of the ban, as people have recorded the sounds and play them on high volume throughout Tet.

As aromatic smoke rises from the grilling of meat in outdoor markets, the smell of baked breadrolls carried on the heads of women along the street wafts along the avenues, chickens tied to bicycles squawk on their way to their deaths, and groups of girls in their freshly washed white ao-dais brush each others’ hair in the sun awaiting their school graduation, it is clear that the senses have been awakened and now explode in many dimensions. The tactility experienced through being together in a shared space of proximity has political consequences. Habermas argued that the growth of urban culture and bodies against bodies – through eating, leisure and at meeting places – fuelled the development of a public sphere. In Hanoi the public sphere is being manifest in the rise of a city, which more closely incorporates its citizens’ yearnings for participation and bodily pleasure.

The senses are presently offering up a set of tropes through which transgressive ideologies and desires may have an outlet. The cultural elements of sensory change have tended to reinforce the notion that Vietnam’s particular
‘development style’ is likely to remain profoundly Vietnamese, as deep cultural elements exploit distinctly Vietnamese elements of social life there. Music, fragrance and food— are part of creative negotiations of the ‘localisation’ of the global processes that now dominate the world economy. When I gave this paper once before a Vietnamese academic came up to me afterwards and said, ‘We see it now that we were deprived of enjoyment but at the time we seriously had no idea, we were not somehow conscious of it’. Michael Jackson, ‘mindful that consciousness is a lived modality of embodied being, speaks of ecstatic and recessive extremes of body consciousness, a perpetual context-specific slippage between fade-in and fade-out, absence and presence, visceral and skin-depth’ (1993:18). This explains why it is only now when sensory consciousness has been regained that these memories may be activated. These new activities also have to be negotiated with an unpopular regime, which is still viewed as pleasureless. An efflorescence of new religious movements that explode in textures, sounds and tastes are enticing the populace away from the solemn state (stage)-managed spectacles in which bodies of high-ranking cadres are offered up as sense-less signifiers of ‘nothing but’ the people, the nation, and the party. Formerly women’s bodies provided images of control and embodied service to the state and the socialist revolution. Presently the forms of women’s bodily transgression in religious pilgrimages and festivals are responded to by the state with a nervous disquiet until they erupt into public space where they are quickly suppressed. The bodies of the Vietnamese populace here both signify and also generate social transformation and subversion of the regime’s dominant ideology of bodily denial.

Conclusion

I have sketched the way that economic changes have impacted upon public space through the sense-worlds and leisure activities of the Vietnamese. What this range of images shows is the way in which the communists icons of Vietnam operate in
different spaces; the spaces of urban Hanoi where they fade from visual attention except as potential sites of protest; in mediascapes where celebrities are becoming the public nation-building figures, and finally, I have outlined some of the sensory modalities through which political change is registered. The contest over public places and urban redesign in Hanoi is between a state unwilling to relinquish spatial power over a populace who have already voted with their feet in their abandonment of public state events over popular unruly expressions of a public desire for entertainment and leisure. I have argued that these changing spatial practices are evidences of a significant political consciousness. Following Guha (1983:4) I reject the idea that such activity is purely spontaneous or that political change requires the intervention of charismatic leaders or advanced political organisations. The recent socio-political turbulence in Vietnam may not be governed by organised plans by those involved but has focused upon inverting the existing power nexus in spatial terms.

The contested landscapes of public spaces and architectural monuments are cultural documents in which different power relations are being played out. The power of the state to create, define and transform the landscape of Hanoi is presently being challenged by local people. The malleability of icons in transnational spaces doesn’t simply uproot or pollute political identities; rather they become vehicles for constant reinterpretation outside temporal and spatial realities, to be ‘lost and refound, overvalued or despised, discarded and then perhaps reconsidered. This is only a cursory glance at the different threads of sense inhabiting Vietnamese worlds and only hints at the full range of sensory transformations underway. The re-enchantment not only of ritual and religious experience in north Vietnam but also of everyday life with re-invigorated sensory forms is creating new landscapes. As Serematakis (1994) has argued, the senses can mark ‘the political polarity between institutional memory and unspeakable memories of cultural alterity’ (p. 135). The volatility of the contemporary political world of Vietnam is matched by the vitality of the physical and sensual environment. As Paul Rodaway suggests in his book ‘Sensuous Geographies’ the
sensuous – the experience of the senses – is the ground base on which a wider understanding of space and place can be constructed (p. 3). By viewing the body as the focus of cultural change, the senses, situated on the body and operating through the body, and the body itself as a sensuous dimension gain new significance in social and geographical understanding. As Serematakis argues, ‘within a society that is undergoing turbulent shifts in material values, modes of representation and systems of reference, there can be a systemic character to these movements which frequently only register at the level of the senses’ (1994:135).
Appendix

Culture, Economy and Place: Asia-Pacific Perspectives

Workshop program
Wednesday 21 and Thursday 22
August, 2002

Crowne Plaza Coogee Beach
Cnr Arden & Carr Streets COOGEE NSW 2034

Telephone: +61 2 9315 7600 Facsimile: +61 2 9315 9100
www.coogeebeach.sydney.crowneplaza.com

Hosted by
Faculty of the Built Environment, University of New South Wales
and Korea Institute for Research on Human Settlements
Workshop program

Tuesday August 20

5:00pm Welcome drinks, UNSW

Wednesday August 21

9:00 am – 11:00 am Opening session

Chair: Won Bae Kim, Korean Research Institute for Human Settlements
Welcome: Peter Murphy, University of New South Wales
Tong Wu, University of Western Sydney

KEYNOTE PRESENTATIONS

Lily Kong
National University of Singapore
‘Cultural economy and cultural policy: refiguring urban changes

Allen Scott
University of California Los Angeles
‘A new map of Hollywood and the World’

11:00 am – 11:30am Break – refreshments provided

11:30am – 12:30pm Plenary session

CULTURAL DISTRICTS: SPATIALISING THE CULTURAL ECONOMY
Chair: Mee Kam Ng, Hong Kong University

Won Bae Kim and Jae Yoon Yoo
Korean Research Institute for Human Settlements
‘A voice for place in the contradiction between commerce and culture: a case study of cultural districts in Seoul’
Chris Gibson and Robert Freestone
University of New South Wales
‘The cultural economic spaces of Sydney’

12:30pm – 1:30pm lunch – buffet provided

2:00 – 5:00 pm field trip: Sydney’s cultural spaces

Locations: Bondi; Fox Studios, The Rocks, Darling Harbour/Pyrmont, Leichhardt

7:00 pm Plenary session; co-hosted with Asialink

Venue: Minter Ellison Lawyers, Level 19, Aurora Place, 88 Phillip Street, Sydney

DYNAMIC CITIES, DYNAMIC CULTURES
Chair: Kate Lloyd, Macquarie University

Lucie Cheng
University of California Los Angeles
‘Cultural planning, media and transnational labor in Taipei City’

Weiping Wu
Virginia Commonwealth University
‘Rejuvenating Shanghai’s cosmopolitan culture: municipal strategies and the transformation of the built environment’

Thursday August 22

9:30am – 10:30am Plenary session

THE STATE, SPACE AND URBAN STRUGGLE
Chair: Lily Kong, National University of Singapore

Kate Lloyd
Macquarie University
‘Contesting control in Transitional Vietnam: the development and regulation of traveler cafes in Hanoi and Ho Chi Minh City’

Mandy Thomas
Australian National University
‘Emerging Iconoclasm in Hanoi’s Public Spaces: the unspeakability of political protest’

10:30 am – 11:00 am Break - refreshments provided

11:00 am – noon Plenary session

CONSUMING TOURISTS
Chair: Weiping Wu, Virginia Commonwealth University

Mee Kam Ng
Hong Kong University
‘From a ‘cultural desert’ to a ‘cultural supermarket’: tourism promotion in Hong Kong’

Caterina Embersic and John Connell
University of Sydney
‘Consuming Thailand? The rise and rise of Thai restaurants in Sydney’

Noon – 1:00 pm Lunch – buffet provided

1:00 pm – 7:00 pm Free time
(a meeting room is available for those who wish to use this time to plan collaborative projects, etc)

7:00 pm Conference dinner
Friday

City Riches: developing Sydney’s cultural economy

A one-day public workshop co-hosted by the Centre for Sydney, University of New South Wales, and the Museum of Sydney

10:30am – 5:00 pm

This workshop features plenary sessions and panel discussions from academics and policy-makers in the arts and cultural industries