



Creative spaces and the local state in China: The case of Guangzhou's Redtory Art + Design Factory

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ABSTRACT

Creative spaces can be regarded as significant visible outcomes of China's transition towards a knowledge-based economy. The aim of this paper is to analyze the process of building a framework to develop creative spaces in the southern mega-city Guangzhou and to provide further insights into the complex aspects of the local state. To this end, it presents an in-depth study of Guangzhou's Redtory Art + Design Factory. Redtory witnessed a unique development path: while it was initially merely tolerated as a creative space, it soon developed into one of the most prominent creative zones in southern China; presently, however, it is threatened with demolition. This analysis employs the concept of the "entrepreneurial state" developed by Jane Zheng. The results of the analysis suggest that a high degree of personalized coordination of key resources still prevails at the local level. This is nonetheless happening in spite of the gradual evolution of a regulatory framework governing creative spaces at the municipal level. This indicates that the institutionalization of creative spaces is in no way complete, but rather fragmented. Ultimately, this case-study indicates that the entrepreneurial local state and its policy-making are highly dependent on higher levels of the party-state.

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Introduction

During the past decade, China experienced a massive shift in terms of its economic policy, moving from a focus on labour and resource-intensive, export-led growth towards new development approaches characteristic of a more knowledge and innovation-based economy. The related Eleventh- and Twelfth-Five-Plans (2006–2010 and 2011–2015) have particularly encouraged the shift away from an "obsession with productivity" (Keane, 2007, p. 61) to the development of "new, innovative, non-polluting industries with the potential for growth" (W. Li, 2009, p. 36). In this context, urban planning authorities of Chinese megacities have increasingly turned their attention towards the development of so-called creative spaces. Many derelict inner-city factories have been developed and redeveloped, housing artists' workshops,

galleries, and innovative media and design companies (Keane, 2011, p. 51 f.; Zheng, 2010, p. 145 ff).

Recent studies are indicating that the development of creative spaces might change the policy-making (Keane, 2011, 2013; Ren & Sun, 2012). One reason is the manifold powerful roles played by the local state regarding the development of creative spaces (Zielke & Waibel, 2014). In this way governments contributed to real-estate property speculation (Keane, 2011; Zheng, 2010). This paper provides further insights in the debate surrounding the question of how creative spaces are developed. It offers a multi-layered picture of the developments at municipal and local level to understand complex aspects of the decision-making. In this vein, it pursues two main objectives: (1) it analyzes Guangzhou's political and legal frameworks used in developing creative spaces, and (2) it analyzes local-level decision-making with regard to the Redtory Art + Design Factory. The empirical research is guided by the conceptual framework put forward by Zheng (2010, 2011) in her account of the "entrepreneurial local state." This framework is useful because it integrates China's creative space

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development into the wider theoretical context of the entrepreneurial state and avoids the mistake of treating government as a unitary actor.

The results presented are based on an analysis of the Redtory Art + Design Factory in the megacity of Guangzhou. In 2008 Redtory developed when artists moved into a derelict factory owned by the state-owned company Guangzhou Eagle Coin, which was slated to be bulldozed. Initially, these artists were merely tolerated by the local state. In order to stop the scheduled demolition, artists organizing around the designer Sherman Lin utilized their intra-personal connections to influence policymakers. They were successful, and in 2009, Redtory officially secured protection until 2019. Under the political patronage of Guangzhou's Mayor the artists even promoted the plan to develop Redtory and the near-by factories into China's biggest creative zone. Despite this, the city government announced to demolish Redtory in favour of building the more profitable "International Finance City" in 2013. As of early 2015, the development status of Redtory is still pending. The trajectory of Redtory's development makes it a suitable case to provide further evidence in the debate surrounding the question of how Chinese creative spaces are developed.

Analyzing the complex aspects of China's local policy-making is an empirical challenge. The research thus applies a two-step methodology. In the first step, Chinese newspapers, blogs, political documents, laws and scientific papers in both English and Chinese are analyzed in order to obtain a more specific understanding of Redtory's development. The second step of the empirical analysis deals with semi-structured qualitative interviews with experts, key decision-makers and stakeholders. The interviews were conducted during three field trips to Guangzhou in 2012 and 2014, each lasting several weeks.

Conceptual framework: the entrepreneurial local state

This section explains the framework of the entrepreneurial state. Recent publications have highlighted the fact that the so-called local state is the most prominent force in the development of creative spaces in China (Keane, 2011, 2013; Zheng, 2010; Zheng & Chan, 2014; Zielke & Waibel, 2014). Within this paper, the local state refers to the levels below the municipality, including the district government, street offices, (governmental) management offices of creative spaces, land transformation offices, public security etc. (Keane, 2011).

Since the beginning of China's economic reforms, the devolution of state power has provided the local state with greater autonomy (Wu et al., 2007). To enhance local economic growth, many districts have

entered into close alliances with the private sector. Several terms have emerged to describe these multifaceted public–private exchanges: "local state corporatism" (Oi, 1995), "developmental state" (McNally & Chu, 2006), and "entrepreneurial state" (Duckett, 1998; Wu et al., 2007).

As argued above, the empirical research presented in this paper is guided by Zheng's concept of the entrepreneurial state. Theoretically, Zheng's study is embedded in the wider scientific discussion on urban entrepreneurialism. As early as the late 1980s, Harvey and other scientists observed that Northern American municipalities and communities employed new strategies of "intervention, guidance, and initiative in the economy" (Eisinger, 1988). As a reaction to state devolution and economic decentralization, cities had established "public–private partnerships" in order to increase their competitiveness (Harvey, 1989) and engaged in place-marketing initiatives (Philo & Kearns, 1993). Based on a study of Hong Kong, Jessop and Sum (2000, p. 2289) summarized that "an entrepreneurial city pursues innovative strategies intended to maintain or enhance its economic competitiveness vis-à-vis other cities." Zheng's studies introduce the development of creative spaces in the discussion of (Chinese) urban entrepreneurialism. Zheng's framework appears to be particularly useful, because it focuses on the governmental levels below the municipality. In contrast to other studies (Jessop & Sum, 2000; Wu et al., 2007), Zheng analyzes the government not as a unitary force, but in terms of its separate economic activities.

The next paragraphs explain this framework and offer further modifications. Zheng argues that, regarding the development of creative spaces, the local state demonstrates characteristics of an "entrepreneurial state" due to three main reasons. First, the local state does not act as a unitary developmental state (Zheng, 2010, p. 163). Instead, different actors and organizations constituting the local state must be studied in their "separate and autonomous profit-seeking economic activities" (Duckett, 1998, p. 13). Secondly, the encouragement of creative spaces can be recognized as a broader strategy of place-making, utilizing "cultural and symbolic capital to enhance estate values" (Zheng, 2011, p. 3578) to attract investors and tourists. Creative spaces serve as "new revenue generators" (Zheng, 2010, p. 162) for local governments and real-estate developers, receiving "the full-blown support of urban growth regimes" (Webster, Muller, & Cai, 2011, p. 349).

Thirdly, the entrepreneurial local state pursues "innovative strategies" to govern these spaces. On the one hand, the government has extended and applied its existing political frameworks onto issues of land-transformation or industrial heritages in order to

govern creative spaces (Zheng, 2011, p. 3578). On the other hand, the local state has engaged with developers, investors, entrepreneurs and artists (Zheng, 2011). The government provides cheap land and infrastructure, tax incentives and sometimes circumvents formal rules and approval procedures (Huang, 2011; Keane, 2011, p. 61). The private actors provide investments, planning and management expertise, as well as an efficient workforce to operate creative spaces (Keane, 2013). Zheng (2010, p. 143) argues that the so-called “cooperative coalitions” of the local state with upper levels of the government, such as those of the city, province and municipal land-offices and politicians, are another “important mechanism for local state participation.” As a result, the local state can be described as an “entrepreneurial type of market actor” (Wu et al., 2007, p. 13) and not as a merely regulating third party.

The concept of the entrepreneurial state requires modification, because recent studies indicate that public–private interactions are changing (see f.e. Xu/Wang, 2012; Dittmer, 2003). In general, the local state can be characterized by its weak formal institutions. Instead, intra-personal relations (known as *guanxi*) dominate local politics. *Guanxi*-networks often result in a “high degree of particularized coordination” (ten Brink, 2011, p. 15) that bypasses the institutions of the formal state. It is well-known that many local governments started “big gambles”. Another remarkable aspect is that cadres get assessed through “inspection tours” conducted by the CCP. They hope that symbolic projects could advance their career. More recently, studies indicate that the national government has attempted to limit the strong localism through an ongoing process of formalization (ten Brink, 2011). This occurs by means of tightened land control and interventions in local planning. The formalization of decision-making is characterized by decreased independence of the lower levels of government and it opens up new areas of top-down intervention.

The present paper shall develop existing accounts of the various entrepreneurial roles of the local state. It attends closely to the roles of the local state, its interactions with private actors and power structures.

Background: creative spaces and the local state

This section first defines creative spaces and offers a brief overview of how they emerged into a common phenomenon in urban China. Not surprisingly, the notion of creative spaces is blurred (not only) in China. In the following, creative spaces are simply defined as old industrial districts or derelict factory sites, where space is provided for artists and cultural agents to work, to meet, to exchange ideas and to develop new cre-

ative forms (Grandadam, Cohendet, & Simon, 2013, p. 1704). In the 1970s and 1980s first creative spaces emerged in Western cities that were experiencing a massive industrial decline (Kong, 2000, p. 6). Many creative spaces developed spontaneous and organic (Mommaas, 2004), driven by artists informally occupying disused factories. This happened at the backdrop of weak governmental control (Evans, 2009, p. 1031). After such a phase of bottom-up development, creative spaces often underwent a complete gentrification and finally transformed into highly commercialized and “aestheticized landscapes” (Ley, 2003) with a “bourgeois chic” (Zukin, 1982, p. 2).

At first glance, the development paths of creative spaces in China show similarities with those in Western countries. Webster et al. (2011, p. 365) identified two archetypical Chinese development models “bottom-up art districts” and “top-down cultural lifestyle zones.” According to them Beijing 798 and Shanghai M50 for instance were originally “driven by bottom-up dynamics” and merely tolerated (Webster et al., 2011, p. 360). In 2004 and 2005, however, the governments in Beijing and Shanghai realized that those spaces could contribute to local economic development (Currier, 2012; Zhong, 2012). As a consequence, the municipal governments gradually developed a corresponding institutional and legal framework.

Finally in 2006, the national government approved those developments, as well (Zielke & Waibel, 2014). This established creative spaces as a “new development template” (Keane, 2011, p. 56) for urban planners, leading to “artistic urbanization” (Ren & Sun, 2012, p. 505). In major cities, the number of creative spaces appeared to balloon, though one must remain sceptical of these claims. In many cases, local restructuring projects have been designated ‘creative’ although they fail to establish a “cultural climate” (Zheng & Chan, 2014) and “barely serve to foster creative industries” (Zheng, 2011, p. 3578). One reason might be that the political terminology often uses culture, innovation and creativity interchangeably (Keane, 2011, p. 2). Furthermore, no nation-wide criteria exist defining creative spaces exactly. Consequently, the term ‘creative’ is applied to a wide range of very different projects. According to Keane (2011, p. 51) and Webster et al. (2011, p. 366), it includes consumption-oriented cliché cultural districts often located in historic quarters (e.g. Shanghai Tianzifang), new creative zones and media clusters (e.g. Suzhou’s Animation Base), innovative science parks (Beijing’s Tsinghua Science and Technology Park) and loft-style workspaces for advanced tertiary industries (e.g. Hangzhou’s Loft 49).

Despite several publications that analyze creative spaces and the related urban political frameworks (see Keane, 2007, 2011, 2013; Zheng & Chan, 2014) papers rarely combine this analysis with studies of single

creative zones. Furthermore, most studies focus on Beijing and Shanghai. The authors chose Guangzhou, as so far only little has been published about the city's creative spaces.

Guangzhou's creative zone fever – the municipal level

In terms of the development of creative spaces in China, Guangzhou was certainly a latecomer. There were only few exceptions in this regard. In 2004, Guangzhou's first creative space, the Xinyi International Plaza, was opened, mainly driven by a real-estate company (interview). At that time, Guangzhou's Mayor was Zhang Guangning (in office 2003–2010). Zhang had the reputation to be more than willing to initiate new paths and to implement urban development projects in an authoritative manner (Hsing, 2010). According to some web-blogs one reason for his replacement in 2010 was the wide-spread corruption linked to his position ahead of the Asian Games in 2010 (J. Li, 2012). In the scientific literature, politicians like Zhang seem to combine “personal patronage and charismatic leadership” which has also been described as “informal personalism” (Dittmer, 2003, p. 358).

Already at an early stage, Mayor Zhang explicitly acknowledged the potential contribution creative spaces could make towards urban modernization. Within the heritage of an industrial environment, such spaces could finally contribute to the clean up Guangzhou's reputation as a “cultural desert” (X. Li, 2010) and allow the city a “second metamorphosis” (Ng & Xu, 2014). For example, Mayor Zhang personally advocated for the protection of another creative zone located at the industrial heritage site of the Taigu warehouses along the waterfront of a tributary of the Pearl-River (SINA, 2012). This happened at a time when in Guangzhou no specific legal or regulatory framework existed regarding the governing of creative spaces.

After the “World Financial Tsunami” hit Guangzhou in 2007 and 2008, efforts towards economic restructuring were intensified. The municipal government transformed the strategic focus from “Made” to “Created in Guangzhou” (interviews). To shift the economy towards creative industries the government was requested to build up a coherent framework and to launch investments, especially since creative spaces “do not easily fit within the existing institutions of government and policy-making” (Pratt, 2012, p. 327).

In Guangzhou under mayor Zhang's guidance, a legal and institutional urban-level framework was established to develop and to regulate creative zones. First, the provincial and municipal government passed an influential policy to promote local-level tertiarization:

2008's “Suppress the Secondary and develop the tertiary industry.” The latter policy was applied in cases of most creative spaces. One of its aims was to “move dirty factories out of the city and give space to the service sector” (interview). It also includes tax incentives and investments to convert factories (TUIER, 2008), a strategy that has been applied in other Chinese municipalities such as Beijing before (see Gao, Liu, & Dunford, 2014). The “Suppress the Secondary” further calls on districts to play several important roles in the course of restructuring: they select the factories, guide the relocation, plan their conversion into creative spaces and finally distribute investments (TUIER, 2008).

Secondly, 2009's “Three Olds Restructuring” policy organizes the transfer of the related land. Land-use rights are transferred from the factory operator to the city. Following the “Three Olds”, designated industrial plots can only be sold to the government and not directly to a private developer anymore (SANJIU, 2009). This gives enormous power to the districts and the municipality, as they are the only ones allowed either to lease plots out, for example, to creative spaces or to resell them: “The government wanted to get the control back. Now assigned plots can only be sold to the government that controls which project will be realized” (interview). In Guangzhou considerable speculation happened related to this. For example, the districts often waited until the value of plots increased – sometimes as much as five times their original value (Geng, 2011).

Thirdly, in 2009 the city government established Guangzhou's Cultural Creative Industry Association (here after: GZCCIA). Hereby, scientific experts, urban planners and experts on private business “advise and assist the healthy development” of creative industries. It further certifies creative spaces as “Cultural and Creative Industrial Parks of Guangzhou.” This institutionalization can be interpreted as innovative – a departure from top-down approaches in favour of the inclusion of non-governmental stakeholders.

In 2011, Guangzhou initiated an ambitious plan to increase the share of its creative and cultural industries up to 12% of the GDP before 2020 and to be recognized as “capital of creativity” (GDP, 2011). As a result, many new creative spaces were erected in Guangzhou. According to the GZCCIA, more than 40 creative spaces exist within the city as of the end of 2014.

To summarize, after a phase of creative zone development mainly based on “informal personalism”, a phase of formalization and institutionalization was initiated in the aftermath of the “world financial tsunami.” This was triggered by Mayor Zhang who decided to jump on the proverbial creative industries bandwagon. He regarded creative spaces as “magic bullet” (Hall, 2000, 640), symbolizing the city's mod-

ernization, also in anticipation of the Asian Games to be held in Guangzhou in 2010. The following in-depth case study shall contribute to an enhanced understanding how creative spaces were developed in terms of Zheng's concept of the entrepreneurial state.

The case of the Redtory Art + Design Factory – the local level

Redtory is located in a spatially-fragmented part of Tianhe district, close to the Pearl-River. It is surrounded by urbanized villages, new apartment complexes and old large-scale industrial sites. It occupies a 160,000 square metre compound with Soviet-style buildings from the 1950s, which makes Redtory the largest creative zone in Guangzhou. Redtory's development can be divided into three phases: a bottom-up development (2008 to 2009), a consolidation (2009 to 2013) and as of 2013 the pending demolition (Photo A1).

Phase 1: bottom-up development (2008–2009)

In 2008 and 2009, the first artists moved into the factories and began to establish a coalition to protect Redtory. In September 2008, the architect and designer Sherman Lin moved in the mostly dilapidated factories. The factory had fallen into disuse because its operator, the state-owned company Eagle Coin, started to relocate to the suburbs. It was then that Lin realized the potential of the abundant available space. Soon afterwards he could sign a rental agreement with Eagle Coin. This was only possible because a friend had excellent relations to Eagle Coin. Retrospectively, Lin summarizes: "I was the initial man who started to rent from Eagle Coin. I took a high risk and win. I invited friends to help Redtory's development" (interview; Diesener, 2013). Soon after, artists and designers followed his lead and moved to the compound. Having signed rental agreements, artists emerged as influential stakeholders.

While the local state pursued different plans, the artists were able to influence them due to their *guanxi*-networks. Guangzhou Eagle Coin had transferred the land-use rights worth several hundred million RMB to the city government. The local state and municipal government were seeking to utilize the plots for the erection of Guangzhou's "Finance City" (interview). To protect their workspace artists addressed their plans to preserve the factories as a creative space to Mayor Zhang Guangning. This could only happen, because some artists had very good *guanxi*-relations to him. Apparently, Zhang was impressed and decided to bestow a protected status upon Redtory in July 2009. Zhang turned out to be Redtory's primary advocator: "If you want to realize a project, it's very important

to find someone who supports you. Mayor Zhang could do a lot for you, as he influenced the subordinated levels considerably" (interview). This indicates particularistic exchanges. Further, the local decision-making and the local state seem to be highly dependent on actors from higher levels of the party-state.

After the artists had convinced Mayor Zhang to protect Redtory, a detailed development plan was established by the local level. In 2009, "half year long negotiations were held between Tianhe district, artists, Eagle Coin and Mayor Zhang" (interview). This indicates exclusionary negotiations and a consensus-oriented decision-making. Consequently, the district endorsed Mayor Zhang's decision and granted Redtory a protected status until 2019. This can be described as the establishment of a new local public-private coalition. This coalition includes the artists, the local state and Mayor Zhang. They decided to go one step further in proposing the "North River Bank Creative Zone", a plan based on artists' suggestions. Until 2016, this gigantic project was supposed to cover 700,000 square metres, including the adjacent urbanized village and factories. If completed it would be the biggest creative space in China.

Table A1 highlights the key decision-makers and the various objectives they pursued. The artists hoped to continue staying Redtory. The local state and Mayor Zhang supported Redtory as a new revenue generator and a valuable tool for image-making. At that time, Redtory was to serve as a showroom of Guangzhou's alleged openness, tolerance and cosmopolitanism.

Phase 2: consolidation (2009–2013)

After the local state granted Redtory a protection it was embedded within the framework of the "Three Olds" and "Suppress the Secondary." Besides formalization, a consolidation began at the local level as well. Tianhe district government established the Redtory Art + Design Co. Ltd. as its management unit to operate and develop Redtory. Tianhe also decided to develop Redtory without any private corporate investor. This is probably the biggest difference to many other "commercially developed creative spaces" (interview).

Redtory has been developed by two different organizations of the local state: The district government unilaterally makes any decisions concerning the long-term development and larger investments. It further sets goals regarding rents and exhibitions (interviews). The Redtory Art & Design Company instead plays several distinct roles on the daily operation. As a *facility manager*, it operates the infrastructure, and as a *real-estate agency*, it rents out the buildings. Further, it also collects rents and pays a certain amount to the district government. The management unit itself

runs art shops and can therefore be described as *business entrepreneur* as well. The interviewees complained that they have hardly any insights into the relations between the district government and the management unit. Obviously, the responsibilities were exclusionary negotiated between the two agencies of the local state.

Local decision-making is characterized by parallel structures of different styles of policy-making. First, the relations between local state and artists are based on formal lease-agreements. Second, according to interviews the management unit frequently communicates with the tenants implying a more consensus-oriented and to a certain degree participatory bottom-up decision-making. Third, tenants complained that the contracts do not specify how fast the rents rise. As a result, the artists have continuously tried to bypass the contracts. Their personal relations to the management unit are crucial to their rent-seeking activities: “I don’t have relations to the management unit. If you have good *guanxi*, you have to pay less rents and everything is easy” (interview). This illustrates the inter-woven governing structures. The formalization and institutionalization allow a more participatory management; at the same time, the actors influence the new institution in a particularistic way.

Since 2009 Redtory has developed into a prominent local hub of arts and design. For example, many visitors were attracted by a Bauhaus exhibition, exhibitions hosted during 2012’s Guangzhou Triennial and a highly publicized show of fake prints of Picasso paintings. To attain a national recognition, a sub-branch of Redtory opened within Beijing 798 (Redtory, 2012). Among Guangzhou’s residents, Redtory gained a reputation as a fancy leisure-space due to a weekly flea market and restaurants. Interviews criticized these “commercialized events”, arguing “at the beginning Redtory was unique in Guangzhou, a true area as 798. Things changed. Now it is as commercial as the other creative spaces here in Guangzhou.” This goes along with Lees’s (2010) statement that “creativity is being wedded to commerce.” The commercialization can also be observed in rising rents. While in 2009 the rents were 30, they rose to 140 RMB/square metre in 2014. Despite the considerably rising rents, the governmental income is relatively low compared to a potentially commercial project at this site (interview).

Phase 3: pending demolition (since 2013)

Since 2013 a new project has been threatening Redtory’s continued existence. In 2010, Mayor Zhang’s term ended, his successors have not been willing to personally promote Redtory (interview). In 2012, they hence dismissed the plans for the “North River Bank

Creative Zone” due to exceedingly high costs. In 2013, city government and investors started planning to utilize the plots to develop “Guangzhou’s International Finance City” instead. According to interviews, the investors were able to establish very close *guanxi*-relations with Guangzhou’s new political leadership. This can be characterized as the formation of a new public–private coalition. The district government joined this coalition, because “they can win a lot from this project” (interview).

In 2013, Redtory’s protected status was threatened. District and city promote “Guangzhou’s International Finance City”, because this gigantic project is more profit-promising than Redtory, further Guangzhou’s new leadership highly appreciates it. The contracts with Redtory’s tenants might be dissolved with “very reasonable compensation payments” (interview), possible against the backdrop of high profits from the development of the Finance City. Consequently, the developers of the “International Finance City” are the favoured clients of the new political leaders. In contrast, Redtory’s stakeholders are rather weak, because they can no longer rely on Mayor Zhang’s patronage.

Redtory’s demolition has been pending since 2013. Artists are seeking protection for Redtory as it offers them compared to office spaces in a similar location inexpensive large-scale workshops, it is located in a pleasant area close to Guangzhou’s CBD, and many of the artists enjoy close proximity to their neighbouring colleagues. Artists and the management unit tried to raise public support through numerous blog-posts and articles in local newspapers. As a reaction, in August 2013, Guangzhou’s Vice-Mayor told the public, “there is no final decision, so I can’t say Redtory will definitely be demolished” (Du, 2013). He admitted that the planning departments would at least consider preserving parts of Redtory within the “International Finance City” (Du, 2013). As of early 2015, the government has not announced a final decision yet. According to the opinion of a local expert though, Redtory’s future is subject to bargaining between local state and the higher levels of the party-state:

The government didn’t decide, because they are in the process of negotiation with each other, different levels, province, city and the district are involved. After they will finalize and publish the plans, everything will probably happen very fast. From one day to another they can shut down Redtory. For the government the new project is more important, but maybe it will even be preserved within the Finance City. (interview).

Redtory’s artists were not involved in the decision-making of this large-scale symbolic Finance City. This

can be described as an authoritative top-down decision-making.

Conclusion

This paper contributes to the discussion of creative spaces in China and sheds light on the complexities of collective decision-making at local level. Redtory's history illustrates the intricate interplay between different administrative levels and highlights the importance of personal patronage within that context.

In general, the shift towards creative industries can be traced back to 2003, the year the Scientific Outlook policy was enacted, when the national government began accelerating its efforts to transform China into an innovative high-income country. One prominent outcome of this policy shift has been the development of creative spaces. In Guangzhou, the institutionalization of creative spaces began after they had already been established as a new phenomenon elsewhere in urban China. Before, creative spaces developed sporadically and Mayor Zhang personally protected emerging creative spaces. This is characteristic of an informal personalism and particularistic exchanges. Later on, the provincial and municipal government gradually created an appropriate regulatory framework of which the "Three Olds" and "Suppress the Secondary" were most important cornerstones. Above all, these policies provide the city's numerous creative zones with a procedural development model. This includes standardized practices like land-transformation, professional consulting agencies, the establishment of massive investment funds, supervising institutions and, last but not least, the inclusion of a rising number of private or semi-private actors into collective decision-making such as the creative industry association. All of this has strengthened the institutional capacity of the state and contributed to the increasing replacement of informal particularistic exchanges.

The local level analysis shows how Guangzhou's new development model was applied and how it affected the policy-making. Also in case of the Redtory Art + Design Factory, an institutionalization process was observed after the local state "made its comeback." This particular case-study further indicates that different styles of policy-making coexist: on the one hand, the obvious tendencies of more formalized and consensus-oriented bottom-up decision-making with standardized practices can be observed. On the other hand, the relations between the key decision-makers can be described as primarily particularistic, that is based on personalized resource-acquisition. Redtory's pending demolition further demonstrates an authoritarian top-down approach to decision-making. The authors would

argue that the coexistence of different styles of policy-making can be observed. As seen in case of Redtory, creative spaces can either be promoted in terms of transparent policies such as the "Three Olds" and "Suppress the Secondary" or their formally granted protection status can be withdrawn by single (high-ranking) political actors in an erratic manner.

This paper expands the understanding of the entrepreneurial local state in China. In general, the case study of Redtory confirms the three rationales of Zheng's framework. First, the local state became involved through different institutions: the district government and the Redtory management unit. Secondly, the local state has pursued revenue-oriented objectives above all, maximizing the rents and taxes gained from Redtory. Given the recent development of the Finance City, the symbolic value of overseeing a local hub of arts and lifestyle grows less important. Thirdly, the establishment of a governmental management unit can be regarded as an innovative entrepreneurial approach. In addition to Zheng's studies, this paper shows the dependency of the entrepreneurial local state on higher levels of the party-state. Mayor Zhang's decision to promote Redtory in 2009, followed by the municipal decision against Redtory in 2013, indicates that the role of personalized political power cannot be underestimated. In both cases, private actors were able to establish new coalitions through their *guanxi*-relations with high-ranking politicians. The higher levels were easily able to bypass existing local plans in favour of their favoured "clients." Recently, they have begun to withdraw the formally granted protection in an authoritative top-down manner. This also indicates that the public-public coalitions are less cooperative as Zheng (2010) observed, but rather erratic. Further, the local state can only exercise its policy discretion as long as higher levels or single political actors do not intervene.

Last but not least, the authors argue that the impending demolition of Redtory is an important precedent for creative spaces in China. It shows that the success of a creative space, and even their formally granted protected statuses, are still very much dependent on the ability of local actors to ensure support from higher levels of the party-state. This indicates that the institutionalization of creative spaces is in no way complete and is still in fact rather fragmented. Maybe the phase of a creative zone fever is now being followed by a phase of disillusionment. This could be anticipated to some extent given that, compared to other developments, the real economic contribution of creative spaces to the urban economy is relatively low despite their potential for massive public investment. As a result, the government has begun to reassess valuable inner-city plots given to cre-

ative spaces in hopes of finding possibilities for more securely profitable redevelopment. With this in mind, it can be safely assumed that the government increasingly regards creative spaces (and creative industries

more generally) only as one economic option to promote the shift towards a “modern, harmonious, and creative high-income society.”

Appendix

Photo A1. Impression from Redtory.



Table A1
Redtory's stakeholders and objectives.

Actors	Objectives	Bargaining power
Factory operator (Guangzhou Eagle Coin, phase 1) Artists	<ul style="list-style-type: none"> • maximize revenues • stay within Redtory • (economically) successful run galleries • promote arts and protect the industrial heritages of Redtory 	<ul style="list-style-type: none"> • sell land-use rights • rent-out factory • influence decisions throughout personal relations • know how to draft a development plan • attract many visitors by exhibitions • fix and collect the rents • organize and approve exhibitions & fancy events
Management unit (phases 2 and 3)	<ul style="list-style-type: none"> • commercial success of Redtory • establish a hub of arts and lifestyle • affirm governmental protection 	
District government (Tianhe District)	<ul style="list-style-type: none"> • maximize income/taxes • image-building 	<ul style="list-style-type: none"> • policies • transform and hold (since 2009) land • supervise Redtory • approve any commercial developments within the district • influence decisions at the local level • observe local developments
Guangzhou's Mayor (Zhang Guangning, phases 1 and 2)	<ul style="list-style-type: none"> • image-building and city-branding • enhance competitiveness of GZ • realize personal political agenda 	

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