

# Is Creative Cluster the Best Vehicle for Delivering Growth of Creative Industry?

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**Abstracts:** With the impetus of the economic globalization, creative industry has become the trend of the development of the world economy and culture, and the new direction and model of industrial development. In order to promote the development of the creative industry's clustering, scale, branding, creative cluster has emerged and developed. Creative clusters have a profound cultural background, strong economic spill-over effect and scale effect, which refers to a group of enterprises with characteristics of cultural industry and regarding to people's creativity as the primary productivity (Drake, 2003). However, it has been claimed that there are some criticisms about creative clusters. Some think that creative cluster is the best vehicle for delivering growth of creative industry while other think it has many weaknesses of creative cluster and might be replaced by other forms, such as 'small dog cluster economy'. This essay will first discuss the two main existing models of creative clusters separately Then it will examine the strengthens and weaknesses of creative clusters for creative industry with examples explaining it with different scholars. Finally, it will discuss whether it exists other forms could also replace creative clusters for delivering growth to development of creative industry.

**Keywords:** Creative Cluster; Creative Industry

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It has been claimed by Porter that 'cluster' refer to 'inter-connected enterprises that co-locate for economic purposes and are embedded within local and non-local business markets' (Porter, 1990). There are different models of creative clusters according to local situation. First of all, it is spontaneous formation mechanism, which is the result of the spontaneous formation of history or market free flow in a specific region (Huang, 2008). It is suitable for the survival and development of a certain type of creative industries due to its location and resources. Then it attracts increasingly companies gathering in this region for a long time to form a clustering area of a certain scale, which has been recognized and supported by the government eventually (Keane, 2011). SOHO in New York and Tachikawa in Tokyo are very good examples to illustrate this model. With huge space of these buildings, these artists converted them into their workshops and galleries. In general, the advantage of spontaneous growth new model is solving reuse of the old factory and abandoned site, which is helpful for relieving the problem of insufficient infrastructure for the development of creative industry. In addition, if there is a certain scale of enterprises, it could also play a leading role and attract more creative enterprises to develop in the clusters. The disadvantage is that this kind of model is only suitable for the original industrial infrastructure with creative enterprises gathered formerly. As for the development orientation of clusters, it might not really form the driving force for creative industry because government's subjective willing is too strong that they seldom consider the real intention of the enterprises.

The second model is the government oriented model of development, which is the government taking the initiative to plan and develop the creative clusters through policy supporting (Ganne & Lecler, 2009). It intends to set up a new creative cluster and attracts the entering of creative enterprises with government support. In addition, it is characterized by the short development time period of cluster, which is generally formed before and after the intention of the government to develop the creative industry. In order to implement the national strategy of rejuvenating the country through progress in science and technology with the government instruction. However, the drawback is that the entry threshold is relatively high comparing with others. The entry of enterprise needs to pay more services and rent fees. In this way, the cost of business development is relatively high, which is especially unfavourable for the development of individual businesses and and small and medium-sized enterprises (Evans, 2009 & O' Connor & Gu, 2014). Since the company is entering with pull force of government, the industrial chain needs re-integration and the formation of clustering effect

also needs time. Therefore, when these kind of clusters are really mature and stable, which has been recognized by the society is a long process.

As for the strengthens of creative clusters, firstly, is its specialized labour market of cluster (Porter, 2008). Because the related enterprises' attracting factor of clustering effect towards creative workers, it could gather the specialized and professional talents. Through interaction, the transfer of tacit knowledge and inter-cluster trading and business among companies in cluster promote the efficiency of branding, production, marketing and distribution. Then 'cultural and creative buzz' in creative cluster is attractive to creative class, especially in spontaneous formation model, especially in adaption from old and abandoned industrial base factories (Pratt, 2000 & Florida, 2002). For example, M50 in Shanghai is the urban aesthetic of re-emergence and adaption of old industrial buildings, which attracts the creative workers and cultural tourists to gather and deliver growth of leisure and fine art industry in Shanghai. Finally, the common branding of clustering effect provides an advantageous condition for creative enterprises and industries located in the cluster (O'Connor & Gu, 2014). On the premise of positive image, both of the spontaneous formation model and government orientation model could raise popularity and attention rate through market and government propaganda.

Simultaneously, the weaknesses of creative cluster for delivering growth of creative industry are exposed significantly. First of all, it has been claimed by Basset that there is a contradiction between promoting economic development and making benefit from property and tax by local government and state-owned enterprises (Basset et al., 2005 & Evans, 2009). In the first model, the industry base model has gradually converted into business model for real estate investors with increasingly rent and service fees in many creative clusters. The government and state owned enterprises observed the popularity among creative workers find the interests in the industry base model (O'Connor & Gu, 2014). The resultant high-density clustering in Shanghai could explain it clearly. In this way, cultural clusters are more likely, rather be created and established, but by produced mechanically driven by multilateral's interests other than creative workers. For example, SOHO in New York, due to its increasingly expensive rent, many artists could not afford and move out of the building, replaced by a variety of brand store, luxury shops, restaurants and cafes (Durmaz, 2012). Secondly, the concentration of clustering effect might contribute to cultural homogeneity on the local community rather than towards a diverse orientation (Basset, 2005). However, simultaneously, it could negate or ignore the potential of development of other creative industries, so as to decrease the diversification of local society to some extent.

Due to the significant drawbacks of cluster exposed in some areas, the resistance between creative workers and official creative cluster has appeared. It is suggested by Zhong that in Zhejiang area in China, the 'small dog cluster economy' shows relatively high efficiency (Zhong, 2011). The core of small dog cluster economy lies in clear distribution of labour and close cooperation. The advantage of it is industrial concentration and moderate competition. Comparing with creative cluster, its focus more on specialization and cooperation in the innovation of system and mechanism, which is to replace the internal management relationship by market transaction relationship (Keane, 2011). Successful 'small dog economy' is on the premise of aggregation of the labour force and its only feasible in some specific areas (Sunley, 2008 & Zhong, 2011). Overall, clustering is a trend of industry indicating regional agglomeration. It has the irreplaceable group competitive advantages and clustering scale merit in comparison with other independent industrial form (Mommaas, 2009).

## Conclusion

In conclusion, the creative cluster has its own strengthens and weaknesses according different models, which might be replaced by other forms for delivering growth in the creative industries to some extent in some certain areas. However, creative cluster is an important and mainstream carrier in the premise of follow the rules of development of creative industries. Vigorously promoting the formation of creative clusters, is an important way to development and expansion of creative industries at present. There are two main existing models of creative clusters, which is spontaneous formation model and government orientation model. Both of them have its advantaged and disadvantages. As for the strengthens of creative clusters, firstly, it provides a clustering base for creative industry, which is conducive to the accumulation and interaction among enterprises, so as to facilitate the establishment of industrial platforms and provide hardware and software support for enterprises. Secondly, it will help to form the driving effect of regional cultural and creative industries' development, which could enhance the cultural and creative atmosphere and production efficiency of industrial chain. As for the weaknesses of creative clusters for creative industry, firstly, the contradiction between promoting economic

development and getting benefit from property by government. Then, the concentration of creative cluster might contribute to cultural homogeneity on the local society rather than towards a diverse orientation.

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