

## Nodes of Creativity

Unlocking the potential of Creative SME's by managing the soft infrastructure of creative clusters.

Masterthesis Cultural Economics and Cultural Entrepreneurship

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

name	<b>Vera de Jong</b>
studentnumber	361077
email	dejong_vera@hotmail.com
supervisor	Mariangela Lavanga

## Abstract

This study focuses on the importance of soft creative cluster infrastructures for the creative practices of creative small medium enterprises. Nowadays, clustering of creative activities in urban areas occurs on a large scale. Public and private intervention in the development of these creative clusters is very common, as the presence of a creative cluster in an urban district is considered to be beneficial for their regeneration effects and direct economic outputs. Also, creative clusters are believed to be beneficial towards the stimulation of a wider innovative, creative ecosystem, which is highly needed in the current knowledge economy, as competition for price and productivity is increasingly being replaced by competition for the ability to innovate and create. Over the past year, there emerged however a growing criticism among academics on top-down cluster development, as these clusters are accused of missing out on real cluster benefits by simply co-locating creative industry activities, without ensuring interlinkages or network effects. This new line of critique, together with the rising academic interest in collaborative networks and soft creative cluster infrastructures form the basis of the empirical part of this study. In the empirical part, three themes are discussed, based on 15 interviews with both creative SME's and creative cluster managers. These three themes are: presence of interlinkages and network effects, need for soft creative cluster infrastructure and management of soft creative cluster infrastructure.

Overall can be concluded that a soft creative cluster infrastructure is no basic requirement for creative SME's to survive. However, when it comes to reaching for a higher level of professionalism, innovation capacity and creativity, the presence of a soft creative cluster infrastructure is important in order to stimulate interlinkages between the creative firms located in the creative cluster. The most significant part of the soft creative cluster infrastructure is the learning infrastructure, as knowledge exchange is highly important to the creative practices of creative SME's. The most common and desired way of exchanging knowledge is learning by doing and peer-review. Also diversity among the creative firms in the clusters is crucial, as the presence of interlinkages between creative SME's in various sectors enhances the creative and inspiring atmosphere, which stimulates the creative SME's to use different materials or to adopt different, new approaches to their own work.

Another important finding of this study is the fact that a relatively small amount of soft creative cluster factors is currently present within the three studied top-down managed creative clusters. Creative SME's prefer the soft creative cluster infrastructure to be organized by the creative cluster manager. However, the cluster managers indicate to be almost fully occupied by the organization of the hard creative cluster infrastructure, both financially and timewise. As current creative cluster managers do not account for the organization and management of soft creative cluster infrastructures, the field is now subsequently challenged to find a wider recognition for the importance of the organization of soft creative infrastructures, as well as to develop alternative forms of organizing and financing soft creative cluster infrastructures.

**Keywords:**

creative cluster / creative SME / creativity / collaborative networks / soft infrastructure / creative cluster management / Duintjer CS / Volkskrantgebouw / Arts & Crafts Lab.

## Preface

Two years ago while I was working in the field as a project manager of several creative clusters in Amsterdam, I took the decision to return to the university, driven by my need for more specialized knowledge about the topics I worked with in practice. During my work, I continuously asked myself questions like: Why are creative clusters and the creative industry in general receiving so much attention from politicians nowadays? What should be the role of a cluster manager towards the creative firms? In which way am I able to support creative start-ups? How can interlinkages between creative firms be organized?

Over the past period, the masterprogramme Cultural Economics and Cultural Entrepreneurship has provided me both with the needed equipment on topics of cultural economics and entrepreneurship as well as the freedom to develop myself on my special topics of interest, the creative industries and urban development. With the completion of this thesis I arrived at the end of this extra two-year study period, which seem to have gone by very fast. Looking back, I am very content that I made this step to expand my knowledge. However, I am also very glad to put the knowledge I gathered over the past two years back into practice again.

As the inspiring and pleasant conversations with the interviewed creative SME's and creative cluster managers provided me with the needed basis for this thesis, I am very grateful for their time, enthusiasm and input, with a special mention for the interviewed graphic design studio OK200 for designing this thesis. I would also like to thank my supervisor dr. Mariangela Lavanga for her support and constructive criticism and Giep Hagoort, professor of Art & Economics at Utrecht School of the Arts, for our helpful discussions and for providing me with the opportunity to contribute to the CURE European research project, in order to develop my skills and academic knowledge related to the topic of creative urban renewal. Next, I would like to thank Jaap Schoufour, director of Bureau Broedplaatsen Amsterdam for our inspiring talks and for recognizing the relevance of this thesis subject. Last but certainly not least; I would like to express my gratitude to my family and friends for supporting me and providing me with the energy and trust to continuously follow my dreams.

Vera de Jong  
2012

## Table of contents

<b>1. <u>Introduction</u></b>	<b>7</b>	<b>5.2</b>	<b>Defining creative clusters</b>	<b>24</b>
<b><u>THEORETICAL PART</u></b>		<b>5.3</b>	<b>Why creative clusters are different</b>	<b>25</b>
<b>2. <u>Overview</u></b>	<b>9</b>	<b>5.4</b>	<b>Building the theoretical framework for analyzing the soft creative cluster infrastructure</b>	<b>26</b>
<b>3. <u>The knowledge economy</u></b>	<b>11</b>	<b>5.4.1</b>	<b>The rising social network approach</b>	<b>26</b>
<b>3.1</b>		<b>5.4.2</b>	<b>Soft creative cluster infrastructure</b>	<b>27</b>
<b>The shifting economy and the need for creativity</b>	<b>11</b>	<b>5.4.3</b>	<b>Critical conditions of innovative clusters</b>	<b>28</b>
<b>4. <u>Creative industries</u></b>	<b>13</b>	<b>5.4.4</b>	<b>The complexity of creative networks</b>	<b>29</b>
<b>4.1</b>		<b>5.4.5</b>	<b>The Creative Zone Innovator model</b>	<b>30</b>
<b>Defining the creative industries</b>	<b>13</b>	<b>5.4.6</b>	<b>Creative cluster identity</b>	<b>30</b>
<b>4.2</b>		<b>5.4.7</b>	<b>Analytical framework on soft creative cluster factors</b>	<b>31</b>
<b>The structure of the creative industries; the rise of creative SME's</b>	<b>15</b>	<b>5.5</b>	<b>Managing creative clusters</b>	<b>33</b>
<b>4.3</b>		<b>5.5.1</b>	<b>Managing creativity</b>	<b>33</b>
<b>The spatial structure of the creative industries</b>	<b>16</b>	<b>5.5.2</b>	<b>Creative cluster management</b>	<b>35</b>
<b>4.4</b>		<b>5.5.3</b>	<b>Analytical framework on management dimensions focused on hard and soft creative cluster factors</b>	<b>36</b>
<b>The creative industries in the urban policy</b>	<b>18</b>			
<b>5. <u>Creative clusters: definitions, characteristics and management</u></b>	<b>21</b>			
<b>5.1</b>				
<b>Various approaches towards the cluster concept</b>	<b>21</b>			
<b>5.1.1</b>				
<b>Marshall : agglomeration economies</b>	<b>21</b>			
<b>5.1.2</b>				
<b>Porter: cluster concept</b>	<b>22</b>			
<b>5.1.3</b>				
<b>Becattini: Third Italy and the Italian Industrial District</b>	<b>23</b>			
<b>5.1.4</b>				
<b>Summarizing the various approaches</b>	<b>24</b>			

6. <u>Recapitulation of the theoretical part</u>	37	8.3.3 Volkskrantgebouw	52
<u>METHODOLOGICAL PART</u>		8.3.4 Evaluation of expectations	53
7. <u>Methodology</u>	39	8.4 Managing soft creative cluster factors	56
7.1 Research aim and expectations	39	8.4.1 Duintjer CS	57
7.2 Research strategy	39	8.4.2 Arts & Crafts Lab	58
7.3 Determination of study objects	40	8.4.3 Volkskrantgebouw	59
7.4 Data gathering	41	8.4.4 Evaluation of expectations	60
7.4.1 Sampling	41	8.5 Recapitulation of the results	61
7.4.2 Analytical techniques	42		
<u>EMPIRICAL PART</u>			
8. <u>Analysis and results</u>	43	9. <u>Conclusion</u>	63
8.1 Introduction	43	9.1 Introduction	63
8.2 The presence of interlinkages and network effects	43	9.2 Answering the research question	64
8.2.1 Duintjer CS	44	9.3 Reflection on the methodology	66
8.2.2 Arts & Crafts Lab	45	9.4 Reflection on the relevance	66
8.2.3 Volkskrantgebouw	46	9.5 Avenue for future research	67
8.2.4 Evaluation of expectations	47	9. <u>Reference list</u>	69
8.3 Soft creative cluster infrastructure	48	<u>APPENDIX A:</u> List of interviewees	78
8.3.1 Duintjer CS	48	<u>APPENDIX B:</u> Topic lists	80
8.3.2 Arts & Crafts Lab	50	<u>APPENDIX C:</u> Completed value list	83



# 1. Introduction

In recent decades there has been a growing interest in the creative industries and creative clusters. This rising interest can be explained by the fact that a fundamental shift in the economy has occurred from a traditional, production based economy towards a knowledge economy, in which competition for price and productivity is increasingly being replaced by competition for the capacity to innovate and create (Cooke et al., 2007). This economic shift created a great need for innovation and creativity capacities, which raised the attention of both academic researchers and policy makers for the role of the creative industries in the growth and development of the economy at large. As a consequence, a large amount of studies are undertaken to research the size, structure and locational preferences of the creative industries. From these studies can be learned that the creative industries are continually growing and especially the rise of creative SME's draws a great attention (Ellmeier, 2003; HKU, 2010, Scott, 2006). Stressing the importance of geography, spatial proximity is extremely beneficial for creative SME's, as the development of innovation capacities of small and medium sized firms are to be stimulated by direct access to the needed knowledge-flows and face-to-face based buzz on new industry trends. Perhaps even more important, spatial proximity to other creative firms enhances the capability to reap the multiple advantages of spatially concentrated resources like labour markets, specialized information and funding potentials (Scott, 2000; Vang, 2005).

Not only economic geographers and cultural economists are showing interest in the topic of clustering of creative firms, but also urban policy-makers. One reason for this policy attention is that creative clusters are nearly always situated in an urban environment, since cities are assembling the key resources of creative clusters like skilled labor and specialized tacit knowledge (Scott 2000; O'Connor, 2004). Also, cities in their turn, aim to profit from the economic benefits of clustered creative industries. The creation and nourishment of creative clusters is seen as an effective way to generate a critical economic and social infrastructure, as the presence of a creative cluster in an urban district is considered to be beneficial for their regeneration effects, their direct economic outputs and the stimulation of a wider innovative, creative ecosystem (O'Connor & Gu, 2011; Santagata, 2002).

Historically, creative clusters have 'spontaneously' or 'organically' emerged from urban cultural dynamics (O'Connor & Gu, 2011). This scenario has however changed considerably over the past ten years as the increased political support for the development of creative clusters led accordingly to the proliferation of top-down initiated and managed creative clusters in urban areas over the whole world. In recent years, the economic cluster concept in terms of competitive advantages and economies of scale is increasingly supplemented or even replaced by social concepts like collaborative networks, social network markets and soft creative cluster infrastructures (Fromhold-Eisebeth & Eisebeth, 2005; Potts et al., 2011; Comunian, 2012). Opposed to the hard creative cluster infrastructure, which contains for example workspaces, internet facilities and security, the soft creative cluster infrastructure includes immaterial factors like diversity, learning environment and image. Despite the fact that research on the topics of collaborative creative networks and soft cluster factors is currently rising, existing literature does not yet provide explicit knowledge on the actual dynamics within top-down initiated clusters, the ways that soft cluster factors are intertwined with the creative practice of creative SME's, nor to the question how these soft factors can be organized within creative clusters. Do creative SME's have an interest in the presence of a soft creative cluster infrastructure for stimulating their creativity and innovativeness? Do these soft creative cluster factors emerge from the creative network itself? What is the role of the cluster manager in providing a soft creative cluster infrastructure?

The aim of this study is contribute to the rising academic theories on collaborative creative networks and soft creative cluster infrastructures by exploring the importance of the various soft creative cluster factors for the creative practice of creative SME's, and how these soft factors can be organized in a way that supports these creative SME's. These insights will be the result of a study that is based on the following

research question:

*How important are soft infrastructural factors to the creative practice of creative SME's that are located in top-down initiated creative clusters, compared to the importance of hard infrastructural factors and to how can this soft creative cluster infrastructure be organized, in order to foster these creative SME's?*

This study on the topic of soft creative cluster infrastructures starts with a thorough literature review on the topics of the knowledge economy, the creative industries, creative clusters and creative cluster management, in order to provide a proper theoretical framework. This literature review shows a shift from a 'hard' approach to the creative industries and creative clusters, towards a networked or 'soft' approach, whereby soft factors like social networks, diversity and a learning environment are increasingly regarded to be critical conditions for supporting the creative and innovative practices of creative SME's. The empirical part of this research subsequently includes the analysis of 15 interviews with both creative SME's and cluster managers, distributed over three top-down organized and managed creative clusters. In the third and final part of this thesis, the conclusion of this research will be drawn.



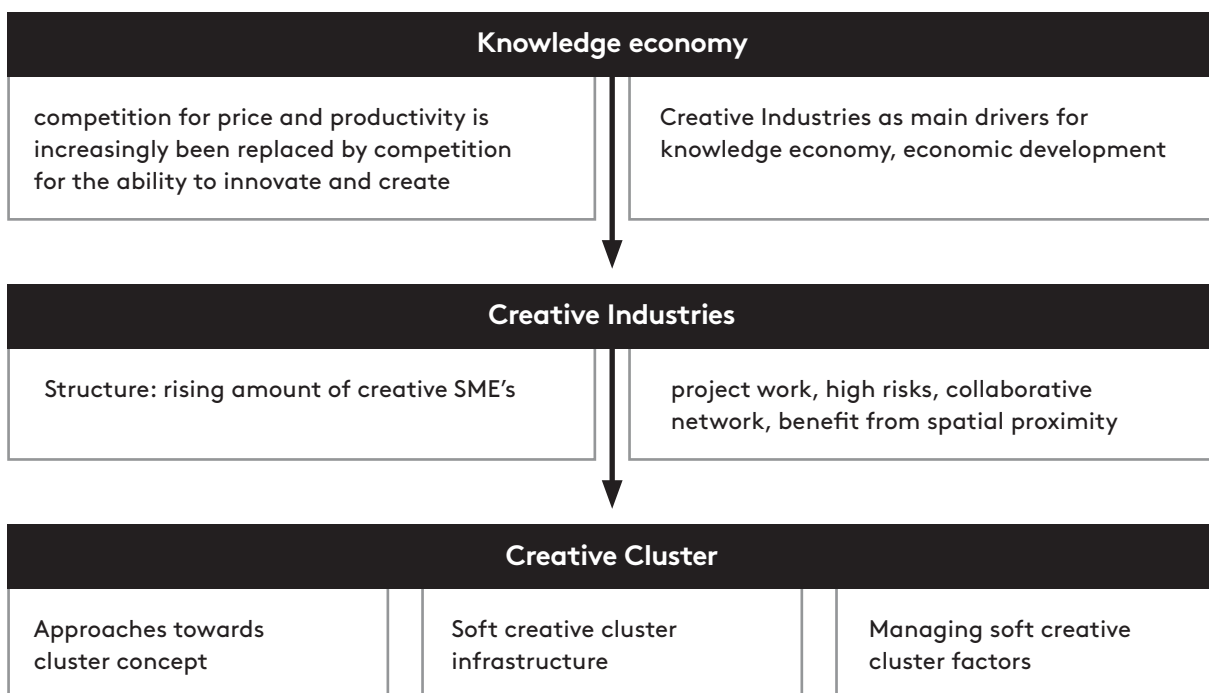
## THEORETICAL PART

### 2. Overview

This theoretical part consists of three chapters on the topics of the knowledge economy, the creative industries and creative clusters. Chapter 3 first offers a broad perspective on the changing economy and the increasing need for creativity within the knowledge economy. Chapter 4 is a quite extensive chapter with a special focus on the creative industries. This chapter covers definitions, the structure, the spatial structure and urban policies of the creative industries. The concept of creative clusters will be analyzed in chapter 5. This chapter addresses definitions, characteristics and management of creative clusters with special emphasis on soft creative cluster infrastructure. Also, two analytical frameworks will be constructed on the topics of soft creative cluster factors and management dimensions will be captured. These two analytical frameworks will subsequently be used in the empirical part of this study.

Figure 1 describes the conceptual guideline of this study, which flows from the knowledge economy to the creative industries, creative clusters and finally to the characteristics and management forms of the soft creative cluster infrastructure. This conceptual guideline will serve as an outline for this theoretical part.

Figure 1. Conceptual guideline of literature review





### 3. The knowledge economy

#### 3.1

#### The shifting economy and the need for creativity

Over the past decades, the buzzwords 'new economy' or 'knowledge economy' are increasingly used to indicate a shift from a traditional economic paradigm to a new, knowledge-based economic concept (Nakamura, 2000; Scott, 2000). Nowadays, we live in a society where the major part of the labour market is occupied by knowledge-based jobs like management, paperwork, sales and creativity (Nakamura, 2000). Knowledge, innovation and creativity are now seen as the main drivers of economic development (Cooke et al., 2007; Turok 2003; Scott 2000).

This current economic paradigm shows however a significant difference from the traditional economic paradigm of the nineteenth and twentieth century, when direct (mass) production of goods and services dominated work. In those times, perfect competition was regarded as the main element to attain economic efficiency and growth (Nakamura, 2000). According to the concept of perfect competition, economic efficiency can only be attained if a great number of firms produce identical, homogenous products using capital and labour as main inputs. In that case, the price of the produced product needs to be set by forces of supply and demand, which leads to tough price-competition (Hoskins et al., 2004). This traditional economic approach was very applicable to the industrial period in the nineteenth and twentieth centuries, when large-scale mass production was essential to gain the comparative advantage over other firms, regions or nations. Because of these increasingly efficient production processes, Western society was never as productive before and ensured major capital growth (Nakamura, 2000).

Around 1975, a fundamental economical shift occurred. Because of the major capital growth and the efficiency of production, the necessity of many direct-production occupations decreased. Also, in the 1990's, with the emergence of technological progress and globalization, the production process could even become increasingly efficient by the generation of new technical production methods and by placing the direct production to low-wage countries. Since machineries or workers in low-wage countries now carried out the direct production, the Western society now could afford to assign most of its workers to new tasks like the creation of new products and managing the production processes. New strategies of flexible specialization were introduced, which placed an emphasis on loose networks of small producers that could *"mix and match skills and expertise to produce short runs of new products of high quality at short notice"* (Jeffcut & Pratt, 2002, p. 226).

By this flexible specialization, many new jobs with creative and innovative tasks were created (Nakamura, 2000). There are inevitable signs of a fundamental shift in workers occupations if we take a look at the shift of occupational data in Western societies (Nakamura, 2000; Markusen, 2008).

Another aspect of this economic shift is that the workers in economically well-developed societies have an emerging need for self-realization and expansion of their own identities. In those societies, consumers are in a growing need for innovative and symbolic products, which contribute to their identity. Through this development, the importance of cultural and symbolic goods, material and immaterial cultural products and cultural services increased (Ellmeier, 2003). In this way, cultural products of all types constitute a constantly increasing share of output of modern capitalism as cultural products sectors now represent some of the most dynamic growth industries in the world at the present time (Scott 2000).

This increasing need for innovation, creativity and cultural products has let to the emergence of the concept of 'The Creative Economy', which is now seen as an evolving concept in which the view that creativity is a cost to the economy is been reconsidered. Instead, the economic potential of creativity is now increasingly recognized (Cunningham, 2006). Within this creative economy, knowledge-based economic

#### Nodes of Creativity

activities and cultural and creative assets are regarded to be powerful engines driving economic growth and development (UNCTAD, 2008). The boundaries of this Creative Economy concept are however still very fuzzy and currently subject of debate. Notwithstanding that the concept of The Creative Economy includes a broad view on creativity, the creative industries are a focus point of many scholars. Cunningham (2006) for example, regards the creative industries as “the ‘sparkplugs’ of next-generation, post-industrial growth” (Cunningham, 2006, p. 8). Also Howkins (2001), author of the book ‘The Creative Economy’, ascribes a major role to the creative industries by defining The Creative Economy using fifteen creative industries extending from arts to the wider fields of science and technology (Howkins, 2001). The fact that is now generally accepted is that the cultural and creative industries are major driving forces of the new knowledge economy by producing new knowledge, innovations and creativity. Defining the creative industries and describing the creative processes that lead to knowledge and innovations, seems however to be a hard task, taking in consideration the existing ambiguous definitions and mappings of the creative industries. The next chapter will discuss the various definitions and characteristics of the creative industries, in order provide a comprehensive view on the creative industries.

## 4. Creative industries

During the past few decades there has been an increasing attention in both academic research and policy making towards the role of the creative industries in the growth and development of local economies and the economy at large. Many governments at international, national and local levels over the whole world are nowadays actively engaged in creative industry policymaking, while aiming to benefit from the economic potential of the creative industries. In order to get a grip on this assigned power of the creative industries, this part of the thesis will explore the concept of the creative industries by viewing the various definitions of the creative industries, the industry structure, the spatial structure of the creative industries and finally the various ways in which creative industries are involved in urban policies.

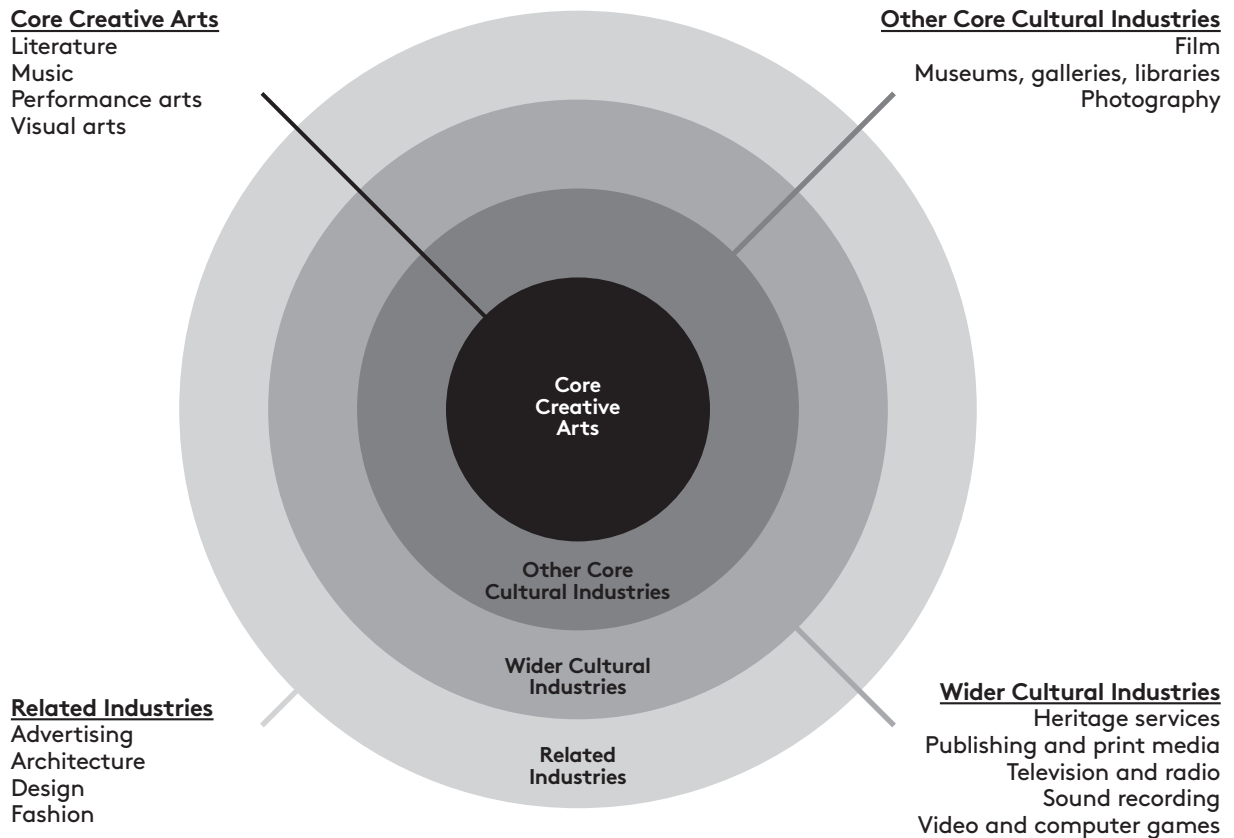
### 4.1

#### Defining the creative industries

The concept of the creative industries has been a factor of policy and academic debate for over a decade now. During this period, various academic and policy oriented definitions have been developed. To provide a profound understanding of the concept of creative industries, this paragraph will discuss three different academic approaches on defining the creative industries. Policy oriented definitions will be further elaborated in part 4.4.

A dominant definition that has been developed over the past period within the field of cultural economic theory is the 'concentric circles model of the cultural industries', which is posed by the acclaimed Australian cultural economist Throsby (2001), and is shown in figure 2. This model makes a distinction between a creative, artistic core and the wider cultural industries like design, media, advertising, architecture, videogames and so on. In this model, the artistic core is most important as new ideas and concepts are originated within this core. This creative core is believed to have a 'galvanizing' effect on the rest of the industries through a spillover effect to the broader cultural and creative industries. The cultural and related creative industries are regarded to be grounded and driven by the artistic core. From this artistic core, creativity flows outwards into the wider creative economy (Throsby, 2008; Bilton, 2010). As this concentric model fundamentally depends on the creative core, which exists of individual creativity, skill and talent, the model is regarded to be a hierarchical model of heroic creativity (Bilton, 2010). "So heroic creativity sprinkles its 'magic dust' on the economy at large" (Bilton, 2010, p. 260).

Figure 2. Concentric circles model of the cultural industries, Throsby (2008, p. 150).



Another definition of the creative industries is been provided by Caves (2000), a well-known economist who is specialized in the field of industrial organization. Caves analyzes the creative industries by applying the theory of contracts and the logics of economic organization. With this approach, Caves aims to explain the nature of contracts between artists and supportive business firms that provide so-called 'humdrum' or non-creative inputs. According to Caves (2000) these humdrum inputs are vital for creative production and consumption to occur. Also, Caves analysis aims to uncover a set of economic properties of creative activities. These properties include among others the uncertainty of demand, the need for diverse skills and the 'art for art's sake' *property about which Caves argues that artists are people who work outward to realize an inner vision (Caves, 2000)*. Caves defines the creative industries as industries who are "supplying goods and services that we broadly associate with cultural, artistic or simply entertainment value. They include book and magazine publishing, the visual arts (painting, sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games" (Caves, 2000, p. 1). Towse (2010) points out that this list bundles together the high and low art arts.

It seems that the aforementioned approaches on defining the creative industries encompass two dimensions. The first dimension is the fact that both definitions are based on a standard industrial classification of activities. This means that the creative industries are divisible by various classifications like 'advertising', 'architecture', 'crafts', 'design', 'music', 'software' and so on. This notion of standard industrial classification (SIC) is also the basis of many creative industries 'mapping' documents that try to measure the size and economic value of the creative industries by the use of the various SIC-codes (Potts et al., 2008). The second dimension is the understanding that the creative industry ranges from the 'high' fine arts to 'low' popular culture, and in some versions even to tourism and sports (Pratt, 2008b). This shows an explicit move from a traditional arts definition, based on the 'arts for arts sake' argument towards a broader view on creativity.

In their article 'Social networks markets: A new definition of the creative industries', Potts et al. (2008) break with the tradition of defining the creative industries by

standard industrial classification systems. With this article, Potts et al. (2008) sketch a proposal in which they explain that the common industrial classification definition of the creative industries is outdated and needs to be replaced by a social network market analytical approach. As they argue, the industrial classification system does not fit the current economic paradigm of the knowledge economy because the SIC-system was developed over fifty years ago. At that time, the economy could be categorized much more than now by the type of industrial activity in which a firm is engaged and the nature of its material inputs and outputs. Over the past fifty years the economic system changed radically and since then, the economic system has become more complex and service-oriented (Potts et al., 2008). Additionally, Potts et al. (2008) argue that the creative industries are not just a set of distinctive industries. In their view, the creative industries are services to the growth of knowledge and economic evolution as part of the innovation system of an economy and thus cannot be regarded as just an industry. This is supported by the view that the creative industries are now increasingly repositioned from lagging to leading sector (Cunningham, 2006). Not only the concept of SIC-codes is a derived concept according to Potts et al. (2008), also the concept of 'industries' in general is in their view derived, as industries in themselves do not exist in microeconomic theories. What do exist are agents, commodities, firms, transactions, prices, organizations and so on. Mapping of industries is said to be 'out-of-date', as mapping only identifies the creative industries on the basis of SIC codes. What actually is needed according to Potts et al. (2008), is to analyze the micro economic dynamics of the creative industries in practice by taking the perspective of an emergent market economy, rather than an industrial economy. In this way, the markets that coordinate production and consumption can be analyzed instead of the mere inputs or outputs in production or consumption (Potts et al. 2008). The markets of the creative industries are, because of the nature of the creative industries, complex and social. In their proposal towards a new definition of the creative industries, Potts et al. (2008) argue that social networks are the predominant factor in determining value in the creative industries. The first argument for this view is the that the value chain of the creative industries is not as passive as in other industries, but is instead dynamic and productive by the open and social systems of production in the creative industries. Another argument is that the individual choices in the creative industries are dominated by information feedback over social networks rather than inborn preferences and price signals (Potts et al. 2008). Despite the fact that the proposal of Potts et al. (2008) is still preliminary and not yet a comprehensive framework, their market based approach can be useful in the emerging view that the creative industries are services to the growth of knowledge and economic evolution as part of the innovation system. Also, their social network market perspective could be of help to the analysis of complexity economics and post-modern cultural studies.

By discussing two established and one pioneering academic approach, this paragraph aimed to illuminate the concept of creative industries from different perspectives. With these different perspectives in mind, it is decided within this study to not fully adopt one of the discussed definitions, but instead to handle a complementary approach. In accordance with Caves (2000), this study takes a broad view on creativity and regards the creative industries by including a wide set of creative activities including 'high art', 'low' popular culture, as well as creative services like graphic design. Additionally, this study follows the theory of Potts et al. (2008) by focusing on social network market structures of creative SME's located in creative clusters through analyzing the 'soft creative cluster infrastructure', including both professional and social relations among creative firms.

#### 4.2

##### The structure of the creative industries; the rise of creative SME's

Taking in consideration the abovementioned critical view on various definitions of the creative industries, the creative industries have been identified as a major and fast growing industrial sector by many researchers (Ellmeier, 2003; Banks et al., 2000; Scott, 2006; Hall, 2000; Pratt, 1997; Hagoort et al., 2012). This growth of the creative industries is accompanied by the growth of the amount of creative small and medium sized firms within these industries. The structure of the creative industries is therefore determined

#### Nodes of Creativity

by the fact that the predominant firm type consists of (young) small to medium sized enterprises (SME's). However, a significant proportion of the annual turnover of the creative industries is made by a very small amount of large incumbents, typically found in the media, publishing, production and distribution of audiovisual products (Throsby, 2001; Banks et al, 2000; Pratt, 1997; HKU, 2010).

This high amount of SME's is a distinctive characteristic of the creative industries as creative industry workers are more than twice as likely to be self-employed as the whole economy average (DCMS, 2007). As mentioned before, the amount of creative SME's is currently raising fast. This major growth is regarded as a result of the changing economy as the shift from direct production jobs to more creative, knowledge-based jobs caused a rapid rise in new forms of employment. These new forms of employment are heavily characterized by short-term (freelance) contracts, specialized and highly skilled work, project work, and voluntary or low-paid activities (Ellmeier, 2003; Jeffcutt & Pratt, 2002).

Out of all creative SME's, 80% act as sole traders or micro SME's employing only a handful people (DCMS, 2007). Some of these sole traders sell direct to consumers, but the major part of these creative SME's are engaged in supplying goods and services as intermediate inputs to other firms (Throsby, 2001). Cooperation with other (creative) SME's is needed to ensure a demand for their products. Also, creative SME's depend heavily on the cooperation with other firms in the production process of their good and services. This need for cooperation is related to the difficult business models of many creative industries (Banks et al., 2000). This business model is characterized by high risks, as the future economic, social or cultural value of creative and innovative products are inherent uncertain. Also, creative production processes are likely to be initiated and executed by a team of specialized creative firms, which supplement each other's skills and knowledge (Caves, 2000; Banks et al., 2000). Collaborations with other (creative) firms thus can assist creative SME's to manage the inherent riskiness of their business by the ability to share skills, risks, knowledge-flows and labour pools. This means that many creative SME's are extremely depended on the specific business and social context in which they operate (O'Connor, 2007). This explains why production activities in the creative industries are typically carried out within shifting networks and of specialized but complementary firms. Such networks can take different forms, ranging from informal webs of small establishments to more formal structures, which lead to a contractual model of production (Scott, 2006; Pratt, 2000). As it is acknowledged that the production process of creative SME's highly depend on social relationships and networks, an increasing amount of researchers and policy-makers are interested in finding ways to stimulate, foster and manage these networks or clusters (Jeffcutt & Pratt, 2002).

### 4.3

#### The spatial structure of the creative industries

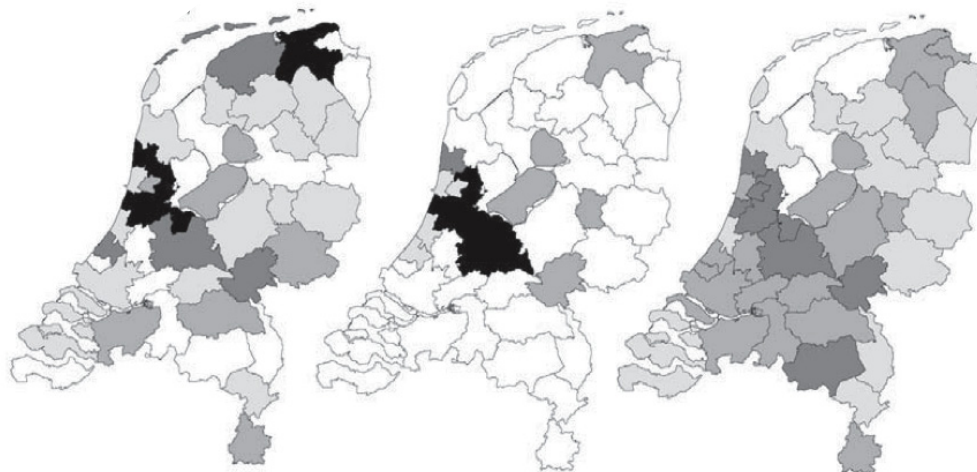
In recent years, the spatial organization of the creative industries received increasing attention of economists, geographers and policy makers (Storper & Venables, 2004; Florida, 2002; Pratt, 2008a, 2004; Scott 2000; Graber, 2002, 2004). As argued before, the structure of the creative industries is shaped by the presence and growth of many creative SME's, which tend to be most productive in networks allowing them to benefit from shared risks, knowledge and skills. Additionally to this observation on the need for cooperative networks, the concept of 'spatial proximity' has proven to be an important concept for both the creative industries and urban areas, as the creative industries tend to cluster in the largest metropolitan areas (Scott, 2000; Stam et al., 2008). The work of Scott (2006; 2010) on the concept of the 'creative field' plays a prominent role in the research on the spatial organization of the creative industries. With this concept, he attempts to link the economic geography literature with empirical investigations of the creative industries. Scott (2006) argues that spatial proximity is extremely important for the development of innovation capacity, as the development of innovation capacities of small and medium sized firms are to be stimulated by direct access to the needed knowledge-flows and face-to-face based buzz on new industry trends. Perhaps even more important, spatial proximity to other creative firms enhances the capability to reap the multiple advantages of spatially concentrated resources like labour markets,



Figure 3. Spatial distribution of employment in the creative industries (arts, media and publishing, and creative business services) in the Netherlands, source: Stam et al., 2008.

**Relative size**  
( compared with  
national average )

- very high (>130%)
- high (>110%)
- medium
- low (<90%)
- very low (<70%)



specialized information and funding potentials (Scott, 2000; Vang, 2005). An increasing acknowledgement of the benefits for creative firms (mostly SME's) to physically co-locate, led to the development of numerous theories and policies on the concept of creative clusters. A further elaboration on the definitions, characteristics, management of creative clusters is presented in chapter 5.

Additionally, the creative industries do not tend to physically co-locate at any random location, as empirical evidence suggests that the creative industries are most willing to locate in urban regions (Almeida & Kogut, 1997; Cooper & Folta, 2000; Sorenson & Audia, 2000). This can be explained by the notion that innovation activities are often associated with locally embedded resources like markets, local production systems and specific urban facilities like employment and social life (Scott, 1999, 2006).

In the Netherlands, the spatial structure of the creative industries is, among others, studied by Stam, De Jong and Marlet (2008). According to this empirical research based on employment rates, the strongest concentration of creative employment in the Netherlands is located in the north wing of the Randstad, which includes the cities of Amsterdam and Utrecht, see also figure 3. Stam et al. (2008) related their research to the following classification of the creative industries, provided by Rutten, Manshanden and Muskens (2004):

1. arts;
2. media and publishing;
3. creative business services.

According to this research, the metropolitan area of Amsterdam turns out to hold the densest concentration of creative employment. Also, Amsterdam includes concentrations of all three domains of the creative industries, while the province of Utrecht is particularly strong in media and publishing (Stam et al., 2008).

#### 4.4

##### The creative industries in the urban policy

Apart from the academic approaches on the concept of the creative industries as discussed in paragraph 4.1, the definition of the creative industries from the perspective of policymakers has shown to be of great influence for (inter) national and urban policies. Founding father of current policy definitions on the concept of creative industries is the initial definition of the cultural industries by the British Department for Culture Media and Sport (DCMS). This initial DCMS-definition of the cultural industries stresses that the cultural industries are those activities requiring "creativity and talent, with potential for wealth and job creation through exploitation of their intellectual property" (DCMS, 2001, p. 4). Subsequently, various versions of the creative industries concept have been developed over the last one and a half decade. One of those definitions is provided by the UNCTAD Creative Economy Report 2008, which defines the

##### Nodes of Creativity

creative industries as the “cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives” (UNCTAD, 2008, p. 4). More than the aforementioned academic definitions of the creative industries, these two policy oriented definitions emphasize the instrumental value of the creative industries to the broader economy in terms of job creation, economic value and market objectives. Especially urban policies show a considerable interest in the instrumental value of the creative industries nowadays (Pratt, 2008a).

The creative industries operate at many different levels of scale, but as aforementioned remarks on the definition and the spatial structure of the creative industries show, the urban scale is of special interest and significance. However urban planners have always been concerned with issues of infrastructure, today their activities are focused more directly than ever before on local business development and the promotion of creative and innovative industries (Scott, 2006). Since the 1980s, the use of cultural and creative purposes for decayed areas and buildings has become a standard tool of planning and development for urban economic development and urban regeneration (Towse, 2010). One key element in the emergence of this emphasis on creativity in the context of urban economic growth is the influential array of the cultural economic impact studies. From 1980's onward, the US and later on also Europe and Australia started to justify the economic worth of arts and culture by carrying out cultural economic impact studies. These economic impact studies not only measure the private benefits to visitors by their direct expenditures on the cultural facility, but also include the measurement of indirect spendings on goods or services including hotels, shops, and restaurants in the direct surroundings of the cultural facility. From many economic impact research reports, the concept of creativity as being important for the urban economy was emphasized (Landry, 2009). Towse (2010) however warns that many of those economic impact studies have not accounted for all underlying economic logics and therefore often exaggerate the net value of cultural facilities.

In parallel of this array of economic impact studies, the concept of the creative industries as being important to economic growth evolved into a major topic of policy and research. This evolution is related to the emergence of the buzzwords ‘new economy’ or ‘knowledge economy’ which are increasingly used over the past decades by researchers and policymakers to indicate a shift from a traditional economic paradigm to a new, knowledge-based economic concept, in which creativity plays a major role (Nakamura, 2000; Scott, 2000). As a result of the recognition of the economic power of creativity by researchers and policy makers, various city councils in the UK started to put the creative industries on the urban policy agenda around 1985 (Landry, 2009). There even emerged a ‘UK Creative Industries Task Force’, which produced the first creative industries mapping document (DCMS, 1998). From that moment on, the creative industries became the ‘flavor of the moment’ and many more theories were developed on the role of creativity as a driver of urban economic growth (Pratt, 2008a). The concept of the ‘creative city’ emerged, together with the formation of many creative city theories and policies (Landry & Bianchini, 1995). Also, the publications of Richard Florida (2002), who argues that the presence of a ‘creative class’ powers regional economic growth, had a major impact on the development of creative city policies (Peck, 2005). The binding factor of these creative city theories and strategies is that they all regard creativity (in terms of creative people, creative climate, creative economies) as an important resource for urban economic growth and that they all try to distill the crucial hard and soft factors that make cities work (Landry, 2009). Nowadays, not only policy makers in the UK implement creative city strategies, but also many policy makers in various policy layers over the rest of Europe and even in other parts of the world like China and Singapore. The concepts of culture and creativity have now established themselves at the centre of strategic urban agenda's (Mommaas, 2012).

The creative city concept enhances many complex dynamics between creativity and urban economic growth and is comprised of many overlapping roots and implications, some complementary, some contradictions (Pratt, 2010). Based on the categorizations of Throsby (2010) and Landry (2009), four broad instrumental policy approaches can be distinguished. The first creative city policy approach is based on the notion of human capital acting as a driving force for urban economic development.

This approach is based on the widely known 'creative class' theory of Richard Florida (2002), who emphasizes that the key to regional growth lies not in reducing costs of doing business, but instead resides in highly educated and productive people (Florida, 2002). Florida's statement rests on theories of Jacobs (1969) and is later on reviewed by economist Glaeser (2004) who found empirical evidence that firms mainly concentrate in urban areas to reap the advantages that stem from common labor pools of talented people (Glaeser, 2004). From Florida's perspective, regional economic growth will occur in places that have highly educated and creative people, who he calls 'the creative class'. In this view, the presence of a 'creative class' thus powers regional economic growth. The basic idea of Florida can be expressed as  $X \rightarrow Y$ , where  $X$  stands for the creative class and  $Y$  stands for local economic development (Scott, 2006). Many policy actions are undertaken to attract this creative class. Florida provides a guideline for those cities, by arguing that cities are able to attract the creative class by stimulating the 3T's of economic growth: Technology, Talent and Tolerance and hence create a creative atmosphere. According to Florida, the creative class settles in places that possess all three critical factors. Therefore creative city policies are increasingly stimulating the development of these 3 T's, in order to attract and preserve the creative class (Pratt, 2011).

The second creative city policy approach is based on the notions of place-making and place-promotion. By this approach, culture and creativity are regarded to be facilitators of economic growth as well as inward investments. By attracting flows of tourists, other foreign direct investments and inward investments, a single place-specific cultural institution or association on its own is acknowledged to encourage local economic growth (Throsby, 2010; Pratt, 2011). Cities that are already well endowed with strong historical and cultural heritage clearly have an advantage in this perspective. However, recent creative place-making policy measures show there is often a great deal that policy-makers can accomplish by re-imagine and rebranding of old depressed industrial sites with a negative cultural history (Scott, 2006). These place-making activities are strongly associated with place-promotion and a large amount of money and effort is nowadays devoted to the development of hard branding strategies that are used to provide a city with a distinctive creative identity, which in their turn act as a magnet to tourists and decision makers (Pratt, 2011).

The third creative city policy approach is based on the problem solving capacity of culture and creativity. Artistic and cultural activities at the local level are acknowledged to provide social engagement, for example as a means of re-engaging displaced social groups like marginalized youth (Throsby, 2010). This policy approach emphasizes the nurturing power of local social cohesion through the endeavor of cultural projects (Landry, 2009; Pratt, 2010). Following this approach, many policy makers are now initiating small-scale cultural neighborhood projects with the purpose to ameliorate social tensions, to improve health and welfare of the city citizens (Scott, 2006).

The fourth and final creative city policy approach that will be elaborated in this chapter is based on theories on spatially clustered creative production. The popular creative cluster concept is nowadays implemented in many local and national policies all over the world. Also, the United Nations show considerable attention to creative cluster policies, as creative clusters are believed to play an important role within the creative economy (UNCTAD, 2010). Initially, creative cluster policies were oriented to social inclusion in a manner that provided economic opportunities to creative people who were the 'politically marginalized' (Pratt, 2010). However, over the last decade, creative cluster policies increasingly focus on the obtaining of economic growth within the 'knowledge economy'. Spatial proximity is extremely important for the development of knowledge and innovation capacity, as the development of innovation capacities of creative firms are to be stimulated by direct access to the needed knowledge-flows and face-to-face based buzz on new industry trends (McCann, 2008). It is subsequently argued by UNCTAD (2010) that places without strong creative clusters will lose their creative people and businesses to places that do have them (UNCTAD, 2010). With this in mind, public intervention in the development of creative clusters is very common nowadays, as the presence of a creative cluster in a urban district is considered to be beneficial not just for their regeneration effects or their direct economic outputs, but also for their stimulation of a wider 'ecosystem' or 'creative milieu' (O'Connor & Gu, 2011).

This paragraph on creative industries in urban policy shows that the instrumental value of the creative industries is increasingly emphasized by policymakers at various levels and in different parts of the world. The urban scale is of special interest and significance for creative industries related policies, which is confirmed by the numerous creative city policies that have been developed over the past decade. As previously discussed, these creative city policies are developed by means of different approaches ranging from problem solving to place making and clustering of creative production. The last discussed approach on public (and private) intervention in the development of creative clusters, provides an important context to this study as these policy interventions encouraged the top-down development of creative clusters, which are the study objects of this research.

## 5. Creative clusters: definitions, characteristics and management

Over the past decades, agglomeration economics and economics of clustering have emerged as central issues of research and policies on economic growth and performance. Urban economists, economic geographers, urban planners and even sociologists have been researching the potential advantages of geographical clustering of firms (McCann, 2008). Why is it that industrial activities are generally grouped together geographically? What role does this clustering play in economic growth? How can clusters be planned and managed?; these are all key questions of researchers, who expose different views and hypothesize regarding the potential advantages of clustering. The first part of this chapter will clarify the various analytical foundations of industrial clustering theories. In recent literature, clustering theories are increasingly linked to the creative industries. The concept of clustering of the creative industries has even become a true academic and policy fashion item since the creative industries are believed to be most productive when clustered (O'Connor, 2007). The second part of this chapter therefore addresses the various views on defining creative clusters and additionally provides a working definition on the concept of a creative cluster. Subsequently, the third part of this chapter tries to answer the question why creative clusters are different from general clusters by discussing the implications of the specific characteristics of the creative industries. In this part, it becomes clear that the success of creative clusters largely depends on the soft infrastructure of creative cluster including a high level of social interactions (the concepts of both hard and soft infrastructures are further explained within this part). Therefore, in the last two parts of this chapter on creative clusters, theoretical frameworks on soft creative cluster factors and on the management of soft creative cluster infrastructures have been constructed. Eventually, these two theoretical frameworks are adopted in the empirical part of this research.

### 5.1

#### Various approaches towards the cluster concept

##### 5.1.1

##### Marshall : agglomeration economies

In 1920, Marshall was one of the first economists who introduced theory on the economics of agglomeration. In Marshall's (1920) view, agglomeration economies are location-specific economies of scale, which are formed by clustered specialized firms that are located in the same local area. According to Marshall, specialized firms benefit from the proximity among these firms. Because of this proximity – both in terms of activities and geography – cluster participants enjoy the economic benefits of several types of positive location-specific externalities. These externalities include knowledge spillovers, a pooled skilled labour pool and access to specialized resources and suppliers. First, industrial clustering ensures informal face-to-face contact between individuals, which allows firms to share knowledge. The proximity of firms thus maximizes the mutual accessibility of all firms within the cluster, which leads to knowledge spillovers to all cluster participants (McCann, 2008). Marshall's theory provides however no discussion on the types of knowledge or the role of knowledge spillovers in economic growth. This makes Marshall's theory a rather static notion, which is hard to observe (Martin & Sunley, 2001). The second externality of clustering according to Marshall is the availability of a local specialized labour pool, which reduces labour hiring and search costs. The third externality that can be distinguished from Marshall's theory is that industrial clustering ensures local non-traded inputs, which are specialized inputs that can be provided to all cluster participants in a more efficient way than if they were geographically dispersed (Marshall, 1920).

Marshall's theories were very progressive at the beginning of the 20<sup>th</sup> century, as at that time geography was not yet explicitly modeled in general economic industrial

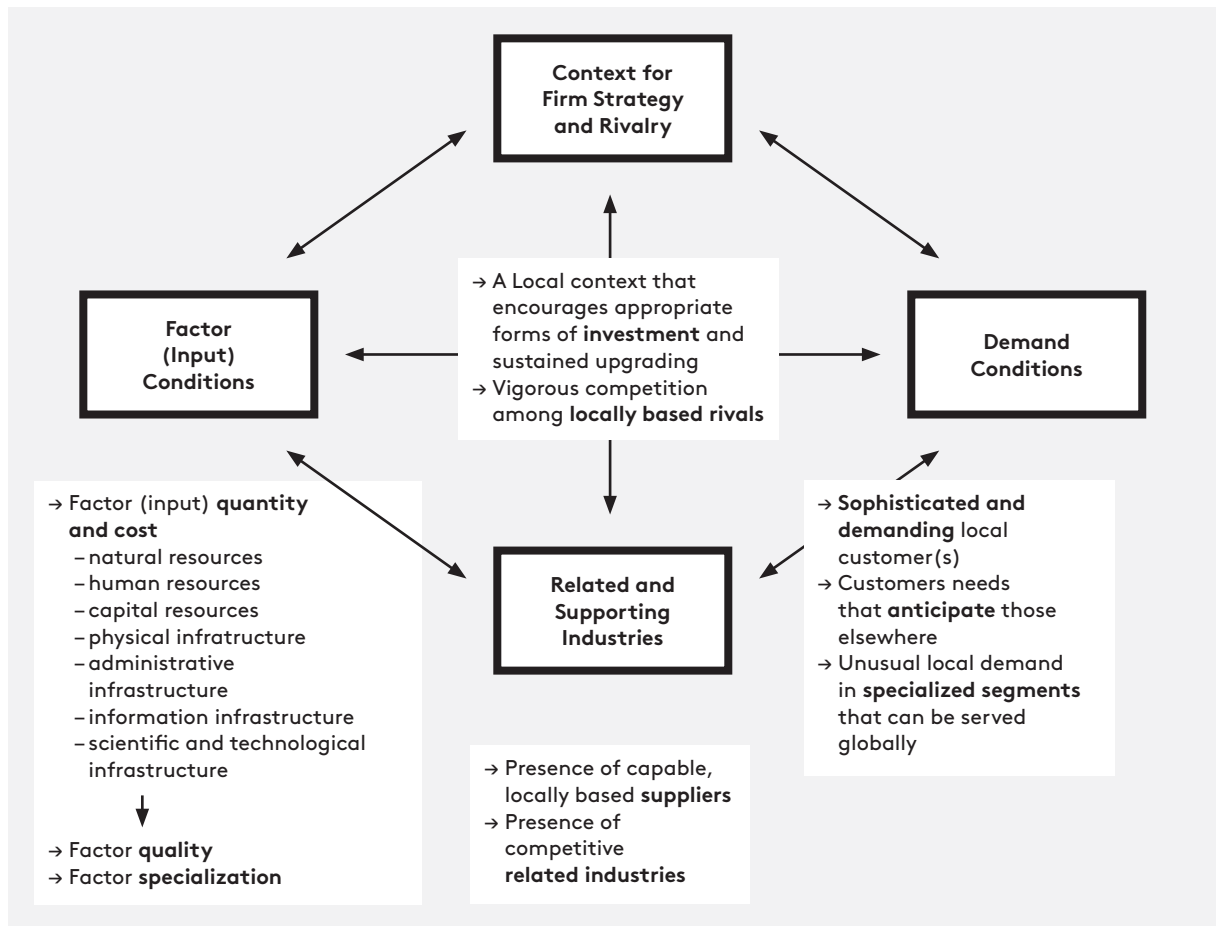
### Nodes of Creativity

frameworks. Since the emergence of Marshall's theory on local industrial agglomeration, a large number of economic geographers (see for example Scott, 2010; Markusen, 2003) have devoted great effort to studying spatial economic agglomeration. Over the past decades, agglomeration economics and the economics of industrial clustering have even emerged as central issues of research and politics into economic growth and performance (McCann, 2008). In this context, various analytical approaches towards clustering have been developed.

### 5.1.2 Porter: cluster concept

One vastly influential analytical approach is the cluster framework developed by the acclaimed economist Porter (1990), who has extended Marshall's agglomeration theory by introducing the most popular 'cluster concept'. According to Porter, clusters are "geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g., universities, standards agencies, trade associations) in a particular field that compete but also cooperate" (Porter, 2000, p. 15). In Porter's view, clusters are sources of locational competitive advantages. Geographical proximity is argued, facilitates mutual visibility and transparency between competitors. To illustrate this theory, Porter developed the diamond model, see also figure 4. This diamond model identifies four major factors that shape the competitive benefits of a cluster. In order to obtain competitive advantages, a cluster first needs to have access to certain factor conditions like a physical infrastructure to information, scientific and technical knowledge. Secondly, a cluster needs to have access to certain demand conditions. Thirdly, the cluster needs to be related to supporting industries (vertical and horizontal), so exchanges of information and innovation can take place. Finally, a cluster should be allocated with a strategy to improve productivity and to be continually innovative (Porter, 2000).

Figure 4. Diamond model, source: Porter, 2000.



Despite the fact that this cluster model of Porter seems quite comprehensive as well as the fact that many researchers and policy-makers are currently still extending on his cluster concept, his model has received much criticism. The main critique is that Porter's cluster concept has no strict boundaries, which makes it virtually impossible to empirically test his concept. As Martin and Sunley (2001) argue: *"Porter's clusters are constructs. They are as much analytical creations as they are naturally occurring phenomena"* (Martin & Sunley, 2001, p. 18). Two examples of lacking boundaries can be found in Porter's aforementioned definition of clusters, where we can observe two main elements: First, the firms must be 'interconnected' and second, the firms need to be 'geographically clustered'. Porter does not explicitly elaborate on how firms exactly need to be interconnected. Porter just mentions that firms can be vertically (supply and demand) or horizontally (complementary specialized goods and services) interconnected. Also, Porter does not elaborate on the degree of geographical proximity. Following this broad cluster concept, clusters can exist in any imaginable shape and size (Martin & Sunley, 2001). Porter confirms this observation, as he suggests that clusters vary greatly in breadth, size and state of development (Porter, 2000).

Despite the abovementioned deficits in Porter's analytical approach, his cluster concept did open up many discussions on the role which clustering play in economics and therefore the concept of clustering matters to a much wider academic audience than was earlier the case (McCann, 2008).

### 5.1.3

#### Becattini: Third Italy and the Italian Industrial District

Besides the main theories on industrial agglomeration by Marshall (1920) and industrial clustering by Porter (1990), another line of theory on the topic of industrial clustering has been developed around the phenomenon of 'Third Italy', which refers to the bloom of spatially clustered and specialized SME's in mainly craft based and engineering industries in Northeast Italy in the 1970's (Becattini, 2002). The sudden (inter) national success of these industrial districts was not expected by economists, as it undermined the impact of prevailing Fordist theories on large factories and economies of scale. Until then, SME's were regarded as marginal activities or as highly dependent on large firms. In this period in time, large firms were seen as superior in terms of access to capital, technology and scale economies. (Becattini, 1990). Since the 1970's, several studies were undertaken to explain the industrial size and success factors of Third Italy in order to build new theories on industrial development and growth (f.e. Becattini, 1990; Boschma, 1999). By carrying out an in-dept study of Italian industrial districts and their local systems, Becattini constructed a new model on the concept of 'The Italian industrial district', including the following five conditions:

- the presence of dense networks of flexible, strongly related, mostly small and medium-sized firms with strong ties to surrounding communities;
- the creation of a subdivision of certain production processes and complementary processes (flexible specialization);
- the presence of mediators that serve as mediators between the contrasting needs of specialization and versatility;
- the formation of a 'sense of belonging' among individual agents of social production;
- the presence of constant support for local social and professional mobility (Becattini, 2002).

This concept of the Italian industrial district distinguishes itself in several ways from the main theories of Marshall (1920) and Porter (1990), including the small scale of the industrial activities, the flexible specialization within the production systems and most important: the significance of the local socio-cultural dimension of the Italian Industrial District. The success and competitiveness of these particular Italian industrial districts in fact highly depends on the presence of specific norms of social local regulations and the overall functioning of the local society, for example by the presence of a local culture of cooperation and entrepreneurship, a local price system, a district-type method of production, as well as the presence of strong ties between the producing firms and local communities (Becattini, 2002; Santagata, 2004). Accordingly, Becattini's study stresses the importance of overlap of economic production relationships and

spatially defined socio-cultural relationships (Becattini, 2002). This theory puts a new perspective on the logic of competitiveness, as until then competitiveness of industrial agglomerations or clusters could only be defined in terms of costs of transport and location, rather than in terms of organizational and socio-cultural dimensions (Boschma, 1999). Consequently, Becattini (2002) indicates that a shift is needed in future studies on industrial theory from the study of the district as such to the study of the organizational and socio-cultural forms of the industrialization process (Becattini, 2002).

#### 5.1.4

##### Summarizing the various approaches

In previous paragraphs, an overview on various approaches towards the concept of industrial agglomeration and spatial clustering is provided by analyzing the theories of Marshall (1920), Porter (1990) and Becattini (1990; 2002). Marshall's work on industrial agglomeration proved to have originated founding theories on the organization and geography of industrial production. In 1920, Marshall's work was very progressive, as his theory on external economies of scale by locally agglomerated specialized firms opposed the conventional economic theory at that time, which was mainly focused on large scale, standardized and vertically integrated production. Despite the fact that Marshall's work opened up a new and evolutionary view on industrial theory, his theory remained a rather static notion without specific implications on the geographical scale or expanding on critical conditions of industrial agglomerations. By confirming the importance of geographical proximity and by introducing theory on the competitive advantages of clustering, Porter (1990) made a significant addition to Marshall's founding theory. In his own popular academic language, Porter provided a clean theoretical model on industrial clustering and elaborated on the specific needed conditions for industrial clusters to be successful. This contribution by Porter opened up many discussions on the role of clustering within economics and the topic of industrial clustering reached a much wider academic audience than was earlier the case. Porter received however comparative critique to Marshall, as also Porters cluster model fails to provide any specific indications on its geographical scale nor does it provide it any specific boundaries in terms of in which way (horizontal, vertical) firms are interconnected. Opposed to this lack in the theory of Porter, the last discussed theory on Third Italy and Italian Industrial districts show that the success of an industrial cluster heavily depends on its very specific location, the presence of a supportive local socio-cultural society and the presence of both professional and social relationships. Also, not competition but in stead small-scale cooperation between SME's are vital to the functioning of an industrial production cluster. Considering these last remarks, further future empirical research on the significance of social relations and the presence of a specific local socio-cultural society would be useful in addition to existing theories on industrial clustering.

#### 5.2

##### Defining creative clusters

Now the different approaches towards the general cluster concept have been analyzed, this part of the thesis tries to provide a working definition of a creative cluster. A working definition is needed in this case, as there exists no clear and general accepted typology of creative clusters yet.

As argued before, the general economic cluster concept has no specific boundaries; this makes it very difficult to define what to include and what not to include to the creative cluster concept. Besides, creative clusters require a tailored approach based on the acknowledgement of social and cultural input values. Despite these difficulties in defining creative clusters, many researchers around the globe are trying to get a grip on the creative cluster concept (f.e. Santagata, 2000; Scott, 2006; Stern & Seiffert, 2010; Mommaas, 2004; Kong, 2009; Throsby, 2010; Zhao & Qi, 2012). Most of these researchers use the aforementioned cluster definition of Porter (2000) as a guideline and apply this to the specific conditions of the creative industries. As a result, the creative cluster is often defined as a group of geographically clustered creative firms, in which creative activity takes place that leads to stimulation of creation of creative goods and services. Also, various types on this still very broad creative cluster definition have been



developed. Throsby (2010) for example provides an overview of three types of creative clusters: the 'cultural precinct', which relates to a cultural cluster based on clustered cultural consumers, the 'cultural district', which relates to a cultural cluster based on both clustered production and consumption as well as a direct relation to neighborhood development by posing a strong brand identity. Besides those two types, a third and less well-defined cluster type is mentioned, which relates to the geographical clustering of creative production (Throsby, 2010). This type of creative cluster often relates to a cluster of value-chain-participants in one sector (Pratt, 2008b), for example a fashion cluster or design cluster.

Earlier in time, Santagata (2004) made a distinction between various types of cultural districts, also referred to as 'localized cultural industries', with the aim to analyze the economic properties governing the evolution of cultural districts. These four types of cultural districts include the industrial cultural district, the institutional cultural district, the museum cultural district and the metropolitan cultural district. Especially the first two types of cultural districts could be complementary to the classification of Throsby (2010), as Santagata (2004) mainly focuses on the production of creative content by locally embedded producers which are all part of one cultural value chain. Also, Santagata indicates the importance of the local civilization and local traditions that are historically connected to the specific cultural districts for the cultural production process.

These rather different examples of creative cluster types show that there exists no clear and general accepted typology of creative clusters yet. However, from studying the various cluster approaches and various creative cluster definitions, the following working definition has emerged:

Working definition:

*A creative cluster is a physical place, in the case of this thesis even one specific building, which consists of geographic concentrated creative firms that are producing creative content. Within the creative cluster both vertical and horizontal linkages are represented as well as a creative atmosphere where creative firms compete but also cooperate by sharing both formal and tacit knowledge.*

### 5.3

#### Why creative clusters are different

The idea that the creative industries are an important centrality to economic prosperity has triggered an intensive research on the spatial organization and clustering of creative industries (f.e. Pratt 2008a; Florida, 2002; Scott, 2000; Vang 2007; Kong, 2009). Because of the specific characteristics of the creative industries, creative clusters however differ from business and industrial cluster theory as elaborated by Marshall and Porter. Clearly, creative firms do profit from the standard competitive economic advantages of clustering like the low rental costs, the pooling of resources and the presence of suppliers. However, creative clusters distinguish themselves from general business clusters by the fact that the industry structure and the nature of activity within the creative industries are different (Kong, 2009).

A significant factor of creative industry clusters is that small and medium sized enterprises comprise the main body of creative cluster tenants. This relates to the fact that the creative industry structure is built on diverse and fluid networks of small scale creative producers which most of the time seek interfirm support by clustering in certain geographical areas to overcome their structural and financial weakness (Zheng, 2011). This organizational form of creative clusters does correspond with the theory on Italian Industrial Districts as indicated by Becattini (2002). This is however not surprising as this theory relates to mainly craft based and engineering industries, of which the production process is regarded to be highly similar to the production processes within the cultural industries (Santagata, 2004).

The nature of activities within creative clusters is related to the generation of innovations and creativity. The establishment of innovation and creativity requires however distinctive and complex processes that are driven by interfirm interaction and collaboration. This means that a successful creative cluster does not only accounts for standard economic positive externalities towards the creative SME's, but also provide

#### Nodes of Creativity

additional, non-standard externalities (Kong, 2009). Related to this view, Karlsson (2008) outlines the difference between efficiency externalities and innovation externalities. Efficiency externalities are provided by efficient clusters which are mainly found in traditional industrial districts and create advantages with regard to productivity and the costs per unit of output of firms (Karlsson, 2008). Innovation externalities are strongly linked to new industry clusters where the power of knowledge plays a key role. The most important innovation externality is therefore the knowledge spillover. The need for this knowledge spillover is crucial for explaining the spatial organization of creative industries as face-to-face buzz on new industry trends and the co-location of a diverse portfolio of creative competences is needed for this knowledge spill over to emerge (Vang, 2007). This relates to the fact that flexible and innovation oriented organizational forms are a precondition for remaining competitive in the creative industries. As it is acknowledged that the production process of creative SME's highly depend on social relationships and networks, an increasing amount of researchers and policy-makers are interested in finding ways to stimulate, foster and manage these networks or clusters (Jeffcutt & Pratt, 2002). It may thus not be very surprising that the presence of human capital, a local creative atmosphere and a high level of social interaction are seen as the most important resources for the creative industries (Zhao & Qi, 2012). Also, creative firms are not only driven by extrinsic motivation but mostly by intrinsic motivation and social interactions (Klamer, 2006). These non-economic, 'soft' production inputs are hard to valuate within standard linearly economical concepts. Therefore, creative clusters (like cultural production in general) need to be examined in a wider economic framework, which includes the recognition of those 'soft' social and cultural values. Cultural economist Arjo Klamer developed a useful framework in which those additional values are taken into account for. According to Klamer, the realization of values takes place in different spheres. Besides the most acknowledged 'market sphere' and the 'government sphere', Klamer developed the concept of the social or 'third sphere, in which "people realize social values like community, a sense of identity, solidarity, neighborhood, country, security, conviviality, friendship and so on" (Klamer, 2006, p. 11). These factors of the third sphere, which are highly relevant for the production of creative goods and services, are not identified within the traditional economic cluster concepts.

Creativity has proved to be a complex process, which evidently needs a tailored approach. This is reflected in the fact that creative cluster researchers are therefore now increasingly emphasizing on 'soft' creative cluster factors like social networks. Creative clusters thus cannot solely be examined by the use of traditional cluster concepts. With these remarks in mind, the subsequent part of this chapter elaborates on the rising social network approach in cluster theory, followed by the construction of a theoretical framework for analyzing the soft creative cluster infrastructure.

#### 5.4

#### Building the theoretical framework for analyzing the soft creative cluster infrastructure

##### 5.4.1

##### The rising social network approach

A recent analytical approach towards industrial clustering that can be distinguished in cluster theory literature is related to the subjects of social networks, entrepreneurship and innovation. This approach is also referred to as the 'relational turn' in cluster theories (Comunian, 2012). This approach is to a great extent provided by literature on clustering in new knowledge-based industrial areas, which argues that cluster benefits are not only derived from the mere co-location of firms, and the economic interconnectedness (horizontal or vertical) but also result from social relationships and collaborative networks (f.e. Scott, 2006; McCann, 2008; Comunian, 2012). In this new view, clusters are not just clustered spatial equivalent of markets, but rather ecological networks of social interpersonal and inter-firm relationships (McCann, 2008). This focus on networks and social relations stems mainly from the view that economic growth in these new knowledge industries is crucially related to entrepreneurship and innovation and the widely acknowledged view that a network of many small firms tend

to be more innovative than industries that are made up by a few large firms (McCann 2008; Comunian, 2012). These dense networks of geographically proximate firms loaded with entrepreneurial and innovative energies flourish *'par excellence'* in the knowledge economy (Scott, 2006, p. 3). Theories on new knowledge based industries are therefore emphasizing this relational turn by paying increasing attention to not only economic cluster relations but also social interpersonal and inter-firm relationships. As a consequence, the concept of clustering is not only covered by economic or geography theory, but is recently expanded by sociologic concepts of social capital and social networks. The study of Scott (2006) provides a clear example of the integration of sociologic theory with standard economics and geography. Scott in fact regards the grid of the cluster as a whole to be a unit of social capital, which he underpins with the sociologic concept of strong and weak ties by Granovetter (1973). The concept of Granovetter is best elaborated by Uzzi (1996). Uzzi explains that strong ties include strong relationships within the same network build on mutual trust and reciprocity. These strong ties provide a lot of specific information and trustworthy transactions. Loose ties on the other hand, include weak relationships among various networks. These relationships provide a wider array of information but the signals are less consistent and less credible (Uzzi, 1996). According to Scott, the ideal network for the entrepreneur or any other type of innovator is therefore *"one that involves some balanced mix of strong and weak ties so that individuals on the reception are likely to pick up an extremely varied mix of stimuli"* (Scott, 2006, p. 5).

This influential theory of Granovetter and his followers on social networks is underpinned by network analysis, which is a type of empirical research that is conducted using different network sizes and densities (relative quantity of relationships), reciprocity (quantity of mutual relations), transitivity (if the friend of your friend considers himself to be your friend) and equivalence (if two people have the same relationships) (Vrooman, 2001). In this social network theory, a network is primarily approached as a non-spatial concept, but by linking the social network theory to economic and geographical theory, the spatiality of a network does play an important role. This new spatial social network approach is now increasingly accepted by researchers and policy-makers (O'Connor, 2004; Scott, 2006; Vang, 2005; Pratt, 2008a). This approach however makes the development and implementation of cluster strategies and policies more complex. From this moment on, cluster promotion does not only has to deal with the co-location of creative activities, providing a proper physical infrastructure and even the direct promoting of business skills, but also concerns the promoting and strengthening of networks (O'Connor, 2004) and implementing soft infrastructures like a learning and support infrastructure (Comunian, 2012).

#### 5.4.2

##### Soft creative cluster infrastructure

Creative clusters encompass both hard and soft factors. Hard creative cluster factors have been studied intensely over the past decades and include for example the availability of certain resources including rent levels, the availability of workspace, accessibility, local and national tax regimes, and other regulations and laws affecting the functioning of companies within those clusters (Musterd et al. 2007). As there is today a growing support to define creative industries in terms of networks instead of products (Potts et al. 2008; O'Connor, 2007; Comunian, 2012), this thesis aims to contribute to existing theories on creative clusters by concentrating on soft creative cluster factors, which are closely related to this emerging network approach. In order to carry out the empirical part of this research and to answer the main question of this thesis, the concept of soft creative cluster infrastructure needs further explanation. This part of the thesis will therefore provide a theoretical framework on soft creative cluster factors. This will be achieved by analyzing different theories on innovative and creative clusters and the subsequent selection of the soft infrastructural factors from these theories.

The creative cluster infrastructure can be defined by the fact that it consists of any object, rule, activity or phenomenon, which is collective (i.e. shared among a group of individuals). Also, all infrastructural factors serve as capital inputs in the cultural production process (Andersson & Andersson, 2008). Also, the infrastructure of creative clusters encompasses material elements as well as immaterial elements. In this context,

'soft infrastructure', relates to immaterial creative cluster factors, opposed to hard factors, which are already mentioned above. Many authors looking at new knowledge based industries, such as Comunian (2012) and Fromhold-Eisebith and Eisebith (2005), increasingly pay attention to the ways in which clustering can stimulate the creativity and innovativeness of creative SME's. As argued before, a 'relational turn' is been identified in creative cluster theory, by emphasizing that mere co-location is not sufficient for the creative production to take place. As is argued, networks and social connectedness are highly important for the creative practices of creative SME's (Comunian, 2012).

In order to get an overview on the concept of soft creative cluster infrastructures, four different theories on innovative and creative clusters will subsequently be analyzed:

- Critical conditions of innovative clusters (Fromhold-Eisebith & Eisebith, 2005);
- The complexity of creative networks (Comunian, 2012);
- Creative Zone Innovator model (Kooyman, 2012);
- Creative cluster identity (Staber & Sautter, 2011; Kong, 2009; Moreno et al. 2002; Santagata, 2002).

### 5.4.3

#### Critical conditions of innovative clusters

With their article '*How to institutionalize innovative clusters? Comparing explicit top-down and implicit bottom-up approaches*' Fromhold-Eisebith and Eisebith (2005) discuss the issue of effective institutional forms of innovative cluster promotion. This article provides a comprehensive overview of the major common conditions that innovative clusters should cover, in order to support the firms that are located in the cluster. In line with this thesis, Fromhold-Eisebith & Eisebith put a special emphasis on innovative SME's.

The first critical condition of innovative clusters as mentioned by Fromhold-Eisebith and Eisebith (2005) relates to the fact that clusters need to be embedded in pre-existing regional concentration of related firms and other organizations. They indicate that innovative cluster strategies should be built up on or be embedded in pre-existing regional concentration of firms, other organizations and linkages in target sectors. Accordingly, cluster promoters need to unfold pre-existing clusters and connect to this.

The second critical condition of innovative clusters relates to the changing focus from 'hard' measures of concrete financial support for individual firms, to 'soft' activities of community building, consulting and moderation. For example, specialized services and advice can be provided in terms of finance, marketing and planning. Fromhold-Eisebith and Eisebith (2005) argue that these activities address entire groups of actors, aiming to improve the overall efficiency of regional systemic interaction in the specific sector, which in this case refers to the creative industries (Fromhold-Eisebith & Eisebith, 2005).

The third critical condition of innovative clusters relates to the pooling of resources. According to Fromhold-Eisebith and Eisebith analysis, innovative clusters should encompass activities that facilitate the firms' access to sufficient public and private assets that support competitiveness and innovativeness. These activities include the fostering of information exchanges and collaboration between the firms in the creative cluster, but also between regional universities and R&D centers. These activities will subsequently lead to quality improvements, the creation of collective solutions and the development of product and process innovations.

The fourth condition of innovative clusters relates to the marketing of the creative cluster. Fromhold-Eisebith and Eisebith (2005) argue that the specific industrial strengths need to be actively marketed inside and outside the region in order to improve the visibility and development framework of firms.

The fifth and last condition of innovative clusters as mentioned by Fromhold-Eisebith and Eisebith, relates to attracting new industrial investors that may complete the present value chains. These industrial investors can be attracted to the cluster or to be raised as start-ups in order to strengthen the systemic potential of the cluster (Fromhold-Eisebith & Eisebith, 2005). According to Fromhold-Eisebith and Eisebith,

organizing these innovative cluster factors requires a participative approach involving various public and private actors. They call for *“a new type of coordinator or ‘cluster manager’ who is capable to co-ordinate support across organizational boundaries and to integrate various instruments and interests”* (Fromhold-Eisebith & Eisebith, 2005, p. 1253).

#### 5.4.4

#### The complexity of creative networks

Comunian (2012) explains that most authors on the topic of the creative industries have used some type of cluster approach as clustering plays an important role in the creative industries. According to Comunian it is often the case that cluster benefits are not simply delivered by the mere co-location of organizations, but are more strongly developed through the social and cultural cluster dimensions. This is in line with the observation of Zheng (2011) who argues that *“quarters that are labeled as ‘creative industry clusters’ but lacking in real clustering and networking effects are being criticized as being simply in co-location with cultural/creative industry activities without interlinkages, locational benefits or added values”* (Zheng, 2011, p. 3565). As Comunian (2012) explains, there is now an increasing interest in researching the ways that social and cultural cluster factors are intertwined with the value of creative production and consumption. In this context, Comunian (2012) carried out a social network analysis among creative firms. With this research she explores the ways in which creative networks can be supportive to the creative practices of firms. In her article she explains three types of network factors that could be helpful for the creative practices of creative firms:

- Learning infrastructure;
- Support infrastructure;
- Overlap between social and professional networks.

The first way in which creative clusters can support the creative practices of firms by the use of creative networks is based on the development of a learning infrastructure. Through this learning infrastructure knowledge can be shared and flows of knowledge can become drivers of new innovations (Comunian, 2012). As argued before, creative production encompasses mostly tacit knowledge, which is an informal and situated type of knowledge. According to Pratt (2002), tacit knowledge can be gained by several types of learning: Learning by doing, learning by watching, and learning by ‘being there’. Comunian (2012) however adds one type of learning: learning by hiring, a concept that is investigated by Song, Almeida and Wu (2003). Learning by hiring in the creative industries is in a high degree provided by the high degree of freelance and project work. Following this theory, project work provides the best focus for learning best practices while also functioning as a seedbed for the development of knowledge exchange. Another important way of learning in creative clusters seems to be learning by peer-to-peer support. Comunian (2012) describes that creative firms rather take advice from experienced persons who are familiar with their issues. This relates to the fact that *“the learning and innovation capacity of CI businesses depends to a high degree on the wider learning and innovation capacity of these surrounding networks”* (O’Connor, 2002, p.9). Peer-to-peer support and advice through formal and informal surrounding networks therefore seem to be useful tools to provide the personal learning infrastructure that creative firms need. In her article, the learning infrastructure is best elaborated by Comunian (2012). This means that the two following ways to foster creative practices by the creative firms are less detailed.

The second way in which the creative practices of firms can be fostered by the use of creative networks is based on the presence of a balanced support infrastructure. Here, Comunian (2012) mainly relates to a financial support infrastructure. According to Comunian (2012), there is still very little recognition of the role that financial support infrastructures have played in the developing and fostering the creative industries in current literature on the creative industries. As she argues, *“the connections and economic interlinkages between publically-funded culture and the creative industries are not yet very well understood”* (Comunian, 2012, p. 64) and thus need more research.

The third way in which creative clusters can support the creative practices of firms by the use of creative networks is based on the development and support of an

overlap of formal and informal networks. The network analysis of Comunian (2012) shows that a large part of the network of creative firms consists of overlap of economic (transaction oriented) and social (friendship oriented) relations. As both formal and informal networking is a matter of social interaction, common space sharing or even meetings in the pub are important elements of network building (Comunian, 2012).

#### 5.4.5

##### The Creative Zone Innovator model

Quite recently, a new model for analyzing the development of creative clusters has been introduced by the Utrecht School of the Arts. This Creative Zone Innovator model is build up on four key dimensions, which represent the dynamics of the functioning of creative SME's in the particular context of the creative cluster (Kooyman, 2012).

1. Learning lab
2. Cultural Value Chain
3. Flow of Diversity
4. Cultural Business Modeling (CBM)

The first dimension, the Learning Lab, refers to the view that a successful creative cluster should aim to create a learning environment. This learning environment should enable the creative SME's to continually expand their capacity, to create the desired output and to remain innovative and creative by the exchange of knowledge. Also, this learning environment should encompass a combination of individual and networked learning (Kooyman, 2012), as this combination facilitates the creative firms to grow more quickly (Koppejan, 2009).

The second dimension, the Cultural Value Chain, refers to the function of a successful creative cluster to strengthen and stimulate the networked alliances of creative entrepreneurs with (co) producers, gatekeepers, distributors and costumers. It needs to be mentioned that the Creative Zone Innovator Model indicates a directing role of the cluster developer or manager, as it is assumed that this person or organization fills in the gaps in the supply chain (Kooyman, 2012). This dimension of the Cultural Value Chain corresponds to the industrial complex or activity complex model (McCann, 2008; Scott, 2006; Turok, 2003), which regard the cluster as a production chain of related firms and other organizations that share relatively stable linkages. Firms within this production chain locate geographically closely together to minimize the costs of communication, transport and logics (Turok, 2003).

The third dimension of the Creative Zone Innovator Model, the Flow of Diversity, refers to the view that a successful creative cluster consist a natural flow of diversity. Diversity in this sense means that the cluster includes both commercial and publicly funded creative entrepreneurs, both start-ups and established firms. According to the model, this diversity may lead to natural stream of new and spontaneous encounters, which continuously cause new impulses.

The fourth and final dimension of the Creative Zone Innovator model concerns the topic of Cultural Business Modeling. According to this model, creative clusters can accelerate the successful development of creative SME's by providing a platform for knowledge exchange about business models, alternative networking and financing (Kooyman, 2012).

#### 5.4.6

##### Creative cluster identity

Abovementioned described and analyzed theories all provide useful insights in order to define the soft infrastructural factors that a successful cluster should encompass. Identity is however a factor that is not yet fully addressed in abovementioned theories, but which is an often mentioned factor in a broader range of theories on creative clusters. For this reason, this short paragraph will focus on the various aspects of creative cluster identity.

Different dimensions of identity can be distinguished in (creative) cluster theories. The first dimension of identity is the presence of a collective identity among the cluster participants, which serves as an enduring, trust-based factor of successful clusters. This collective, shared identity is build on social categorization of similarity and

distinctiveness and concerns questions such as 'Who are we?' and 'How do other people see us?'. By the presence of a mutual awareness of informal norms about what it means to be a respected member of the cluster, creative cluster may develop a strong sense of 'belonging' to the community. Clustered firms can benefit from a stable shared identity as it provides them strategic coherence and a frame of reference for distinction and comparison (Staber & Sautter, 2011). According to Staber and Sautter, clusters are however not very likely to have a strongly shared identity, as clusters are loose collections of legally autonomous firms that experience differences in cognitive proximity and absorptive capacity (Staber and Sautter, 2011). Another dimension of creative cluster identity is provided by Kong (2009), who argues that reputation (cultural capital) seems an important and positive factor in constituting the identity of a creative cluster, as a creative cluster which includes artists with strong reputations is likely to attract new artists. The viewpoint of Moreno et al. (2004) is in line with the argument of Kong (2009) as they argue that the reputation that derives from the quality of the produced products within the cluster provides identity to the cluster (Moreno et al., 2004). The last dimension of creative cluster identity that will be discussed in this part of this thesis is the fact that the positive image of creative clusters is often deployed for designing a new urban identity by using arts and cultural services to breath new life into urban communities and to attract people (Santagata, 2002).

#### 5.4.7

#### Analytical framework on soft creative cluster factors

The analytical framework as shown in figure 5 is based on the theories of Fromhold-Eisebeth & Eisebeth (2005), Comunian (2012) and Kooyman (2012) plus the extra observation about the collective cluster identity of mainly Staber and Sautter (2011). This analytical framework will be used in the empirical part of this research, by investigating the presence of all indicated soft creative cluster factors within three selected creative clusters. Also, the opinions of the creative SME's located in creative clusters on the significance of indicated creative cluster factors for their own creative practice will be analyzed.

Figure 5. Analytical framework on soft creative cluster factors.

Label	Factor and theoretical justification
Diversity	<ul style="list-style-type: none"> <li>→ Private, public, non-profit interconnections (<i>Fromhold-Eisebith &amp; Eisebith, 2005</i>).</li> <li>→ Commercial and publicly funded creative entrepreneurs/ Diversity in startups and established firms (<i>Kooyman, 2012</i>).</li> <li>→ Overlap of social and professional networks (<i>Comunian, 2012</i>).</li> </ul>
Individual learning	<ul style="list-style-type: none"> <li>→ Offering specialized consulting services in f.e. financing, marketing, planning (<i>Fromhold-Eisebith &amp; Eisebith, 2005</i>).</li> <li>→ Learning by doing (<i>Comunian, 2012</i>).</li> </ul>
Networked learning	<ul style="list-style-type: none"> <li>→ Learning by hiring, in project organizations/Peer-to-peer reviewing/ Best and worse practice learning (<i>Comunian, 2012</i>).</li> <li>→ Learning by doing, learning by watching, and learning by 'being there' (<i>Pratt, 2002</i>).</li> </ul>
Creative value chain	<ul style="list-style-type: none"> <li>→ Alliances of creative entrepreneurs with (co) producers, gatekeepers, distributors and costumers (<i>Kooyman, 2012</i>).</li> <li>→ Attracting new industrial investors (<i>Fromhold-Eisebith &amp; Eisebith, 2005</i>).</li> </ul>
Creative Business Modeling (CBM)	<ul style="list-style-type: none"> <li>→ Business support: developing entrepreneurial skills (<i>Kooyman, 2012</i>).</li> <li>→ Fostering alternative networking and financing (<i>Kooyman, 2012</i>).</li> <li>→ Enhance economic interlinkages between publically funded culture and the creative industries (<i>Comunian, 2012</i>).</li> <li>→ Attracting new industrial investors (<i>Fromhold-Eisebith &amp; Eisebith, 2005</i>).</li> </ul>
Identity	<ul style="list-style-type: none"> <li>→ Collective identity, trust-based factor /status enhancing capacity (<i>Staber &amp; Sautter, 2011</i>).</li> <li>→ Strong identity through reputation and quality of creative firms within the cluster (<i>Kong, 2009; Moreno, 2002</i>)</li> <li>→ Contribution of a positive creative cluster image to designing a new urban identity (<i>Santagata, 2002</i>)</li> </ul>
Regional embeddedness	<ul style="list-style-type: none"> <li>→ Connectedness to regional pre-existing cluster of creative industries (<i>Fromhold-Eisebith &amp; Eisebith, 2005</i>).</li> </ul>



## 5.5 Managing creative clusters

Over the past decades, both researchers and policy makers became increasingly interested in finding ways to manage creativity. This increased interest resulted in the development of significant new theories on 'managing creativity'. To provide a proper theoretical basis for researching the current management of creative clusters, the first part of this section will introduce the importance of creativity in general organizations and discusses the role of management and more specific the role of the leader in enhancing creativity in organizations. The second part of this section will subsequently explore various practice-based views on the organization and management structures of creative clusters, with special attention to the management of soft creative cluster factors. Finally, an analytical framework will be constructed from theories of both parts. This analytical framework will serve as a basis for an empirical analysis on the management of soft creative cluster factors within three creative clusters in Amsterdam later on in this study.

### 5.5.1 Managing creativity

In the modern business environment of the new knowledge economy, organizations are increasingly faced with the constant pressure to innovate, as creativity and innovation are now regarded as a central part of the competitive resources of organizations (Banks et al., 2002; Brennan & Dooley, 2005). These competitive resources cover a broad range of capacities, which transcend the sole development of increasingly efficient production processes at a lowest cost, as was the case in industrial 20<sup>th</sup> century. The major part of today's firms does not solely compete on new products or efficient ways to produce these products, but they rather compete on a deeper factor: on the capacity to develop new products or services (Hotho & Champion, 2011). This capacity is strongly linked to creativity, as the innovation process begins with an idea generation or problem recognition stage, which is where creativity primarily occurs (Brennan & Dooley, 2005). This focus on the capacity to create new products, points a need for the enhancement of creative knowledge workers with their ability to create and share knowledge. This means that today's managers, besides coordinating daily mainstream operations, also need to cultivate creativity and innovation to remain competitive within their industry (Hotho & Champion, 2011). As a consequence, researchers and policy makers became increasingly interested over the past decade, in finding ways to manage creativity and a new field of research on the organization and management of the creative capacity opened up (Bilton, 2010; Jeffcutt & Pratt, 2002; Banks et al., 2002).

Bilton (2010) provides an understanding of the concept of creativity by distinguishing two conceptual models of creativity: the heroic model of creativity and the structural model of creativity. He explains that research and policies towards the concept of creativity have evolved over recent years from a heroic approach to a structural approach, as the value of creativity is increasingly been recognized and the need for manageable creativity has increased (Bilton, 2010).

The heroic model of creativity is based on an individual approach towards the creativity concept. This approach asserts that creativity is vested in within a minority of exceptional individuals, also referred to as 'individual genius'. This individual creativity leads to the transformation of the world around these individual geniuses. "*Individual creativity is the cause; collective transformation is the effect*" (Bilton, 2010, p.259). This concept fits into the neoclassical model of creativity in which creativity functions as a spillover to other individuals, organizations and industries (Jeffcutt & Pratt, 2002). This is for example shown in the concentric circles model of the cultural industries, earlier explained by the theory of Throsby (2008), in which the power of the artistic core spills over to the wider cultural and creative industries. The managerial or political approach towards the heroic model of creativity is therefore based on the investment in the artistic core or also referred to as the 'creative class' by the popular theory of Richard Florida (Florida, 2002).

The other conceptual model of creativity as described by Bilton (2010) is the model of structural creativity. Here, structural creativity is described as "a sociocultural

model which locates individual creativity in a network of relationships rather than individual moments of insight" (Bilton, 2010, p. 262). These creative processes are regarded to be the result of sophisticated confluences of collective knowledge and skills from like-minded people or firms that help each other in accessing the needed resources. According to this conceptual model, creative processes are ensured in networks and clusters that are not solely based on 'hard' economic relationships, but which also reflects 'soft' relationships of friendship and sociality. Because creativity in this model depends on collective cooperation, managerial questions of supply and demand are becoming increasingly important. With the ability to manage the right sources of supply and demand, the creative process can be nurtured (Bilton, 2010). This conceptual framework of Bilton (2010) is in line with the system model of creativity, which is a widely employed theory of researcher and psychologist Mihaly Csikszentmihalyi. In this system model of creativity, Csikszentmihalyi (1996) argues that creativity occurs within a system that encompasses three elements: person, domain and field. The first element, the person, needs to have the capacity to use symbols and to have new ideas that can be recognized as novel. The second element, the domain, includes symbolic knowledge institutions in which the creative process takes place and which apply their own symbolic rules and procedures. The third and last element, the field, is an essential factor within the system model of creativity as the field includes experts, gatekeepers and intermediaries who review the creative product or process (Csikszentmihalyi, 1996).

The models of Csikszentmihalyi (1996) and Bilton (2010) are theoretical constructs, which provide an understanding of various scientific viewpoints towards the diffuse concept of structural creativity. A case study on the management of structural creativity is provided in box 1, where Ed Catmull (2008), cofounder of Pixar and president of Pixar and Disney Animation Studios, provides relevant statements on managing collective creativity in practice.

Box 1. Case study on managing creativity at Pixar

At Pixar, all ideas and innovations on storylines and characters are created by an internal community of artists, instead of just buying the movie ideas from outside the organization. Ed Catmull explains that the key to this success lays in the fostering of collective creativity. As Catmull explains: *"People tend to think of creativity as a mysterious solo act, and they typically reduce products to a single idea (...). However, in filmmaking and many other kinds of complex product development, creativity involves a large number of people from different sectors working effectively together to solve a great many problems"* (Catmull, 2008, p. 66). Daily reality at Pixar reveals that trust, respect and time are most important factors in creative collaborations. According to Catmull, the role of the manager is to construct an environment that nurtures trusting and respectful relationships and unleashes everyone's creativity (Catmull, 2008). One major factor of this creative environment is a peer culture, which means that people are able to give and receive constant feedback in a positive way that people at all levels support one another. The first two operational principles of Pixar provide a clear insight in the way that Pixar constructs this collective creative environment and peer culture:

1. Everyone must have the freedom to communicate with anyone
2. It must be safe for everyone to offer ideas

According to the philosophy of Pixar, decision-making hierarchies and authorities need to be broken down when it comes to the creative environment. Everyone must be free and safe to present ideas and to provide honest peer-feedback. Only in this way, everyone can be fully invested in helping everyone else turn out the best work. In order to stimulate the collective creativity, Pixar developed several tools like the 'brain trust' and the 'dailies', which are meetings where creative people of all sectors and levels gather to permanently show work in progress and openly learn and discuss problems. In this way, people get over the embarrassment of showing work still in progress, create trust, learn from peers and become more creative (Catmull, 2008).

Amabile & Khaire (2008) complement this case study of Pixar by providing a clear framework on the role of the leader in enhancing creativity. This framework has emerged from a two-day colloquium at Harvard Business School, where new agenda's of leadership were discussed with business leaders from companies whose success depends on creativity. Summarizing, this framework consists of several tasks that leaders

should embrace in order to manage for creativity:

- Tap ideas from all ranks;
- Encourage and enable collaboration;
- Enhance diversity; open the organization to diverse perspectives;
- Provide paths through the bureaucracy;
- Map the stages of creativity and tend to their different needs;
- Accept the inevitability and utility of failure;
- Motivate with intellectual challenge (Amabile & Khaire, 2008).

This paragraph stressed the increasing academic and policy interest for the management of creativity. By the taking the viewpoint of structural creativity (Bilton, 2010) or the system model of creativity (Csikszentmihalyi, 1996), the emergence of creativity can be regarded as a result of a collaborative process, including both 'hard' economic relationships and 'soft' relationships of friendship and sociality. Because creativity in these models depends on collective cooperation, managerial questions become increasingly important. As Bilton (2010) argues, with the ability to manage the right sources for creativity, the creative process can be nurtured. From the case study of Pixar and additional theory of Amabile and Khaire (2000) can be learned that the most important tasks of managers in managing creativity is to enable cooperation between all organizational levels and to support a peer culture for honest peer feedback and knowledge exchange. As this part discussed management of creativity in general organizational forms, the subsequent paragraph will elaborate on the management of creative clusters.

### 5.5.2

#### Creative cluster management

In this part, the organization and management of creative clusters will be identified. First, a clear theoretical line is drawn between two creative cluster management approaches: the bottom-up approach and the top-down approach (Hitters & Richards, 2002; Fromhold-Eisebeth & Eisebeth, 2005; O'Connor & Gu, 2011; Zhao & Qi, 2012). The bottom-up approach refers to the case in which creative firms organically cluster in geographical space. This organic collective action mainly arises from pre-existing networks and without the help of public interventions. The top-down approach includes public intervention and relates to the deliberately development and management of creative clusters.

This top-down approach has received increasing attention from researchers and policy makers over the last decade. As already described in the chapter on the creative industries and urban policies, creative cluster promotion is nowadays a global phenomenon. This relates to the fact that top-down public intervention in the development of creative clusters is nowadays very common as the presence of a creative cluster in a urban district is considered to be beneficial not just for their regeneration effects or their direct economic outputs, but also for their stimulation of a wider 'ecosystem' or 'creative milieu' (O'Connor & Gu, 2011). In practice, creative clusters are managed by various management bodies, ranging from district government agencies, publicly funded project agencies and commercial real estate project developers (Kong, 2008). These various management bodies are occupied with different dimensions of management like administration, degree of public involvement, programming (Brooks & Kushner, 2001) and degree of physical change in order to transform urban space into 'cultural space' (Hitters & Richards, 2002). These dimensions can be divided in management of 'hard' factors like the arrangement of rental contracts and fundamental facilities (Zhao & Qi, 2012) and management of 'soft' factors like a fertile internal culture and supporting structural social and economic connections to arise (O'Connor, 2004; Fromhold-Eisebeth & Eisebeth, 2005; Comunian, 2012). As argued before, clusters that are labeled as 'creative clusters' and that just facilitate the fundamental facilities of co-located available workspaces are often criticized by their lack of interlink ages, networking effects and added value (Evans, 2009; Zheng, 2011). In this view, soft creative cluster factors do need management and coordination to be effective, just like the hard factors. Also Fromhold-Eisebeth & Eisebeth (2005) stress the importance of the organization of social, soft innovative cluster factors what in their opinion, requires a participative approach

#### Nodes of Creativity

involving various public and private actors. They call for “a new type of coordinator or ‘cluster manager’ who is capable to co-ordinate support across organizational boundaries and to integrate various instruments and interests” (Fromhold-Eisebeth & Eisebeth, 2005, p. 1253). It seems that top-down managed creative clusters are in need for one central person or organization that is capable to co-ordinate support across organizational boundaries and to integrate various ‘hard’ and ‘soft’ instruments and interests. Another final requirement of this person or organization is that this person is part of ‘the system of creativity’, which means that it needs to be supportive to the creative SME’s in a informal, participating manner and that support the SME’s but at the same time avoid restrictive factors which may result in the lock-in of creativity at all time (Hearn et al, 2007; Fromhold-Eisebeth & Eisebeth, 2005).

### 5.5.3

#### Analytical framework on management dimensions focused on hard and soft creative cluster factors

The analytical framework as shown in figure 6 is based on the theories of mainly Fromhold-Eisebeth & Eisebeth (2005), Zhao and Qi (2012), Amabile and Khair (2008) and Catmull (2008).

This analytical framework will be used in the empirical part of this research, by investigating the management dimensions on hard and soft creative cluster factors within three top-down managed creative clusters. Also, the opinions of the creative cluster managers on the significance of these management dimensions will be analyzed.

Figure 6. Analytical framework on management dimensions focused on hard and soft creative cluster factors.

#### Management dimensions focused on hard creative cluster factors

Label	Theoretical justification
Administration and arrangement of fundamental facilities	This can be executed by various management strategies ranging from relatively hands-off approach to centralized and directive management (Zhao & Qi, 2012; Brooks & Kushner, 2001)
Degree of physical change	The transformation of urban space into ‘cultural space’ (Hitters & Richards, 2002)

#### Management dimensions focused on soft creative cluster factors

Label	Theoretical justification
Enhance diversity and quality by selection of creative people/firms	(Amabile & Khair, 2008) Selection to get talented people inside (Catmull, 2008).
Encourage and enable cooperation	(Amabile & Khair, 2008)
Motivating with intellectual challenge and creation of a peer-culture	By providing a safe environment to offer ideas, in order to arrange honest peer-feedback. (Catmull, 2008) (Amabile & Khair, 2008)
Being a part of the creative system	(Hearn et al, 2007; Fromhold-Eisebeth & Eisebeth, 2005)
Degree of programming and public involvement	(Brooks & Kushner, 2001)

## 6. Recapitulation of the theoretical part

Within the theoretical part, existing literature on the topics of the knowledge economy, the creative industries and creative clusters have thoroughly been reviewed.

Chapter 3 displays a fundamental shift in the economy from a traditional, production based economy towards a knowledge economy, in which competition for price and productivity is increasingly been replaced by competition for the capacity to innovate and create (Cooke et al., 2007). This economic shift created a great need for innovation and creativity capacities, which raised the attention of both academic researchers and policy makers for the role of the creative industries in the growth and development of the economy at large. As a consequence, a large amount of studies are undertaken to research the specific characteristics of the creative industries.

Chapter 4 provides an overview on the definitions, structure, spatial structure and policies of the creative industries. From this reviewed literature can be learned that besides traditional classifications of the creative industries by SIC-codes (Throsby, 2010; Caves, 2000) is contested by a new approach which defines the creative industries in terms of social network markets in stead of distinctive industries (Potts et al. 2008). According to Potts et al. (2008) the concept of 'industries' in general is in their view derived, as industries in themselves do not exist in microeconomic theories. What do exist are agents, commodities, firms, transactions, prices, organizations and so on. This recently emerging approach on defining the creative industries provides a new line of research in the field of the creative industries, which is followed by an rising amount of researchers (f.e. Pratt, 2008b; Comunian, 2012). Besides the definition of the creative industries, also it's size is discussed in chapter 4. It shows that creative industries are continually growing and especially the rise of creative SME's draws a great attention (Ellmeier, 2003; HKU, 2010, Scott, 2006). Stressing the importance of geography, spatial proximity is extremely beneficial for creative SME's, as the development of innovation capacities of small and medium sized firms are to be stimulated by direct access to the needed knowledge-flows and face-to-face based buzz on new industry trends. Perhaps even more important, spatial proximity to other creative firms enhances the capability to reap the multiple advantages of spatially concentrated resources like labour markets, specialized information and funding potentials (Scott, 2000; Vang, 2005). The subsequent paragraph on creative industries in urban policy shows that the instrumental value of the creative industries is increasingly emphasized by policymakers at various levels and in different parts of the world. Also, the urban scale is of special interest and significance for creative industries related policies, which is confirmed by the numerous creative city policies that have been developed over the past decade. These creative city policies are developed by means of different approaches ranging from problem solving to place making and clustering of creative production. The last discussed approach on public (and private) intervention in the development of creative clusters, provides an important context to this study as these policy interventions encouraged the top-down development of creative clusters, which are the study objects of this research.

In chapter 5, the last chapter of the theoretical part, the concept of the creative cluster is analyzed by first reviewing existing theories on general economic industry clusters by Marshall (1920) and Porter (1990;2000), which mainly emphasize the benefits of economies of scale like the reduction of costs due to the geographical co-location of firms and the benefits of knowledge exchange within clusters. Becattini (2002) takes a distinctive view by mainly stressing the value of locally embedded social production systems for creative clusters. Subsequently to this review of general industry clusters, the specific characteristics of creative clusters are discussed by putting the question 'why are creative clusters different?'. As the literature review shows, the production process of creative SME's highly depends on social relationships and networks, what makes creative clusters rather distinctive from general industry clusters. As argued, creative clusters thus cannot solely be examined or developed by the use of traditional cluster concept. Creative clusters thus need a tailored approach, which is reflected in the fact that both academics are now increasingly emphasizing on 'soft' creative cluster factors like social interlinkages and a networked learning infrastructure. Because existing

theory does not yet provide a comprehensive overview on soft creative cluster factors nor the management of soft creative cluster infrastructures, two tailored analytical models on these two topics have been constructed on the basis of an analysis of various theories on innovative and creative clusters. These two analytical models will subsequently be used in the empirical part of this study.

## METHODOLOGICAL PART

### 7. Methodology

#### 7.1

##### Research aim and expectations

This study on the topic of soft creative cluster infrastructures started with the conduction of a thorough literature review on the topics of the knowledge economy, the creative industries, creative clusters and management, in order to provide a proper theoretical framework. This literature review shows a shift from a 'hard' approach to the creative industries and creative clusters, towards a networked or 'soft' approach, whereby soft factors like social networks, diversity and a learning environment are said to be critical creative cluster conditions to support the creative and innovative practices of creative SME's. At the same time, many public and private agents over the world are nowadays top-down initiating and managing creative clusters. These top-down initiated and managed creative clusters recently received a certain degree of criticism, as these creative clusters are said to be a simple co-location of cultural and creative industry activities while missing out on real cluster or network effects like interlinkages, locational benefits and added values (Zheng, 2011; de Wilde, 2007). The main aim of this research is to investigate how important soft factors are to creative SME's of top-down creative clusters and how these soft factors can be organized in a way that supports these creative SME's. As a result of the literature review, the following expectations can be formulated:

- 1 Top-down managed creative clusters are expected to be lacking in social and professional interlinkages and network-effects.
- 2a Soft creative cluster factors are important to creative SME's located in the studied creative clusters, with an emphasis on the factors of network learning and creative value chain.
- 2b Soft creative cluster factors are expected to be largely absent in top-down initiated creative clusters, with an emphasis on both individual and networked learning.
- 3a In contrast to the hard creative cluster factors, it is expected that the soft creative cluster factors are not organized by the creative cluster management of top-down developed creative clusters.
- 3b Creative SME's that are located in top-down managed creative clusters require the cluster manager to actively initiate and coordinate the soft creative cluster factors.

#### 7.2

##### Research strategy

Because the research on abovementioned expectations strongly depends on the perceptions of the creative entrepreneurs that are located in the creative clusters and the vision of creative cluster managers, a qualitative research approach is most appropriate for this study. With a qualitative research approach based on the epistemological position of interpretivism, the viewpoint of the studied people can be regarded to be the point of departure (Bryman, 2008). Also, a major amount of other studies on the topic of creative and innovative clusters apply a qualitative research approach, for example the study of Fromhold-Eisebith & Eisebith (2005) who conducted six semi-structured interviews with cluster coordinators, representatives of research/education and regional economic promotion organizations and seventeen semi-standardized personal interviews with cluster member firms. Also O'Connor & Gu (2011) and Zheng (2010) indicate that they have been handling a qualitative research approach. When a qualitative strategy is employed within a cross sectional design like this study, the approach tends to be inductive (Bryman, 2008). In case of this research, the cross-sectional design

##### Nodes of Creativity

includes a collection of data through the conduction of 15 interviews with both creative SME's and cluster managers, distributed over three study objects.

### 7.3 Determination of study objects

All data is gathered within three different creative clusters in the city of Amsterdam. I decided to collect all data within one city to remain within one institutional framework. The city of Amsterdam was chosen because this city turns out to hold the densest concentration of creative employment, as is shown by Stam et al. (2008) in paragraph 3.4. Also, the city of Amsterdam employs a strong policy in the top-down development of creative clusters through the means of a public project-agency on creative clusters, named 'Bureau Broedplaatsen'. This department of Bureau Broedplaatsen (from now on 'Art Factory Programme') was established by the City of Amsterdam in 2000 and is part of the civil service municipality of Amsterdam. This Art Factory Programme initiates developments throughout the city to generate new creative clusters. With its policy, the Art Factory Programme strives to achieve cultural aims (Amsterdam as a laboratory), social aims (neighborhood revitalization), economic aims (employment rates, entrepreneurial activity) as well as spatial aims (empty offices, contra gentrification). In order to achieve these aims, the Art Factory Programme functions as a catalyst, advisor and funder of new creative clusters. In these positions, Art Factory Programme is working closely with various stakeholders, including housing corporations, real estate developers, educational institutes, district authorities and creative user groups. Also, Art Factory Programme manages the city government's Art Factories Fund which spends an average of 5 million Euros' a year on the development of creative clusters (Bureau Broedplaatsen, 2008).

In accordance with the research question, all three selected creative clusters are top-down initiated and managed. The selection criteria for the determination of the studied objects were the following:

- The presence of a coordinating cluster manager  
*In order to analyze the opinion and vision of the cluster manager, as well as the viewpoints of the creative SME's on the operations of this cluster manager.*
- The three creative cluster managers need to be distinctive by their goals and objectives on the topic of creative cluster management.  
*In order to analyze the implications of distinctive creative cluster management goals and objectives.*
- The three creative clusters should have a fairly comparable size and age  
*In order to ensure that the three objects have similar frameworks, except from the distinctive management visions*
- The three creative clusters need to be located in Amsterdam  
*In order to obtain a similar institutional framework.*

Finally, the three selected creative clusters are Duintjer CS, Volkskrantgebouw and Arts & Crafts Lab, as those three creative clusters all meet the abovementioned criteria.

Duintjer CS is located in a former office building of ABN Amro bank in the centre of Amsterdam. This creative cluster covers 13.000 square meters and accommodates over 100 registered creative firms. Duintjer CS started in 2008 by the relocation and housing of creative firms, which were previously located in the recently demolished building of Post CS. In the course of time, several new creative firms have entered and other firms have left. The management of Duintjer CS is in the hands of the firm 'Creative Spaces', which acts as an intermediary between the property owner and creative firms. Creative Spaces is owned by a former real estate agent, which now manages several properties.

Volkskrantgebouw is located in a former building of a Dutch newspaper in the east part of Amsterdam. This creative cluster covers approximately 10.000 square meters and includes almost 300 creative firms and a restaurant/club at the top floor. Through the mediation of Bureau Broedplaatsen, 'Urban Resort', an organization that sprang from the squatters' movement, was appointed in 2007 to develop this building into a cultural cluster. Now, Urban Resort manages six properties.

Arts & Crafts Lab (from now on A&C Lab) is located in a former office building



of retail company C&A in the city centre of Amsterdam. A&C Lab was initiated in 2009 and covers 6.000 square meters and includes approximately 100 creative firms. A&C Lab is managed by 'CODUM', which is a commercial real estate project developer that now manages six properties, both in Rotterdam and Amsterdam.

#### 7.4

#### Data gathering

The interview is a widely employed method in qualitative research and as already mentioned, a frequently used method in the field of creative and innovative clusters. This empirical part of this research includes 15 interviews, of which 12 interviews with creative SME's that are located in top-down initiated creative clusters and 3 interviews with creative cluster managers. The interviews all took place within the creative clusters in which the interviewees are located. I chose to conduct semi-structured interviews, as this method allows me to introduce specific topics that are relevant for testing my expectations, while the interviewee is provided with enough space to freely speak and to share his own viewpoint. Also, this method provided me with the flexibility to pick up relevant new elements regarding the topics of my research (Bryman, 2008). The semi-structured interview is carried out by the use of a topic list. This topic list refers to the key topics within the theoretical framework, which keeps the interview focused to the topics related to the empirical research questions and expectations. I chose to structure the topic lists as followed:

1. Open-ended and undirected questions about the expectations and vision of the interviewees on their ideal creative cluster and how this ideal is represented in their current creative cluster (unstructured).
2. After organically checking if the first freely spoken idea's and opinions fit to the topics of the theoretical framework, I asked the opinion on the topics within the analytical framework (semi-structured).
3. Posing of predetermined statements on the topics of the theoretical framework, asking for response and argumentations. By these statements, I was able to check the consistency of the previous answers (structured).

The interviews were ended by the use of a value list, which once more included characteristics of the topics of the theoretical framework. The combination of open-ended questions, structured questions, statements and a value list provides a thorough basis for the analysis. The topic lists of both the cluster managers and the creative SME's, as well as the complete value list are attached in appendix B and C.

Another method of data generation that was conducted during this research is participation, as a major part of this thesis was written in one of the meetingrooms on the 7th floor of Duintjer CS, which is one of the study objects. By participating in the creative clusters daily operations, the understanding of point of view of the creative SME's and the vision of the cluster managers is been enhanced. An example could be the understanding for the often-raised issue on the need for a common meeting space, as I experienced that the only way to naturally meet other cluster participants is now within or around the elevators of Duintjer CS.

#### 7.4.1

#### Sampling

As mentioned before, the empirical part of this research includes interviews with interviewees in two categories. First, creative SME's that are located in top-down initiated and managed creative clusters and second, creative cluster managers. The interviewees in the first category were sampled in two ways. The interviewees in Duintjer CS and Volkskrantgebouw were selected by theoretical sampling. This means that the interviewees were selected on the basis of an emerging theoretical focus (Bryman, 2008). Creative SME's in a proper distribution of sectors and size were contacted to participate in this research. In practice, it turned out that a proper distribution of branch was reached. This means that a diverse mix of creative SME's were interviewed, ranging from industrial design, photography, software development, graphic design, film production and music management. However in terms of size, a proportionally large number of sole proprietorships responded to the interview request. In order to get the

cooperation of the cluster manager of A&C Lab, half of the interviewees in A&C Lab were selected by convenience sampling. This means that the cluster manager of A&C Lab preferred to select the interviewees himself, rather than providing the researcher with the freedom to do so (Bryman, 2008). The reason for this is that an intern of the cluster management firm recently conducted a study among the creative cluster participants and that the cluster manager does not want to bother the tenants of A&C Lab too much. Also, one of the interviewees of A&C Lab wants to remain anonymous. This interviewee will be referred to as 'publisher of industrial design objects', which is his profession.

Besides the abovementioned creative SME's, the managers of selected clusters were asked to participate in this research. In the case of Volkskrantgebouw, the director of the Urban Resort Jaap Draaisma was interviewed. In the case of A&C Lab, the director of the management firm CODUM Foppe Eshuis was interviewed together with the operational manager of A&C Lab Floris van de Weg and intern Sjoerd Dijkgraaf. Finally, in the case of Duintjer CS Chantal Wiertz was interviewed, who is co-initiator and operational manager of this creative cluster. A complete list of all interviewees is included in appendix A.

#### 7.4.2 Analytical techniques

After the semi-structured interviews took place, the recorded interviews were transcribed in order to prevent the loss of data. Subsequently, the interpretation of the interviews was conducted by coding the transcriptions. Coding is a commonly accepted method in the research community, although there exists the possible problem of losing the context of what is said by the interviewee (Bryman, 2008). During the coding process, the themes in the theoretical framework were recognized first by coding the fragments in a broad way, after which more detailed sub-codes per theme were distinguished. Subsequently, the coded data was linked to the theoretical framework by the use of a thematic structure. The structure used in this research takes the form of a data matrix. In this way, the quotes from the field research have been linked to the theoretical framework in order form a proper basis for the formulation of the results. An example the data matrix of the thematic analysis of the interviews with the cluster managers is provided in figure 7.

Figure 7. Example of a data matrix of the thematic analysis

<b>Management dimensions focussed on soft creative cluster factors</b>			
<b>Themes</b>	<b>Interviewee 1</b>	<b>Interviewee 2</b>	<b>Interviewee 3</b>
Selection of creative people/firms	"quotes"	"quotes"	"quotes"
Enhance diversity	"quotes"	"quotes"	"quotes"
Creation of a peer-culture	"quotes"	"quotes"	"quotes"

## EMPIRICAL PART

### 8. Analysis and results

#### 8.1

##### Introduction

In order to evaluate the research expectations and to eventually answer the main research question, this chapter describes the results of the analysis of 15 interviews with both creative SME's and cluster managers distributed over three different creative clusters. This chapter is divided in three parts on the basis of three main research topics. These three topics all relate to the empirical sub questions as well as to the expectations, which were identified on basis of the studied literature. The first research topic is 'social and professional interlinkages'. This topic concerns the presence of social and professional interlinkages within studied creative clusters and the importance of the different types of interlinkages for the creative practice of creative SME's. The second research topic is 'soft creative cluster factors'. The analysis on this topic is based on the various soft creative cluster factors as outlined in figure 5. This part tries to find out which soft factors are currently present in the selected study objects and which soft factors are most important for creative SME's. The third and last research topic is 'managing soft creative cluster factors'. The analysis on this topic is based on the analytical framework on the various management dimensions of both hard and soft creative cluster factors, as outlined in figure 6.

Each part is structured by a short introduction to the specific research topic, after which the three creative clusters are separately analyzed. Finally at the end of each part, a general conclusion on the specific research topic is drawn by evaluating the related expectations, as presented in the methodological part. Eventually, after discussing all research topics, the following chapter will draw a conclusion on balblabal recapitulation of the results and the conclusion of this study are drawn in

#### 8.2

##### The presence of interlinkages and network effects

As acknowledged by both Jeffcutt and Pratt (2002) and Comunian (2012), the creative practice of creative SME's highly depends on networks of both economic and social relationships. Creative processes are regarded to be the result of sophisticated confluences of collective knowledge and skills from like-minded people or firms that help each other in accessing the needed resources. According to Comunian (2012), these creative processes are ensured in networks and clusters that are not solely based on 'hard' economic relationships, but which also reflects 'soft' relationships of friendship and sociality. However, as emphasized by Zheng (2011) and de Wilde (2007), many top-down initiated and managed creative clusters are lacking in real networking effects due to the absence of social and economic interlinkages between the creative firms within the creative clusters. To explore if this is the case in Amsterdam top-down creative clusters, the following expectation will now be discussed:

*Top-down managed creative clusters are expected to be lacking in social and economic interlinkages.*

Besides the presence of interlinkages, it's also explored to what extent this possible shortage of social and professional interlinkages influences the creative practices of the creative SME's that are located in those top-down initiated creative clusters. Asking the interviewees about their general expectations and benefits of clustering delivered already several unconstrained statements on this subject, after which more structured questions about this topic were asked. From the interview quotes, various sub-topics can be distinguished, including the size of their network within the creative cluster, the most common type of interlinkages: economic, social or both, and the encountered barriers for building up social and economic interlinkages.

##### Nodes of Creativity

### 8.2.1 Duintjer CS

The 4 interviewed creative SME's in Duintjer CS include MARC Architects, OK200, Andrewsdegen and Octopus Agents. These creative SME's are respectively active in the sectors of architecture, graphic design and music management. In Duintjer CS, over 100 creative firms are spread over 7 floors. Most firms rent out a workspace by themselves, however a relatively large number of creative SME's rent out spaces together. Besides the benefits of shared facilities and relatively low rental prices, a major benefit of clustering as identified by the interviewed creative SME's in Duintjer CS, is the opportunity to reap advantages of their relationships with other cluster participants and the opportunity to extend their networks. When the interviewees were asked about the potential benefits stemming from these relationships, various benefits were indicated including acquisition possibilities, cooperation possibilities, inspirational talks, peer-review, a fun and stimulating atmosphere, and so on. The core of these benefits lies partly in identifying the economic or social nature of these relationships. Economic interlinkages are commonly horizontal or vertical relationships that mostly concern relationships with competitive but cooperative firms, suppliers or clients (Porter, 2000). These economic interlinkages prove to be an important reason for both Andrewsdegen and OK200 to rent out a workspace in Duintjer CS.

*"The potential of work was an important reason to rent out a studio in Duintjer CS. There are so many other firms in this cluster to connect with....we benefit greatly from this as we have recruited many orders from this cluster".*

**Andrewsdegen — Graphic design**

Overall however, not economic but social interlinkages tend to be predominant within Duintjer CS. All interviewees indicate that their network in Duintjer CS consist of a higher proportion of social relationships in the sense that they are greeting each other in the elevator or meeting up at the DOMIBO, a monthly reception at the top floor of Duintjer CS or at De Basis, which is a public bar that is located on the ground floor of Duintjer CS. It often happens that a relationship with a pure social nature eventually ends up being both social and economic at the same time. OK200 explains for example how a befriended designer on the same floor helps them out in case of emergencies and MARC Architects tells how his social contacts with several cluster neighbors from various sectors finally ended up in the creation of a common project. Also, these social relationships enclose elements of trust and reciprocity, which encourages the creative firms to share their knowledge and reflect and react upon each other's work.

*"That sense of trust makes that you can reflect with each other and that you can react on each other's work, which just makes you look better and outside your own field".*

**MARC Architects — Architecture**

These observations are in line with the growing academic agreement that cluster benefits are not only derived from the mere co-location of firms and the economic interconnectedness (horizontal or vertical) but also result from social relationships and collaborative networks (f.e. Scott, 2006; McCann, 2008; Comunian, 2012).

Despite the fact that the interviewees indicate that they did build up networks with both social and economic interlinkages within the cluster to a certain extent, they also indicate that these networks cover just a very small part of the total amount of creative firms in the creative cluster. Almost all interviewees indicate that they have no clue of which firms are located in the cluster and who might be interesting for them to build a relationship with. Besides the names of the firms on the website and the signing in the hallways, there are no means provided to get information on what each firm is doing. This lack of presentation possibilities is just one of the mentioned barriers for interlinkages to emerge. Other often mentioned barriers are the lack of a common

internal meeting space and the large scale of the creative cluster. These barriers will be further elaborated in the analysis of Arts & Crafts Lab, as its barriers for interlinkages to occur corresponds to a large extend to Duintjer CS.

### 8.2.2 Arts & Crafts Lab

The 4 interviewed creative SME's in A&C Lab include VANDOORN Photography, Paazl, True Works and one creative SME that prefers to remain anonymous. These creative SME's are respectively active in the various sectors of photography, software development, film and documentary production and industrial design. In A&C Lab, all 4 interviewees indicate that the amount of interlinkages with other firms and thus the size of their networks within the creative clusters is limited to the minimum. VANDOORN Photography who very occasionally cooperates with two other firms in A&C Lab, indicates this lack of interlinkages to be a great loss, because she expected this creative cluster to provide her benefits in extending her network and supporting her creative practice. Besides VANDOORN Photography, all other interviewees indicate that they have never cooperated with any other creative firm within the cluster. In addition the fact that economic interlinkages occur not on a frequent basis in A&C Lab, also the social contacts within A & C Lab are in general limited to mutual greetings in the hallway or elevator. A major reason for this lack of interlinkages tend to be the fact that the creative firms do not know what the other creative firms in the cluster do:

*" I have no clue what all other people do in this cluster, I really miss that "*

**VANDOORN Photography – Photography**

*" It's a shame that I am located in this building and that I have no idea who's here, except in this hallway I know some firms, but the rest .. I really don't know them "*

**True Works – Film/documentary production**

Considering the studied theories on creative clusters, the lack of interlinkages turns out to be a loss for the creative SME's, as a high level of economic and social interactions within creative clusters is seen as an important resource for the creative firms, as cooperation with other firms can reduce the high risks that are related to the difficult business models of many creative SME's (Banks et al., 2000). Also, creative production processes are likely to be initiated and executed by a team of specialized creative firms, which supplement each other's skills and knowledge (Caves, 2000; Banks et al., 2000; Jeffcutt & Pratt, 2002). Both economic and social interlinkages with other creative firms in the cluster can thus assist creative SME's to manage the inherent riskiness of their business by the ability to share skills, risks, knowledge-flows and labour pools. Softwaredeveloper PAAZL and the publisher of industrial design objects both declare that they do need social and economic interlinkages in order to run their creative firms, however these interlinkages do not necessarily need to be connected to the creative cluster they are located in. True Works also indicates that she does not need those interlinkages to be connected to the creative cluster in order to survive, however she argues that this would offer her firm a tremendous added value.

*" We will survive anyway.. that's were we are entrepreneurs for. But I certainly and particularly think that cross-pollination, so that you get to know each other and thus can make use of each other and help each other, that this certainly can be tremendously valuable, absolutely. (...) I would really be a better company if that would be there. And I also think for example that I would dare to grow more quickly as I am more, you know, backed by the others. This togetherness will create more courage"*

**True Works – Film/documentary production**

The lack of both economic and social interlinkages in A&C Lab is mainly explained by the size, structure and the temporality of the creative cluster. All interviewees indicate that they would rather choose to rent out a studio in a smaller creative cluster because according to them, interlinkages more naturally occur in smaller creative clusters. Apart from the size, the physical structure of the building (long small hallways, a labyrinthine structure and no common meeting space) does not encourage interlinkages to occur. The final barrier for interlinkages to occur is the temporality of the building. Because of the temporality (the existence of A&C Lab covers a period of three and a half years and will end in May 2013), this creative cluster is said to provide too little time for real cluster dynamics to develop. Now, neither the creative firms themselves nor the management of A&C Lab is investing time to create a dynamic atmosphere that is fueled by interlinkages. Except from the formal tenants meetings, no activities are organized to encourage interlinkages.

### 8.2.3 Volkskrantgebouw

The 4 interviewed creative SME's in A&C Lab include Menno Otten, Marte Haverkamp, De Mecenass and Hugo Verweij. These creative SME's are respectively active in the sectors of film and documentary production, visual art, theater production and music design. With almost 300 creative firms located at 10.000 square meters, Volkskrantgebouw is one of the densest creative clusters in Amsterdam. The building exists of nine floors which are to a large extent subdivided into small spaces in order to host a diverse mix of mainly creative SME's. Initially, all floors were built up around a certain collective themes like visual art, hiphop music, service oriented creative firms, media, and so on. Five years after the start, the cohesion of creative firms within the cluster has however decreased and now various considerably per floor. Mainly in the basement and the fifth floor a strong cohesion is still present, while for example the first and second floor comprises of a set of very diverse and standalone creative SME's. Also, it seems that the contact moments between different floors are scarce, as due to a series of burglaries, a pass system has been installed which makes it impossible for tenants of different floors to simply pop by each others studios.

*" It seems fun to me to get to know each other through an interactive way, just so you know what's in the building.. I just solely enter the second floor and have no idea what happens on other floors, because you also cannot access these. I think that's a pity. "*

**De Mecenass — Theater production**

The 4 interviewed creative SME's express a specific need for interlinkages with creative people that are related to their specific sectors. These related creative people do not need to be physically located in the same hallway, but could also be met during a (not yet existing) specialized filmmakers-lunch or startup visual artists-evening where they can exchange specified knowledge and peer review each others work. This corresponds with the theory of O'Connor (2004) who argues that creative production requires access to specific tacit knowledge, which is an informal and situated type of knowledge.

*" The only guys I see are the music boys from the basement, who are super nice because they come in to drink coffee and chat, but that is not very useful for me because they are not familiar with my kind of work..... regardless of the atmosphere then "*

**Marte Haverkamp — Visual design**

Despite the fact that the creative SME's express a specific need for these specific sector-related interlinkages, the networks of the intervieweed creative SME's within the Volkskrantgebouw are mostly built up by general social relations with creative people from various sectors. These general social interlinkages are said to be very important for

the atmosphere. For example, Menno Otten expresses to retrieve energy from walking in to other creative people in the hallways and to feel that one can always talk to other creative people who are busy doing interesting things.

Despite the fact that the interviewed creative SME's acknowledge the value of economic and social interlinkages, they are not actively engaged themselves in ensuring these interlinkages. The creative SME's indicate that they are too busy with finishing their current projects to actively organize these interlinkages. In this way, the management of Volkskrantgebouw can take a role by organizing the suited infrastructure for these interlinkages to occur.

*" I would quite like to look how further cooperations can be increased, but when I look at myself, I am also really really busy so yeah .. you still have to finish things. It is a very nice idea, but practically speaking it is just not always feasible "*

**De Mecenass — Theater production**

An important factor that hampers the emergence of interlinkages between creative firms in Volkskrantgebouw is the high throughput of creative firms. Many creative SME's, especially start-ups, stay in Volkskrantgebouw for a short period of time after which they continue their creative practice in a larger, more sector-specific or more professional appearing space. The fact that creative collaborations get hampered by a high throughput of firms makes sense as creative collaborations between people take time to emerge because it takes time to build a bond of trust and respect which is needed to work effectively together (Catmull, 2008).

*" I thought I take the space because those guys who were located here are amazing and I want so bad to work together and then a half years since I was here, they went off again. Also when I was sitting here alone, I did a new attempt to include related creative people in my space to get some collaboration going but this did not happen because they also went away to do their own thing "*

**Menno Otten — Film/documentary production**

#### 8.2.4

#### Evaluation of expectations

As the literature review shows, the criticism on of top-down initiated and managed creative cluster development is currently rising, as these clusters are accused of missing out on cluster benefits due to simply co-locating creative industry activities, without ensuring interlinkages or network effects to occur (Zheng, 2011, O'Connor & Gu, 2011; Comunian, 2012). In order to gain an insight if this rising critique is justified, the following expectation related to the degree of interlinkages in top-down managed creative clusters will be evaluated: *Top-down managed creative clusters are expected to be lacking in social and professional interlinkages and network-effects.*

All three studied creative clusters include a relatively small amount of interlinkages between creative firms. Out of this small amount of existing interlinkages, casual social interlinkages with non-branch related creative firms are most common. All interviewed creative SME's however express a strong desire to increase their volume of both economic and social interlinkages with other creative cluster participants. Overall, the creative SME's indicate social interlinkages to be important to obtain a sense of trust, friendship and mutual reciprocity, which they require in order to share knowledge and to be part of an inspiring yet comfortable working atmosphere. This observation can be confirmed by the rising amount of theory on the importance of social networks within the creative industries for optimizing the innovation capacity and production processes of creative firms (Comunian, 2012; Potts et al., 2008). According to the interviewed creative SME's, economic interlinkages are mainly important for project corporations

and the acquisition of new work. The major part of all interviewed creative SME's indicate the lack of interlinkages within the creative clusters in which they are located to be a loss, as they presume to miss out on possibilities to get inspired, to share knowledge as well as corporation and acquisition possibilities. This last remark makes clear that besides a lack of interlinkages, also a lack of network-effects is noticed. Overall, this means that the expectation on this topic can be regarded to be accurate.

### 8.3

#### Soft creative cluster infrastructure

As already argued in the literature review, hard creative cluster factors have been studied intensely over the past decades. Currently however, an increasing attention is paid to soft creative cluster factors like diversity, learning and identity, as in order for economic and social interlinkages to occur, both hard and soft creative cluster infrastructures need to be present (O'Connor, 2004; Comunian, 2012; Zhao & Qi, 2012; Zheng, 2011). This thesis therefore aims to contribute to existing theories on creative clusters by concentrating on soft creative cluster factors. In this part of the analysis will be explored to how the soft creative cluster factors, as presented in the theoretical framework in figure 4 are present in selected top down initiated and managed creative clusters. Also, the importance of these soft creative cluster factors for the creative practice of the interviewed creative SME's will be discussed. Finally at the end of this part, the two following expectations will be evaluated:

- Soft creative cluster factors are important to the creative practice of creative SME's located in the studied creative clusters, with an emphasis on the factors of network learning and creative value chain.
- Soft creative cluster factors are expected to be largely absent in top-down initiated creative clusters, with an emphasis on both individual and networked learning.

#### 8.3.1

##### Duintjer CS

The first soft infrastructure factor that will be discussed in this part is the diversity among the creative firms that are located within the creative cluster of Duintjer CS. According to the theory of Amabile & Khaire (2008) diversity is an important factor in enhancing creativity. Also for Kooyman (2012) a flow of diversity is an indispensable factor of successful creative clusters. In practice, it seems that diversity is a manifold concept. During the interviews, mainly issues about diversity in branch and diversity in phase of life have been raised. First of all, Duintjer CS includes a mix of both start-ups and more established firms. The interviewed creative SME's are quite content with this mix. Andrewsdegen for example indicates to be glad with the presence of several established firms because these are often endowed with a certain reputation value, which is indirectly valuable for them as a small firm. This statement can be related to the theory of Kong (2009) who argues that the presence of artists with a strong reputation (cultural capital) seems to be an important positive aspect of creative clusters by attracting other artists.

*" Only startups .... yeah .... I do not know. I'm glad that there are also major players who have a bit more reputation..yes a kind of attraction potential for our firm "*

**Andrewsdegen — Graphic design.**

Also MARC Architects agrees that a mix of start-ups and more established firms is helpful, however he also experienced that these larger firms are generally more difficult to access.

Besides the fact that creative firms in Duintjer CS vary in life stage, they also vary in branch-type. This means that various creative sectors are present in Duintjer CS ranging from photography, video, graphic design, software developers, architects, advertisement agencies and so on. Diversity among sectors is seen as an advantage by



all interviewed SME's as this diversity creates an inspiring and stimulating atmosphere.

*“ You become far more open to things if you see other things happening around you, new things that you maybe can apply in your own work ”.*

**Andrewsdegen — Graphic design.**

According to OK200, this inspiring atmosphere could however be increased by extending the diversity to non-service related creative firms. They indicate that they would be inspired to see people around them who physically create art, just like at the art academy where they graduated. MARC Architects on the other hand, states that it is a pity that Duintjer CS does not include more business related services like business consultancy, lawyers or tax administrators. This latter point is however not related to the creation of an inspirational environment, but is more related to the needed business support, which is a topic that will be discussed more profoundly later on at the analysis of A&C Lab.

Another soft creative cluster factor that is mentioned in the analytical framework is the learning infrastructure. Through this learning infrastructure knowledge can be shared and flows of knowledge can become drivers of new innovations (Comunian, 2012). When the interviewees were asked in which way they provide themselves with the needed knowledge to run their creative practice, the most often mentioned way is to learn from their everyday work. This type of learning is referred to as 'learning by doing' by Pratt (2002), who argues that tacit knowledge can be gained by several types of learning: Learning by doing, learning by watching, and learning by 'being there'. Another type of learning that was mentioned by the interviewees is to peer-review each other's work.

*“ Designing... this is a super individual process because you yourself in your head try to make something but at the same time you always want to see and hear the reaction of others to improve it ”.*

**MARC Architects — Architecture.**

Comunian (2012) argues that peer-review is an important aspect of the learning infrastructure in creative networks as creative firms rather take advice from experienced persons who are familiar with their issues. Both MARC Architects and Octopus Agents indicate that this peer-review process only takes place between the walls of their own studio's, in corporation with their co-tenants. MARC Architects strongly expresses his need for peer-review sessions with other architects in Duintjer CS. He knows that there are several architects present in the building, however he never shares knowledge with them. To the question why he is not interlinked with other architects yet, he argues that the cluster does not provide the proper infrastructure to do so, including the physical aspect of the relatively closed floors due to the architecture of the building and soft aspects like needed presentation possibilities or sector-specific network sessions.

Another issue that was raised by the creative SME's on the question how a cluster could be beneficial for their creative practice is the benefit of having their suppliers present within the cluster. Both graphic design studio's Andrewsdegen and OK200 for example express a need for photographers and a professional printstore. For MARC Architects, the presence of a model maker and a cabinetmaker would be very beneficial. In Duintjer CS, not all of these firms are present at the moment, and if they are present they are not always interlinked with each other. Apart from the supply-side, the need for distribution and sales possibilities within creative cluster is also prominent, especially for the graphic design studio's which clearly reap advantages of their physical proximity to several large clients like the advertisement agencies in Duintjer CS.

The cluster identity is not a factor that the creative SME's came up by their selves, as being supportive or stimulating to their creative practice. However when was asked, they indicate that Duintjer CS does not benefit a strong external image. Also, because of the large size of the cluster, the creative SME's feel rather anonymous than sharing a collective identity.

*“ How do you find OK200 in between all those 178 companies that are officially registered here, well that is kind of a thing. ”*

**OK200 — graphic design**

This statement is in line with the theory of Staber and Sautter (2011), who argue that clusters are not very likely to have a strongly shared identity, as clusters are loose collections of legally autonomous firms that experience differences in both cognitive proximity and absorptive capacity.

### 8.3.2 Arts & Crafts Lab

As the chapter on social and professional interlinkages describes, the interlinkages between creative firms in A&C Lab are limited to the minimum. Several previously mentioned barriers for interlinkages to occur are the size, structure and temporarily of this creative cluster. According to the studied theory, the presence of a soft creative cluster infrastructure could however enable interlinkages and knowledge- spillovers to occur. In order to explore if the creative SME's are in need of these soft creative cluster factors are, the interviewed creative SME's were asked about the presence of, and their need for soft creative cluster factors as mentioned in the theoretical framework.

The diversity among the creative firms located in A&C Lab is high. Besides a mix of startups and more established firms, also the diversity of sectors represented in A&C Lab is relatively high. Just like the creative SME's in Duintjer CS, the interviewees within A&C lab express to be need of a great diversity of creative firms proximately near them as this provides them with an inspirational atmosphere, which encourages them to experiment. In A&C Lab, the majority of the interviewees indicate that this inspirational atmosphere is not quite represented within the cluster. Though the diversity of sectors is high, most of the firms in A&C Lab are service oriented and it seems that a broad definition of creative industries sectors is handled at the selection of the creative firms. Annegien van Doorn indicates that working in the A&C Lab feels too much like working in a regular office building.

*“ On this floor are all manager-like people (...) They have just a job from nine to five you know, they come here just to work, they are not here to be inspired, more just collegial or something fun to do, but I think they have other needs and a different approach ”.*

**VANDOORN Photography — Photography**

Regarding the learning environment, the creative SME's indicate that their presence in A&C Lab does not provide them with any benefits. Because the creative firms don't know each other and are to a very small extent socially or economically interlinked, networked learning practically does not takes place within A&C Lab. The interviewed creative SME's do however indicate to have a need for learning by watching and peer-reviewing each other's work.

*“ What would really be super interesting is to know what everyone actually does and what inspires them and how they do it .. (...) so that would really be something you can learn from presentations or people just talking about how they do things. ”*

**Tue Works — Film/documentary production**

The interviewed publisher of industrial design objects indicates that he would be interested too to share knowledge with other creative firms in A&C by physical meetings, however he adds that this is only of interest if those other firms are working in the same branch. According to him, only in this way specialized knowledge of high quality can be interchanged. This relates to theory of Vang (2007) who argues that face-to-face contacts with other specialized firms in a creative cluster enhances the capability

to reap the multiple advantages of spatially concentrated resources like specialized information.

Besides networked learning, several interviewees also indicate that A&C in an ideal situation would offer them workshops and monthly consulting hours in entrepreneurship and business skills. According to PAAZL, this could even be a unique selling point for a creative cluster like A&C Lab as many start-ups are in need of knowledge about business skills. This statement is supported by the theory on the Creative Zone Innovator model as elaborated by Kooyman (2012) which indicates that creative clusters can accelerate the successful development of creative SME's by providing a platform for knowledge exchange about business models, alternative networking and financing (Kooyman, 2012).

A factor that was mentioned by every single interviewee is a strong need for a common meeting space where the creative firms located in A&C Lab can meet, share knowledge and build up economic and social relations. As both formal and informal networking is a matter of social interaction, common space sharing or even meetings in the pub are important elements of network building (Comunian, 2012).

*" it would be nice if we would have a place where people come together. Whether it's every day or every week or month .. but uh, there could also be sessions organized, or brainstorming sessions, so where multiple businesses come together.. because ultimately we are all entrepreneurs who are here, so we have definitely interesting things to share. (...) it's no obligation, but we can come together. And ehm, where can you tell about your business, things like that. "*

**PAAZL — Software development.**

Apart from the fact that PAAZL explains to have a certain need for organized knowledge exchange sessions or meeting space, these are no indispensable factors for his creative firm.

*" it should not be that we spend more time with our network here and uh giving workshops or attending lectures than to work on our business (...) ... No, it's more of a nice extra feature "*

**PAAZL — Software development**

A last factor that will now be discussed is a very important aspect of the A&C Lab that cannot be ignored. This factor includes the huge impact of the central location of A&C Lab on the firms that are located in this cluster. Almost all interviewed creative SME's motivate their choice to locate in A&C by the fact that A&C Lab is at walking distance of Amsterdam central station. In terms of identity, the location of A&C Lab is also very important, as all firms are able to reap advantage from the notable postal code on their business cards, which indicates one of the most valuable area's in the Netherlands.

*" That works just like oh .. yes on the Damrak and yes .. Well you must be very successful.. that whole image depends pretty much on the location and that is fine, so that works very well indeed. But however from the inside I don't feel attracted to this identity, such a corporate environment. I feel in that sense less involved."*

**VANDOORN Photography - Photography**

Despite of the favorable central location of A&C Lab, VANDOORN Photography indicates that the internal or collective image is much like a corporate environment, which she does not feel attracted to, rather than a creative and inspirational environment. However, when the interviewees were asked to what extent the benefits of this

specific location outweighs the potential lack of interlinkages and common meeting space, the most common answer was that the location does in this case does indeed outweigh these shortcomings.

### 8.3.3 Volkskrantgebouw

Volkskrantgebouw includes a squatters-like, raw and creative atmosphere, which directly comes at you as you walk into the building. When passing several colorful posters and flyers and a receptionist with colorful clothing and rasta-hairstyle, I found my way up to the studios of my interviewees by an old but functioning elevator. In the hallways of the various floors, several artworks and a large amount of promotion material is displayed between the many doors that the hallways count. The diversity of sectors in Volkskrantgebouw is high. Despite this variety in sectors, the majority of the creative SME's are independent, non-servicerelated and starting. Besides the fact that this diversity causes a inspirational and creative atmosphere, the interviewees indicate to have a particular need to meet people who are familiar with the context of their work, as already elaborated in the previous chapter on economic and social interlinkages. At this moment, it is hard for them to meet branch-related people within Volkskrantgebouw as the collective themes with which this creative cluster was initiated, have become fragmented and no real discipline-specialized meetings are being organized.

*" I would prefer to have more people around me here who are a bit the same and a have an understanding of the context in which I work. "*

**Hugo Verweij — Sound design.**

When it comes to the creative value chain of the creative SME's, the interviewed creative SME's express a need for physical proximity of firms within their creative value chain. Short lines of contact with for example producers, co-creators and distributors are considered to be supportive to their creative practice. As Menno Otten argues:

*" because in the preliminary creative phase you already build ideas on your production or your retail... yes, I preferably have them as close as possible to me. "*

**Menno Otten — Film/documentary production.**

Volkskrantgebouw includes a programme with a few collective events like a shoppingcart-drinking tour, whereby the management of Volkskrantgebouw arranges a shoppingcart filled with drinks, which is then used for a open-studio tour throughout the building that is exclusively accessible for tenants of Volkskrantgebouw. Also Transvormers, an annual festival, is part of Volkskrantgebouw's programme. As Jaap Draaisma, director of Urban Resort indicates, this festival is initiated to show the city of Amsterdam what is being produced in the Volkskrantgebouw. The interviewed creative SME's indicate that these activities are useful for them, in a way to get to know the other firms in the cluster, as well as to present their work to both co-participants and a broader public.

*" Due to the Transvormers activities and stuff, you find that kind of incentive to show what you can and who you are and I think this works very well. "*

**Marte Haverkamp — Visual art.**

The activities of Volkskrantgebouw's programme are however not organized on a frequent basis. De Mecenat indicates that more frequent collective activities among Volkskrantgebouw tenants may create more of an open atmosphere, which makes it easier to access other creative firms located in the cluster. Because those firms all work quite individually within their own studios, these collective activities could be very helpful to stimulate interlinkages between creative firms. Apart from a frequent creative

cluster programme, the added value of a physical common meeting place like club/restaurant Canvas on the top floor of Volkskrantgebouw is high in the sense of inviting people from outside the cluster or to attend parties in the weekends. Also, Canvas provides the space to meet other cluster participants. Menno Otten for example indicates that he meets other familiar cluster participants quite often in Canvas.

*“ You simply meet each other quite often here in Canvas. Then you drink a beer and talk some ”*

**Menno Otten — Film/documentary producer**

According to Marte Haverkamp it is however quite hard to make connections with not-familiar cluster participants as Canvas is a public space where the major part of the crowd are external visitors. According to her, it would be nice if Volkskrantgebouw also provided specific spaces or activities that are exclusively accessible for cluster tenants. From these aforementioned statements, it can be inferred that both collective activities that are exclusively accessible for cluster participants as well as the presence of a common space are important factors to foster interlinkages between creative cluster participants.

When the interviewees were asked about the present learning opportunities within Volkskrantgebouw, it becomes clear that this creative cluster is not providing the creative SME's with any opportunities to learn. This lack seem to be two folded as at one hand, a lack of specialized face-to-face contact hampers networked learning and on the other hand no substantive workshops, brainstormsessions or seminars are organized. According to the interviewees of Volkskrantgebouw, face-to-face contact with like-minded people is the most important factor of their learning process. Menno Otten for example explains how he learns from other people asking him ongoing questions about this work, that he gets forced to learn and to improve himself continuously. Because of this lack of specialized face-to-face contacts within Volkskrantgebouw, Marte Haverkamp now satisfies her need for the exchange of knowledge and peer-review by regularly meeting up with a group of old academy-friends outside of the cluster. She however expresses that she rather meets up with people from within the building:

*“ it would be nicer if people can do that here in the building. Especially because you're together a lot anyway.. that you take a cup of coffee and you just look at each others work and tell how you are going from here or ask questions about supplies or where I might find a shop where my stuff can hang.. ”*

**Marte Haverkamp — Visual art**

An organized learning environment which includes workshops and seminars, seems not to be very attractive for the creative SME's as they are convinced that they learn best by just doing the work or to talk about it with peers, especially when it comes to specific creative subject matters. Two interviewees are however interested in regular workshops on entrepreneurship and business modelling.

#### 8.3.4

#### Evaluation of expectations

Within this evaluation, two expectations concerning the topic of soft creative cluster factors will be discussed. The first expectation is: *Soft creative cluster factors are important to the creative practice of creative SME's located in the studied creative clusters, with an emphasis on the factors of network learning and creative value chain.*

In order to provide a clear overview on the needs and interests of the interviewed creative SME's related to the various soft creative cluster factors as outlined in figure 1, each soft factor will be separately discussed using the results from the analyzed interviews as exposed in the above paragraphs, supplemented with the results of the value list, which all interviewees were asked to complete in order to indicate their needs for soft creative cluster features once more. Additionally, it needs to be mentioned that the

soft creative cluster factor of regional embeddedness is not put forward by any of the interviewees and can therefore not be evaluated.

### Diversity

The diversity among the creative firms that are located in the creative clusters turns out to be a very important factor for the creative SME's. A presence of diversity in sectors is needed as this enhances the creative and inspiring atmosphere. If the creative SME's get confronted with creative firms from various sectors, they believe that there is a high potential to get inspired to work with different materials or to adopt a different, new approach to their own work. Also, a presence of creative firms with diversity in life stage is important as smaller creative firms can benefit from the good reputation of established firms and established firms can benefit from the high energy, fresh view and up-to-date knowledge of start-ups. A presence of creative firms with diversity in financial goals (profit/non-profit) is not very important for the creative SME's, as the value list results shows. Another type of diversity has been put forward in the interviews, including diversity in service-related creative firms and independent non-service related creative firms. Too many service-related firms in one cluster can lead to a 'corporate' atmosphere, in stead of a creative, innovative atmosphere', which is not desired by any of the creative SME's.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Presence of creative firms with diversity in life stage (start-ups mixed with established firms)				9	3
Presence of creative firms with diversity of branches			1	8	3
Presence of a mix of creative commercial and non-profit firms		1	8	3	

### Learning environment

Knowledge exchange is an important part of the creative practice of interviewed creative SME's. Within a creative cluster however, an organized individual learning infrastructure including consultancy, seminars and workshops is not essential for supporting the creative practices of creative SME's. The most common and most required way of learning is learning by doing and peer-review. This means that a network of collaborative partners and trustful sector-related peers with whom creative SME's can exchange specified knowledge is beneficial for the creative practice of creative SME's. A creative cluster can enable these networks by providing presentation possibilities and the organization of sector-specified tenants-meetings.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Presentation possibilities to other cluster participants, opportunity for peer-review		1		8	3
Offering of consultancy seminars and workshops	1	2	2	5	2

### Creative Value Chain

Generally, the creative SME's require physical proximity to firms that are related to their creative value chain. Short lines of contact with suppliers, producers, co-creators and distributors are considered to be supportive to their creative practice. In this way leaping creative idea's can directly be tested and improved which prevents the creativity from getting lost in the process. In addition, creative SME's don't have a strong need for their retailers, clients and consumers to be located within the creative cluster, as is confirmed by the ticket boxes in the value list.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Presence of suppliers / collaborating firms	1	2	2	6	1
Presence of clients / consumers	1	6	1	2	2

### Identity

The external identity or image often is mentioned in a way that the creative cluster is recognized by other professionals in the creative industries in the city of Amsterdam. According to the creative SME's, the external identity or image of the clusters however does not influence the image of their creative practices to a large extent. Neither do the creative SME's expect benefits of a collective identity among the creative firms in the cluster, although because of the large size of the creative clusters, the creative SME's feel rather anonymous than sharing a collective identity.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Strong collective identity		3	3	3	3

### Programming and common meeting space

The programming of a creative cluster as discussed during the interviews, covers a range of activities from informal drinks to presentation possibilities, peer-review sessions, public events, and so on. The creative SME's express a strong need for shared face-to-face activities with co-tenants of the creative cluster, as this provides them with the opportunity to exchange knowledge and to develop social and economic relationships. Together with a creative cluster programme, a strong need for a common meeting space is expressed among the creative SME's, as without this common space encounters between creative firms hardly occur.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Offering of cluster programming			1	6	5
Presence of a common meeting space				7	5

### Nodes of Creativity

Until now, the aforementioned expectation seems to be accurate. Nevertheless, a last general remark on the need of creative SME's for soft creative cluster factors needs to be mentioned. This is the fact that all discussed soft factors are not expressed by the creative SME's as basic requirements to survive. The creative SME's argue that they would survive without the presence of soft creative cluster factors, as long as they are equipped with hard factors like a working space and the materials to work with. The creative SME's do however express to have needs for soft creative cluster factors when it comes to designing their ideal supportive and stimulating creative environments. The soft factors are thus not needed to survive, but are certainly needed to support and stimulate the professionalism and motivation capacity of creative SME's.

After the needs and interests of the creative SME's have been discussed, the second statement that will be evaluated is: *Soft creative cluster factors are expected to be largely absent in top-down initiated creative clusters, with an emphasis on both individual and networked learning.*

In Duintjer CS, the various soft creative cluster factors are present to a medium extent. Duintjer CS includes a proper diversity of creative firms in the sense of branch and life stage diversity. Also, a reflection of several creative SME's value chains is present. However, Duintjer CS does not provide the creative SME's with a learning environment nor with a frequent collective programme or a clear common meeting space.

In A&C Lab, the various creative soft creative cluster factors are present to a very small extent. A&C Lab includes a diversity of creative firms in terms of life stage and branch, however as a broad definition of the creative industries is handled at the selection of creative firms, which makes the creative cluster risks to gain a corporate atmosphere instead of a creative and inspiring atmosphere. Regarding the needs for a learning infrastructure, collective programming and collective meeting space, A&C Lab performs poorly at this moment in time.

In Volkskrantgebouw, the various soft creative cluster factors are present to a reasonable extent. Volkskrantgebouw includes diversity in sectors, which provides a free and inspiring atmosphere. Also Volkskrantgebouw contains a common meeting space and a programme of collective events, although the frequency of those events is to little according to the interviewed creative SME's.

In general, the need of the creative SME's for the various soft creative cluster factors does not meet the supply from the existing top down developed creative clusters. This means that the abovementioned expectation on this topic is accurate. As the three different creative clusters all handle a different management approach, the next chapter will explore the management dimensions for organizing the soft creative cluster factors.

#### 8.4

#### Managing soft creative cluster factors

As already mentioned in the literature review, an increasing amount of researchers on the subject of creativity are emphasizing that creativity cannot be achieved with solely the individual power of one creative genius but instead, creativity is embedded in within a creative system which exist of a network of creative people (Bilton, 2010; Potts et al., 2008; Csikszentmihalyi, 1996). This creative system mainly drives on soft factors like collaboration, knowledge exchange, diversity, quality and so on, which need a certain degree of organization. At the same time, a large amount of creative clusters are nowadays top down initiated and managed in the context of creative urban policies. Theories on creative clusters are increasingly adopting this view of structural creativity and argue that cluster managers should address soft factors as mentioned above, in order for successful creative clusters to develop (O'Connor, 2004; Zhao & Qi, 2012; Zheng, 2011). As an outcome of the literature review, an analytical framework was constructed on the management of soft creative cluster factors. As shown in figure 5 this analytical framework consists of the five dimensions, including enhancing diversity and quality by selection of creative firms, encouraging and enabling cooperation, motivating with intellectual challenge and creation of a peer-culture, being a part of the creative system and the degree of programming and public involvement

In this part of the empirical analysis, the various management approaches of three studied creative clusters regarding these five dimensions will be analyzed, as well



as the needs of creative SME's for the management of soft creative cluster factors. Moreover, this analysis will discuss the following expectations:

- In contrast to the hard creative cluster factors, it is expected that the soft creative cluster factors are not organized by the creative cluster management of top-down developed creative clusters.
- Creative SME's that are located in top-down managed creative clusters are expected to need the cluster manager to actively initiate and coordinate the soft creative cluster factors.

#### 8.4.1

##### Duintjer CS

Duintjer CS is managed by Creative Spaces, which is a private firm that acts as an intermediary between property owner Stadgenoot and the creative firms that rent out studios in Duintjer CS. Creative Spaces is owned by a former real estate agent, who now manages several properties. Duintjer CS was previously managed by another firm, Venues and More, which went bankrupt in 2010. At that time, Creative Spaces took over the management of this creative cluster. Chantal Wiertz, the cluster manager of Duintjer CS, was previously employed by Venues and More and is currently commissioned by Creative Spaces to manage Duintjer CS as a freelancer. Also a security agency and a cleaning agency are contracted in this way. Additionally, there exists a Duintjer CS foundation, which is built up by approximately 10 tenants to monitor financial and legal matters like service costs and rental increases.

The tasks of the cluster manager, as described by Chantal Wiertz, currently includes the concluding of rental contracts, controlling of reception, security and cleaning, keeping in touch with the cluster tenants, a small part of programming and updating the Facebook-page of Duintjer CS. The management of hard factors like administration and the buildings facilities takes up the major part of the cluster manager's time and, as Chantal Wiertz argues, the first priority of the manager is to ensure that all studios are rented out. This is also recognized by many of the interviewed creative SME's, who indicate to expect a more active attitude of the management of Duintjer CS on the subjects of programming and encouraging interlinkages between creative firms.

*" The manager here actually withdraws and really plays just a small part in the background. It is the one that ensures that the heater works, the elevators ...(...) I think that he could more function as a bridge between all the firms here. "*

**Andrewsdegen — Graphic design**

*" I miss a bit.... the active attitude from the management. The building is now a fairly solid frame with many studios, but I think that there can be organized much to bring people together and really to make something good out of it. "*

**MARC Architects — Architecture**

Actively enabling and encouraging creative firms to cooperate is an important action that managers can undertake to enhance creativity and innovations (Amabile & Khaire, 2008). Chantal Wiertz indicates to have an increasing understanding for the need of the creative firms to interlink with each other. At first, the focus of management lay solely on the hard factors, however due to many informal talks with clusterparticipants over the past few years, she increasingly became aware of the value of matching the creative firms. According to Chantal Wiertz, this management action has not taken off at Duintjer CS that well yet, but she intends to put more focus on the creation of interlinkages in new upcoming projects, as Duintjer CS is closing down within one year.

*" Well, I did notice that it is very important for those small firms to interlink with each other. So not only that they know each other in the hallway but also*

*that horizontal and vertical cross-fertilization in such a building can take place. "*

**Chantal Wiertz — Cluster manager Duintjer CS**

For this reason, the cluster manager organized the DOMIBO for a while, which is a monthly network drink on the top floor of Duintjer CS. After approximately one year however, the cluster manager passed the initiative on to the tenants, in order to organize this event their selves. From that moment on however, the DOMIBO occurs less frequently than at the beginning. The creative SME's indicate this lack of frequency as a major loss but however argue that they are too busy to organize this themselves. Also, in order to stimulate interlinkages, the management of Duintjer CS distributes a newsletter and maintains a Facebook page on which creative firms can contact both management as well as other firms.

Another way in which the cluster manager indicates to take part in supporting the creative firms in Duintjer CS, is to act as a gatekeeper for new tenants as the selection of the creative firms in Duintjer CS is carried out by the cluster manager. This supported by the observation of Catmull (2008) who argues that the selection of creative people is an important aspect of the formation of a successful creative system. Primarily, Chantal Wiertz explains that all firms in Duintjer CS should be active in the field of the creative industries. Although there is no clear concept handled related to the selection of Duintjer CS, the cluster manager tries to ascertain that new tenants complement the current composition.

*" selecting by looking... if it fits within the current composition of the tenants, do they complement it? Or do we already have 4 architects and it is better to adopt a different kind of designer instead of another architect "*

**Chantal Wiertz — Cluster manager Duintjer CS.**

At this moment no learning facilities are offered by the management of Duintjer CS, although motivating creative people with intellectual challenge and creation of a peer-culture are highly important factors in enhancing the creativity of people and firms (Cattmul, 2008; Aimable & Khaire, 2008). The management of Duintjer CS does however not regard this to be included in the tasks of the cluster manager:

*" This learning aspect.. I find it interesting for the tenants, but I will certainly not think that the tasks belong to a cluster manager. "*

**Chantal Wiertz — Cluster manager Duintjer CS.**

#### 8.4.2

##### Arts & Crafts Lab

A&C Lab is managed by Codum, which is a private real estate project developer that now manages six creative clusters spread over the cities of Rotterdam, Amsterdam and Arnhem. Codum positions itself as a tough project developer, which focuses on the physical change of vacant buildings into well running and profit-making creative clusters. In the initial phase of A&C Lab, Codum spend over one year to build a proper structure in terms of cost-effectiveness, regulations, safety, and so on. When asked how Codum is supportive to the creative SME's which are located in the creative cluster they manage Foppe Eshuis, co-owner of Codum, argues that Codum support the creative firms by relieving them by arranging practical issues like workspace, internet, security.

*" the tenants are here to do what they do best, so we relieve them as much as possible on accommodation and things like that. "*

**Foppe Eshuis — Co-owner CODUM**

*All hard creative cluster factors in A&C Lab are thus well managed by Codum.*

This is also indicated by the creative SME's who all say to be content about the management of the hard facilities of A&C Lab.

When it comes to the soft creative cluster factor dimensions however, like enhancing diversity, enabling collaborations or supporting knowledge exchange, Foppe Eshuis admits to not have undertaken any action on these subjects so far at A&C Lab. For the programming of the creative clusters, Codum usually aims to include a bar or restaurant in the creative cluster. This partner subsequently provides the cluster with a programme. In the case of A&C Lab, it was not possible to obtain a permit for these goals, which means that there is no common meeting space or programme provided to the creative firms located in A&C. Clusters that are labeled as 'creative clusters' and that just facilitate the fundamental facilities of co-located available workspaces like currently is the case at A&C Lab are often criticized by their lack of interlinkages, networking effects and added value (Evans, 2009; Zheng, 2011). In this view, soft creative cluster factors do need management and coordination to be effective, just like the hard factors. The interviewed creative SME's support these theories as they clearly indicate the lack of soft factors as a loss to their creative practice:

*" I can imagine ... well that the management would organize that we meet together so we would know each other and more collaborations would be possible. Yes that would be good. "*

**PAAZL — Software developer**

*" I wish that the management was very flexible, very service oriented and that they give a lot of inspiration to meet and learn and that they organize all type of events, I really miss that. "*

**True works — Film/documentary production**

*" I do not believe that the management is really involved with us. To them, they are just to renting out the space and you feel that, that is not really stimulating. "*

**VANDOORN Photography — Photography**

Codum recognizes the lack of a common meeting space within the cluster of A&C Lab and a need for interlinkages by the creative firms. This is also indicated by a recently conducted by an intern of Codum. By compensation, Codum is now developing strategies to foster these interlinkages by means of a online network facility. In this, the role of the cluster manager is aimed to be as small as possible. Also, Foppe Eshuis is convinced that the organization of events or knowledge exchanges does not suit the function of a cluster manager, as according to him, these initiatives should ideally come forward by the creative firms themselves or are to be organized by an external firm like mentioned before.

### 8.4.3

#### Volkskrantgebouw

Volkskrantgebouw is managed by foundation Urban Resort , which was founded by a group of people including Jaap Draaisma, the current director of Urban Resort. As Jaap Draaisma explains, these groupmembers all were involved with the legalization of squatted properties in the 80's by planning the legalization, operation and exploitation of squats. In 2007, Bureau Broedplaatsen Amsterdam acted as an intermediary between Urban Resort Foundation and housing association Het Oosten, which is the owner of the Volkskrantgebouw property, in order temporarily develop and manage this property. Urban Resort's original vision was that self-organization and self-control creates value. In this case, self-organization and self-control implies that the creative firms are able to influence decisions concerning the workplace and also undertake the daily operations themselves like cleaning, small technical issues and security, not only of their own area or floor but also for the entire building. Therefore, all individual users, organizations and

groups of tenants should work together to enable this process. Jaap Draaisma explains that this objective of self-organization turned out to be unattainable in practice as the creative firms expressed the need for a more centralized management

*“ In a large property like Volkskrantgebouw, someone have to take the lead. Now the management of the building is centralized, but still is quite participatory.”*  
**Jaap Draaisma – Director Urban Resort**

Besides the workspaces, there is a restaurant at the top floor and several common spaces in the Volkskrantgebouw that can be used for meetings, events and congresses. Also, Urban Resort organizes several events and meetings, in participation with the creative firms. This relates to fact that Urban Resort aims to provide the creative firms with an inspiring place to cooperatively work with other creative people.

*“ Urban Resort does not provide flat rental spaces for individuals, but aims at inspiring palaces for independent working groups. ”*  
*(Urban resort, 2009)*

From a business perspective, the disadvantage of organizing these extra, soft activities is that Urban Resort’s overhead expenses are about twice as high as any other manager of such property. Jaap Draaisma indicates this to be a tough dilemma, as Urban Resort also has the objective to provide workspaces to creative people as cheap as possible.

The fact that Urban Resort is organizing common space and events for the creative SME’s to interlink is indicated to be very valuable by the creative SME’s. They all indicate to have a need to interlink with other firms in the cluster but at the same time argue to not have the time and space to initiate activities themselves. In their opinion, Urban resort could organize more than they do at this moment. Two interviewees for example indicate to appreciate it if Urban resort could function as an project agency or project mediator. In this way, more economic interlinkages could lift off.

Regarding the organization of knowledge exchange and the creation of a peer-culture, Urban Resort consciously takes no initiative. An external organization, Amsterdam Fonds voor de Kunst, is occasionally organizing workshops on creative entrepreneurship in Volkskrantgebouw, but Jaap Draaisma does not encourages this as he argues that the creative people in Volkskrantgebouw should learn by doing:

*“ we just want brazen, adventurous, wild places and it does not fit the attitude of being a student provided with the knowledge you need to know. No. Entrepreneurship is an adventure. You roll up your sleeves and that’s the atmosphere we want. ”*  
**Jaap Draaisma – Director Urban Resort**

#### 8.4.4 Evaluation of expectations

In this evaluation, two expectations concerning the organization and management of soft creative cluster factors will be discussed. The first expectation formulated on basis of the literature review is: *Creative cluster managers are expected to provide little attention to the coordination of soft creative cluster factors, in order to support the creative SME’s that are located in the creative clusters.*

All three interviewed cluster managers are handling different management approaches, which are reflected in their various degrees of organizing and managing soft creative cluster factors. Creative Spaces and Codum both prioritize the facilitation of hard creative cluster factors over soft creative cluster factors. However, both Creative Spaces and Codum are increasingly aware that the enabling of interlinkages between creative firms is an important factor for creative clusters to be successful. The difference between the two is however that Creative Spaces is currently programming

collective meetings to a certain extent and expresses the intention to increase these activities and Codum currently solely focuses on the organization of hard factors. Codum does not feel compelled to organize soft factors, as this is not regarded to be the task of the cluster manager. Urban Resort handles a distinctive approach as their original objective was to create a self-organized creative cluster and the organization of a majority of the soft creative cluster factors seem to be as important as the hard creative cluster factors. Also, Urban Resort acts as a part of the creative system by their participatory way of management and of organizing collective events. Remarkable is that the cluster managers (increasingly) acknowledge the importance of the enabling of collaborations and the organization of a certain degree of programming. Motivating the creative firms with intellectual challenge and the creation of a peer-culture are management dimensions is however a very important management dimension, according to the theories of Aimable & Khaire (2008), Catmull (2008) and Comunian (2012), which is not considered to be a part of a creative cluster managers' tasks. In summary can be stated that the expectation is accurate, as that creative cluster managers prove to provide little attention to the coordination of soft creative cluster factors. However, as the results show, the creative cluster managers are becoming increasingly aware of the value of organizing soft creative cluster factors in order to support and stimulate the creative firms.

The second expectation regarding the organization and management of soft creative cluster factors is: *It is expected that creative SME's that are located in top-down managed creative clusters require the cluster manager to actively initiate and coordinate soft creative cluster factors.*

Substantially all interviewed creative SME's indicate that the current creative clusters where they are located, provide too little organization and management on soft factors like interlinking, learning, diversity and so on. This goes together with the fact that the creative SME's indicate to need the cluster manager to fill an active role in the creation of interlinkages between creative firms. This is also indicated by the results of the value list that was completed by all interviewed creative SME's. Also, the offering of a cluster program is indicated to be important to very important by the creative SME's. Thus, the expectation that creative SME's have a need for the cluster manager to actively initiate and coordinate soft creative cluster factors is accurate.

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
The cluster manager for fills an active role in creation of interlinkages between creative firms			2	7	3
Offering of cluster programming			1	6	5

## 8.5

### Recapitulation of the results

The analysis of 15 interviews with both creative SME's and cluster managers is conducted on the basis of three research topics including the presence and importance of social and economic interlinkages, the presence and importance of various soft creative cluster factors and the organization and management of the soft creative cluster infrastructure. Starting with the results regarding the first research topic, all three studied creative clusters include a relatively small amount of interlinkages between creative firms. Out of this small amount of existing interlinkages, casual social interlinkages with non-sector related creative firms are most common. The majority of the creative SME's has a strong desire to increase their volume of both economic and social interlinkages with other creative cluster participants, as they indicate social interlinkages to be important to obtain a sense of trust, friendship and mutual reciprocity, which they require in order to share knowledge and to be part of an inspiring yet comfortable working atmosphere. Economic interlinkages are important to the creative practice of creative

### Nodes of Creativity

SME's as these interlinkages often result in project corporations and the acquisition of new work. The lack of interlinkages within top-down initiated and managed creative clusters is regarded to be a loss to the creative practice of creative SME's located in those clusters, as the creative SME's presume to miss out on possibilities to get inspired, to share knowledge as well as corporation and acquisition possibilities.

Regarding the analysis of the presence of soft creative cluster factors in top-down creative clusters and their importance for the creative practices of creative SME's, it need to be mentioned that the presence of a soft creative cluster infrastructure is no basic requirement for creative SME's to survive. All 12 interviewed creative SME's argue that they would survive without the presence of soft creative cluster factors, as long as they are equipped with a hard creative infrastructure including a working space, internet, heating systems and so on. The creative SME's do however express that their ideal supportive creative cluster would also include an extensive soft creative infrastructure. The most important soft creative cluster factor mentioned by the interviewed creative SME's is the learning infrastructure, as knowledge exchange covers an important part of the creative practice of interviewed creative SME's. The creative SME's make a distinction between two types of knowledge: the first type of knowledge is content-related, professional knowledge, which they can only obtain via sector-specific relationships and activities. The second type of knowledge is knowledge on business skills, which they can obtain via general relationships and activities where they can train their business skills. The major part of the creative SME's find the first type of knowledge most important to their creative practice. On basis of theories of Fromhold-Eisebith and Eisebith (2005), Pratt (2002) and Comunian (2012), also another distinction was made on two distinctive types of learning: individual learning (f.e. consultancy and seminars) and networked learning (f.e. learning by doing, learning by watching, peer-review). Within the three studied creative clusters, the most common and most requested way of learning is networked learning. Besides the learning infrastructure, the diversity among the creative firms that are located in the creative clusters turns out to be a very important factor for the creative SME's. A presence of diversity in sectors is needed as this enhances the creative and inspiring atmosphere, which is beneficial for the creative practice of creative SME's.

Despite the fact that the interviewed creative SME's acknowledge the benefits of a soft creative cluster infrastructure for their creative practices, they are not actively engaged themselves in ensuring this soft creative cluster infrastructure. All creative SME's indicate that they are too busy with running their own projects to actively organize the soft creative cluster factors themselves and argue that the organization and management of soft creative cluster factors would be a task for the creative cluster manager. The three studied top-down creative clusters however do not meet this request of the creative SME's, as CODUM, Creative Spaces and Urban Resort generally pay little attention to the coordination of soft creative cluster factors and all prioritize the facilitation of hard creative cluster factors over soft creative cluster factors.

## 9. Conclusion

### 9.1

#### Introduction

Nowadays, clustering of creative activities in urban areas occurs on a large scale. As the literature review shows, the top-down initiation and management of these creative clusters by public and private actors is currently very common, as the presence of a creative cluster in an urban district is considered to be beneficial for their regeneration effects and direct economic outputs. Also, creative clusters are believed to be beneficial towards the stimulation of a wider innovative, creative ecosystem, which is highly needed in the current knowledge economy, as competition for price and productivity is increasingly being replaced by competition for the ability to innovate and create. Only recently, there emerged a growing criticism on this type of top-down creative cluster development as these clusters are accused of missing out on cluster benefits due to simply co-locating creative industry activities and coordinating hard creative cluster factors, without ensuring interlinkages or network effects to occur (Zheng, 2011, O'Connor & Gu, 2011). This criticism is in line with a rising academic interest for collaborative creative networks of creative SME's and soft creative cluster infrastructures (Potts et al., 2008; Comunian, 2012). Hard creative cluster factors have already been studied intensely over the past decades and include for example the availability of certain resources including rent levels, the availability of workspace, accessibility and local and national tax regimes of creative clusters (Musterd et al. 2007). Despite the fact that research on the topics of collaborative creative networks and soft cluster factors is currently rising, existing literature does not yet provide explicit knowledge on the actual dynamics within top-down initiated clusters, the ways that soft cluster factors are intertwined with the creative practice of creative SME's, nor to the question how these soft factors can be organized within creative clusters. Do creative SME's have an interest in the presence of a soft creative cluster infrastructure for stimulating their creativity and innovativeness? Do these soft creative cluster factors emerge from the creative network itself? What is the role of the cluster manager in providing a soft creative cluster infrastructure?

The aim of this study was contribute to the rising academic theories on collaborative creative networks and soft creative cluster infrastructures by exploring the importance of the various soft creative cluster factors for the creative practice of creative SME's, and how these soft factors can be organized in a way that supports these creative SME's. These insights will be the result of a study that is based on the following research question:

*How important are soft infrastructural factors to the creative practice of creative SME's that are located in top-down initiated creative clusters, compared to the importance of hard infrastructural factors and to how can this soft creative cluster infrastructure be organized, in order to foster these creative SME's?*

In the context of this research, the following expectations have been outlined:

- 1 Top-down managed creative clusters are expected to be lacking in social and professional interlinkages and network-effects.
- 2a Soft creative cluster factors are important to creative SME's located in the studied creative clusters, with an emphasis on the factors of network learning and creative value chain.
- 2b Soft creative cluster factors are expected to be largely absent in top-down initiated creative clusters, with an emphasis on both individual and networked learning.
- 3a In contrast to the hard creative cluster factors, it is expected that the soft creative cluster factors are not organized by the creative cluster management of top-down developed creative clusters.
- 3b Creative SME's that are located in top-down managed creative clusters require the cluster manager to actively initiate and coordinate the soft creative cluster factors.

#### Nodes of Creativity

Subsequent to this introduction, the main research question will be answered, followed by a reflection on the methodology, the relevance and the avenues for future research.

## 9.2 Answering the research question

As outlined in previous chapters, current rising academic theories on collaborative creative networks of creative SME's and soft creative cluster infrastructures (f.e. Potts et al., 2008; Fromhold-Eisebith & Eisebith, 2005; Comunian, 2012) argue that the mere geographical clustering of creative firms is not sufficient to support creative SME's. According to these theories, a successful innovative and supportive creative cluster should compass both hard and soft creative cluster factors. This approach however causes implications for the top-down organization and management of creative clusters. According to these new theories, cluster management does not only covers the co-location of creative activities, providing a proper physical infrastructure and even the direct promoting of business skills, but also concerns the promoting and strengthening of networks (O'Connor, 2004) and implementing soft infrastructures like a learning and support infrastructure (Comunian, 2012).

By researching the importance of soft infrastructural factors to the creative practice of creative SME's that are located in top-down initiated creative clusters compared to the importance of hard infrastructural factors, this research explored the added value of the soft creative infrastructure for the creative practices of creative SME's. Both the sub-conclusions of the previous chapters and the recapitulation of results demonstrate that when a creative cluster is equipped with solely hard creative cluster factors, including an affordable studio space, high speed internet and security, creative SME's are overall able to carry out their work. However, when creative SME's aim to reach a higher level of professionalism, innovation capacity and creativity, a soft creative cluster infrastructure is indispensable, as the various soft creative cluster factors stimulate the formation of interlinkages and knowledge exchange between the creative firms located in the creative cluster. It can thus be confirmed that a successful creative cluster, in the view of creative SME's, contains both hard and soft creative cluster factors.

The most important part of the soft creative cluster infrastructure for supporting the creative SME's turns out to be the learning infrastructure, as knowledge exchange about both creative content and business related topics is highly needed by the creative SME's in order to enlarge their innovation capacity and professionalization. The most common and desired way of exchanging knowledge is networked learning, whereby creative SME's indicate to learn by cooperating with other creative firms. This finding is supported by theories of Pratt (2002) and Comunian (2012) on the concepts of 'learning by doing' and 'learning by hiring'. Following these theories, project work provides the best source for learning best practices while also functioning as a seedbed for the development of knowledge exchange. Also peer-review between sector-related creative SME's turns out to be an important aspect of the learning infrastructure. Subsequently it can be argued that most beneficial knowledge exchanges overall occur between sector-related creative SME's. This means that a network of collaborative partners and trustful sector-related peers with whom creative SME's can exchange specified knowledge is beneficial for the creative practice of creative SME's. A creative cluster can enable these networks by providing a common meeting space, presentation possibilities and the organization of sector-specified tenants-meetings.

Another very important soft creative cluster factors turns out to be the diversity among the creative firms in the clusters. The presence of interlinkages between creative SME's in various branches enhances the creative and inspiring atmosphere, which stimulates the creative SME's to use different materials or to adopt different, new approaches to their own work. Also, a presence of creative firms with diversity in life stage is important as smaller creative firms indicate to benefit from the reputation of established firms and established firms can benefit from the high energy, fresh view and up-to-date knowledge of start-ups. This requested diversity of firms opposes the aforementioned desire for sector-related interlinkages and thus causes implications for



the organization and management of the soft creative cluster infrastructure. This contrast between sector-related and diverse creative SME's is not yet addressed in current literature and poses a serious challenge regarding the organization of creative clusters.

An important finding of this study is that despite the fact that the creative SME's indicate that the presence of a soft creative infrastructure to be beneficial for the development of a higher level of professionalism, innovation capacity and creativity, a relatively small amount of soft creative cluster factors are currently present within the three studied top-down managed creative clusters. This of lack soft creative cluster factors as well as a lack of interlinkages between creative firms in studied creative clusters corresponds with the criticism of Zheng (2011) and O'Connor and Gu (2011) who argue that top-down organized and managed creative clusters are missing out on cluster benefits due to simply co-locating creative industry activities and coordinating hard creative cluster factors, without ensuring interlinkages or network effects to occur.

Most creative SME's regard this absence of interlinkages to be a missed opportunity for obtaining knowledge, inspiration as well as paid assignments. The creative SME's blame this lack of interlinkages mostly on the absence of a common meeting space, a collective cluster programme and presentation possibilities, but also on other factors, including a closed architectural building structure and the high amount of throughput of creative firms. The latter factor did not receive much attention in existing literature yet and could be of interest of future studies.

Besides the importance of soft infrastructural factors to the creative practice of creative SME's that are located in top-down initiated creative clusters, this study also investigated how this soft creative cluster infrastructure can be organized, in order to foster creative SME's. Based on the interviews with the 12 creative SME's, distributed among three differently managed creative clusters, it can be argued that the organization of a soft creative cluster infrastructure is part of the responsibility of the cluster manager. Overall, the creative SME's have indicated to lack both time as well as the appropriate network to organize this soft creative infrastructure their selves. Also, the cluster manager is regarded to be a central figure that has an overview of all present creative firms, which provides the cluster manager with the perfect opportunity to interlink the creative SME's as well as to facilitate a collective space and collective meetings. Additionally, the creative firms indicate to prefer a cluster manager who is not only occupied with the organization of hard facilities, but expect the cluster manager also to be part of the creative system of the creative cluster as well as to be actively demonstrate their involvement in and interest for the creative practice of the creative SME's. These views of the creative SME's confirm the theory of Fromhold-Eisebith and Eisebith (2005) who argue that the organization of innovative cluster factors requires a participative management approach, which calls for a new type of coordinator who is familiar with the logics of creative production and is capable to co-ordinate support across organizational boundaries.

In case of the three studied creative clusters, the cluster managers generally do not answer this by creative SME's and theory outlined profile, as they lack engagement in the organization of soft creative cluster factors. There seem to be several reasons for this lack of engagement. First, all cluster managers indicate to be almost fully occupied by the organization of the hard creative cluster infrastructure, both financially and timewise. Secondly, the goals and objectives of both Codum and to a minor extent also Creative Spaces do not correspondent to the organization of a soft infrastructure as their main objective is to rent out spaces in a financial responsible manner and to ensure that the hard infrastructure is provided. Urban Resort on the other hand, respects a distinctive management approach as they aim to provide authentic, inspiring and workspaces to creative SME's in a financial responsible manner. Therefore, the management of the Volkskrantgebouw handles a participatory management approach and organizes several collective activities. Though an annual festival, the presence of a restaurant/club on the top floor and the organization of several collective events throughout the year Volkskrantgebouw offers the creative SME's possibilities to interlink, present and learn. Urban Resort subsequently raises the dilemma that the more activities are organized, the higher the management fee becomes. This will ultimately come down to the increase of rental prices, which is disadvantageous for the creative SME's. Despite the fact that the managers are currently not to a large extent engaged in the organization of soft infrastructural factors, they do show an increasing awareness of

the value of interlinking the creative firms within the creative cluster. Besides Urban Resort, who was convinced of the value of those interlinkages from the beginning in 2007, also Codum and Creative Spaces are now increasingly searching for ways to inter-link the creative SME's in their clusters.

Concluding, the importance of the presence of a soft creative cluster infrastructure, additionally to the basic hard infrastructure, is supported by the results of this study. The presence of soft creative cluster infrastructure is mainly beneficial for the development of a higher level of professionalism and increased innovation capacity of creative SME's. Despite this proven importance of soft creative cluster infrastructure, current creative cluster managers are generally not actively engaged in the organization of soft creative cluster factors. The field is now subsequently challenged to find acknowledgement for the importance of the organization of soft creative infrastructures as well as to develop alternative organizational forms. Another challenge is to look out for other ways to finance the organization of soft creative infrastructures, as the current managers indicate do not have sufficient financial means to do so. These could be interesting challenges for the local government as well as for private investors, as the presence of soft creative infrastructures is indicated to be supportive to SME's in terms of professionalization and the improvement of their innovation capacity, which turn out to be highly needed assets in current knowledge economy.

### 9.3

#### Reflection on the methodology

Now the research question has been answered, several limitations of this study need to be mentioned. Four main limitations can be distinguished. First, the topic of soft creative cluster infrastructures is relatively new within the academic debate. This means that there is no common agreement among academics reached yet about which specific soft creative cluster factors are included in this concept or on which creative cluster management dimensions are critical for the creation of a soft creative cluster infrastructure. This study is therefore built on two self-constructed analytical frameworks, with the risk of being incomplete as well as the including of theories that only have been empirically tested to a little extent. Additionally, the theoretical framework on soft creative cluster factors includes a relatively large amount of factors. Given the limited size of this research, only the most relevant factors could ultimately be elaborated in this study.

A second limitation could be the fact that this study has been conducted by focusing on solely the micro-level of the creative clusters. This approach was needed in order to gain insight into the actual dynamics of interlinkages and soft creative cluster infrastructure. Due to this limitation, this study does not provide any profound insights on the meso- or macro-level. It could be for example a great added value to this study to put the problem of lacking interlinkages and the gap between the supply and demand of soft creative cluster infrastructures into a wider political framework.

Another limitation of this research is the fact that this study only includes a qualitative approach. Again, this was needed to carry out a thorough analysis of the creative cluster dynamics. Due to this approach however, the external validity of this study is low. Also, this study is based on only 15 interviews, of which 5 interviews per study object. This amount of interviews is too low to draw proper scientific conclusions. However, the homogeneity within the response of the creative SME's is relatively high, which increases the external validity to a small extent.

A last limitation of this research could be the fact that the range of studied creative SME's is rather broad, as this study does not handle a sector-specific approach. By handling a sector-specific approach, by for example studying the importance of soft creative cluster infrastructures to solely visual artists, the internal validity of this research could be increased.

### 9.4

#### Reflection on the relevance

This research provides insight in the importance of soft creative cluster factors for creative SME's in top-down organized creative clusters, as well as on the

management of the soft creative cluster infrastructure. Although the amount of studies on the subjects of creative clusters, creative networks and soft infrastructures is rising, existing theory has until now mainly focused on the organization of hard creative cluster infrastructures as well as the urban regeneration effects of creative clusters. No overview on the soft cluster factors or management dimensions of soft factors has been provided yet in the context of supporting the creative practice of creative SMEs. By revealing the importance of soft creative cluster factors for the professionalization and the development of innovation capacity of creative SME's, as well as the mismatch of supply and demand related to the management degree of soft creative cluster factors, this study adds a new dimension to this rising line of research. Although this study does not provide a clear guideline on how to organize the perfect supportive creative cluster, some indications can be mentioned including the organization of a learning infrastructure, finding a proper balance between diverse and sector-related creative firms, the provision of presentation possibilities and last but not least, the handing of a participatory management approach by actively demonstrating the involvement in and interest for the creative practice of the creative SME's.

### 9.5

#### Avenue for future research

The conclusions as well as the limitations of this study bring forth some fruitful and interesting possible avenues for future research in relation to the topic of this study. The most important avenue for future research lies in continuing the further elaboration of the analytical frameworks on soft creative cluster infrastructures and its management dimensions. In this study, the decision was made to explore the importance of the whole range of identified soft creative cluster factors on creative SME's within a broad range of sectors. A subsequent step could be to study the importance of the soft creative cluster factors more profoundly by focusing on one specific sector.

Another topic of research could be the identification of alternative forms of organizing and financing soft creative cluster infrastructures, as this study reveals that cluster managers generally lack time and financial means to organize both hard and soft creative cluster factors.

A different avenue of future research could also be a further elaboration on the learning infrastructure, being the most important soft creative cluster factor. This can be done by for example studying the importance of the specific distinction of content-related knowledge and business skill knowledge, as this distinction does not receive much attention in existing literature on creative clusters yet.

A last challenging avenue for future research could be to contribute to rising theories creative networks by studying the soft infrastructure factors independently of the creative cluster concept. In this case, soft infrastructure factors could be analyzed in the context of creative networks.



10.

# Reference List

## BOOKS & ARTICLES

### A

**Almeida, P., Kogut, B.** (1999). Localization of knowledge and the mobility of engineers in regional networks. *Management Science*, 45, 905–917.

**Amabile T.M. and Khaire, M.** (2008). Creativity and the Role of the Leader. *Harvard Business Review*, October, 100–109.

**Andersson, D.E. and Andersson, A.E.** (2008) Spatial clustering of culture. In: Karlsson, C. (Eds.) *Handbook of Research on Cluster Theories* (261–273). Cheltenham/Northampton: Edward Elgar Publishing Limited.

### B

**Banks, M. Calvey, D., Owen J. and Russell, D.** (2002). Where the Art is: Defining and Managing Creativity in New Media SMEs. *Creativity and Innovation Management*, 11(4), 255–264.

**Banks, M., Lovatt, A., O'Connor, J. and Raffo, C.** (2000). Risk and Trust in the Cultural Industries. *GeoForum*, 31(4), 453–464.

**Becattini, G.**, (1990). The Marshallian industrial district as a socio-economic notion. In: Pyke, F., Becattini, G., Senbenberger, W. (Eds.), *Industrial districts and inter-firm co-operation in*

*Italy* (134–141). Geneva: International Institute for Labour Studies.

**Becattini, G.** (2002). From Marshall's to the Italian Industrial Districts. A Brief Critical Reconstruction. In: Curzio, A. Q. and Fortis, M. (Eds), *Complexity and Industrial Cluster. Dynamics and Models in Theory and Practice*. Heidelberg: Physica – Verlag.

**Bilton, C.** (2010). Manageable creativity. *International Journal of Cultural Policy*, 16(3), 255–269.

**Brennan, A. and Dooley, L.** (2005). Networked creativity: a structured management framework for stimulating innovation. *Technovation*, 25, 1388–1399.

**Brenner, T. and Schlump, C.** (2011). Policy measures and their effects in the different phases of the cluster life cycle. *Regional Studies*, 45(10), 1363–1386.

**Brooks, A.C. and Kushner, R.J.** (2001). Cultural districts and urban development. *International Journal of Arts Management*, 3(4), 4–15.

**Bryman, A.** (2008). *Social Research Methods* (3<sup>rd</sup> ed). New York: Oxford University Press.

### C

**Catmull, E.** (2008). How Pixar fosters collective creativity. *Harvard Business*

*Review*, September, 64–72.

**Caves, R.** (2000). *Creative Industries: Contracts between arts and commerce*. Cambridge: Harvard University Press.

**Comunian, R.** (2012). Creative networks: complexity, learning and support across creative industries. In: Hagoort, G., Thomassen, A., Kooyman, R. (Eds). *Pioneering Minds Worldwide. On the Entrepreneurial Principles of the Cultural and Creative Industries* (pp. 62–69). Delft: Eburon Academic Press.

**Cook, P., De Laurentis, C., Todtling, F. and Trippl, M.** (2007). *Regional Knowledge Economies: Markets, Clusters and Innovation*. Cheltenham: Edward Elgar Publishing.

**Cooper, A. and Folta, T.** (2000). Entrepreneurship in High-technology Clusters, in Sexton D. L. and Landström H. (Eds.), *The Blackwell Handbook of Entrepreneurship* (348–367). Oxford: Blackwell.

**Csikszentmihalyi, M.** (1996). *Creativity: Flow and the psychology of discovery and invention*. New York: Harper Collins.

**Cunningham, S. D.** (2006). *What price a creative economy?* Platform Papers (9). Strawberry Hills, N.S.W: Currency House.

**D****De Wilde, A.**

(2007). Three times creativity: About the relationship between creative clusters and the local government. *Master thesis Cultural Economics and Cultural Entrepreneurship*, Erasmus University Rotterdam.

**E****Ellmeier, A.** (2003).

Cultural entrepreneurialism: on the changing relationship between the arts, culture and employment. *International Journal of Cultural Policy*, 9(1), 3-16.

**Evans, G.** (2009).

Creative cities, creative spaces and urban policy. *Urban Studies*, 46, 1003-1040.

**F****Florida, R.**

(2002). *The Rise of the Creative Class: and how it's transforming work, leisure, community, and everyday life*. New York: Basic Books.

**Fromhold-Eisebith, M. and Eisebith, G.** (2005). How to institutionalize innovative clusters? Comparing explicit top-down and implicit bottom-up approaches. *Research Policy*, 34, 1250-1268.

**G****Glaeser, E.**

(2004). *Review of Richard Florida's The Rise of the Creative Class*. [Review of the book *The rise of the creative class: And how it's transforming work,*

leisure, community and everyday life]. Unpublished manuscript, Harvard University, Cambridge, MA.

**Grabher, G.**

(2002). Cool Projects, Boring Institutions: Temporary Collaboration in Social Context. *Regional Studies*, 36, 205-214.

**Grabher, G.**

(2004). Learning in Projects, Remembering in Networks? Community, Sociality and Connectivity in Project Ecologies. *European Urban and Regional Studies*, 11, 103-123.

**Granovetter, M.**

(1973). The strength of weak ties. *American Journal of Sociology*, 78, 1360-1380.

**H****Hagoort, G.,**

**Thomassen, A. and Kooyman, R. (Eds)** (2012). *Pioneering Minds Worldwide. On the Entrepreneurial Dimension of the Cultural and Creative Industries*. Delft: Eburon Academic Press.

**Hall, P.** (2000).

Creative Cities and Economic Development. *Urban Studies*, 37:4, 639-649.

**Hitters, E. and**

**Richards, G.** (2002). The creation and management of cultural clusters. *Creativity and Innovation Management*, 11(4), 234-247.

**HKU** (2010). *The entrepreneurial dimension of the Cultural and Creative*

*Industries*. Utrecht: Utrecht School of the Arts.

**Hoskins, C.,**

**McFadyen, S. and Finn, A.** (2004). *Media Economics*. London: Sage.

**Hotho, S. and**

**Champion, K.** (2011). Small businesses in the new creative industries: innovation as a people management challenge. *Management Decision*, 49(1), 29-54.

**J****Jacobs, J.** (1969).

*The Economy of Cities* (1<sup>st</sup> ed). New York: Random House.

**Jeffcutt, P.**

**and Pratt, A.C.** (2002). Managing creativity in the cultural industries. *Creativity and Innovation Management*, 11, 225-233.

**K****Karlsson, C.**

(2008). Introduction. In: Karlsson, C. (Eds.) *Handbook of Research on Cluster Theories* (1-19). Cheltenham/Northampton: Edward Elgar Publishing Limited.

**Klamer, A.** (2006).

Cultural entrepreneurship. *Association for Cultural Economics International*. Retrieved from: <http://klamer.nl/articles/culture/entrepreneur.php> on April 14<sup>th</sup>, 2012.

**Kooyman, R.**

(2012). Creative Urban Renewal: Evaluating cultural and creative Entrepreneurial Development. In:

Hagoort, G., Thomassen, A., Kooyman, R. (Eds.). *Pioneering Minds Worldwide. On the Entrepreneurial Principles of the Cultural and Creative Industries* (92-98). Delft: Eburon Academic Press.

**Kong, L.** (2009). Beyond Networks and Relations: Towards Rethinking Creative Cluster Theory. *GeoJournal Library*, 98(2), 61-75.

**Landry, C.** (2009). The creative city: the story of a concept. In: Fonseca Reis, A.C. and Kageyama, P. (Eds.) *Creative City Perspectives* (7-14). São Paulo: Garimpo de Soluções! & Creative Cities Productions.

**Landry, C. and Bianchini, F.** (1995). *The creative city*. Demos: London.

## M

**Markusen, A.** (2003) Fuzzy concepts, scanty evidence, policy distance: the case for rigour and policy relevance in critical regional studies. *Regional Studies*, 37(6), 701-717.

**Markusen, A.** (2008). Defining the Creative Economy: Industry and Occupational Approaches. *Economic Development Quarterly*, 22(1), 24-45.

**Marshall, A.** (1920). *Principles of economics* (8<sup>th</sup> ed.). London: Macmillan.

**Martin, R. and Sunley, P.** (2003). Deconstructing clusters: Chaotic concept or policy panacea? *Journal of Economic Geography* 3(1), 5-35.

**McCann, P.** (2008). Agglomeration economics. In: Karlsson, C. (Eds.) *Handbook of Research on Cluster Theories* (23-38). Cheltenham/ Northampton: Edward Elgar Publishing Limited.

**Mommaas, H.** (2004). Cultural clusters and the post-industrial city: Towards the remapping of urban cultural policy. *Urban Studies* 41(3), 507-532.

**Mommaas, H.** (2012). Keynote speech at 'Research conference on the contribution of sustainable cultural entrepreneurship', Utrecht School of the Arts, March 21,22,23, 2012.

**Moreno, Y.L., Santagata W., Tabassum, A.** (2004). Material Cultural Heritage, Cultural Diversity, and Sustainable Development. Paper, ACEI: 13th International Conference on Cultural Economics, University of Illinois at Chicago Department of Economics, Chicago, Illinois USA June 3, 4 & 5 2004.

**Musterd, S., Bontje, M., Chapain, C., Kovács, Z., Murie, A.** (2007). *Accommodating Creative Knowledge A Literature Review from a European Perspective*. AMIDST, University of Amsterdam.

## N

**Nakamura, L.I.** (2000). Economics and the New Economy: the Invisible Hand Meets Creative Destruction. *Business Review, July / August*, 15-30.

## O

**O'Connor, J.** (2002). Public and Private in the Cultural Industries. In: Johansson, T. & Sernhede, O. (Eds.). *Lifestyle, Desire and Politics: Contemporary Identities*. Centre for Cultural Studies, University of Gothenburg.

**O'Connor, J.** (2004). "A special kind of city knowledge": innovative clusters, tacit knowledge and the 'Creative City'. *Media International Australia*, 112, 131-149.

**O'Connor, J. & Gu, X.** (2011). Creative industry clusters and the 'creative milieu' in Shanghai. *Regional Studies*, 32(2), 143-170.

## P

**Peck, J.** (2005). Struggling with the Creative Class. *International Journal of Urban and Regional Research*, 29(4), 740-770.

**Porter, M. E.** (1990). Competitive advantage of nations. *Competitive Intelligence Review*, 1(1), 14-23. **Porter, M.E.** (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15-34.



- Potts, J. D. and Cunningham, S. D.** (2008). Four models of the creative industries. *International Journal of Cultural Policy*, 14(3), 233-247.
- Potts, J. D., Cunningham, S. D., Hartley, J. and Ormerod, P.** (2008). Social network markets: a new definition of the creative industries. *Journal of Cultural Economics*, 32(3), 166-185.
- Pratt, A.C.** (1997). Production Values: From Cultural Industries to Governance of Culture. *Environment and Planning A*, 29, 1911-1917.
- Pratt, A.C.** (2000). New Media, the New Economy and New Spaces. *Geoforum*, 31, 425-436.
- Pratt, A.C.** (2002). Hot jobs in cool places. The material cultures of new media product spaces: the case of the south of market, San Francisco. *Information communication and society*, 5(1), 27-50.
- Pratt, A.C.** (2008a). Creative cities: the cultural industries and the creative class. *Geografiska annaler: Series B - Human geography*, 90(2), 107-117.
- Pratt, A.C.** (2008b). Cultural commodity chains, cultural clusters, or cultural production chains? *Growth and Change*, 39(1), 95-103.
- Pratt, A.C.** (2010). Creative Cities: Tensions within and between social, cultural and economic development. A critical reading of the UK experience. *City, Culture and Society*, 1(11), 13-20.
- Pratt, A.C.** (2011). "The cultural contradictions of the creative city" *City, Culture and Society* 2(30), 123-130.
- R**
- Rutten, P., Manshanden, W., Muskens, J. and Koops, O.** (2004). *The creative industries in Amsterdam and the region*. TNO Strategie, Technologie en Beleid: Delft.
- S**
- Santagata, W.** (2002). Cultural Districts, Property Rights and Sustainable Economic Growth. *International Journal of Urban and Regional Research*. 26(1), 9-23.
- Scott, A. J.** (1999). The Cultural Economy: Geography and the Creative Field. *Culture, Media and Society*, 21, 807-817.
- Scott, A.J.** (2000). *The cultural economy of cities: Essays on the geography of image-producing industries*. London: Sage.
- Scott, A.J.** (2006). Entrepreneurship, innovation and industrial development: Geography and the creative field revisited. *Small Business Economics*, 26(1), 1-24.
- Scott, A. J.** (2010). Cultural economy and the creative field of the city. *Geografiska Annaler: Series B, Human Geography*, 92(2), 115-130.
- Song, J., Almeida, P. and Wu, G.** (2003). Learning by hiring: When is mobility more likely to facilitate interfirm knowledge transfer? *Management Science*, 49(4), 351-365.
- Sorenson, O. and Audia, P.G.** (2000). The social structure of entrepreneurial activity: geographic concentration of footwear production in the United States, 1940-1989. *The American Journal of Sociology*, 106(2), 424-462.
- Staber, U. and Sautter, B.** (2011). Who are we, and do we need to change? Cluster identity life cycle. *Regional studies*, 50(10), 1349-1361.
- Stam, E., De Jong, J.P.J. and Marlet, G.** (2008). Creative industries in the Netherlands: structure, development, innovativeness and effects on urban growth. *Geografiska Annaler: Series B, Human Geography*, 90(2), 119-132.
- Stern, M.J. and Seifert, S.C.** (2010). Cultural Clusters: The Implications of Cultural Assets Agglomeration for Neighborhood Revitalization. *Journal of Planning Education and Research*, 29(3), 262-279.
- Storper M., and Venables, A.J.** (2004). Buzz: face-to-face contact and the urban economy. *Journal of Economic Geography*, 4(4), 351-370.
- T**
- Throsby, D.** (2001). *Economics and Culture*. Cambridge: Cambridge University Press.

**Throsby, D.** (2008). The concentric circles model of the cultural industries. *Cultural Trends*, 17(3), 147–164.

**Throsby, D.** (2010). *The Economics of Cultural Policy*. New York: Cambridge University Press.

**Towse, R.** (2010). *A textbook of cultural economics*. New York: Cambridge University Press.

**Turok, I.** (2003). Cities, Clusters and Creative Industries: The Case of Film and Television in Scotland, *European Planning Studies*, 11(5), 549–565.

## U

**Uzzi, B.** (1996). The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect. *American Sociological Review*, 61(4), 674–698.

## V

**Vang, J.** (2005). Rethinking the Spatial Organization of Creative Industries. Research Paper, *CIRCLE and Copenhagen Institute of Technology*. Aalborg University. Retrieved from [http://www.lu.se/upload/CIRCLE/workingpapers/200510\\_Vang.pdf](http://www.lu.se/upload/CIRCLE/workingpapers/200510_Vang.pdf) on April 12th, 2012.

**Vang, J.** (2007). The spatial organization of the news industry: Questioning assumptions about knowledge externalities for clustering of creative industries. *Innovation: Management, Policy & Practice*, 9(1), 14–27.

**Vrooman, J.C.** (2001). *Netwerken en sociaal kapitaal*. Actualiteitencolleges van de Nederlandse sociologische vereniging. SISWO-NSV/reeks: Amsterdam.

## Z

**Zheng, J.** (2011). Creative Industry Clusters and the Entrepreneurial City of Shanghai. *Urban Studies* 48(16), 3561–3582.

**Zhao J. and Qi, Z.** (2012). Cultural and creative industry cluster: a case of Beijing. *International Journal Learning and Intellectual Capital* 9(1), 51–63.

## POLICY DOCUMENTS

## B

**Bureau Broedplaatsen** (2008). Building the basis for a creative Amsterdam Metropolitan Area: Art Factories Programme 2008–2012. Gemeente Amsterdam.

## D

**DCMS** (1998). *Creative industries mapping document*. London: UK Department of Culture, Media and Sport.

**DCMS** (2001). *The Creative Industries Mapping Document 2001*. London: UK Department of Culture, Media and Sport.

**DCMS** (2007). *An Assessment of Productivity Indicators for the Creative Industries*. London: UK Department of Culture, Media and Sport.

## O

**O'Connor, J.** (2007). The cultural and creative industries: a review of the literature, a report for Creative Partnerships, Arts Council England, London.

## U

**UNCTAD** (2008). *The Creative Economy report 2008*. Geneva: UNCTAD.

**UNCTAD** (2010). *The Creative Economy report. Creative Economy, a feasible development option*. Geneva: UNCTAD.

**Urban Resort** (2009). *Visie van Urban Resort*. Retrieved from: <http://www.urbanresort.nl/footage/Visie-van-Urban-Resort.pdf> on June 12, 2012.





APPENDIX A:

## List of interviewees

APPENDIX B:

## Topic lists

APPENDIX C:

## Completed value list

## APPENDIX A:

**List of interviewees**

CREATIVE SME's			
Firm name	Firm size	Branch	Creative cluster
Andrewsdegen	3 employees	Graphic design	Duintjer CS
MARC Architects	1 employee	Architecture	Duintjer CS
OK200	2 employees	Graphic design	Duintjer CS
Octopus Agents	4 employees	Music agency	Duintjer CS
Paazl	3 employees	Software	A&C Lab
VANDOORN Photography	2 employees	Photography	A&C Lab
True Works	1 employee	Film / documentary	A&C Lab
( Wants to remain anonymous )	1 employee	Industrial design	A&C Lab
Marte Haverkamp	1 employee	Visual art	Volkskrantgebouw
Menno Otten	1 employee	Film / documentary	Volkskrantgebouw
De Mecenas	2 employees	Theatre	Volkskrantgebouw
Hugo Verweij	1 employee	Sound design	Volkskrantgebouw

## CREATIVE CLUSTER MANAGERS

Name	Firm name	Creative cluster
Jaap Draaisma	Urban Resort	Volkskrantgebouw
Chantal Wiertz	Creative Spaces/ City concepts consultancy	Duintjer CS
Foppe Eshuis	CODUM	A&C Lab

APPENDIX B:  
**Topic lists**

**Topic List – Creative SME's**

- Introduction of firm: organization structure + description of creative practice.
- Needs and expectations of this cluster of when you signed the rental agreement
- Degree of realization of needs and expectation within this specific creative cluster
- Most value from your stay in this cluster
- Needs and expectations of a creative cluster in general. How could the creative cluster support and stimulate your creative practice?

Briefly take the time to check if all labels are already discussed, if not ask to what extent the C SME needs this cluster label. Also check all the features are present in the cluster.

DIVERSITY	Life stage / branch / profit, non-profit
INDIVIDUAL LEARNING	Workshops / consultancy
NETWORKED LEARNING	Space to share knowledge, Peer-review, learning by watching, learning by doing, learning by 'being there'
CREATIVE VALUE CHAIN	Presence suppliers (collaborators) / consumers
CREATIVE BUSINESS MODELING	Do you think the creative firms throughout their stay in this cluster also have more funding for their business?
IDENTITY / MARKETING	Cluster has a strong identity?
REGIONAL EMBEDDEDNESS	This cluster has strong relationships with related companies / institutions in direct surroundings?



- How can a cluster manager in your opinion encourage/support the creative industries in the cluster?
  - Attitude/part of creative system/ enabling cooperation
- To what extent are you satisfied with the current management?

#### Statements

- The cluster where I work provides an added value for my work.
    - Why?
  - I often work together on projects with other creative firms in this cluster
    - Who initiates this partnership?
    - Could the cluster manager be of help?
  - My identity as an entrepreneur is (partly) determined by my stay in this cluster.
  - This cluster has a strong identity.
  - In this cluster the atmosphere is stimulating innovations and creativity.
  - I built a large network within the creative cluster
    - What type of relationships: horizontal/vertical - formal/informal
  - I would like it if this environment provided me with a learning environment
  - My stay in this cluster helps me to fund my creative practice
- Topic List – Creative cluster managers**
- Introduction of firm and daily operations
    - Amount of employees
    - Age of cluster
    - Organizationstructure
  - For what purpose /vision of this cluster is then developed?
    - Or: for what purpose /vision development and management clusters you creative?
    - Were the creative firms themselves involved in this development?
  - To what extent is the development plan for this cluster based on research into the needs of creative entrepreneurs?
    - yes: What were those needs?
    - no: How did you then know what the needs of entrepreneurs were?
  - What do you think that a creative cluster should offer to creative SME's ? (describe the ideal cluster in this respect).
  - In what way is this cluster encouraging and supporting the creative cluster SME's? (activities, facilities of the cluster)
    - In what way is encouraging and supporting this cluster cooperation between creative SME's?
    - What facilities, does this cluster provide beside the renting of space?
  - How is your relation as a cluster manager with the creative firms in this cluster?
    - How would you describe the contacts and social relationships or professional relationships?)
  - Do you as a cluster manager have a creative background yourself?
    - Yes: Is this a requirement?
    - No: you miss this in your contact with the creative entrepreneurs?

Briefly take the time to check if all labels are already discussed, if not ask to what extent the C SME needs this cluster label. Also check all the features are present in the cluster.

DIVERSITEIT	Life stage/branch/profit,non-profit
INDIVIDUAL LEARNING	Workshops/consultancy
NETWORKED LEARNING	Space to share knowledge, Peer-review, learning by watching, learning by doing, learning by 'being there'
CREATIVE VALUE CHAIN	Presence suppliers (collaborators)/ consumers
CREATIVE BUSINESS MODELING	Do you think the tenants throughout their stay in this cluster also have more funding for their business?
IDENTITY/MARKETING	Cluster has a strong identity?
REGIONAL EMBEDDEDNESS	This cluster has strong relationships with related companies/institutions in direct surroundings?

## APPENDIX C:

**Completed value list**

	Not important at all	Not important	Neutral opinion on this topic	Important	Very important
Presence of creative firms with diversity in life phase (start-ups mixed with established firms)				9	3
Presence of creative firms with diversity of branches			1	8	3
Presence of a mix of creative commercial and non-profit firms		1	8	3	
Presentation possibilities to other cluster participants, possibility for peer-review		1		8	3
Offering of consultancy and workshops	1	2	2	5	2
Presence of suppliers/collaborating firms	1	2	2	6	1
Presence of clients/consumers	1	6	1	2	2
Offering of cluster programme			1	6	5
Presence of a common meeting space				7	5
Strong collective identity		3	3	3	3
Informal relationship with cluster manager	1		1	7	3
The cluster manager forfills an active role in creation of interlinkages between creative firms			2	7	3
Having relationships with relevant companies and institutions in the direct surroundings of the cluster			6	4	2

