

Creative Shenzhen? A Critical View on Shenzhen's Transformation from a Low-cost Manufacturing Hub to a Creative Megacity

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ABSTRACT

Since 1980, Shenzhen has grown in a record-breaking pace to the megacity it is today. Initially, Shenzhen's growth was based on low-cost mass industrial production. In recent years, however, the Shenzhen city government is trying to modernize and diversify its economy. Shenzhen has embraced the creative and cultural industries as one of the most promising sectors for its economic future. While many publications have appeared about Shenzhen's spectacular transformation from a fishing village to a megacity, much less is written about Shenzhen's ambitions in the creative economy and the implications this may have for its urban planning policies and strategies. This paper makes an inventory of Shenzhen's creative city initiatives, policies and strategies, explores which concrete evidence of a flourishing creative economy we can already witness in the city, and asks the question whether Shenzhen is not only an attractive location for creative companies, but also for creative workers.

Keywords: Creative city, Creative economy, Shenzhen

1. INTRODUCTION

Shenzhen is often seen as a paradigmatic case of China's impressive economic modernization and transformation since the late 1970s. Especially in the earliest years of the 'four modernizations' program led by Deng Xiaoping, to modernize agriculture, industry, national defense and science and technology, Shenzhen was presented as the poster child of progress. Shenzhen has been a city of many 'firsts' since the founding of the People's Republic of China: first Special Economic Zone; first stocks and first stock exchange; first real estate market; first science and technology park; first labor market; etc. (Campanella, 2008; Shenzhen Noted, 2012). After a brief spell of falling out of grace in Beijing due to a more conservative communist party elite, Deng Xiaoping's famous travel through Southern China in 1992 put Shenzhen back on the map as one of the leading cities of change and innovation in China (Campanella, 2008; Cartier, 2002; McGregor, 2010; Ng and Tang, 2004; Vogel, 2011). However, the stunning growth and economic success of the city was largely based on low-cost industrial mass production, which was made possible by the preferential treatment as a Special Economic Zone and the availability of a large pool of labor migrants from China's countryside. Other crucial factors were the availability of cheap land and plenty of foreign capital, especially from Hong Kong and Taiwan.

In the late 1990s and early 2000s, it became increasingly apparent that China wanted to take the next step in economic transformation in which high-tech industries and the service economy would play a larger role. Although Shenzhen meanwhile also had become the home base of several prominent technology-intensive companies like BYD (car production and mobile phone components) and Huawei (mobile phones), and several science and technology parks, mass

production remained dominant in its economy. A few years later, Shenzhen started attempts to change its image to the outside world, in line with the slogan "From Made in China to Created in China" launched by the Chinese central government (Keane, 2006; Li, 2011; O'Connor & Gu, 2006). Shenzhen is particularly keen to present itself as a "City of Design".

While Shenzhen features prominently in the international academic literature because of its spectacular transformation from fishing village to megacity (Campanella, 2008; Ng, 2003; Ng & Tang, 2004; Zacharias & Tang, 2010; Zhang, 2012), only few researchers so far have analyzed Shenzhen's ambitions in the creative economy, the extent to which these ambitions are being realized, and the implications these may have for its urban planning policies and strategies (exceptions include Costa, 2013; Keane and Zhao, 2012; and Liauw, 2012). Studies of emerging creative clusters and cities in China so far mainly focus on Beijing and Shanghai, though many other large Chinese cities either already have significant creative economies too, or have developed serious plans to specialize in sub-sectors of the cultural and creative industries.

This paper aims to start filling this gap in literature on Chinese creative cities. However, data and information in English on Shenzhen's creative economy and creative city policies are currently scarce; the paper will mainly be of an explorative nature. After briefly discussing recent academic and policy debates about the creative city in China and a brief review of Shenzhen's development since the late 1970s, we will search for concrete statistical evidence of the presence and growth of a creative economy in the city. This is followed by an inventory of Shenzhen's creative city initiatives, policies and strategies to date. Finally, the issue of residential attractiveness of Shenzhen for creative workers is addressed.

2. THE CHINESE CREATIVE CITY DEBATE

In the international debate about the emergence of cultural and creative industries, broader concepts like creative city, creative economy, cognitive-cultural economy and creative class, and policies and strategies to foster, facilitate and encourage such are discussed so far in the context of North America, the UK, continental Europe, Australia and New Zealand. These contributions most often are based on single or comparative case studies from these Western countries. While the international Western debates on the increasing economic importance of culture and creativity gained momentum in the late 1990s and early 2000s, a similar debate in China started some years later. As we will see in this brief overview of that Chinese debate so far, it shows clear parallels and similarities with the Western debate on the one hand, but also some “typically Asian” and “typically Chinese” characteristics on the other.

Keane (2011) stresses the ambivalent stance of the Chinese government vis-à-vis the creative industries. The Chinese Communist Party is generally inclined to restrict the dissemination and freedom of creativity and regards it as a “foreign idea” that may threaten stability and harmony in Chinese society. On the other hand, local governments see the economic potential of culture and creativity to attract investments, gain international prestige, and to some extent an alternative to socialist culture. To make these two seemingly conflicting takes on creativity meet, a formula was developed to industrialize, harmonize and collectivize creativity in creative clusters. This approach was in line with an economic policy tradition of creating and stimulating specialized clusters like Economic and Technology Zones and industrial districts.

Liu Shifa and Li Wuwei can be considered as the introducers and most prominent advocates

of creative industries in China (Costa, 2013). Liu introduced the guidelines for China’s creative city and creative industries strategy in his influential article on what he called “the Creative China campaign” (Liu, 2004). In his book “How Creativity is Changing China”, Li (2011) argued that creative industries can be the key driver towards a more modern and innovative Chinese economy and society. His expectations of creativity and creative industries seem to be limitless; his book should rather be read as a plea for a more creative economy than as a critical analysis. Still, he points at some serious shortcomings of the Chinese economy and society that may stand in the way of further progress towards a more creative economy. His observations include a lack of innovative ability in the Chinese economy and society; a lack of people combining familiarity with creative content and management skills and experience, and what he calls a social structure of creativity. His argument seems to be strongly influenced by Richard Florida’s work on the creative class (Florida, 2002; 2012). Li states that “Creative industries need a ‘social structure of creativity’ (...) Whenever a reporter asks me what kind of social environment is needed, I stress the importance of three soft elements, openness, tolerance and diversity (...) Innovation and creativity are always associated with passion. It is hard to imagine how great ideas could ever develop in a conservative social atmosphere.” (Li, 2011, p. 109-111)

This conservative social atmosphere is probably the largest obstacle in the way of a full-fledged, internationally competitive creative economy in China. As O’Connor and Gu (2006) put it, Florida’s plea for freedom of individual expression does not fit well in China, not only in the more recent Communist history but also in its much longer Confucian tradition. So far, China’s government is not planning to let the cultural and creative industries freely develop themselves; its control on media, arts and culture is pervasive

and this is not likely to change soon. Freedom of speech and expression, a self-evident element of creative industries development in Western societies, is generally seen as a threat to Chinese society and Communist Party rule by China's leaders. This is also the reason why China's rulers in fact prefer the term "cultural industries" over "creative industries" (Keane, 2011; O'Connor and Gu, 2006). Another highly problematic issue, especially from an international perspective, is China's neglect of the principles of copyrights and intellectual property (Keane, 2011; Keane and Zhao, 2012). In Shenzhen, this has contributed to peculiar elements of the creative economy like Dafen's mass reproduction of oil paintings and Hua Qiang Bei's *shanzhai* economy, which we will discuss in Section 5. While Westerners may see these issues as unacceptable obstacles, they hardly seem to stand in the way of the rapid growth of China's creative economy. Drivers such as the huge internal market and the generous government sponsoring of the cultural and creative industries are probably a guarantee for further, and possibly quite spectacular, growth of these sectors in the coming years.

In China's political system, strategic policy agendas often start with slogans of the Politburo in Beijing, in this case slogans like "from Made in China to Created in China". It is then up to urban and provincial governments to turn the slogans into concrete action. The policies and strategies developed by most urban and regional governments with a creative economy ambition often come down to similar sets of measures and initiatives that are in fact quite comparable with what many Western cities and regions have done: branding campaigns, organizing events, investing in cultural venues, developing concentration areas for creative industries or redeveloping them at former industrial sites, and investing in higher education for creative talent. What may be the most visible difference between China and Western countries both in the physical presence

of creative places and spaces and in the way the creative economy is organized, is the Chinese tendency to develop creative industries in a highly industrialized way: large-scale mass production seems to dominate the Chinese creative scene, in contrast to the often very small companies, self-employed and freelance workers working in projects and networks that are more common in Europe and North America.

3. SHENZHEN: THE STORY SO FAR

Until 1980, Shenzhen was a mainly agricultural area with a few small towns and many small villages. Despite its potentially ideal location in-between two metropolises of considerable size and importance, Hong Kong and Guangzhou, its economic development until then had been very modest, mainly based on agriculture and fishing. Witnessing the massive daily traffic across the border between Shenzhen and Hong Kong nowadays, it is hard to imagine that Hong Kong and what was to become Shenzhen were virtually unconnected worlds between the late 1940s and late 1970s.

Worse even, Mao saw Shenzhen as a political defense frontier against the capitalist and colonial West (Campanella, 2008). That Shenzhen's growth only took off in the early 1980s, which gives the city a mostly very recent history, does not mean that there would hardly be any cultural heritage. Liu & Ng (2009) challenge the image of Shenzhen as a city without history, tracing its roots back to trading posts in the 4th century, a still present fortress built about 600 years ago, and the remains of the Sino-British street that long was an important connection between China and Hong Kong. However, Liu and Ng further acknowledged that most Shenzhen inhabitants hardly identify with the local cultural heritage as part of a "Shenzhen Identity", and that the city was very late to discover the potential value of heritage conservation.

The image of newness is not only based on Shenzhen's largely very recent built environment and the local government's focus on constant renewal and innovation. It also derives from the fact that virtually all Shenzheners either are migrants themselves, or children of migrants, or were born in the current Shenzhen area when it was still a mainly rural environment. Furthermore, the Chinese *Hukou*¹ system is a huge obstacle in the way of developing the Shenzhen Identity across resident categories. Only a small minority (estimated at around 20%) possesses the local urban Shenzhen *Hukou*, implying that they are acknowledged as permanent residents of Shenzhen and are eligible for all its social services and social security arrangements, including public education, public health facilities and affordable public housing. The other 80% are either migrants or children of migrants still having the *Hukou* of their place of origin. This administrative divide is also reflected in a spatial divide: while the migrants are mostly living in the urban villages, the Shenzheners with local urban *Hukou* mostly live in the high-rise urban areas developed by the Shenzhen government, state-owned companies, or private developers since the early 1980s.

The physical expansion of the city since it was selected as China's first Special Economic Zone in 1980 was not "tabula rasa" development, but expanding around the already existing small towns and villages. No other Chinese city comes close to the amount of urban villages and their extremely high population densities. Hao (2012) reports that in 2004 there were 91 urban villages within Shenzhen's original Special Economic Zone area (the current districts Luohu, Futian, Nanshan and Yantian) and an additional 229 in the districts added to Shenzhen later (Bao'an and Longgang). The number of urban villages is slowly declining though, especially in the more central parts of the city, due to the enormous development pressure and rising land prices. Urban villages come in different types and development stages,

but generally speaking they started their existence as rural or fishing villages or towns and then became surrounded by Shenzhen's new urban developments. The usual governance structure in urban villages is that the original villagers are represented by an urban village committee that decides about how the urban village is developed. However, the original villagers and their families are a small minority of the urban village population; the majority of urban village residents are migrants or their families coming from the Chinese countryside since the late 1970s to work in Shenzhen's manufacturing sector (Bach, 2010; Hao, 2012; Zacharias and Tang, 2010). While urban villages have mainly been seen as the only option for affordable housing for rural-to-urban migrants working in Shenzhen's manufacturing sector, an interesting recent development is that university graduates, artists and starting creative workers rely upon the urban villages to find affordable housing as well. We will return to this issue in Section 6.

For some decades, Shenzhen's main economic growth engine was industrial mass production, based on low labor costs and foreign investments and initially also low land and real estate prices. The massive inflow of foreign capital and foreign investors was only possible because of Shenzhen's Special Economic Zone status. Shenzhen was chosen as China's first Special Economic Zone for several reasons. Campanella (2008) and Vogel (2011) point to the safe distance from the national center of power; the history of Guangdong as China's point of entry for foreign traders; the cultural differences between Guangdong and China; Hong Kong and Macau being right next door; and the Cantonese diaspora in Hong Kong, Southeast-Asia, the US and Europe, creating a kinship network giving Guangdong a competitive advantage. However, in recent years it has increasingly become clear that this growth recipe cannot be sustained and that Shenzhen needs to reconsider its development rationale. China

¹ *Hukou* is the household registration record that is issued per family and its usually includes the births, deaths, marriages, divorces, and relocation of all members in the family. This census system is required by law in the People's Republic of China.

is no longer the country with the lowest labor costs; Vietnam, Cambodia, Bangladesh, and the Philippines have outcompeted China. Within China, coastal cities like Shenzhen have also lost the race to the bottom for lowest salaries and lowest production costs. Because of mass worker protests in 2009/2010, several large factories have left Shenzhen and moved towards the central and western provinces of China. This was also encouraged by the “Go West” campaign of the Chinese government to start the next development phase of China’s economic transformation: after having modernized and transformed the economy on the East and South China coast, it was time to spread modernization and transformation to include larger parts of China. Logical choices for Shenzhen were to change focus from low-cost, low-tech mass production towards high-tech, capital-intensive and innovative production, as well as to a more creative economy (Costa, 2013; Liauw, 2012). While several signs clearly point at a shift in that direction, it is not easy to assess to what extent Shenzhen can already be called a creative and innovative city with a creative and innovative economy.

4. HOW CREATIVE IS SHENZHEN? SEARCHING FOR (SCARCE) EVIDENCE

There is no generally accepted set of criteria to assess which city can rightfully claim to be a creative city. “Creative city” is typically one of those labels every city aspires to have, resulting in countless numbers of cities that somehow claim to be creative, both for the right and wrong reasons. In this article we will consider a city creative when it features a combination of:

(1) A significant share of its economic activities in creative and cultural industries companies (share of companies / entrepreneurs in these sectors, share of GDP, etc.);

(2) A significant share of its employment in creative and cultural industries;

(3) An active role of both local government and business to promote the city as a creative city, e.g. through marketing campaigns, events, networks, policy programs and initiatives;

(4) A sufficient offer of urban amenities making the city attractive for creative workers and creative companies to settle there, e.g. cultural facilities, leisure facilities, attractive residential environments.

The first two items mentioned clearly are the most important of the list; without having much companies and jobs in cultural and creative industries, a city cannot call itself a creative city. Shenzhen, unfortunately, is a city where it is hard to gather evidence on these first two items. The following therefore rather provides indirect evidence than direct evidence to answer the question how creative Shenzhen really is. The third item on the list is important to stimulate cluster development on the one hand, and to strengthen a city’s position in international competition on the other. The fourth and last item on the list makes the difference between a creative economy strategy and a creative city strategy: a creative city should not just be a city attractive to cultural and creative companies, but also to the people working for those companies.

As will be discussed further in Section 5, Shenzhen is particularly keen to profile itself as a “City of Design”. In a city that had to be built out of virtually nothing in a few decades, and where industrial production has long been the motor of economic development, specializing in design is a logical choice as a next step towards a 21st-century creative knowledge economy. One would then also expect detailed data about how many people are working in design, in how many companies, which types of design, and how fast

this sector is developing. However, the only rough and unspecified figures that are recorded on government websites and in the media describe that Shenzhen has more than 6,000 design companies employing more than 60,000 people². Additionally, in the Shenzhen City file at the UNESCO Creative Cities Network site (UNESCO and City of Shenzhen, 2009), more than 6,000 design companies are mentioned, but employing over 100,000 employees. Li (2011) also mentions that Shenzhen companies would claim about 60% of the domestic market in industrial design, but does not give a source for that figure.

In the 12th Five-Year Plan for Cultural Creative Industry in Shenzhen (2011-2015), the city claims that its cultural and creative industries have grown at an average annual rate of 25% and that in 2010 they had an added value of 72.6 billion RMB. Between 2004 and 2010, the share of cultural and creative industries in Shenzhen's GDP rose from 4.6% to 7.6% (Costa, 2013; Shenzhen Municipal Government, 2011). However, neither having the figures for the cultural and creative industries as a whole nor of each of the included sectors, the reliability of these claims about growth rate and GDP share cannot be confirmed. The 12th Five-Year Plan announces the aim to further increase the share of cultural and creative industries in Shenzhen's GDP to 14.5% in 2015. We should keep in mind, though, that China's definition of cultural and creative industries is a bit broader than in most Western countries. It also includes for example cultural tourism, a sector that in Shenzhen probably provides a quite large share of the cultural and creative industries jobs because of the presence of many large theme parks and related touristic services.

A few further indications as to what extent Shenzhen can already be called a creative city can be found in Shenzhen's statistical yearbook. In the 2011 edition, the most recent edition available to the author, cultural and/or creative industries

are not presented as a separate economic sector. Instead the creative industries are hidden within and spread across several segments of the tertiary sector. In its employment statistics, Shenzhen distinguishes between staff and workers, urban self-employment, laborers of town and village enterprises and others. Table 1 and Table 2 present the employment data of the year-ends of 2003 and of 2010 of those sectors that can be either completely or partly considered as part of Shenzhen's cultural and creative industries, as well as for education.

Unfortunately, the official employment data from Shenzhen's Statistical Yearbook do not get more specific than these rather broad and diverse sectors. However, comparing with total employment in the city and with total employment in the tertiary sector, these figures already give a rough impression of the relatively modest size of Shenzhen's cultural and creative industries so far. Keeping in mind that only segments of the sectors mentioned in Table 1 and Table 2 will indeed be real cultural or creative industries, and that especially the sector leasing and business services will probably include more non-creative than creative jobs. The cultural and creative industries so far seem to be a rather small sector in Shenzhen's economy, which is still mostly dominated by manufacturing and retail, and by trade of physical products rather than of creative ideas. However, the comparison with the data of year-end 2003 in Table 1 also makes clear that these economic sectors have grown rapidly between 2003 and 2010. Only culture, sports and entertainment shows a very modest growth; all other sectors that are partly related to cultural and creative industries have grown significantly.

Other indicators also suggest that Shenzhen's cultural and creative economy is still in a quite early development stage. In 2010, the most recent data available to the author, the city featured seven art and cultural centers, 16 cinemas and

² The figures are displayed on the government websites City of Design: www.shenzhendesign.org and ShenZhen Government online: <http://english.sz.gov.cn/gi/>

25 museums, which is insufficient for a city with 10 to 15 million inhabitants; and there were about 67,000 students enrolled in higher education and 18,000 higher education graduates in 2010. However, all these figures are obviously increasing quickly for some years already, so it may be some more years before we could

speak of a more mature creative economy in the city. Some other indicators already point at a development towards a more knowledge-intensive and more technology-intensive economy: the number of patents certified, for example, increase dramatically from 160 in 1991 to 34,951 in 2010 (City of Shenzhen, 2011).

Table 1 Employed staff and workers in economic sectors partly or completely associated with ‘creative industries’, Shenzhen, year-end 2003

Sector	Total	Staff and workers	Urban self-employment	Laborers of TVEs*	Others
Information transmission, computer service and software	80,775	17,419	60,164	3,134	58
Scientific research, technical services and geological prospecting	41,541	12,108	29,001	-	432
Culture, sports and entertainment	26,399	11,443	13,285	1,568	103
Leasing and business services	161,889	35,476	112,677	13,532	204
Education	71,522	40,371	25,916	4,661	574
Total tertiary sector	1,772,395	499,563	1,168,064	97,339	7,429
Total all employed	4,222,947	1,081,970	1,305,723	1,825,484	9,770

Source: City of Shenzhen (2011), Statistical Yearbook of Shenzhen 2011; City of Shenzhen (2004) Statistical Yearbook of Shenzhen 2004.

* TVEs = Town and Village Enterprises

Table 2 Employed staff and workers in economic sectors partly or completely associated with ‘creative industries’, Shenzhen, year-end 2010

Sector	Total	Staff and workers	Urban self-employment	Laborers of TVEs*	Others
Information transmission, computer service and software	165,794	51,545	113,271	597	391
Scientific research, technical services and geological prospecting	122,697	53,413	67,416	992	976
Culture, sports and entertainment	30,234	16,664	9,503	3,779	299
Leasing and business services	446,596	123,451	314,307	9,059	770
Education	94,196	75,554	7,365	10,249	1,029
Total tertiary sector	3,417,459	1,129,633	2,227,901	49,279	10,746
Total all employed	7,051,699	2,510,997	3,495,565	1,035,960	19,276

Source: City of Shenzhen (2011), Statistical Yearbook of Shenzhen 2011; City of Shenzhen (2004) Statistical Yearbook of Shenzhen 2004.

* TVEs = Town and Village Enterprises

5. HOW SHENZHEN WANTS TO BECOME A CREATIVE CITY

Just like it is hard to find a good statistical overview of the extent and the national and international importance of Shenzhen's creative economy, it is equally hard to find a coherent set of policy measures to develop Shenzhen as a creative city. As mentioned before, there is the 12th Five-Year Plan for Cultural and Creative Industries for 2011-2015 (Shenzhen Municipal Government, 2011). In addition another recent relevant policy document is the plan encouraging the redevelopment of the "Three Olds": old industrial areas, old villages and the old town. "Old" should be seen in the typical Shenzhen perspective: the old town for example refers to downtown Shenzhen in Luohu, built in the 1980s. The more general strategy to revitalize and redevelop these Three Olds is combined with the plans to boost the creative industries (Jansen, 2013; Krop, 2013; Shenzhen Municipal Government, 2008). Both documents do mention several goals and targets, but describe them in such unspecific and abstract ways that is hard to distinguish concrete strategies, measures, actions and/or budgets from them.

Li (2011) only briefly refers to Shenzhen in his book on China's emerging creative economy. He mentions that in 2004, the Shenzhen municipal government introduced the objective to build a "capital of creative design". This was the same year in which the earlier mentioned slogan "From Made in China to Created in China" was introduced. Soon afterwards, the municipal government also decided to provide a yearly fund for cultural industries of 300 million RMB, consisting of loan interest subsidies and incentives. This fund is mostly meant to encourage cultural and creative start-ups in their first years. Starting a cultural or creative company is encouraged further through a three-year exemption from corporate income tax

for creative start-ups. In addition to municipal funding, district governments have also invested considerable amounts. For example Shenzhen's CBD Futian has 50 million RMB per year available for cultural and creative industries (China Daily, 2012). In 2007 and 2012, in the 11th and 12th Five-Year Plan respectively, Shenzhen's ambitions as a creative city were reconfirmed. In 2007, a "Shenzhen Declaration" on cultural and creative industries was one of the most prominent elements of the 11th Five-Year plan of the city. In both Five-Year Plans, cultural and creative industries are presented as the "fourth pillar" of Shenzhen's economy, next to high-tech industries, modern logistics and financial services (Shenzhen Government Online, 2013a: 2013b). However, several well-informed interview respondents of Krop's (2013) research about Shenzhen's cultural and creative industries policies, not working in local government themselves, stated they had no idea what this money is spent on exactly.

Next to the general objective to aim for a "capital of creative design" status in China, Shenzhen also tries to develop a spatial dimension of creative clustering by encouraging the development of creative parks: providing land and building for cultural and creative companies and entrepreneurs and making the complex as attractive as possible for these companies and entrepreneurs and their workers. Most often, former industrial complexes are being redeveloped, but sometimes new office environments are also being created. Various lists of creative parks in Shenzhen circulate in literature and policy documents, so it is hard to tell how many creative parks there currently really are. The architecture and urban design firm URBANUS recently made an inventory of all sites that either the municipal government or district governments or state-owned developing companies had labeled as creative parks to see how creative these sites really were. While the results of this inventory have not been published yet, their impression was that only a minority

of creative parks really deserved that label when judging from the economic activities taking place in those parks. Most creative parks either appeared to have only few creative companies next to many other economic activities and thus were not that different from normal business parks, or there was even virtually nothing creative behind the label. This is in line with Keane's observations of creative parks in Beijing and Shanghai. He states that many creative parks are not much more than a label without having many creative companies / activities. The label "creative park" gives prestige to a former industrial site, which may help to raise land and real estate prices: "In general, creative industries projects have been led by real estate developers. Gentrification together with consumer service functions provides the bottom line. (...) The end result has been a manifest increase in land value and rents, but often with little 'innovation spillover'" (Keane, 2011, p. 56).

However, Shenzhen does have several creative parks that have developed into substantial clusters of creative and innovative companies in only a few years. The best known examples, as also mentioned in Liauw's (2012) and Costa's (2013) accounts of "Creative Shenzhen", include OCT-LOFT, F518 Ideas Land, Nanshan Cyber Culture Industrial Base, and Bao'an Art Zone 22. Keane (2011) refers to another Shenzhen site as an example of what he calls a "Stage 2 Development", using the three-stage model of Zhang Xiaoming of the Chinese Academy of Social Sciences: Shenzhen City of Design, managed by the Sphinx Cultural Industry Investment Company. Most creative clusters in China in his view so far do not come past Stage 1 in this model, a simple strategy in which a growth coalition proposes a cluster plan, the government designates the site and allocates the budget and a cluster management committee is formed to attract and select companies. Shenzhen City of Design has according to Keane's (2011) framework reached Stage 2, in which the cluster

management committee sets up a development company and the financing of the cluster becomes more commercial and less government-funded.

Shenzhen successfully applied to UNESCO in 2008 to become part of its Creative Cities Network as a "City of Design". Shenzhen was the first Chinese city in the UNESCO Creative Cities Network, but Shanghai and Beijing (both also as "City of Design"), Chengdu (as "City of Gastronomy") and Hangzhou (as "City of Crafts and Folk Art") would soon follow. How exactly UNESCO decides about which cities are eligible for their Creative Cities Network is not very clear. Cities can apply and then UNESCO sends anonymous inspectors to the candidate city and decides on the basis of the inspectors' reports. The preliminary result is at first sight a rather eclectic and random group of Cities of Design, Literature, Art, Film, etc. So far the category "City of Design" is the most popular with 12 members. As of February 2014, the UNESCO Cities of Design include Shenzhen, Shanghai, Beijing, Seoul, Kobe, Nagoya, Montreal, Santa Fe, Buenos Aires, Berlin, Graz, and Saint-Etienne. Selection criteria as mentioned at the UNESCO website include rather vague and unverifiable items like "an established design industry", "cultural landscape fuelled by design and the built environment", "design-driven creative industries" and "opportunity for local designers and urban planners to take advantage of local materials and urban / natural conditions"(UNESCO Creative Cities Network, 2013).

Even though the true value of being a member of this network remains unclear, Shenzhen proudly presents itself as a UNESCO City of Design. A next question then may be: what exactly is design in Shenzhen and what is not? In Shenzhen's campaign, one easily gets the impression that "design is everything". Liauw (2012, p. 208) already lists 14 variations on the design theme, all supposedly strongly developed

branches in Shenzhen: “graphic design, industrial design, fashion design, toy design, handicraft design, timepiece design, jewellery design, package design, architecture and urban design, interior design, animation design, game design, communication design, software design”.

An important element of Shenzhen’s international branding as a creative city and/or city of design are a series of yearly or bi-annual events. The China (Shenzhen) International Cultural Industries Fair and the Shenzhen – Hong Kong Biennale are the best known of those events internationally. The City of Shenzhen claims that the China (Shenzhen) International Cultural Industries Fair is “the No.1 exhibition of Chinese cultural industries”, with more than 120 billion RMB turnover in total and 12 billion RMB ‘export turnover’ (Shenzhen Government Online, 2013b), but a comparative list of cultural industries fairs in China is not provided to support this claim. Moreover, Shenzhen also possesses several art galleries that frequently offer exhibitions and events with an international orientation. Probably the best known of those galleries is the OCAT gallery in the OCT area; a recent example of their international orientation was an exhibition of Dutch Design in the autumn of 2012. Shenzhen also presented itself as a city of design and creativity at the World Expo 2010 in Shanghai. Aimed mostly at Shenzhen’s residents and companies instead of the international market, another yearly event is “Creative December”, consisting of several activities taking place throughout the city.

The World Expo 2010 presentation of Shenzhen, and the way Shenzhen presents its creative and cultural ambition at its official government websites, can make one wonder what kind of culture and creativity Shenzhen wants to promote and develop. The boundaries between formal and informal, and between legal, semi-legal and illegal, tend to be rather blurred in Shenzhen’s

creative economy. A prominent element of both the World Expo 2010 exhibition and the municipal creative economy web information is the curious oil painting village of Dafen. Shenzhen is proudly presenting Dafen as a “model cultural industries base”, and the UNESCO also included it in its recognition of Shenzhen as a City of Design, but Keane (2011) asks if we should rather call it “the copy capital of China”. Dafen became an oil painting village when Hong Kong art dealers in the 1980s saw an opportunity to set up art reproduction factories in low-cost Shenzhen. This started in factories in the first urbanized parts of Shenzhen close to the border with Hong Kong, but in the 1990s it was moved to Dafen, then still a rural village north of the city, but meanwhile surrounded by Shenzhen’s further urban expansions. Many Dafen villagers were taught how to make oil paintings and a clever mass reproduction system was set up. Each painter specialized in a technique or a detail of a painting (e.g. cloud specialists, blue sky specialists, sea specialists etc.), and most paintings eventually were reproduced by a group of specialized painters. Dafen has grown into what is probably the world’s largest oil painting cluster, with an estimated 600 galleries and 8,000 painters producing about 5 million paintings each year: “Depending on your perspective, it is the art lover worst nightmare, or a wish come true” (Sinha, 2008, p. 78). Sinha even cites a Dafen entrepreneur already dreaming of the next stage: industrial mass production of paintings in assembly lines. While it is easy to become upset about this “mass copy art” from a Western point of view, we should also see the other side of the coin: Dafen painters earn a decent salary and their mass reproduction makes art accessible and affordable for lower income groups.

A similarly mixed blessing is the *shanzhai* economy which in Shenzhen is more present than anywhere else in China. Its epicenter is Hua Qiang Bei Street, full of shops and markets

selling cheap local counterfeit versions of global brands, looking only marginally different from the original. *Shanzhai* literally translates as “hideaway of mountain bandits”. It started in Shenzhen with redesigning mobile phones, but rapidly developed to a much broader and diverse economy and to some extent even a lifestyle. Keane and Zhao (2012) present this as having at least three faces: imitating and adapting original products, but also making products that often work better than the originals, and being associated by many Chinese with “counter-culture”, including “playful parodies of formal institutions and cultural meanings” (Keane and Zhao 2012, p. 217). Li (2011, p. 33) also warns against easy condemnations of *shanzhai* as a whole: “(...) we should differentiate good and bad *shanzhai* products, *shanzhai* cultures and *shanzhai* economies on a case by case basis”. With this more nuanced way of judging both Dafen and the *shanzhai* phenomenon, it becomes easier to understand why the City of Shenzhen has not discouraged or forbidden them, but gradually has accepted them as an integral part of its very own version of creative city development.

6. IS SHENZHEN ATTRACTIVE FOR CREATIVES?

Shenzhen’s creative city policies and strategies so far seem to be more about attracting and facilitating companies and investments than about making the city attractive for people working in creative companies or starting creative companies themselves. For creative companies, especially the larger ones, Shenzhen probably already is a very attractive place to locate. Shenzhen’s development as a Special Economic Zone brought along several business-friendly measures like low corporate taxes, relatively low land prices, incentives and advantages for foreign investors etc. Shenzhen has also invested heavily in its traffic infrastructure and accessibility. Initially this was mostly road infrastructure, making Shenzhen a city

dominated by car and bus traffic. Furthermore, a substantial subway network has developed, and Shenzhen is becoming increasingly well connected to other Chinese metropolises by high-speed rail. Although Shenzhen’s spatial expansion may be reaching its limits, there are still many locations left to develop or redevelop as attractive business locations, including many empty offices and factory complexes waiting for new functions. However, for companies, entrepreneurs and managers, creating an attractive living environment for their employees and for the entrepreneurs and managers themselves is just as important as creating an attractive business location. At this front, there may still be considerable room for improvement in Shenzhen.

In November and December 2012, the author was involved in an explorative study of housing needs and housing preferences of workers in Shenzhen’s creative industries. Short interviews were held with 35 people working in creative companies at four “creative park” sites in the city districts Nanshan, Shekou and Bao’an. The results of this study were presented in more detail in another paper (Bontje, 2013), but some of the most striking results should be noted here. Since the group of respondents was quite diverse in terms of creative profession, career stage and stage in the life course, their current housing situation, housing needs and housing preferences were also quite diverse. However, a clear division could be made between those already a bit more advanced in their labor market career and those at the very start of their career. Only those respondents that were already working in Shenzhen’s creative industries for more than a few years and were meanwhile earning decent incomes managed to find their way on the Shenzhen housing market easily. For those with higher incomes, Shenzhen has plenty of attractive apartments on offer. However, for lower income groups and even for many middle-income workers, it is very hard to find an affordable home that more or less

meets their housing needs and preferences. An unfortunate combination of two problematic factors applied to many of the interview respondents: not earning enough money to be able to afford an apartment on the commercial market, and not being eligible for public housing provided by the city government. The latter applies to two categories that both were well represented among the interview respondents: people earning too much for public housing (but too little to afford commercial market rents), and people with a low enough income to be eligible for public housing, but lacking the local Shenzhen urban *Hukou*.

The category earning too little for commercial market rents and too much for public housing is not a phenomenon exclusive for Shenzhen. Comparable groups of people in other East-Asian and Southeast-Asian cities like Hong Kong and Singapore have been described earlier as the “sandwich class” (Chiu, 2002; Eng and Kong, 1997; Lee, 1994); and in Hong Kong this name was even institutionalized in a housing program realized especially for this category. Mainland Chinese competitors of Shenzhen, like Beijing, Shanghai and Guangzhou, also have problematic housing markets for the middle class. In Shenzhen, the emergence of a middle class is of much more recent date, but the term “sandwich class” has recently become more common in housing debates there, too. In a recent urban design competition proposal in 2011, URBANUS identified this category as forgotten, but a considerable segment of Shenzhen’s population is still in need of affordable housing (URBANUS, 2011). Sometimes, apartment sharing solves the affordability problem, but that still leaves many not finding affordable and appropriate accommodation. The category with low incomes but without the Shenzhen local urban *Hukou*, meanwhile, solves its accommodation problems in other ways; ways that are strikingly comparable with those of the rural-urban migrants that came to work in Shenzhen’s factories since the early 1980s.

Many low-income creative workers, especially those in the earliest phases of their career, found a home in the urban villages, which often are the only affordable option for them. But the urban villages also have other attractions, like a good location close to a subway station or bus stop, closeness to their workplace or within reasonable travel time, and a lively atmosphere with lots of small companies and markets and many people on the streets – in that sense the urban villages may be more urban than large parts of the high-rise complexes built around them. This finding was confirmed in a recent research on labor migrants’ residential choice in Baishizou urban village, in which also a considerable share of the respondents appearing to work in the creative industries (Veeken, 2013). Other creative ways to find an affordable home in Shenzhen apply to university students and recently graduated working as interns or in other precarious contract situations. They often share apartments or even small rooms with fellow students or fellow recent graduates. For some of them this situation may only be temporary until they manage to realize the career they dream of. But for others, this career may remain a far-fetched dream. They may be considered as a part of China’s “ant tribe”: high educated and high qualified young people that have to settle for sub-standard living conditions and low-paying jobs in or outside the creative industries (Cook, Gu and Halsall, 2013). This is rather a problem of Chinese largest cities in general than of Shenzhen in particular.

7. CONCLUSIONS

While there is no doubt that the economy of Shenzhen is transforming from a manufacturing-dominated to a more high-tech and more service-oriented economy, it is hard to answer the question to what extent Shenzhen can already be called a creative city with a creative economy. Detailed statistical evidence on the creative industries as a whole and sub-sectors of it unfortunately is not

yet available, and the bits and pieces of evidence that are available in literature or on government sites do not add up to a comprehensive picture. It looks like the mapping of the creative industries as initiated in the UK in the late 1990s and soon followed by several other developed countries has not yet taken place in Shenzhen. This may be one of the first steps to take by the Shenzhen government to get a good overview of which creative sectors are already well represented and developed, and which creative sectors may need some further encouragement.

The Shenzhen government as well as the district governments seem quite committed to encourage and facilitate further growth of Shenzhen's creative economy, as becomes apparent from initiatives like funding for creative start-ups, a range of frequently organized events, designating several sites as creative parks, and the successful application for the UNESCO Cities of Design network as part of an effort of city branding. However, just like with the lack of comprehensive statistical data, there seems to be no comprehensive strategic policy package yet and no systematic evaluation of whether all these initiatives can be considered effective.

Finally, as discussed in Section 6 of the paper, so far the policy focus seems to be exclusively on creative companies and investors, while the creative workers as well as the possible creative talents of the future are largely neglected. So there may already be a set of measures that could be called a creative business policy, but not yet a creative city policy. To really become an attractive city not only for creative business but also for creative workers, Shenzhen's policies for creative business should be linked to its housing policies, especially targeting the lower and middle income groups with affordable housing projects. The urban villages, currently already becoming home for an increasing share of creative workers in early career phases, could play an important role.

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