• *Creative cities* – *Urban governance* – *Berlin*

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Paradoxes of the Creative City. Contested Territories and Creative Upgrading – the Case of Berlin, Germany

Paradoxien der „Creative City".
Umkämpfte Räume und kreatives Aufwerten – das Beispiel Berlin

With 2 Figures and 3 Tables

The paper emphasises the rising interest in creativity as a consequence of late-modern cultural economic change and as a means of urban regeneration. Based on a critical appraisal of related strategies, the case of Berlin, the German capital, is investigated empirically. Against the background of so-called "paradoxes" of creativity, two local areas of conflict are being discussed in more detail: first a riverside area that is under pressure of globalisation and gentrification ("Mediaspree"), second an inner-city street corridor ("°m-street") with creative occupation that currently suffers from urban degradation. The two cases demonstrate the different ways in which the new cultural economy is going to be spatialised. In this context, the paper draws some general conclusions on urban governance for the creative city.

1. Contextualising the Debate on Creativity, Space and Policies

Over the past decade, the creative city became increasingly popular as the solution to urban problems of many kinds: economic stagnancy, urban shrinkage, social segregation, technological innovation, global competition or more (*Florida* 2002, 2005, *Helbrecht* 1998, *Hospers* 2003, *Landry* 1996, *Scott* 2006a). The creative city thus serves as a future reference model for urban-economic development (*Drake* 2003, *Jes-sop* 1998). Such promotion of creative cities is based on the assumption that creativity in a city can be fostered, steered or governed in one or another way. This paper analyses the effects of an urban development model in the case of Berlin that is mainly driven by creativity and urban planning policies targeting creative people and creative branches.

For almost two decades the debate on creativity-based concepts has represented not only an increased search for appropriate concepts to trigger socio-economic and societal change. Thereby, the

discussion has tended to be rather unsorted: While the concept of the creative city (*Cohendet* et al. 2010, *Franke* and *Verhagen* 2005, *Hospers* and *van Dalm* 2005, *Landry* 2008, *Smith* and *Warfield* 2008) has been developed in the context of new forms of urban regeneration in UK, the cultural industries concept clusters various culture-oriented branches and has stimulated the public acceptance of creative sectors as a new branch concept (*Banks* et al. 2000, *Bassett* et al. 2002, *Bilton* 1999, *Gdaniec* 2000, *Hesmondhalgh* and *Pratt* 2005, *Hirsch* 2000, *Pratt* 2005, *Scott* 2004). In addition, the idea of the creative class comprises highly-skilled humans as core agents of creativity (*Florida* 2002, 2005, *Markusen* 2006). Thereby various understandings of creativity have come to the fore and have been articulated by different concepts: While the creative city concepts emphasise the notion of creativity as locally based social competencies that can be lifted for the purpose of economic and urban transformation, the creative class concepts understand creativity in a different way: as formal qualifications as well as spatial assets (atmosphere, social climate, tolerance, cultural amenities) that trigger attention and regional competitiveness. In contrast to these considerations, the cultural industries' understanding of creativity highlights the symbolic dimension to produce cultural artefacts as services for other markets. It was mainly this notion of creativity in the creative industries concepts that has reached the city marketing and economic developers seeking to promote urban potentials for cultural consumption and economic reasons (*Caves* 2000, *Cunningham* 2002, DCMS 1998, *Jarvis* et al. 2009, *Jayne* 2005). Especially the latter have been criticised widely due to an apparent marketisation of cultural values as well as to neoliberal practices. These were perceived as fostering competition among creative workers, destabilising collective union values and commodifying local competencies to the global market (*Indergaard* 2009, *Peck* 2005).

Nevertheless many critical contributions have also emphasised the highly ambivalent notion of creativity as a positive concept (*Althans* et al. 2008, *Hospers* 2003, *Lange* et al. 2008, *Löfgren* 2001, *Potts* et al. 2008, *Reckwitz* 2009) in times of a second modernity (*Beck* et al. 1996). It was argued that the concept gains structural power primarily by inventing its own narrative of being a "creative city". It is rather clear and a commonplace that the criteria for defining a creative city may differ from place to place, and that it is exactly this flexibility that makes the concept so attractive for city regions worldwide.

Following this deductive line of thinking, the paper approaches Berlin as a creative city because the city administration as well as many members of the cultural community have chosen this concept for representing mid-term urban development strategies. In this context, new modes of governing a city were emerging, based on three characteristics: first, the significant growth of the sector; second, a positive globally recognised image; and third, a policy related approach that acknowledges the importance of social networks for improving businesses. These are most notably modes of self-organisation as practiced in the cultural sectors, and entrepreneurial networks. Thereby, as we will discuss in the following, Berlin does not only represent a specific case of being a creative city. Furthermore, the city is emblematic for the invention of new steering modes and governance practices that we will approach in greater depth in two contrasting cases studies. Thereby we follow *Pratt* (2005, 2006, 2009) who had emphasised the variegated governance perspectives that take place in the process of formulating a new socio-economic basis for a city.

By discussing this assumption in the case of Berlin, Germany, our focus will be on creative industries, as they are practically approached as a branch concept and as the central socio-economic basis addressing a creative city. In contrast to positive neoliberal affirmation of creativity as the 'oil' of the 21th century, we will use the case of Berlin as a reference point for emphasising the power gap between urban planning on the one

hand and collective articulation opposing top-down creative city-policies on the other hand. The core questions of our paper are as follows: In how far can activities associated with the creative city become significant in terms of urban development? In what specific way is this process made subject to urban governance?

As a starting point, we will define our understanding of creative industries as the concept is applied in Berlin, as well as our understanding of governance. We will then discuss certain paradoxes in order to demonstrate how the creative industries are to be understood in the context of generic transformations of labour and forms of urban production. These paradoxes are an expression of the uncertainty that characterises today's urban economies in general and creative industries in particular (*Caves* 2000). Thereafter, we will demonstrate how the concept of governance allows to understand distinct power relations as they can be detected in two reference cases of urban development: a brave new riverside area that is becoming truly globalised and gentrified – "Mediaspree" in the eastern part of Berlin – and an inner-city street corridor which is already occupied by a significant number of creative firms, yet lacks the glance of the typical milieu and currently suffers from urban degradation: "°m-street" in the central district of Schöneberg.

2. Spatialising Creative Industries – Politics, Paradoxes and Governance

Creativity is increasingly considered relevant because of its generic urban focus, at least this is what many theories and empirical studies suggest (e.g. *Thiel* 2005). In this respect as well, there is an ambiguous notion of creativity to be noted: In the first instance, the model of the creative city is derived from the observation of locational preferences which many creative professionals have for urban or even inner-city areas (*Hutton* 2008). This urban bias of the creative industries

or "class" has already been interpreted as a potential driver of urban resurgence in general (*Florida* 2008, *Markusen* and *Schrock* 2006); at least, the related growth of such sectors stands in remarkable contrast to the demise of the inner city that has dominated urban discourses for long. Moreover, a creative city might not only focus on such specialised sectors yet also aims at developing creativity as a tool for urban development and revitalisation policies in general, if one follows *Landry's* account (*Landry* 2006, 2008). *Landry* emphasises the ability of urban agents to cope with change, pursuing a new, holistic thinking and interdisciplinary action undertaken to promote urban innovation. However, his collection remains rather broad, with limited attention paid to the explicit nature of urban problems and urban strategies, particularly in territorial terms.

With regard to urban economics, the idea of the creative city refers to the broader socio-economic changes in modern society that have occurred for two or three decades and which have been addressed by *Scott* (2006a) as the "cognitive-cultural dimension" of capitalism and urbanisation, or as the knowledge society, as it is also referred to. On the supply side of this production system, urban amenities and the locational advantages offered by dense agglomerations play a crucial role in setting creativity in place: "Cognitive cultural production activities […] are typically concentrated in dense locational clusters, yet their market reach frequently extends to the far corners of the world. […] Producers in cognitive-cultural sectors of the economy have a definite proclivity to agglomerate together in geographic space by reason of the external economies of scale and scope […] that flow from selected aspects of their joint operation in particular localities" (*Scott* 2007: 1469). As *Hutton* (2008) argues, much of what he has identified as 'new industry formation' takes place in inner cities, or core areas of metropolitan regions, to be more precise.

In contrast to the often enthusiastic perception of such creative developments in cities, *Scott*

(2007) also mentions the shady side of urban upgrading in the context of creativity: the incursion of middle- and upper-class residents into decaying inner-city neighbourhoods and the related displacement of previous occupants, namely of the working class, yet also of those who initially explored these areas for creative purposes but cannot stand the pressure of the associated increase of land values (e.g. artists) (*Smith* 2005). The particular nexus of regeneration and dislocation has also been investigated by *Indergaard* (*Indergaard* 2009) in the case of New York City's 'Silicon Alley' in Manhattan. Here a real estate-based policy has contributed to massive socio-spatial transformations, as an outcome of the territorial performance of the new economy firms, their demand for space and specific patterns of land regulation (e.g. zoning, subsidies).

In this context, this paper analyses the effects of an urban-based development model that is driven by creativity. Within this model, new governance modes are of importance aiming at grounding new policy requirements. The paper explores the assumption that urban creativity can be fostered, steered or governed in one or another way by means of new policy tools. To discuss this contention in the case of Berlin, we will make reference to certain paradoxes of creativity (*DeFillippi* et al. 2007). According to the authors, four paradoxes play a crucial role in the articulation of work practices and thus explain creative industries: the globalisation, identity, difference and distance paradoxes.

When addressing the 'globalisation paradox', as introduced by *Thelen* and *van Wijnbergen* (2003), the authors argue that all places are pushed towards the condition of a globally operating neoliberalism (*Thelen* and *van Wijnbergen* 2003). Focusing on the assumed territorial significance of creative cities and creative agents, the globalisation paradox addresses the ambivalence of newly emerging creative milieux and their practices of territorial embedding, oscillating between distinct local context for their

professional practices on the one hand and the necessity to have access to and be present on a global market (*Zhang* 2004).

The 'identity paradox' addresses the ambivalence between individual or collective careers, identities and reputations. From an analytical point of view, static concepts of entrepreneurship are considered not to be very productive because mavericks and outsiders as well as independent creative artists are the major protagonists of this market (*DeFillippi* et al. 2007). According to *Kosmala* (*Kosmala* 2007), understanding the nature of the work of artistic and creative agents in the field of creative industries is intertwined with different understandings of personality, identity and societal position.

The 'difference paradox' is about whether to craft or standardise organisational practices. It has for instance been elucidated by *Svejenova* et al. by looking at the famous Basque cook *Ferran Adrià* as an 'institutional entrepreneur' (*Svejenova* et al. 2007). They have pointed out how *Adrià* integrates the paradoxical demands for becoming and being a world-famous and commercially successful haute cuisine artist. In particular, he separates creative activities from day-to-day routines, spending six months away from his restaurant and experimenting in a laboratory-like atmosphere.

Finally, the 'distance paradox' highlights for instance how major music companies and their independents demarcate and maintain distinct spheres of influence. They embrace distance through boundary spanners and institutional structures that promote non-interference by each partner in the other's practices and distinctive competencies. Thus, record companies address their distinct competencies and interdependence through a distance paradox. In this way, they enact unique practices to their specific needs, while engaging in alliances (*Gander* et al. 2007).

The paradoxes of creativity can be understood as a framework for conceptualising the evolution,

growth conditions and also pitfalls of creativity-based urban development approaches. It ties up to the critical debate of the 'dark side' of creativity that has been emphasised by authors such as *Peck* and others (*Lange* 2005, *Peck* 2005) who have pointed at the neoliberal fundament that is inherent to the organisation and regulation of labour in the creative markets. According to *McRobbie*, revealing the popular message of a 'new entrepreneurship' as an outcome of rising creativity tends to overlook the many individualised strategies of earning a living and the associated detraction of labour from its social contexts (*McRobbie* 2002a, 2002b, 2005).

It is indeed the case of Berlin that has already confirmed the formation of such critical conditions in which creativity is being practiced. The particular Berlin-related role model of the new self-entrepreneur is characterised by both a high degree of formal qualification and precarious, unstable conditions of living at a time (*Manske* 2008). Given the contradictory and often obscure nature of the constituting mechanisms of creativity in a spatial context, framing creativity as a means of urban development and governance turns out to be quite difficult. Both analytical challenges, the paradoxes and contradictions of the creativity and the limits to pursue this as a strategy in urban policy, will be addressed by this paper in the case of Berlin.

3. Governance and Creative Industries

In political sciences, the term governance can be conceived of as a multiscalar collective action by private, public and corporate agents regarding public goods, spatially relevant resources, cultural values and action resources (*Healey* 2006, *Heinelt* 2004). By referring to *Koimann* (2003), we distinguish the term governance from government as follows: "governance" is what a "government" does. It might be a geo-political government (nation-state), a corporate government (business entity), a socio-political government (family etc.), or any number of different kinds of government, but governance is the physical exercise of management power and policy, while government is the instrument (usually collective) that does it. In general terms, governance occurs in three broad ways: First, through networks involving public-private partnerships (PPP) or with the collaboration of community organisations; second, through the use of market mechanisms whereby market principles of competition serve to allocate resources while operating under government regulation; and third, through top-down methods that primarily involve governments and the state bureaucracy.

Governance can thus be understood as a mode of decision-making which does not follow a top-down logic, but primarily focuses on processes of horizontal and vertical coordination. The groups of players involved are usually represented by a triangular scheme, including state, economy and civil society, forming collaborative strategies by handling unequal spatial resources. Scholars have mainly addressed the multilevel approach as a central element of governance practices, as well as its transboundary nature, its integrated perspective and especially a new division of labour between public and private (*Kooiman* 2003). In contrast to government, governance modes often do not possess a clear steering centre.

This concept allows for the examination of collective action, the spatial positioning, institutional setting and self-understanding within emerging economies, such as the creative industries. Hence it is the case of socio-spatial relations that are not equally given, but negotiated and debated by different actors, interconnected through power relations that create up/down or inside/outside dichotomies. These relations are constantly questioned, contested and renegotiated – in a more antagonistic way than the apparent consensus of governance suggests. They consist of relations of structural power with subsequent inequalities and are constant-

ly redrawn according to changing 'maps of power' or 'power geometries' (*Massey* 1999).

Very often urban planning strategies use creative terminologies (such as creative location, creative development etc.) in order to make new places attractive. In doing so, very often, negotiation-based approaches pursued by new and less established agents in city regions are incorporated in the overall strategy aiming at increasing the legitimacy and acceptance of these new strategies. Negotiations are necessary in order to form alliances and social networks ensuring visibility and attention with respect to public administration as well as within the private sector. At the same time, formalised and established public-private networks are often critically discussed because of their distant attitude toward these creative agents and their informal networks. On the contrary, these newly formalised network within creative industries often lack evaluation and transparency (*Balducci* 2004, *Kunzmann* 2004). Regarding such structural properties of creative industries, new forms of urban management come to the fore: Informal alliances between private and public stakeholders, self-organised networks to promote new products in new markets and context-oriented forms, such as branding of places, represent new forms of managing the urban. Thereby, cities are the sites of agency for the negotiation of future markets. This underlines the importance of the city for creativity (see *Lange* et al. 2011).
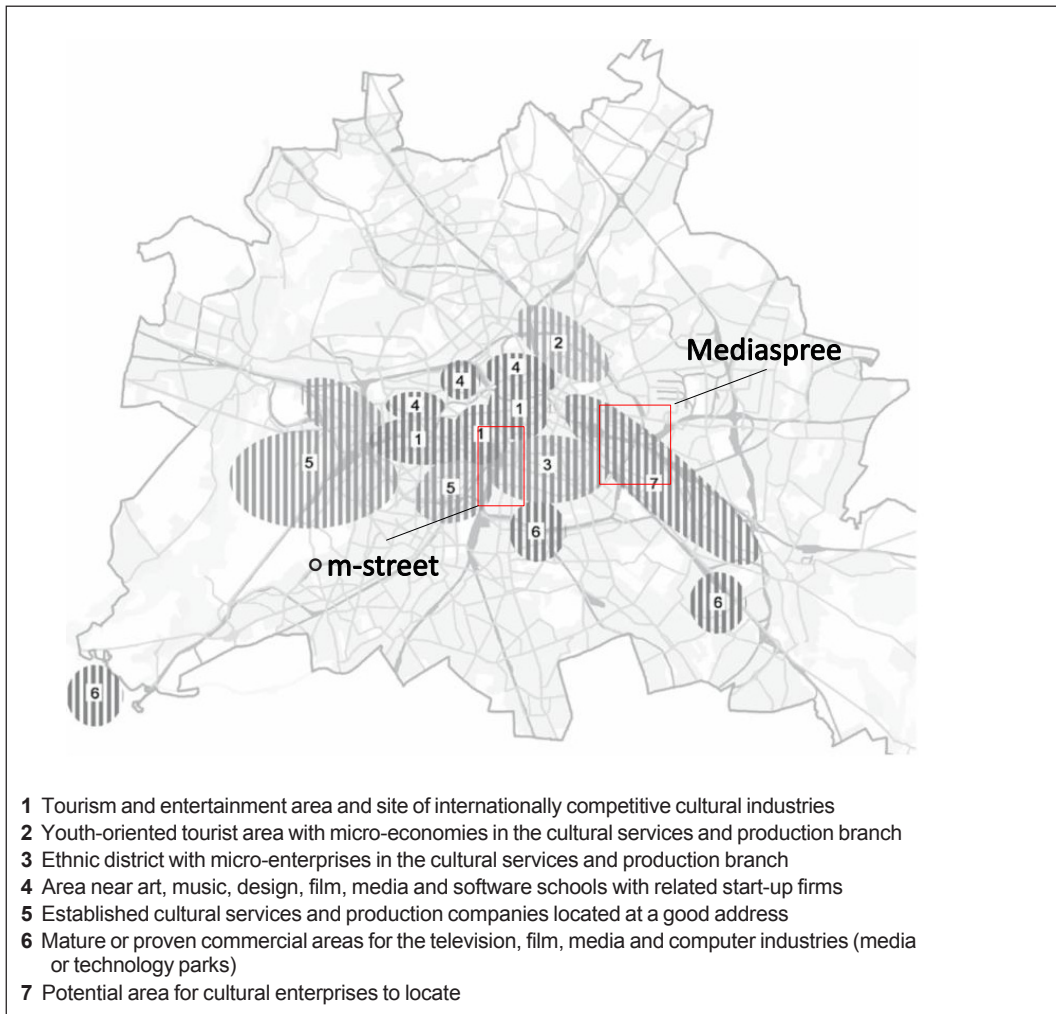
4. Berlin: a Creative City?

Paradoxes of creativity would not be detectable in Berlin once the issue is analysed through an official perspective. Instead, what is seen are several economic sectors and their spatial clustering within the city (*van Heur* 2009). In order to illustrate the related spatial-economic structure, a recent study from Berlin helps understanding the gap between common analytical tools (and the ensuing strategic recommendations) and the par-

ticularities of creative industries. In their review of Berlin's creative industries commissioned by the Berlin Senate Administration, *Ebert* and *Kunzmann* (2007) have defined seven types of 'creative spaces' (see *Fig. 1*).

The study conducted by *Ebert* and *Kunzmann* (2007) reflects the city government's attempt to plan for creativity and creative industries. A critical reading provokes the question whether this approach is helpful for understanding the driving forces behind the creative industries. Four objections have to be made: First, as a result of the given scale and the related abstraction of the map, it appears far too abstract for indicating the precise role certain places may play. Second, this kind of mapping gives us little information on the dynamics of creative industries. Third, the planning approach neglects the relational character of creative industries. Finally, it cannot address issues of governance, particularly related paradoxes. Besides the fact that suitable planning instruments do not yet exist to implement the measures proposed in the report, there are several unresolved governance problems indicated (regarding e.g. the legitimacy of newly selected branch representatives). The governance dimension is centred mainly around a social structural dimension that oscillates between the micro and the macro level, stretching from micro-enterprises balancing individual creative fulfilment with a distinct 'work ethos' (*Scott* 2006b: 2) over 'project ecologies' (*Grabher* 2001) and 'innovative milieux' (*Camagni* 1991) to the creative city.

In order to use Berlin as a case study, we need to take a closer look at the ways its significance for creative industries was constituted as such. In the early 1990s, shortly after reunification, there were quite euphoric expectations of population growth and economic upswing. However, Berlin's population stagnated at 3.4 million inhabitants and total employment did not increase, but decreased notably. Since 1991, for instance, Berlin lost about 200,000 jobs in the

Fig. 1 Creative spaces in Berlin (source: *Ebert* and *Kunzmann* 2007: 70, English legend and location of case studies added) / *Kreative Räume in Berlin (Quelle: Ebert und Kunzmann 2007: 70, englischsprachige Legende und Untersuchungsgebiete hinzugefügt)*

1 Tourism and entertainment area and site of internationally competitive cultural industries
2 Youth-oriented tourist area with micro-economies in the cultural services and production branch
3 Ethnic district with micro-enterprises in the cultural services and production branch
4 Area near art, music, design, film, media and software schools with related start-up firms
5 Established cultural services and production companies located at a good address
6 Mature or proven commercial areas for the television, film, media and computer industries (media or technology parks)
7 Potential area for cultural enterprises to locate

traditional industries, which amongst others caused an unemployment rate of about 13.2 per cent in 2012 (January). These structural challenges are by far not exceptional in the case of transformation. Yet, due to some Berlin-specific factors such as a relatively young and international population, a very moderate level of cost of living and an extremely high proportion of rent-controlled dwellings, Berlin was able to remain attractive over the last two decades.

In 2009 about 29,349 creative enterprises, predominantly SMEs, earned over 22.4 billion Euro in total revenue (*Tab. 1*; SenWTF 2012). Accordingly, creative industries account for about 22 per cent of Berlin's gross domestic product. More

Tab. 1 Creative industries in selected German metropolises, 2009 (Source: SenWTF 2012)
          Kreativwirtschaft in ausgewählten Metropolen Deutschlands 2009 (Quelle: SenWTF 2012)

	Berlin	**Hamburg**	**Cologne**	**Munich**
Firms	29,349	19,641	17,330	32,394
Turnover (k€)	22,408,148	21,320,589	18,663,407	82,185,415
Employees	122,660	108,440	84,545	176,126
Population*	3,460,700	1,774,224	1,027,504	1,364,920

* as of 2012

than 10 per cent of those employees registered by the national social insurance (excluding freelancers and independent contractors) work in various submarkets. With 159,829 employees (total workforce, see *Tab. 2*) – including freelancers and independent contractors – creative industries are pertinent to Berlin's job market. More recently, the number of employees registered by social insurance is declining, while the number of people working freelance and self-employed is obviously increasing to 39 per cent of the creative industries. From an economic point of view, Berlin has demonstrated that only few sectors in the creative field have developed positively, mainly design production, fashion and the music industry. Both the physical surroundings and the cultural space provide excellent conditions for promoting creative work and the development of innovative products. According to UNESCO's evaluation of Berlin's design industry, designers, fashion designers, photographers and architects enjoy artistic freedom, affordable office space and living costs, networks, as well as a public interested in design.

One of the key urban, cultural and economic developments in post-reunification Berlin is the emergence of a new hybrid of both cultural and entrepreneurial agents, the so-called "culturepreneurs" (see *Lange* 2007). The term culturepreneur is a compound of culture and entrepreneur and was first suggested by *Davies* and *Ford* (*Davies* and *Ford* 1998: 13), following *Pierre Bourdieu's* typological notion of an entrepreneur as someone who embodies various forms of capital (*Bourdieu* 1986: 241). Culturepreneur describes an urban protagonist who has the ability to mediate between and interpret the areas of culture and services provision. He or she may be characterised, first and foremost, as a creative entrepreneur, someone who runs clubs, record shops, fashion shops, galleries and other outlets, and who closes gaps in the urban landscape with new social, entrepreneurial and socio-spatial practices. Such intermediaries have increasingly emerged in the gallery, art and multimedia scenes in different European metropolises, foremost in London in the 1990s (*Grabher* 2001), forming new modes of self-governance.

Since the early 2000s, several regional headquarters have been relocated to Berlin, among them Universal Music, the world's largest record company. Universal's relocation made MTV Germany subsequently move from Munich to Berlin in 2004 into a nearby warehouse in the eastern harbour area. In the same year, Popkomm, an international fair for the music and entertainment industry founded in Cologne, moved to Berlin as well. These events strengthened the city's creative image-building. Consistent with these foci on 'culture' and 'creativity' was the first report on the

Tab. 2 Creative industries clusters in Berlin, 2009 (Source: Amt für Statistik Berlin-Brandenburg, Bundes-
agentur für Arbeit, DIW Berlin/SenWTF) / *Cluster der Kreativwirtschaft in Berlin 2009 (Quelle:
Amt für Statistik Berlin-Brandenburg, Bundesagentur für Arbeit, DIW Berlin/SenWTF)*

	No. of firms	Turnover in k€	Total workforce	Social security-employed	Marginally employed
Music industries	1,160	638,547	11,983	3,835	475
Book publishing	1,464	651,454	8,953	6,159	501
Arts	2,216	395,425	5,283	3,560	739
Film and video	1,747	808,704	11,522	4,690	1,123
Broadcasting	1,688	1,655,599	23,724	6,199	366
Performing arts	1,425	423,149	12,980	3,683	551
Design industry	3,390	667,201	10,582	4,280	954
Architecture	2,831	513,954	8,559	4,615	474
Press	1,998	3,114,777	11,081	7,092	755
Advertising	1,098	555,931	9,692	3,704	776
Software-/games industries	2,984	1,510,238	26,972	19,358	942
Other	3,483	1,896,340	18,498	11,528	2,063
Total creative industries	**25,482**	**12,831,318**	**159,829**	**78,701**	**9,718**
Information and communication technologies	5,413	7,900,237	51,233	40,860	1,948
Other	1,438	3,186,867	27,711	22,457	5,254
All clusters	**29,349**	**22,408,184**	**211,801**	**122,660**	**15,978**

cultural economy of Berlin in 2005 published jointly by the Senate Department for Economics, Technology and Women's Issues and the Senate Department for Education, Science and Research.

In institutional terms, Projekt Zukunft ('project future', www.berlin.de/projektzukunft), established by the Berlin Senate, and also the self-organised network CREATE BERLIN are important parts of the city's cultural landscape.

While Projekt Zukunft calls itself a 'link between policy and administration' optimising framework requirements for the city's IT, telecommunication and cultural economies, the self-appointed task of CREATE BERLIN – which is an initiative both by and for Berlin Designers – is to promote the creative variety of the Berlin design scene on a global scale. Thus the dynamics of creative industries in Berlin can best be described by their self-governance, including a struggle for new

forms of professionalisation. It is now widely accepted in the Berlin administration that improvements of context (urbanity, city branding) seem to be the only legitimate form of 'helping' creative agents. Visions of 'potential areas for cultural enterprises to locate' (cluster of type 7 in *Fig. 1*), as described by *Ebert* and *Kunzmann* (2007), seem to be disconnected from the reality of the evolution and paradoxical practice of creative industries in Berlin.

By presenting two contrasting cases, we will now focus on the way state-implemented policies may meet the desired level of creativity development or rather provoke the opposite. Our methodological frame is mainly guided by presenting two in-depth tales in order to allow for discussing the broad variety of possible outcomes of steering dilemmas once seeking for urban economic or social improvements through fostering the creative industries.

5. Spaces of Creativity: the Tale of Two Urban Projects

5.1 Data and methodology

The following two cases have been selected by means of minimal and maximal contrasts (*McGuigan* 2000), aiming at demonstrating firstly the variability and the peculiarity of reactions toward the positive concept 'creative industries'. Secondly, framed by similar thematic and semantic terminology to promote 'creative places', two rather different outcomes and modes of acceptance will be presented (*Knoblauch* 2005). In this regard, we are applying an approach of comparison to these two case studies which is close to the variation-finding methodology which aims at detecting systematic variation in the practices of urban governance in a broadly similar context (*Pierre* 2005). This approach is situated in the framework of intra-urban comparison. Regarding the

empirical data, activity networks in the context of two contrasting cases have been addressed on the basis of discursive materials such as written documents, press and media reactions to these projects as well as various stakeholder positions and their forms of communicative articulation. The heterogeneity of these discursive materials have been organised and interpreted in respect to the varying degree of legitimacy and acceptance these projects have received in the wider public realm. The assessment of these materials was complemented by on-site visits and a field exploration associated to teaching and a research seminar on creative urban development over a period of two years.

5.2 Mediaspree – contested waterfront development

"Mediaspree" is the synonym for a huge area located in the ekastern part of Berlin (see *Fig. 1*): It is considered to be one of the biggest investment projects in Berlin since the 1990s. It aims at locating ICT along the river Spree and seeks to transform related areas along both riversides. Many slots are either unused or only temporarily used and are thus targeted to be developed for office spaces, lofts, hotels and other facilities. Planning procedures started in the early 1990s but have been realised only partly so far, due to failed economic and demographic growth expectations. In order to adequately steer such a big project, the city administration founded the association Mediaspree e.V. in 2001, aiming at networking for investors and enterprises to potentially locate in this area. In this registered association, members of the state authorities as well as representatives of the district of Friedrichshain-Kreuzberg are also integrated. The landowners, investors and the district authorities handle the formal planning procedures. Starting in the core inner-city area, with successful restructuring projects such as Treptowers and "Speicher am Osthafen", hosting Universal and MTV, it is estimated that

15,000 workplaces were established until 2008. Because of the size of the area along the waterfront, the official planning has required public uses on the ground floor of the planned objects as well as a variety of uses between large and small units. Urban design is required to implement sophisticated architectural concepts and be connected to art and media facilities.

Since its official launch and during the first realisations in the 1990s, the Mediaspree project has been accompanied by critical debates arising from direct users, from social and cultural institutions as well as from critical researchers and independent architects. Under the umbrella of the so-called 'Initiativkreis Mediaspree Versenken!' (English: Initiative to sink Mediaspree!) the opposing coalition voted for keeping the banks of the river open, at a minimum distance of 50 metres to all newly planned buildings, and for restricting the height of the building to 22 metres. All these critical voices managed to force a successful public referendum in the district of Friedrichshain-Kreuzberg in 2008, leading to a rejection of the plans, with 87 per cent of the respondents voting for Mediaspree versenken!.

Related planning directives are in the hand of the district of Friedrichshain-Kreuzberg. In contrast, the state of Berlin has developed a so-called Planwerk
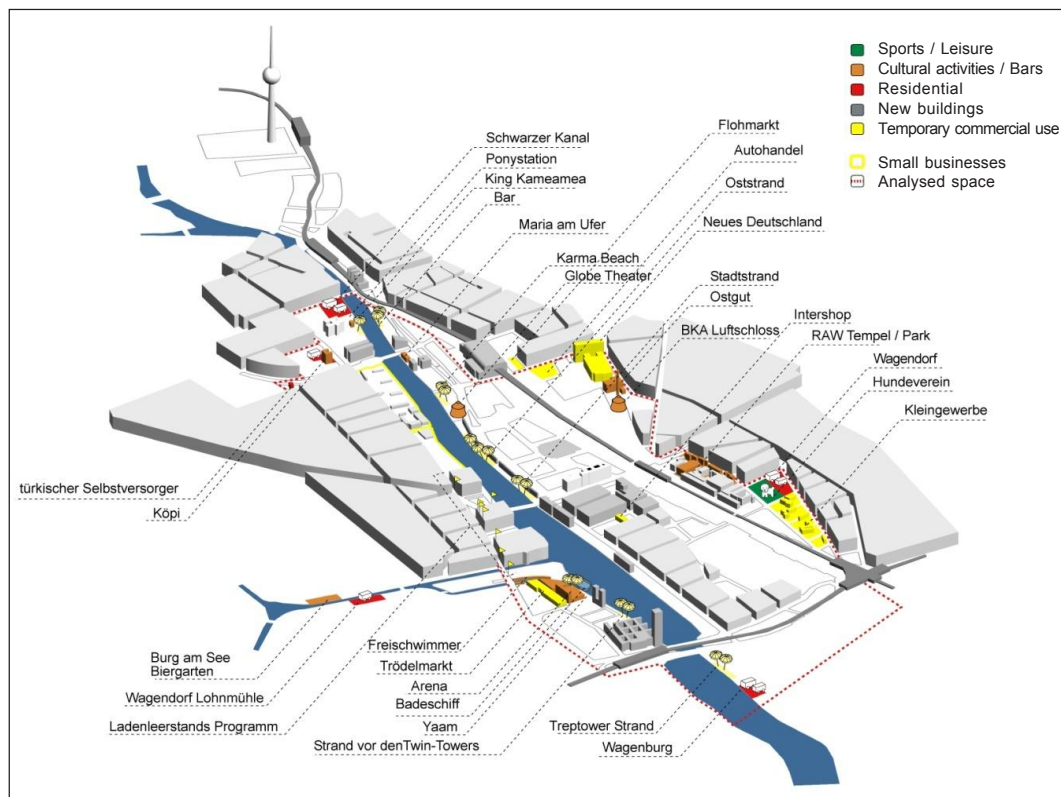

Fig. 2 Mapping of temporary uses along the Mediaspree area in 2007 (Source: Studio Urban Catalyst, *Klaus Overmeyer* 2007) / *Zwischennutzungen im Bereich der Mediaspree (Quelle: Studio Urban Catalyst, Klaus Overmeyer 2007)*

that proposes to keep a strip of 10 metres along the banks open. After the success of the referendum in Summer 2008, Liegenschaftsfonds and district authorities started to negotiate the width of the banks (20 to 30 metres), while retaining the planned density of the planned office and housing blocs. The state pressed the local district to stick to the first planning ideas, basically ignoring the political will of the residents of Friedrichshain-Kreuzberg.

Critical voices mainly addressed potential impacts of these waterfront developments. It is feared that longstanding residents have to pay higher maintenance costs that are strategically placed in order to gentrify the surrounding residential area. This becomes increasingly visible in the case of the O2 Arena which has been developed on the adjacent side of the waterfront and is considered the nucleus of a new urban district. What is labelled as upgrading of the whole area is considered as deliberate misinformation. Apart from that, critics focused on the growing privatisation of public spaces and the top-down urban renewal process, not respecting the demands and fears of the residents. Mediaspree e.V. was criticised to be a client and a communication partner mainly for projects and investors, not for public interest. Critical voices also pointed to the very fact that infrastructures such as roads, bridges and lighting are financed with public money, silently subsidising the Mediaspree development. Critics also bemoaned large subsidies that the state had paid to bring MTV and Universal Music to Berlin. Especially temporary uses along this area have forced many cultural institutions in Berlin to emphasise the relevance of alternative cultural projects like Schwarzer Kanal, Köpi and YAAM or former techno dance-clubs such as Ostgut or Casino. *Figure 2* reveals existing entrepreneurial, cultural and societal initiatives around the central part of the Mediaspree development area.

These cultural, mostly small- and medium-sized economic initiatives motivated the public initiative Mediaspree versenken to opt for "Spreeufer für alle!" (English: "Spree banks for all"). The initiative organised information events and so-called *Kiezspaziergänge* (English: walk-ins) against the development plans. The public initiative Mediaspree versenken! is co-ordinated by an Initiativkreis (English: steering circle) which is mainly constituted by the more pragmatic AG Spreeufer as well as the left-wing AG SpreepiratInnen. Furthermore the public initiative is strongly interested in keeping the banks open, green and as cultural spaces with mixed uses. Remaining land reserves should be parcelled out in order to allow many different users to start non-commercialised, cultural initiatives. The local district is accused of simply privatising public real estate. It is feared that creative industries for urban upgrading lead to rising rents and increased unequal development of the city and help devaluating public culture.

5.3 "°m-street", Schöneberg district

In some distance to the apparently "hip" or "cool" places located in the central districts of Berlin, a traditional working-class area in the district of Schöneberg is currently subject to further developing the potential of creative industries and services. The backbone of such activities is Potsdamer Straße, the southern extension of the Potsdamer Platz area in Berlin-Mitte, only a few kilometres away from the city centre. Potsdamer Straße was already a centre of media firms and related activities in the early 20th century. After the fall of the wall, the district became repositioned and gained new centrality.

Today, the western and eastern sides of Potsdamer Straße host about 400 firms from the cultural economy and the creative field. These companies comprise a broad range of firms from the TV and film business, graphics, design and layout, IT and also advertising, marketing and PR, most of them having started either in the 1990s or even in the new Millenium. However, the area

has become highly attractive for creative industries due to its central location and its relatively low rents, compared to the hot spots in the district of Berlin-Mitte or along the river Spree in Friedrichshain. Among the firms settling at Potsdamer Straße, Bülowstraße and in related neighbourhoods, the following were predominant: film producers, theatre and TV production firms, design and graphics firms, music or film/video media production and advertising, marketing and public relations, according to a 2005-survey commissioned by the district administration (*Suárez* 2005). About a quarter of the firms comprise freelancers, whereas the large majority belongs to the SME category.

The survey also examined the advantages and disadvantages of the area, judged from the businesses' point of view. Low rents and high availability of appropriate space, and the excellent accessibility and centrality of Potsdamer Straße are considered major benefits provided on-site. Although the response appears to be somehow confusing and contradictory, proximity to other firms of the same or related businesses is welcomed, thus allowing for to keep certain network effects going. Asked for tipping at the most important weaknesses of the area, the poor performance of its retail composition, the related high vacancy rates and low standard shopping opportunities, and also the high frequency of shop closures were mentioned.

Given the dominance of discount stores and fast food restaurants in public space, high-motorised traffic and the substantial overall lack of flair of the neighbourhood, Potsdamer Straße is subject to a variety of area-based strategies and measures that are undertaken by the district administration jointly with civil society associations, advocacy groups and corporations. In 1999 parts of the northern district of Schöneberg were designated a "disadvantaged quarter", based on socio-economic performance, integration issues and demography. This applies to an area

almost 70 hectares large, with about 17,000 inhabitants of which circa 40 per cent are non-German residents, about 60 per cent having a migratory background. In response to this challenge, a special "*Quartiersmanagement*" (neighbourhood management) for the north of the Schöneberg district has been initiated by the Senate and district administrations, according to the Berlin-specific model of social urban policy introduced ten years ago. The neighbourhoods receive an own budget for certain measures; related expenses can be decided in the responsibility of a neighbourhood council, consisting of administrative and civil society representatives (cf. Bezirksamt Tempelhof-Schöneberg von Berlin/AG SPAS 2009).

Given this urban context, the nexus of creative industries and socio-spatial composition stands in stark contrast to the prototypical quarters that host the creative class, as it seems to be the case with Mediaspree. Insofar the north of the Schöneberg district offers an unusual arena for urban policy in the creative field. Since 2005/2006 the economic development division of the district administration of Tempelhof-Schöneberg has pursued the promotion of media firms, freelancers and consultants that are located at Potsdamer Straße and in its vicinity. On the one hand, the specific potential provided by this location seems to be the mix of old (newspaper, book publishing, film) and new (web, advertising, design) creative firms and agents, nested in a system of localised interdependencies (*Bückner* 2007). On the other hand, neither density of firms nor the emergence of truly interrelated networks do keep what the place promises on the surface of events. As yet, the Potsdamer Straße network is far from what research has identified as a cluster and what policy targets at in terms of economic development: high productivity, strong growth, close relations and specifically dense patterns of communication.

Based on the potential given by the agglomeration of creative industries in this area, and having in mind the poor shape and reputation of the area as

Tab. 3 Value chain in the °m-street film business (Source: own after *Brückner* 2007) / *Wertschöpfungs-kette der Filmbearbeitung in der °m-street (Quelle: eigene nach Brückner 2007)*

Type of activity	Number of firms
Professional education	8
Film production – economic development, consultancy and advice	10
Pre-production	9
Shooting	57
Post-production	4
Sales / marketing distribution, cinema / TV festivals, events	19

a whole, the district's economic development aims at establishing a closer association of media firms and related corporate activities, in order to improve both the economic prospect and the overall urban development condition. For these purposes, "°m-street" has been established: a local network of firms, consultants and free-lancers, a joint platform for better advertising the locale. °m-street receives strong support by the district administration, among others financial subsidies provided by the European Fund for Regional Development (EFRD) of the European Union. The members of the network convene on a regular basis, both informally and by organising conferences, for instance concerned with professional education and fairs or receptions. On-site meetings at selected member firms are used to strengthen the ties within the network and to establish personal contacts among the group, which is held important both for business and community reasons. The network has introduced the position of a "location scout", usually concerned with seeking appropriate sites for placing film sets in the right scenery. The scout is dedicated to act as a broker, mediating between the demand for commercial space and local supply, thus aiming at attracting firms from outside the area to move here.

One of the core value chains operated by firms on °m-street is concerned with the movie and TV business. A total of 107 business units (firms, free-lancers) were registered in that area in the mid-2000s, dealing with pre- and postproduction, shooting, sales & marketing and distribution actitivies (see *Tab. 3*). This comprises 26 per cent of the whole network, being the largest sub-sector of the creative economy on °m-street. However, the analysis concludes that 1) the modes of corporate interrelation are predominantly based on competition rather than collaboration, and 2) in the case of collaboration, firms at any spatial scale are included. As it is often the case in cluster developments, co-operation is by far not confined to partners located on °m-street (*Brückner* 2007).

6. Two Cases in Contrast: The Paradoxes of Creative Upgrading

6.1 Governance modes and divergent dynamics

In this section we will synthesise the findings and interpret them regarding governance modes, the observed dynamics and related to the paradoxes

of creativity introduced earlier, with respect to local initiatives to steer, promote and orchestrate creative industries as such. The two cases represent different ways the creative industries are spatialised, provoking strong opposition in one case and actually unavailing growth in the other.

Berlin's particular position in the context of creative industries can be considered a direct result of both its own political-economic restructuring and of being part of the global reorganisation of labour in symbolic economies. In the case of Mediaspree, a clear top-down approach can be observed, blocking the endogenous and self-organised potential of creative agents in that area. This demonstrates the contradiction produced by urban development strategies which locate global players (e.g. Universal) in certain districts, where active and lively creative scenes have themselves propelled a globally recognised image of a small and independent music industry, as it is the case in the districts of Kreuzberg and Friedrichshain (*Scharenberg* 2005). Furthermore, this approach represents a model of urban development where big structures and large masterplans seem to be the norm for coping with urban change, economic and spatial transformation. Large nuclei such as MTV along the Mediaspree project are expected to make the area globally attractive. The existence of small economic and cultural niches is thereby overlooked by the growth regime of the 1990s, when Berlin was expecting to regain economic power anew.

In contrast, activities undertaken on °m-street are actually based on a modern, co-operative understanding of political steering. The practiced model of governance seems to follow a rather bottom-up approach. However, it remains open whether the initiative will be able to successfully link the creative industries and its potential for economic development with the particular strategy of urban re-development and cohesion pursued by the *Quartiersmanagement*. The two different spheres are only loosely intercon-

nected, although °m-street is considered an integral component of the employment and economic development layer of the *Quartiersmanagement's* activities. Personal overlaps in the responsibility for measures in both sub-sectors may ensure an interconnected view of the problem. However, even the businesses on °m-street appear only weakly tied together, which can be understood as a consequence of the strong vertical – rather than horizontal – co-ordination of the different units of the value chain. It thus confirms the critical analysis of the creative cluster phenomenon by *van Heur* (2009: 1548) in the case of Berlin's music industry, stating that spatial concentration effects are more an outcome of imaginaries and discursive selectivity, rather than material linkages that may lay the ground for local governance opportunities.

The case studies reveal divergent strategies of incorporating branch-, milieu- as well as network-based dynamics that hardly allow assuming a coherent and integrated urban development. In the case of Mediaspree, the top-down planning approaches imposed by the federal state government have underestimated the well-organised potential of two districts to oppose against it, that of Friedrichshain and that of Kreuzberg. The latter district is characterised by a milieu that has been exhibiting particular forms of political, social and cultural opposition against any dominant regime since the 1960s and 1970s (either for political or economic reasons). The district of Friedrichshain on the opposite bank of the river Spree has been the centre of the 1990s upheaval against in-migrating middle-class residents, global real estate developers and gentrification processes. Both contexts have established suitable forms to oppose any dominant regime and thereby developed almost professional communication structures, intermediary institutions that "know" very well how to oppose against potential disadvantages for their quality of life (e.g. access to the waterfront). Taking these social milieux and their competencies into account, political upheaval

could have almost been foreseen and expected, yet has in fact been ignored by policy-makers from the very beginning.

In the case of °m-street, the way the different members of the network interact appears to be more randomly organised, rather than being an outcome of strategic collaboration along the value chain. Given the significant occupation with creative industries and media firms, it is somehow surprising that the Potsdamer Straße area was not included in the Berlin Kulturwirt-schaftsbericht 2008, published by the Mayor of Berlin jointly with the Senate administrations for economics and for urban development. Potsdam-er Straße appears to be of relatively minor im-portance as it does not represent a hot spot of the milieu. Although the Senate administrations are involved in the district's activities to further promote the °m-street network, this particular initiative is not yet on the screen of the mediat-ed perception of the creative industries. This may be a matter of broader marketing and visualisa-tion of the network, and might also relate to its limited overall size, compared to the larger as-sociations of creative firms in districts such as Berlin-Mitte or Friedrichshain.

6.2 Conclusion: Paradoxes of creative industries in Berlin

By referring to the heuristic framework of *De-Filippi* et al. (2007), we can apply the paradoxes of creativity to the case of Berlin. The analysis of the Mediaspree project reveals that self-organised governance approaches have been ignored by public authorities and not been considered a seedbed of coherent and site-specific governance. The two cases in Berlin highlight that creative industries are character-ised by an emerging culturepreneurship, new flexible networks of labour and entrepreneur-ship, embedded in a distinct urban environment. The dynamic pattern observed in the context of

Berlin's creative industries (e.g. the urban eco-nomic niches along Mediaspree) concerns the various modes and importance of self-govern-ance (*Koimann* 2003). These modes express the governance of new economic as well as so-cial standards targeting creative 'objects' that are of a rather different constitution. They are perpetually changing, instable, highly mobile and operating in temporary projects.

The related emergence of the 'culturepreneur' is one possible answer to this growing hybrid-isation: a flexible and precariously employed ur-banite caught between the paradoxes of differ-ent systems: on the one hand a state and admin-istrative body that by and large follows a rather standardised approach to organise and plan la-bour directly on the ground of a given territory. On the other hand, the market constitutes itself far beyond administrative borders. In response to this discrepancy, culturepreneurs create their own relational spaces of interaction where bor-ders tend to become blurred: competition and cooperation, exchange and isolation, private and public, work and leisure co-exist and are hard to tell apart. They invent forms of self-organisation to gain access to power structures, based on in-formal conglomerates and extensive networks. Furthermore, in the case of implementing global-ly oriented creative industries by large urban de-velopment initiatives, such initiatives can easily trap in the upheaval of local regimes. By using the global-local paradox, introduced by *DeFillippi* et al. (2007), the mutual limitations of global as well as local regimes, their interdependencies and identity constructions become obvious.

The identity paradox points to the phenomenon of "conditional independence" (*Baecker* 2004: 236). "Conditional independence" refers to the central mechanism in dealing with different interests in non-hierarchical contexts: the vol-untary renunciation of existing options for ac-tion in respect of achieving a common goal. This is particularly true in complex negotiation proc-

esses where different stakeholders are involved and not part of a hierarchical structure, thus being mutually independent and not bound to instructions, for instance in the case of private-public partnerships in Mediaspree. This has clearly led to an intense clash of interest and – in the case of Mediaspree – has stopped the project so far. Committed to pursue a common goal, all parties need to reflect on their individual interests and their social identity, if they are willing to share the potential benefits of the project. In the case of negotiations, this may come to a stop, which – in the case of °m-street – has led to a quite different evolution of the project. As a consequence, viscous negotiations should have taken place in the case of Mediaspree in order to optimise individual strategies in a non-hierarchical environment, because there is no way of overruling decisions of individual agents by a legitimate authority. Without the mechanism of "conditional independence", any governance structure will inevitably lead to endless talks and delimit the possible range of constructive results.

Again, in the case of Mediaspree, the globalisation paradox points to the contradiction between the abstract logic of the desired return on investment and the local logics of urban space. This contradiction accompanies any major urban development under market conditions; however, this argument contrasts the conventional belief of local embeddedness and related impacts of the creative industries. The same applies to the top-down planning approach practiced in the case of Mediaspree. Its implicit driving forces do not successfully match with the targeted local potentials on the one hand. On the other hand, the limitations and constraints for closely connecting creative industries and local urban development goals became highly visible in the contrasting case of °m-street. By referring to the paradoxes of creative industries, our aim was not to criticise the way of dealing with creativity by constructing a bubble coined crea-

tive city, but particularly to ask for the organisational logics that are inscribed in specific projects, its spatial context as well as its branch specifities. Therefore, the internal logics of distinct governance modes could be demonstrated.

The findings also reveal that linear economic growth expectations are unlikely to be fulfilled at both areas. Success or failure, even the acceptance of these projects, may primarily depend on skilful governance structure. Thereby, a professional elite including consultancies, researchers and planners as well as political decision-makers has to reconsider their level of reasonable expertise in order to adequately promote these kind of projects. Under the conditions of highly unstable markets, specific solutions (which have been previously tried and tested on-site) are becoming increasingly significant in order to guarantee political, planning and financial investment. Distinct urban solutions pursued by the cultural entrepreneurs seem to be more relevant than the standardised ones global enterprises refer to when acting locally. However, it remains a big challenge to couple the urban potential with new, mostly self-governed working spaces.

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Summary: Paradoxes of the Creative City. Contested Territories and Creative Upgrading – the Case of Berlin, Germany

The paper depicts the rising interest in creativity as a consequence of late-modern cultural economic change and as a means of urban regeneration. Based on a critical appraisal of related strategies, the case of Berlin, the German capital, is investigated empirically. Against the background of so-called "paradoxes" of creativity, two local areas of conflict are discussed in more detail: first, a riverside area that is under pressure of globalisation and gentrification ("Mediaspree"), second, an inner-city street corridor ("°m-street") with creative occupation that currently suffers from urban degradation. The two cases demonstrate the different ways in which the new cultural economy is going to be territorialised. In this context, the paper draws some general conclusions on urban governance for the creative city.

Zusammenfassung: Paradoxien der „Creative City". Umkämpfte Räume und kreatives Aufwerten – das Beispiel Berlin

Ausgangspunkt dieses Beitrags ist die gestiegene Aufmerksamkeit, die das Thema Kreativität in jüngerer Zeit erfahren hat, sowohl im Kontext eines Wandels hin zur Herausbildung einer „Kulturwirtschaft" als auch mit Blick auf städtische Regenerierung. Im Zentrum einer kritischen Analyse steht hier das empirische Beispiel der deutschen Bundeshauptstadt Berlin. Vor dem Hintergrund der Diskussion sogenannter Paradoxien von Kreativität werden zwei städtische Teilräume eingehender dargestellt: das innerstädtische Spreeuferterrain „Mediaspree", das seit geraumer Zeit Gegenstand globaler Standortstrategien von Medienunternehmen ist und in dem Aufwertungstendenzen sehr kritisch diskutiert werden, sowie ein innerstädtischer Straßenkorridor („°m-street"), an dem die Ansiedlung kreativer Unternehmen der gezielten urbanen Aufwertung dienen soll. Die beiden Fälle demonstrieren, wie unterschiedlich sich der Kreativsektor räumlich niederschlägt. Der Beitrag schließt mit einigen Konsequenzen in Bezug auf die urbane Governance der Kulturökonomie.

Résumé: Les paradoxes des villes créatives. Lieux/ territoires contestés et revalorisations créatives – le cas de Berlin, Allemagne

Dans le contexte du développement de l'économie culturelle et des stratégies de revitalisation urbaine, le sujet de la créativité suscite de plus en plus d'attention. Ainsi, le point de départ du présent article est l'observation de certains « paradoxes » de la créativité. Afin de faire une évaluation critique des stratégies qui en résultent, l'analyse empirique se concentre sur le cas de Berlin, la capitale allemande. Faisant référence à la discussion des dits « paradoxes », deux quartiers seront étudiés plus en détail : premièrement, les terrains le long des rives de la Spree, « Mediaspree », faisant l'objet d'implantations d'entreprises de médias et, simultanément, de critiques suite au processus de gentrification concomittant. Le deuxième exemple est constitué par la « °m-street », un corridor de rue situé dans un quartier central délabré, pour lequel l'attraction d'entreprises créatives constitue une stratégie de revalorisation. Ces deux cas montrent que le secteur créatif peut se matérialiser de manière très différente et conduire à des effets spatiaux très divergents. L'article conclut avec la discussion de quelques conséquences concernants la gouvernance urbaine pour la ville créative.

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