
Research Paper

Berlin's Creative Industries: Governing Creativity?

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ABSTRACT This paper aims at discussing the issue of governing creativity exemplifying the case of Berlin. Berlin has a fast growing creative industry that has become the object of the city's development policies and place marketing. The core question is: What are the spatial-organizational driving forces of creativity in Berlin—can they be steered by public administration? The point of departure of this paper is the four “paradoxes of creativity” formulated by DeFillippi, Grabher and Jones in 2007 that describe organizational dilemmas linked to epistemological problems of the study of creativity. For our analyses, we refer to and make use of the various existing databases and recent studies on Berlin's creative industries, in particular the attempts of the Berlin Senate to assess the economic contribution of creative industries. We will show the potential for self-organization—and thus self-governance—of creativity and creative industries in Berlin. This potential is linked to the activities of communities of practice that make use of Berlin's specific urban fabric. The “paradoxes of creativity” that have become obvious in the case of Berlin's creative industries concern, for instance, the tension between the autonomy of creative production, on the one hand, and the necessities of professionalization on the other. The local communities of practice—of which most of Berlin's creative industries are made—serve both as quality evaluation circles and drivers of creativity and innovation.

KEY WORDS: Berlin, creative industries, place making, self-governance, communities of practice, professionalization

1. Introduction

The international discussion on urban development in the past few years has been dominated by an imaginative and self-projected representation of the so-called creative city (Landry, 1996; Helbrecht, 1998; Florida, 2002b, 2005; Hospers, 2003; Scott, 2006a). Almost unquestioned, it is supposed to be the solution to urban problems of many kinds:

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economic stagnancy, urban shrinkage, social segregation, technological aging, global competition or more. The creative city serves as a future reference model for urban development (Jessop, 1998; Drake, 2003).

The promotion of creative cities is more or less explicitly based on the assumption that creativity in a city can be fostered, steered or governed in one or another way. To discuss this assumption in the case of Berlin, we will take as reference the so-called paradoxes of creativity. Our focus will be on creative industries, as they are considered the socio-economic basis of a creative city—not only in Berlin.

We are using Berlin as a reference case to articulate the gap between “urban planning” on the one hand and the logic of creative industries on the other. The core question of our paper is: What are the spatial-organizational driving forces of creativity in Berlin? Can they be steered by public administration? It is not the success or failure of planning attempts that we shall be questioning, but rather the assumptions that form their theoretical background. The concept of paradoxes will be used as a point of reference to demonstrate how the creative industries are to be understood in the context of transformations in labor and forms of urban production. These paradoxes are just another expression of the “uncertainty” that characterizes today’s urban economies in general and creative industries in particular (Caves, 2000).

DeFillippi *et al.* (2007) have highlighted four major paradoxes that play a crucial role in the articulation of work practices and thus explain the nature of creative industries. In this paper we apply these paradoxes to better understand the novelty of creative industries as well as the way they are situated in the urban context. (a) The “Globalization Paradox” addresses the impact of globalization on labor in the advanced industrial countries, (b) the “Identity Paradox” highlights the ambivalence between individual or collective careers, identities and reputations, (c) the “Difference Paradox” is about the dilemma between crafted or standardized organizational practices and (d) the “Distance Paradox” refers to the coupling or de-coupling of creative and routinized work.

The “Globalization Paradox” argues that all countries are pushed toward the condition of a globally operating neoliberalism (Thelen, 2003). Focusing on the territorial dimension of creative cities and creative agents, the “Globalization Paradox” addresses the ambivalence of newly emerged creative milieus and their territorial embedding practices, 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 second paradox, namely, 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 in this market (DeFillippi *et al.*, 2007). According to Kosmala (2007), understanding the nature of work of artistic and creative agents in the field of creative industries is intertwined with different understandings of personality, identity and societal position.

The third paradox, the “Difference Paradox” is about whether to craft or standardize organizational practices. It has, for instance, been elucidated by Svejnova *et al.* by looking at the famous Spanish cook Adrià as an “institutional entrepreneur” (Svejnova *et al.*, 2007). They pointed out how Adrià integrates the paradoxical demands on becoming and being a world famous and commercially successful haute cuisine artist. In particular, he

separates creative from day-to-day restaurant activities, spending 6 months away from his restaurant and experimenting in a laboratory-like atmosphere.

The last paradox, the “Distance Paradox” highlights, for example, 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 interdependence through a distance paradox—demarcating and maintaining distinct competencies. In this way, they enacted unique practices to their specific needs, while engaging in alliances (Gander *et al.*, 2007).

In Berlin, as in many cities worldwide trying to foster creative industries, newly established markets incorporate new logics and “formation rules”, rarely acknowledged by public authorities. So looking at creative industries in Berlin through an official eye, many potential paradoxes of creativity are not detectable (see the Appendix). Instead what is communicated and highlighted are several economic sectors and their potential clustering within the city body. To illustrate this, we shall refer to a recent study from Berlin, which helps us understand the gap between common analytical tools (e.g. occupation statistics, gross domestic product, etc.)—in this case the mapping of spatial clustering of creative fields—from where strategic guidelines and recommendations ensue. In their review of Berlin’s creative industries, Ebert and Kunzmann have defined seven types of “creative spaces”.

The study by Ebert and Kunzmann (2007) is based on their work for the Berlin Senate and reflects the city administration’s attempt at planning for creativity and creative industries. Though the mapping itself may be quite accurate, what we question here, is whether the information given is helpful in understanding the driving forces behind the creative industries. Three objections have to be made.

Firstly, this type of mapping gives us little information on the *dynamics* of creative industries. Secondly, the planning approach neglects the *relational character* of creative industries. Thirdly, it cannot address issues of *governance*.

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 involved. This is where the introduced paradoxes of creativity might facilitate different governance approaches. The governance dimension, in our perspective, centers mainly around a social structural dimension that oscillates between the micro and the macro level, stretching from micro-enterprises balancing individual creative fulfillment with a distinct “work ethos” (Scott, 2006b: 2) over “project ecologies” (Grabher, 2001) and “innovative milieus” (Camagni, 1991) to the creative city.

The core question of our paper was: What are the spatial-organizational driving forces of creativity in Berlin—can they be steered by public administration? After an introduction of the paradoxes of creativity and the case of Berlin, the paper will firstly address conceptual issues: defining creative industries (Section 2.1) and the debate on governing creative industries (Section 2.2). Then we will refer to the case of Berlin from where to analyze and discuss:

- the macro view of how Berlin has been “created” as a creative city (Section 3);
- from macro to micro: the governance of place (Section 4).
- the dynamics of creative industries: self-governance by culturepreneurs (Section 5);

- the relational character of creative industries: professionalization (Section 6).

The discussion will come back to the paradoxes of creativity and emphasize the dynamic pattern we observe in the context of Berlin's creative industries.

2. Concepts: Creative Industries, Governance

2.1. Defining Creative Industries

2.1.1. Defining creative industries the common way. The city administration of Berlin defines creative industries as a profit-oriented segment covering all enterprises, entrepreneurs and self-employed persons producing, marketing, distributing and trading profit-oriented cultural and symbolic goods (Senatsverwaltung, 2005). This way, commercial sections of publicly financed cultural institutions such as museum shops are also part of the creative economy's business sector. Creative industries in this understanding include advertising, architecture, the art market & design, film & TV, software & telecommunications, music, the performing arts as well as the publishing & book market.

In 2005 around 22,600 creative enterprises, predominantly small and medium-sized enterprises (SMEs), earned over 18.6 billion euro in total revenue (Senatsverwaltung, 2005). This means companies from Berlin's creative industries make up around 20 percent of Berlin's gross domestic product. More than 8 percent of those employees who are required to pay national insurance contributions (excluding freelancers and independent contractors) work in the various submarkets of Berlin's creative economy. With approximately 167,000 employees—including freelancers and independent contractors—creative industries are pertinent to Berlin's job market. In the last couple of years, the number of employees subject to social insurance contributions is declining, while the number of people working freelance and self-employed is obviously increasing to 39 percent of the creative economy's working potential.

2.1.2. Defining creative industries the other way. Creative industries cannot only be defined as branches, for example, of design, architecture, music, fashion, etc., but also as distinct "markets negotiating symbolic goods". Paul Hirsch first introduced this perspective. He defined creative industries as "producing cultural products that means nonmaterial goods directed at a public of consumers, for whom they generally serve an aesthetic or expressive, rather than a clearly utilitarian function" (Hirsch, 1972: 641). Similarly, DeFillippi *et al.* defined "cultural economy" through "economic activities in which symbolic and aesthetic attributes are at the very core of value creation" (DeFillippi *et al.*, 2007: 512).

The notion of negotiating symbolic goods addresses not only the tremendous attractiveness of new work in these markets but also the high degree of visibility stretching far beyond its economic potential. "Markets negotiating symbolic goods" though refer to the production and the exchange of relevant cultural symbolic values, defining symbolic goods for identificatory socio-cultural processes at the micro and the macro level.

2.2. Governing the City by Creative City Policies—Match or Mismatch?

One conceptual way of understanding governance is as collective action by private, public and corporate agents regarding public goods, spatially relevant resources, cultural values

and action resources (Heinelt, 2004; Healey, 2006). In general what is meant by the use of the concept “governance” is a mode of decision-making which does not only follow top-down patterns, but that includes these as well as horizontal or bottom-up processes. The groups of players (decision-makers) are usually represented by a triangular scheme, with *state*, *economy* and *civil society* on its three points forming collaborative strategies by handling unequal spatial resources.

This concept allows the examination of collective action, the spatial positioning, institutional set-up and self-understanding within emerging economies, such as the creative industries. Therefore, we will be able to look closer at 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 rather more antagonistic way than the consensus of governance suggests. These spatial relations are relations of structural power (with subsequent inequalities) and are constantly re-drawn as “maps of power” or “power geometries” (Massey, 1999).

Governance strategies in the field of creative industries have to be seen as negotiation-based approaches by new and less established agents in city regions. Negotiations are necessary in forming alliances and social networks guaranteeing visibility and attention in respect to public administration as well as within the private sector. At the same time, formalized 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 formalized networks within creative industries, being new, often lack evaluation and transparency (Balducci, 2004; Kunzmann, 2004). In respect to the diagnosed structural elements of creative industries, new forms of urban management come to the fore: informal alliances between private and public stakeholders, self-organized 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.

3. The Macro View—Berlin's Place Making as Creative City

In order to use Berlin as a case study for the creative industries, we need to take a closer look at the ways it was constituted as such. In the beginning of the 1990s, after reunification there were more or less euphoric expectations of population growth and economic upswing. But Berlin's population stagnated at 3.4 million inhabitants and total employment did not increase, but rather decreased notably. From 1991 to 2001, for instance, Berlin lost more than 150,000 jobs within the traditional industries, which amongst others led temporarily to an unemployment rate of almost 20 percent.

These structural challenges and changes are not exceptional for the city of Berlin. Yet, due to some Berlin-specific factors such as a relatively young and international population, a very moderate price level in general and an extremely high proportion of rent controlled dwellings, Berlin succeeded in keeping its attractiveness during the 1990s.

Moreover, in the case of Berlin, the role of the City Mayor, social democrat Klaus Wowereit, is not to be underestimated (Stöber, 2008). He came into office in 2001 “despite outing himself during the campaign with the phrase: ‘I'm gay and that's a good thing!’” (www.spiegel.de, accessed 24 September 2006); and was re-elected in September 2006

for another period of 5 years. According to German news magazine *Der Spiegel* “Yet voters credited him with enhancing Berlin’s image as a hip, tolerant, cultural city. [...] and under his watch the city has increasingly become a magnet for artists, fashion designers, writers and high-profile exhibitions” (ibid.).

Since the beginning of the new century several regional headquarters among them Universal Music, the world’s largest record company, came to Berlin. It was Universal’s relocation that led MTV Deutschland to move from Munich to Berlin in 2004 to a nearby warehouse in the Eastern harbor area. In the same year, *Popkomm*, an international fair for the music and entertainment industry founded in Köln, moved to Berlin. These events strengthened the city’s creative image building and supported the atmosphere of departure that many companies and actors are engaged in.

Consistent with these foci on “culture” and “creativity” was the first report on the cultural economy of Berlin in 2005. That report was published by the Senate Department of Economics, Technology and Women’s Issues and the Senate Department for Education, Science and Research. The city fathers were more than grateful when UNESCO in January 2006 awarded Berlin the title “City of Design”—as the first city in Continental Europe. The public administration’s comprehensive data collection and application’s presentation paved the way for this noble recognition.

Institutionally *Projekt Zukunft* (“project future”, www.berlin.de/projektzukunft) by the Berlin Senate as well as the self-organized network CREATE BERLIN are important elements in the city’s cultural landscape. While *Projekt Zukunft* calls itself a “link between policy and administration” optimizing framework requirements for the city’s IT, telecommunication and cultural economy, 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. In Section 5.1 we will return to the initiative CREATE BERLIN in order to discuss the issue of self-governance.

4. Spatialities—Governance of Place

Governance options in the case of creative industries need a conceptualization of space that goes beyond the understanding usually applied by city administration. Creative production not only *happens* in a particular place, but its players *constitute* space by various forms of social interaction which in its turn *is constitutive of* creative production. Depending on what we are looking for (and partly on the disciplinary focus), we can discern at least three approaches to understanding the spatialities of creative industries: firstly, that cities are the sites of creative production which take place in urban space (cities as sites); secondly, that creative players themselves constitute space through their communicative practices (constitution of creative space); and thirdly, that creative places are produced and marketed (places as products).

4.1. Cities as Sites

The role of special proximity in the creation of urban economic clusters and subsequently the synergy effects it enables, have been a matter of long scientific debate (Amin, 2004; Hadjimichalis, 2006). Amin and Thrift question the de facto validity of this position, which, in their opinion, views cities as “isolated sites” despite global flows of information, capital and

people (Amin and Thrift, 2002). How can cities, they argue, be seen as independent entities outside their role as nodal points of international trajectories? Aren't places always interdependent (Massey, 2004) and aren't business relations across the seas sometimes more important than the ones next door? This understanding of space resolves the globalization paradox, because it conceptualizes the local and the global, not as contradictory, but as mutually constituted.

Proximity alone and always is not enough to explain why places matter. There are particularities in the creative industries in Berlin, though, that may speak for the importance of place and proximity (Lange, 2007). We would argue here that this is inscribed in the particular economic mode of "culturepreneurs" in at least three points: *scale*, *hybridity* of space-time, *informal* economic exchange. In reference to *scale*, 35 percent of all persons working in creative industries in Germany are so-called micro-entrepreneurs (Ertel, 2006). These micro-entrepreneurs are very much dependent on milieu-specific knowledge which is offered through the particular *hybridity of time and space*, which Florida (2002a) calls "third places". Semi-public places (cafés, clubs, galleries, etc.) become the privileged spaces of information exchange that may lead to new job offers, participation in projects or financial sources to be tapped. This knowledge exchange is particularly important as micro-entrepreneurs are dependent upon "*informal*" economic forms for their existence (Hadjimichalis and Vaiou, 1990; Vaiou, 1997): exchange of services instead of payment, pseudo self-employment instead of steady employment, non-declared home work, etc. The identity (individualization/static entrepreneurship) and difference (innovation/standardization) paradoxes describe well the ambiguity of the community.

4.2. *The Constitution of Creative Space*

The re-insertion of space into academic thought through the spatial turn also saw several attempts at a redefinition of the term. A re-conceptualization of space as "relative and relational" allows us to approach places differently, look at the ways they are constituted and contested, their interrelations and finally the many ways they influence the same powers that constitute them.

The way that creative players constitute space (and place imagery) can be found in several discourses, for instance, concerning the private/public divide (Bahrtdt, 1961/2006) or in connection with *gentrification*. The classical theoretical model of gentrification sees several phases in the process (Smith, 1979). According to this, artists, the pioneers of gentrification, move into areas of cheap housing, raise the symbolic value of it, which then is translated into higher land values. These in turn make it impossible for the artists to afford living there, so they make place for higher-income groups—the gentrifiers. The creative industries are thus trapped in the difference paradox: are they supposed to keep their cutting edge and probably not be able to afford the gentrified neighborhoods or can they standardize their output and become part of the mainstream?

The gentrification model, which has many variations, has been criticized for being normative and for applying the specificities of a particular place (Neil Smith was initially examining Lower East Side in New York) to other areas (Kalandides, 2007). Research in the Prenzlauer Berg area in Berlin (Bernt, 2003; Holm, 2006) has produced more ambiguous results, where the pioneer seemed to be the state itself, through its urban renewal policy. The creative industries may have followed instead of having led the way. Whether creative

industries are actively used for the “upgrading” of an area—paradoxically finally annihilating themselves—or simply the followers of gentrification processes, it remains a hard task for urban managers to find a balance between urban renewal and displacement.

Yet, there can be little doubt that creativity can be used discursively to “label” an area. As part of particular urban governance policies it can be instrumentalized to symbolically and physically upgrade areas considered “problematic”—or even sell the city itself.

4.3. *Places as Products*

That places are seen and treated as products is not a new issue. What has changed though is the degree to which place branding/marketing with its new repertoire of managerial and strategic tools, which draws heavily on the professionalization of private sector experience has been dominating urban policy around the world in recent years. In particular for post-industrial places the creative industries have been a fertile branding ground. A fast, definitely oversimplifying look at the whole discourse on creativity may help discern what is at stake here and why creativity is so popular among Berlin marketers.

Firstly, and this is important for city marketers, managers and other urban professionals not only in Berlin, but worldwide, “place matters”—again. Our cities as already mentioned above are not interchangeable, but have particular characteristics that when identified and influenced properly can help them position themselves internationally, create distinctiveness and a competitive advantage in the presumed international competition. Secondly, in a post-industrial Western world, knowledge and innovation are recognized as basic growth motors, that may give new chances even to cities with a weak industrial basis, such as Berlin. Thirdly, creativity has strong connotations of a particular (“artsy”) lifestyle with a subtext of freedom, individuality, etc. Space and time become hybrid as work and leisure blend. Berlin’s highly cultural and hedonistic atmosphere seems to sum that up perfectly. Fourth, “culturepreneurs” are “flexible” and “entrepreneurial”. They represent a new paradigm of a post-Fordist society and are thus excellent for city marketing and in attracting businesses. Berlin can be re-branded from the city of the “old” German protectionism as the city of the new millennium. Finally, diversity and tolerance become economic entities. They are drawn out of a political discourse to become a-politicized and central in attracting a new kind of elite, the “creative class”. Berlin as a multicultural and gay-friendly city scores high in both fields.

Whether creativity is indeed part of a city’s identity at a given point or not, which city would deny being creative, when around the world this seems to be the trend? And if *all* cities are creative, then what distinguishes them from each other? Don’t they become similar precisely through their attempt to appear distinctive? There is a paradox here that urban managers cannot easily resolve.

5. **Culturepreneurs and their Social Networks—Self-Governance in Creative Industries**

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 (Lange, 2007). For comparable observations: Davies and Ford (Davies and Ford, 1998), McRobbie for London (McRobbie, 2002), Lange for Berlin (Lange, 2005a, b),

Ellmeier for Vienna (Ellmeier, 2003). While this new development has led to a substantial reconsideration of “entrepreneurship” in respect to space (Steyaert and Katz, 2004) on the one hand, it has also led to a new line of thinking with regard to the notion of economic progress and professionalization within entrepreneurial networks on the other (Rae, 2002; Sydow *et al.*, 2004).

The term culturepreneur is a compound of culture and entrepreneur and was first suggested by 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 possesses the ability to mediate between and interpret the areas of culture and of service provision. He or she may be characterized, first and foremost, as a creative entrepreneur, someone who runs clubs, record shops, fashion shops, galleries and other outlets, who closes gaps in the urban landscape with new social, entrepreneurial and socio-spatial practices. Such intermediaries increasingly emerged in the gallery, art and multimedia scene in different European metropolises, foremost in London in the 1990s (Grabher, 2001). Davies and Ford (op. cit.) first have characterized this type of people who, in structural terms, are communicative providers of transfer services between the sub-systems “business related services” and “creative scene” and, in doing so, seem to satisfy a necessary demand by operating in flexible social networks. In brief: they form new modes of self-governance.

The emergence of so-called “culturepreneurship” is first of all an expression of the overall “paradox” of creativity: traditionally separated societal spheres of culture and economy have only recently been bridged with the presence of creative industries. Furthermore, the enormous rise of micro-entrepreneurs in Berlin can be seen as a tentative answer to the specific paradoxes of creativity: for example, how do young entrepreneurs solve the “Globalization Paradox” as well as the “Identity Paradox” when they are confronted to either opt for individual or collective careers, identities and reputations? The key to an answer is the self-governance of culturepreneurs.

5.1. Self-Governance: CREATE BERLIN

Understanding governance modes in creative industries and recent steering approaches by private, administrative agents and civil society in general, it is of major importance to clarify the term governance. As discussed in Section 2.2, governance refers to new relationships between state and society that imply a blurring of traditional boundaries of governmental agency (Jessop, 1995; Rhodes, 1996; Stoker, 1998). Recent definitions of the term governance, for example, by Balducci *et al.* focused on the following dimensions, from where to analyze the specific local governance mode and its practices: “rationale and initiators; boundaries; legitimization; envisioning; communication and social learning” (Balducci *et al.*, 2004: 2–4). Apart from a standardized understanding of governance (democracy theory, participation, etc.), like it is common in political sciences this integrative perspective takes into account the specific local circumstances of creative industries. Common context-free definitions popular in political and social sciences are considered less relevant. For example, an empirical look at the structure of Berlin's creative industries gives the place-specific frame in which governance can be understood: the number of start-ups and self-employed entrepreneurs increased by 19 percent between 2000 and 2005 and 167,000 employees in creative industries produce 20 percent of Berlin's GDP (Senatsverwaltung, 2006).

Based on these premises, steering and organizational modes of creative industries have only recently been analytically related to organizational changes within micro and small enterprises (Grabher, 2004; Rae, 2004; Neff *et al.*, 2005; Wilson and Stokes, 2005; Scott, 2006b; Lange, 2007), all taking into account that new and often “paradoxical” combinations of innovative and creative “knowledge” are inscribed in the process of restructuring economy, public administration, entrepreneurship and its socialities anew.

An example is the above-mentioned network, CREATE BERLIN, which describes itself as “an initiative both by and for Berlin Designers”. CREATE BERLIN unites creative professions and design producing talent from agencies, companies and institutions in Fashion Design, Product/Interior Design and New Media/Graphic Design as a network spanning all design disciplines. As ambassador of Berlin Design, CREATE BERLIN presents the creative variety of the Berlin Design Scene and promotes with national and international engagement the economic potential of Berlin’s design industry and strengthens Berlin’s reputation of a unique and aspiring design metropolis and of “City of Design”, as awarded by UNESCO.

There are several interesting aspects in this self-description: firstly it focuses on informal, more flexible forms of organization, very much like the players identified in new governance models—also emphasized by the inclusion of both “companies” and “institutions”. Secondly, CREATE BERLIN sees its role as a “national” and “international” promoter of the city’s “economic potential” and “reputation”—both notions directly linked with the idea of place marketing—thus aspiring at becoming a prime player in governance structures. And finally, it is recognized here that place-making occurs through “energies” or people’s actions. The birth of CREATE BERLIN can be seen as a reaction of the designer scene to their exclusion from traditional state-regulated forms of power. It is one of the forms of self-organization mentioned above, to ensure that young, small and marginal businesses are taken seriously as equal players in economic development and city marketing policies. How forms of self-governance finally remap urban space becomes visible in Figure 1.

Figure 1 shows a mapping of present creative firms listed at the official website www.Creative-City-Berlin.de (accessed 15 February 2008). Businesses themselves decide whether to be listed there or not. In February 2008, the website contained 461 addresses that represented only a very small portion of Berlin’s creative industry in general. The list is dominated by businesses from the design sector (13.1 percent). In addition, we see many addresses from the advertising sector (11.2 percent). When comparing the Appendix and Figure 1, we see that the “good addresses” (clusters of type 5 in the Appendix) are missing, similarly the established sites of media and film production (clusters of type 6 in the Appendix). The presence of the advertising firms is obvious due to their “intrinsic” professional interest; the strong presence of the design sector might also be attributed to the work of CREATE BERLIN. Thus, the “rules of the game” (who shows up) seem to be defined by the creative industries and not the Berlin administration.

5.2. *New Creative Entrepreneurship and its Network-Based Project Ecologies*

The formation of the network CREATE BERLIN by these new professions demonstrates the unintended rise of distinct segments in Berlin’s creative industries—at least from the point of view of the government. This opens the opportunity to examine the nature of its emergence



Figure 1. Sites of creative industries in Berlin on the basis of the official website created through the firms' self-declaration. *Source:* www.Creative-City-Berlin.de.

since top-down support initiatives by the state or public administration did not exist prior to the year 2000, were rare between 2000 and 2005 or have appeared lately, since 2005. So most of the factual micro-entrepreneurial professions emerged without external support. In this ambiguous situation, the newly invented catchword of a "new entrepreneurship" alludes to individualized marketing strategies, self-promotion and social hardships, but also to skilful alternation between unemployment benefit, temporary jobs, self-employment structures and new temporary network coalitions as practiced by numerous young agents in the field of cultural production. Performing intense "multiple and constantly shifting transaction structures in cultural-products industries means that much of the workforce becomes enmeshed in a network of mutually dependent and socially coordinated career paths" (Scott, 2006b: 13). Only recently this new work ethos has been celebrated ironically with the term "digital bohème" (Friebe and Lobo, 2006).

The high number of recently emerged creative agents is based on spontaneous informal social bonds as well as network alliances that have enabled the appearance of new creative milieus. New practices concerning the temporary organization of projects is intertwined with the production of new social places for the exchange of experiences, knowledge and expertise. Since the mid-1990s, new forms of project-based cooperation (Grabher, 2002a, 2006) as well as specific spatial practices had to be invented in order to economically, culturally and socially sustain targeted markets. Especially in harsh transformation contexts such as post-reunification Berlin, very few experienced expertise, tools of application and strategic guidelines existed. However, these agents have been

developing their practices in an unclear, unstructured and unstable market realm (Thomas, 1997; White, 2002). Within the framework of what is called the creative industries with all its “paradoxes”, they are forced to collaborate, to interact and to network with other agents, while at the same time being confronted with the risk of losing their initial wealth of innovation. It was Gernot Grabher in particular who focused on the inner-organizational dimension of the emergent network-based project ecologies and their entrepreneurial and socio-spatial practices in these industries (Grabher, 2002b; DeFillippi *et al.*, 2007). Rapidly changing project-based constellations within flexible network formations pose structural constraints. Learning is systematically questioned when teams are constituted only for a short period of time and its members are thus confronted with few opportunities to learn what is understood as “traditional”, long-standing learning cultures (Cameron and Quinn, 1988: 8; Grabher, 2004).

6. Professionalization—Self-Regulation of Professions

In Berlin, creative industries are often based on “communities of practice” (Lave, 1991), that is, groups or networks of professionals who cooperate, exchange views and ideas, and inform each other about trends of professional, political and practical concern. The fate of these creative communities of practice is shaped and partly driven by professionalization for the simple reason that they have to survive economically. Thus, professionalization has become a limiting context restriction that can in particular restrict creativity.

6.1. Professionalization

Professionalization can be viewed in a narrow and a wider sense (Mieg, 2008). Professionalization in the narrow sense denotes the transformation of an occupation into a profession, that is an occupation with a certain autonomy in defining and controlling the standards of the work of its members. Professionalization in the wide sense denotes the transition towards paid work that is subject to binding quality standards. In this wide sense, people and activities can be professionalized, gaining in professionalism.

Professionalization is a main subject of the Anglo-American sociology of professions that developed in the beginning of the 20th century. The discussion had long been occupied by the focus on the medical and law professions and the attempts to define professions in contrast to occupations. Today, this approach is considered as fruitless. At the latest since the work by Freidson (2001), research in the sociology of professions turned towards the notion and phenomenon of professionalism. Freidson understands professionalism as a third organizational logic of work besides the market logic and the logic of planning or bureaucratic administration. In contrast to market and planning, professionalism means self-organization and self-regulation of experts.

6.2. Professionalization and Creative Industries

The paradoxes of creativity (DeFillippi *et al.*, 2007) can also be re-considered from the perspective of professionalization research. The so-called difference paradox of “crafting or standardizing policies” relates to the two linked sources of professional competence: on the one hand individual skills and competencies that are—on the other hand—built up and

evaluated by the professional community. The distance paradox of “whether to couple or decouple routine work” also refers to a phenomenon that is common in professionalization research: the coupling of private life and profession—simply because of passion for the kind of professional work. Perfect examples are doctors’ families, especially in land doctors. The globalization paradox of “whether to reconcile or separate local and global arenas of activity” and the identity paradox of “creating individual or collective identities, reputations and careers” can be considered as expressions of the fact that individual professionals are members of a potentially global profession. Similarly, professional knowledge tends to be shared globally.

In creative industries, professionalization serves several functions (Lange and Mieg, 2008): a control function, an evaluation function and an expert function. The inherent *control function* of professionalized work currently is one of the main topics of discussion in the sociology of professions (Freidson, 2001; Evetts, 2003). Professionalized action is generally subject to the self-control of professionals. In professional work, other common forms of organizational or institutionalized control are substituted by self-control. Professional self-control is also at work in organizations: new forms of human resource management even assume self-control from employed professionals. Here organizational control takes on the form of “control at a distance” (Fournier, 1999: 280)—that is, internalized self-control.

The second function, *evaluation*, is closely linked to the first one. If there is today an enduring source of legitimization for professions, then it has to be based on the institutionalized control of evaluation standards for particular professional work. Classical professions (such as the medical profession or sciences) as well as new professions or professional groups (such as in the field of web design or patent auctions) attempt to define standards for professional work in their domain and to establish systems of evaluation that also include standards for professional training. Thus, professions have certain basic, socially accepted monopolies of defining work in their domains. These monopolies are variable and subject to the dynamics of changing jurisdiction in the “system of professions” (Abbott, 1988).

The third function, the *expert function* of professionalized work, plays a decisive role in the domain of creative industries from two perspectives. We see not only an external expert function (towards clients and the public), but also an internal one (in the network). The internal expert function serves to differentiate and legitimate evaluation processes by identifying those professionals who set new quality standards and—equally important—who are renowned trainers or coaches in that particular professional domain. The attribution of the “experts” in the field also determines the direction of “collective” competence development of local creative economies (as professional groups). Therefore, professionalization has to be considered as a process. Professionalization involves the transformation of trust regulation (from trust in single experts to trust in qualifications), the transformation of learning (from erratic individual learning to a more academy-like training) and the transformation of quality control (from individualized trust to quality reflections in globalized professional networks).

7. Conclusions: New Forms of Governance?

The core question of this paper was: What are the spatial-organizational driving forces of creativity in Berlin? Can they be steered by public administration?

Berlin's particular position in the context of creative industries can be seen as a direct result both of its own economic/political restructuring of the post-reunification era and as part of a worldwide reorganization of work in symbolic economies. The dynamics of creative industries in Berlin can be best described by their self-governance, including a struggle for new forms of professionalization. It is now widely accepted in the Berlin administration that context-improvement ("urbanity", city branding) seems to be the only legitimate form of "helping" creative agents. Visions of "potential areas for cultural enterprises to locate" (cluster of type 7 in Appendix), as described by Ebert and Kunzmann (2007), seem to be detached from the reality of the evolution and "paradoxical" practice of creative industries in Berlin and trapped in traditional forms of economic development derived from the industrialized past.

By referring to the heuristic framework by DeFillippi *et al.* (2007) we were able to describe some paradoxes of creativity in the case of Berlin's creative industries. It was shown that existing governance approaches ignore them rather than consider them for governance options. By emphasizing the case of Berlin we demonstrated that creative industries are characterized by growing culturepreneurship, an expression of a new flexible form of work and entrepreneurship, embedded in a distinct urban environment.

The dynamic pattern we observe in the context of Berlin's creative industries concerns the various modes and importance of self-governance (such as CREATE BERLIN). These modes express the governance of new professional standards targeting creative "objects" that are of a rather different constitution, perpetually changing, continually instable, highly mobile and operating in temporary projects. The type of the "culturepreneur" is one possible answer to this growing hybridization, a flexible and precarious urbanite caught between the paradoxes of different systems: on the one hand a state and administrative body that by and large follows a rather standard approach to organize, plan labor directly on the ground within a given territory. On the other hand the reality of a market that is abandoning it and constitutes itself far beyond the administrative borders. Reacting to this discrepancy culturepreneurs create their own relational spaces of interaction where borders blur: competition and cooperation, exchange and isolation, private and public, work and leisure coexist and are hard to tell apart. They invent forms or self-organization to gain access to power structures, based on informal conglomerates and extensive networks.

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Appendix

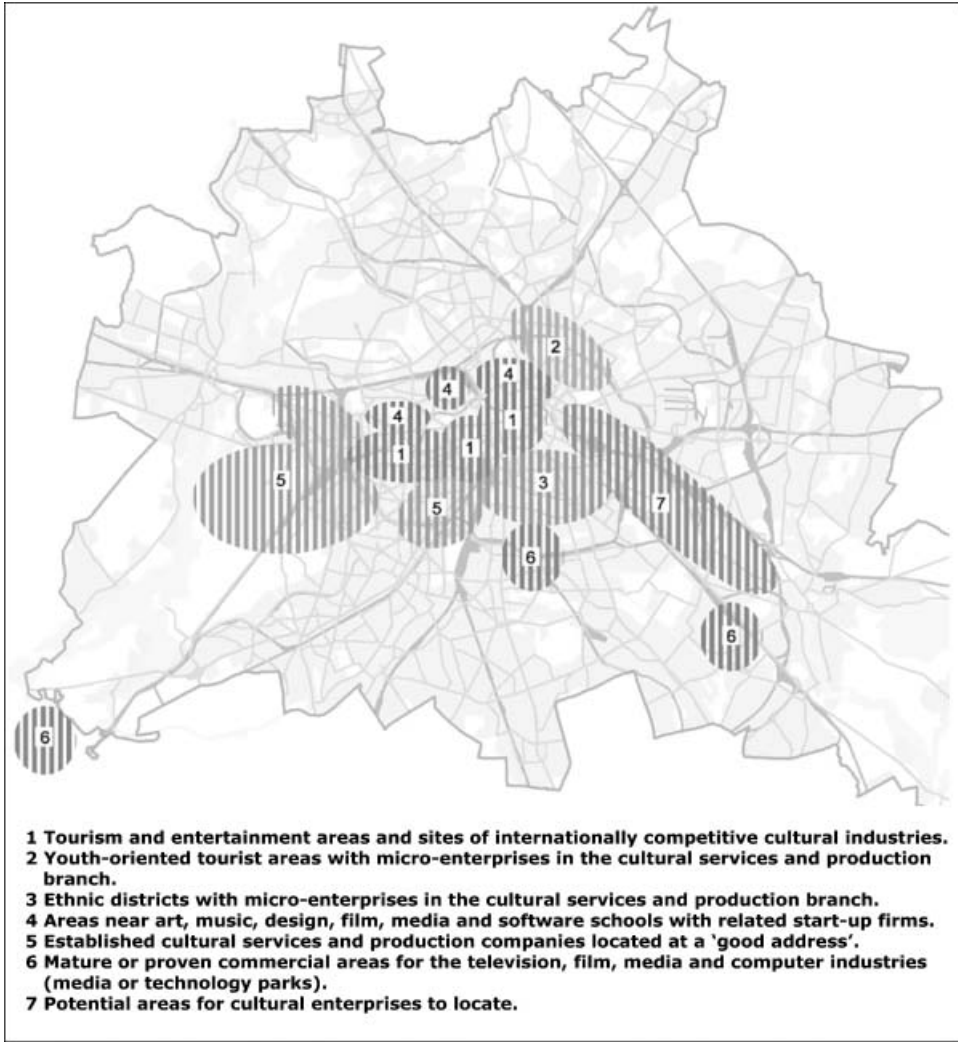


Figure A1. A map of Berlin's creative activities according to an official study. *Source:* Ebert and Kunzmann (2007: 70; English legend added).