

# CHARACTERISTICS IN THE SPACE RESHAPING OF CREATIVE CLUSTER DURING GENTRIFICATION: THE CASE OF TIANZIFANG IN SHANGHAI

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**Abstract:** This paper explores the process of gentrification of Tianzifang creative cluster and analyzes the space reshaping characteristics during this process. The study finds that: due to the gentrification of the population and surge of leisure businesses, there are five main driving forces that reshape the space: 1) space consumption and experience demand of tourists, 2) space competition and privatization demand of businesses owners, 3) space renovation and defense demand of local residents, 4) space renovation demand of creatives, 5) space control and guidance of local government. As a result of five main driving forces, the space has shown new characteristics including reserved space structure, mixed functions, segregated living space, commercial space sprawl, privatized public space. This paper provides suggestion that coordinating the relation among diverse stakeholders will be the key to promote transition of urban space and maintain social justice.

**Keywords:** gentrification; creative cluster; space reshaping characteristics; diverse stakeholders

## 1. Introduction

With the deepening of globalization process and rise of the new economies as well as great shift of urban and regional development mode since 1980, the “Creative Industry Cluster” expand rapidly. Historical areas, waterfront areas and industrial areas have become important space foundations for promoting creative industries. Therefore, space reshaping and social network reconstruction of the creative cluster have become the core of urban sustainable development research.

As a new urban social geographical phenomenon, gentrification has been developing for decades in Western countries (Huang Xing and YANG Yongchun, 2012). With the diffusion of globalization gentrification has been widely produced, operated and consumed worldwide as a “Global Urban Strategy” (Smith, 2002). Creative cluster in the inner city learns from this “Global Urban Strategy” to some extent. Therefore, some investigators have recently turned to research whether there is a “Creative based Gentrification process” and the answer is “yes”. Jamie Peck (2005) argument in *Struggling with the Creative Class* that:

In the field of urban policy, which has hardly been cluttered with new and innovative ideas lately, creativity strategies have quickly become the policies of choice, since they license both a

discursively distinctive and an ostensibly deliverable development agenda. No less significantly, though, they also work quietly with the grain of extant ‘neoliberal’ development agendas, framed around interurban competition, gentrification, middle-class consumption and place-marketing quietly...

A considerable amount of research has been made on social network reconstruction of the creative cluster during gentrification, but little research has been made on space reshaping. Many researchers pointed out that there has significant correlation between the cluster of cultural creative industry and the change of social-structure feature: those areas that cultural related industrial cluster obviously are always the neighborhoods of higher social class (GAN Xinyue *et al.* 2017), which means there is a “Creative based social-structure change process”. With the changes in the social-structure, the people who live and use the space have changed, the needs for space of different people are different. Therefore, how do different people use the space in different ways and what are the conflicts between local residents and the newer users during the space reshaping? It is desirable to carry out surveys of the “space reshaping” characteristics of creative clusters during gentrification.

## 2. Gentrification process in Tianzifang

Tianzifang, a Creative Cluster in Shanghai, shows a “Creative based Gentrification process”. Tianzifang is located in Luwan District the central area of Shanghai (Figure 1). The block was formed in 1920s, as a result of expansion of the French Concession. At that time, it has been used as residential quarter and industrial area. After renovation in 1988, it’s now become a creative cluster, also a charming landmark for both local residents and foreign tourists. Not only has the creative industry made Tianzifang area turn from a traditional, local, private and poor area to a fashionable, international, open and rich area, but improved local image and at the same time makes the social relationships more complicated (KONG Xiang and QIAN Junjie, 2011). The gentrification process of Tianzifang can be divided into four stages.



Figure1 The location of Tianzifang (left) The past and present photos (right)

## 2.1 Informal arrangements between the factory managers and artists

Tianzifang became well known as a creative park in the late 90s when internationally renowned artist Chen Yifei moved into the area and rented one of the factories as his art studio. From 1998, the government of Luwan district decided to regenerate the area to attract more artists came here and rent industrial factories as their art studio. Development had to be negotiated with the factory owners and every one of the local residents. Although most of the houses in Tianzifang area are nationalized, for historical reasons, the renting in this area is permanently rented (SUN Shiwen and ZHOU Yu, 2015). The complex ownership structures in the area make it difficult to demolish and rebuild the area.

## 2.2 Informal arrangements between local residents and creatives

The relaxed, vernacular feel which benefits from the artists made Tianzifang a highly attractive destination. More and more artists wanted to move into the area. So, the local subdistrict established “Office of the Art Street Management Committee” in 2004 which is responsible for the investment of Tianzifang. The spillover creative space needs and economic interest promoted local residents began to lease their own houses and to move out to houses in other places bought with the rents obtained. As a result, more and more creatives move into the district replacing local residents and turning the residential area into non-residential functions which is illegal. Although the government has planned to demolish and rebuild the Tianzifang area as a new business center, due to the rapid development of the Shanghai real estate market, the housing prices in this location have risen rapidly, causing residents to be dissatisfied with the government's compensation for demolition and resettlement fees and tend to make informal agreements with creatives to obtain higher income.

## 2.3 Formal arrangements between local government and local residents

The local government finally had to accept this popular informal creative cluster and redeemed land sold to developers in 2008, because creatives' reshaping of space has indeed improved the environmental quality of the Tianzifang area and the voices for protecting historical districts are high. Government's acceptance made it legal that local residents change their houses' function from living to non-residential functions which attractive more leisure and lifestyle businesses that generate economic benefits. Formal arrangements between local government and local residents have promoted the overall renewal of this area.

## 2.4 Complex social network and gentrification

From this time on, creatives have gradually moved out of the Tianzifang area, as both the government and local residents seek for maximum benefits raising the rental price of houses and welcoming more leisure and lifestyle businesses brought into the area to replace the less profitable creative businesses. As a consequence, the creatives and local residents have been replaced by newer business owners and the rent became much higher than before, even the land price of area adjacent to Tianzifang became higher as well. In the end, the renewed attractiveness in turn leads to a gentrification of the population and a revaluation of land and real estate. At the same time, a complex diverse stakeholders social network has formed among the government, local residents and businessmen during gentrification (Figure 2).

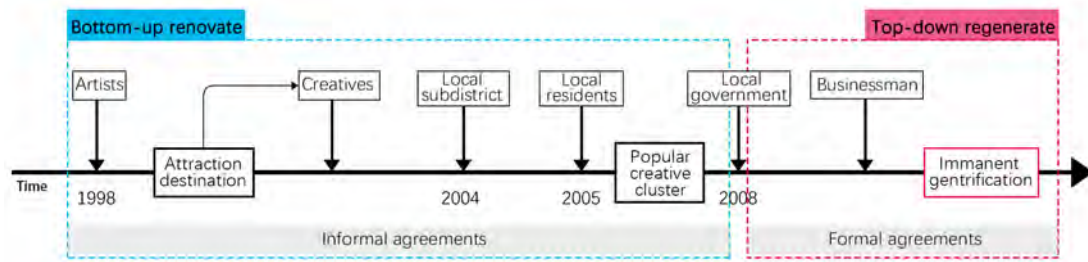


Figure2 Gentrification process of Tianzifang

The sociality of urban space originates from all kinds of human activities and their mutual relations in urban space, and the essence of urban spatial diversity is the diversity of social structure (YANG Guiqing, 2017). Consequently, the reconstructed social network in turn reshapes the land use and space structure. How does these diverse functions co-build the space? What are the characteristics of space reshaping? How do they use the space in different ways? What are the conflicts between local residents and the newer businesses result from space reshaping?

### 3. The characteristics of space reshaping

#### 3.1 Reserved space structure

Tianzifang was one of many laneways in Shanghai that had an organized space structure. After renovation, it still kept the old laneway space structure which formed by “Main lanes - Secondary lanes – House” spatial organization and diverse space scale (Figure 3). The reserved structure benefits from the bottom-up independent renovation and local residents’ resistance to demolition of the area. The main public space of the area is on the laneways which means activities and communication of local residents, tourists, business owners, creatives are both organized by laneways. This special space structure not only limits users’ behavior about how to use the space, but also be the main influence factor of forming complex stakeholders social network.

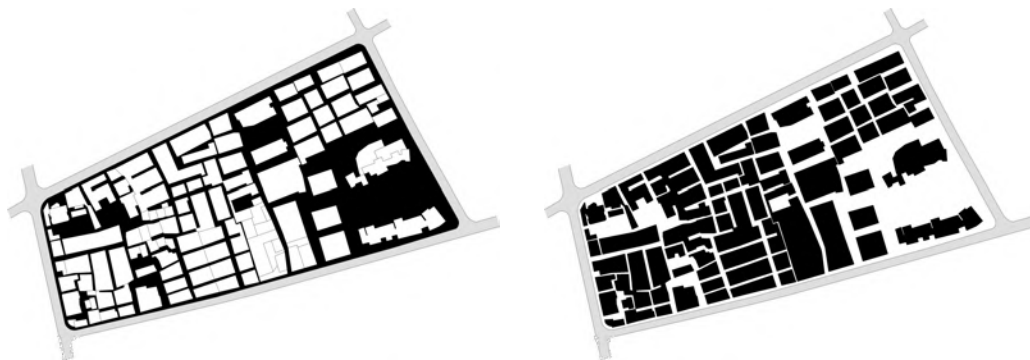


Figure3 Figure-ground relation of Tianzifang

#### 3.2 Mixed functions

Tianzifang was formed in 1920s, as a result of expansion of the French Concession. At that time, it was formed by variety townhouses, a few businesses along the street and centralized factories. A variety of cottage factories grew up during the 1930s and 40s serving the immediate needs of the industrial city center, but most of them were closed down in the 1980s and left vacant factory

buildings. As we can see in Figure 4, the space of the neighborhood is mainly composed of residential buildings and laneway factories. These laneway factories were embedded in local communities offering local residents work. As a result, a close social connection in Tianzifang area was formed by the functional layout of job-housing balance.

After renovation in 1988, the functions were transferred to creative studios, leisure and lifestyle businesses step by step. First of all, famous local artist and art companies found the low rent and superior space environment of inner city and moved into the vacant factory buildings, and after that, a large number of creatives continually moved into the neighborhood through renting local residents' house changing the residential function to non-residential function. Creatives make this area attractive and bring consumers in who have little taste for art and design goods. This also start to make businesses embedded in local communities means more leisure and lifestyle businesses brought in to the area replacing the less profitable creative businesses. The mixed function combining residence, business and studio (Figure 5) makes diverse stakeholders use same public space bringing a diverse stakeholders social network. The space function transformation changes the social network and the social network in turn reshapes the space.

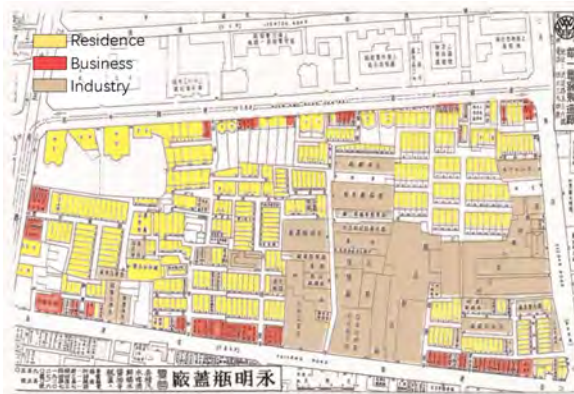


Figure4 Mixed functions in 1947



Figure5 Mixed functions in 2013

### 3.3 Segregated living space

The embedded studios and businesses segregated living space, even segregated internal space of residential building through using different floors of one house for different functions. This kind of space segregation blocks the original close social connection in the area.

After renovation, the embedded studios and businesses replace half of the residential area making the residential area segregated (Figure 6-A). The community space organization used to be integral, because of local residents renting houses to creative businesses and leisure businesses, the community space has become fragmented. Furthermore, the reason why the residential area preserved located on the periphery of the neighborhood, especially in the north and west is that the luxury shopping mall opposite the Taikang Road making residential area on the Taikang Road side almost transfer into commercial area.

Not only was the overall layout of the houses segregated, but even the residential building internal space was segregated due to different functions in different floors (Figure 6-C). Because the first floor can be rent out to commercial use easily for its accessibility, the residential buildings were used in



three different ways. First way is that the whole building is for residential use. Second is that only the first floor is for commercial use and other floors still use as housing. Third is that the whole building is for commercial use. The residential building internal space was segregated because different functions needs different kinds of space and users' needs are diverse.

As a result, segregated living space brings separated social connection. Especially, there are conflicts between the first floor users of restaurants or bars and the second floor local residents. What's more, due to the internal space of residential building was used as non-residential functions, the space residents used to associate with others has changed (Figure 6-B). More specifically, the main lanes and secondary lanes used to be main space for residents' communication, but now used for visitors. Besides, the new cross-street building links are built for tourists. Finally, residents' lives are disrupted and the community social connection are separated.



Figure6 Segregated living space in Tianzifang

### 3.4 Commercial space sprawl

Driven by maximizing benefits, local residents and less profitable creatives moved out the neighborhood and commercial space sprawled (Figure 7-A). The commercial area used to be along the street, but with more leisure and lifestyle businesses brought into the area, it occupies almost half of the neighborhood now. Mixed commercial and residential areas bring a lot of social problems because of the way in which space is used.

First, when the old building has a new function, the users do not change the structure of the building, only divided internal space and decorate it (Figure 7-B). The space reshaping changes people's behavior. Second, the commercial functions not only change the internal space of old buildings but make courtyard a place for tourists' entertainment (Figure 7-C). What is controversial is that the courtyard used to be a public space, but now become more proprietary. The space reshaping affects the daily life of residents and leads to the disappearance of original scenes of the local neighborhood. Third, the new businesses usually grow on the old buildings and occupy as much outdoor space as possible to make more profits (Figure 7-D). There are five common ways in which new businesses grow on the old building including arrangement of outside stalls, outside seats, glass boxes, cross-street buildings and porches. The space reshaping leads to conflicts between tourists and local

residents because the public space is crowded with too many tourists that local residents have no space for their daily lives.



Figure7 Commercial space sprawl in Tianzifang

### 3.5 Privatized public space

Public space should be open to everyone, but with the further development of the gentrification process in the area, public space has become privatized. Commercial space invades more and more public space and uses it as its own space causing three main problems.

The first problem is that disappearance of neighborhood lives. The privatization of public space is reflected in the commercialization of laneways and courtyard which used to be the places residents lived in and communicate with each other. As a result, the traditional local neighborhood lives are disappearing and neighborhood relations gradually drift apart and the local residents face the risk of being marginalized. To a certain extent, it confirms the typical representation of "class substitution" in the theory of gentrification (ZHANG Juan and WANG Maojun, 2017)

Secondly, the privatization of public space brings mutual interference in the use of diverse spaces. First of all, the living space of local residents is affected by tourists. Secondly, the scope which visitors can visit in is affected by local residents.

What's more, the privatization of public space causes neighborhood security risks. First is the lack of patency in laneways. People who lived on both sides of the street used to observe the behavior of strangers making this area safe. What's more, the privacy of neighborhood life is destroyed and the residents' lives cannot as safe as before.

## 4. Conclusion

The attraction to the leisure and lifestyle business of Tianzifang leads to a population gentrification and because different people have diverse space use characteristics the space have been reshaped during the gentrification process. There are five main driving forces that reshape the space (Figure 8).

First, space consumption and experience need of tourists. Second, space competition and privatization need of businesses owners. Third, space renovation and defense need of local residents. Fourth, space renovation needs of creatives. Last but not least, space control and guidance of local government. As a result of five main driving forces, the space has been reshaped and show new characteristics including reserved space structure, mixed functions, segregated living space, commercial space sprawl, privatized public space.

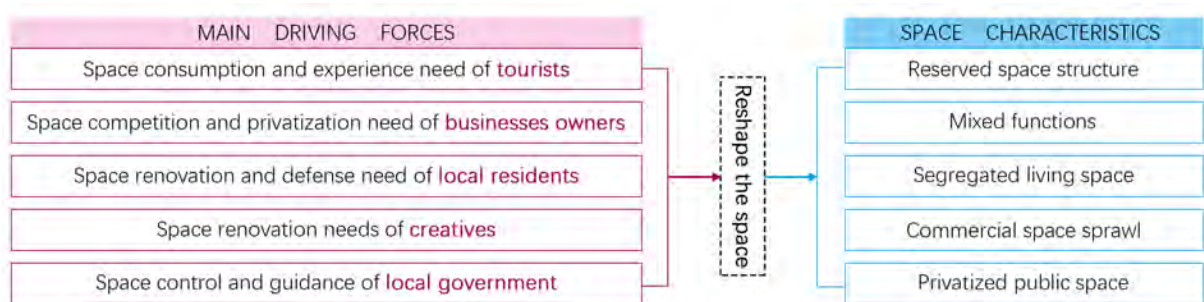


Figure8 Space reshaping process

Under the global symbolic economic, cultural production and innovation displace material production (Zukin, 1995). The space of creative cluster will be reshaped during the globalization process, and coordinating the relation among diverse stakeholders will be the key to promote transition of urban space and maintain social justice.

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