

The value creation and governance of ecology system in creative park: The Case of Taiwan

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Abstract

- Value creation is a central concept and important issue in the creative and culture industry. It refers both to the content and process of the recombination of resources including tangible and intangible assets. The main question is how the value be captured. We consider that there is a value ecology system which emerges from the development of a success creative park(or any kind of creative space).
- The purpose of this paper is to explore the concept of creative ecology system from an integrated perspective.
- We identify four key factors: territorial capital, innovation milieu, value-network, innovation space which matters to the development of creative ecology system.
- We use the case-Huashan1914 Creative Park which has two phases of development to illustrate the emergence process of value ecology.
- and we discuss the interaction of the factors which leads to there kind of multiplier effects and may cause the difference of the governance model which depends on the main function the innovation space have.

Why the creative ecology system?

- Cities using the cultural and creative economy as a regional growth strategy.
- Creative industry itself becomes the force of competencies in city or region.
 - being able to build new competencies quickly involves the ability to establish links at all levels, from the 'global' to the 'local':
 - the extent to which a region attracts innovative resources from outside [1]

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- We consider that as an ecology system with the regional development context.
- The main question is how the value be captured and leads to these discussions:
 - to reuse the slack or abandoned resources and identify its value elements
 - to redefine the value proposition for the resources with the extraction of intangible factors
 - to management the interactions between tangible and intangible assets in the creation of value to extend the value activities
 - to innovate the value portfolio to build the ecosystem of value.

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Methodology

- This paper is **an exploratory research** about creative industry.
 - case studies(to review the development of case Huashan)
 - interviews (to interview the main managers 3 times and 3 creative agents)
 - site visits (to field Observation 7 times with different activities)
- The paper considers the scope and scale of so-called creative ecology system in local cultural and creative quarters and sub-regional creative hubs.

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Purpose and approach

- This paper sets out to describe **the emergence** of the regional creative ecology system
 - the conceptualization of creative ecology system
 - the key factors of an emerging creative ecology system
- what is needed is a holistic, integrated approach to creativity[1].
- We try to understand the regional creative space such as creative park with the view of holistic systems:
 - The view of regional system of innovation
 - The view of creative economy
 - The view of creative ecologies

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The view of RSI

- The RSI has emerged as a **territorially-focused** perspective
 - the actual identification of components, relationships and attributes, **required to be a relevant context for a system of innovation**, is more problematic in regional systems than in other cases [2].

The view of RSI

- As pointed out by Dopfer et al[3]:
 - “The essential point to grasp here is that **macro** is not a behavioural aggregation of micro, but, rather, it **offers a systems perspective on meso viewed as a whole**.
 - Similarly, **micro** is not the reduced essence of an economic system;
 - it is a ‘**bottom up**’ systems perspective on meso when viewed in terms of its **component parts**.”

CONCEPTUAL BACKGROUND

The Creative Economy [4]

- 'Nobody knows'/demand is uncertain.

(There is radical uncertainty about the likely demand for creative product, due to the fact that such products are 'experience goods', about which buyers lack information prior to consumption, and the satisfaction derived is largely subjective and intangible.)

- 'Art for arts sake'/creative workers care about their product.

(Creative producers derive substantial non-economic forms of satisfaction from their work. This makes them vulnerable to exploitation and to supply almost always outstripping demand, thus fundamentally distorting market equilibrium.)

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CONCEPTUAL BACKGROUND

The Creative Economy [4]

- 'Motley crew'/some products require diverse skills.

(Creative production is mostly collective in nature. Hence the need to develop and maintain creative teams that have diverse skills, and often also diverse interests and expectations about the final product.)

- 'Infinite variety'/differentiated products.

(There is a huge variety of creative products available, both within particular formats (rental-store videos, for example) and between formats. Each creative output is to a greater or lesser extent a prototype of itself, and thus as much or more effort has to go into marketing as production, if it is to stand a chance for success.)

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CONCEPTUAL BACKGROUND

The Creative Economy [4]

- 'A-list/B-list'/'**vertically-differentiated skills**.'

(All creative sectors display great difference between the bright stars and the 'long tail' and this plays out in both remuneration and recognition, and also in the ways in which producers or other content aggregators rank and assess creative personnel.)

- 'Time flies'/'**time is of the essence**.'

(Most industrial forms of creative production need to co-ordinate diverse creative activities within short time-frames.)

- 'Ars longa'/'**durable products and durable rents**.'

(Many cultural products have great durability, their producers having the capacity to continue extracting economic rents (for example, copyright payments) long after the period of production.)

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CONCEPTUAL BACKGROUND

Creative ecologies

- Such an integrated approach is often called "ecological[5].
 - A cultural ecology recognizes that the notion of creative industries broadens **the social base of enterprise culture**, characterized predominantly by:
 - creative individuals and entrepreneurs
 - small to medium enterprises
 - pre-commercial (or anti commercial activities) as well as commercial activities
 - new mixes of public and private partnership
 - a complex web of social and cultural infrastructure
 - local and global production flows.

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CONCEPTUAL BACKGROUND

Creative field

- Numerous studies have shown that such **multifaceted processes of contact and interchange** are a critical factor in the generation of new ideas, sensitivities, and insights in industrial agglomerations [6],[7].
- the structures within industrial agglomerations that encourage these sorts of learning and innovation effects as a “**creative field**” or a **set of interrelationships that stimulate and channel individual expressions of creativity** [8].

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CONCEPTUAL BACKGROUND

Creative field

- *“The Creative field that undergirds the new economy is constituted as a constellation of workers, firms, institutions, infrastructures, communication channels, and other active ingredients stretched out at **varying densities across geographic space**.”*
- *This network of forces is replete with synergistic interactions variously expressed as **increasing returns effects**, externalities, spillovers, socialization processes, evolving traditions and so on, and it is above all a locus of extraordinarily complex learning processes and knowledge accumulation.*
- *The **atmospherics** are the private property of none and in principle the **collective** property of all, although they frequently evade explicit appropriation by the collectivity as such [6].*

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CONCEPTUAL BACKGROUND

Value creating ecology

- The metaphor of a “value creating ecology” is developed to describe the operation of the creative industries. This encapsulates three important trends, namely[9], [10]:
 - The shift from consumers to **co-creators of value**;
 - The shift from thinking about product value to thinking about **network value**;
 - The shift from thinking about cooperation or competition to thinking about **co-opetition**.

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The Key factors

Based on the conceptual background above, the ecology system of cultural and creative industry include four key factors :

- **territorial capital**
 - Historical culture
 - physical environment
- **innovation milieu**
 - Social Communities
 - belonging images
 - Knowledge sharing
- **Value creation**
 - the value of co-creation
 - the sustainability of business models
 - the value of externalities
- **innovation space**
 - To consume
 - To exhibit
 - To exchange
 - To produce

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Case1: Huashan Art District (1999)

- Taipei Winery
 - opened in 1916 as Wine Factory
 - In 1945, the ROC Government took ownership over the winery and changed the name into Taiwan Province Monopoly Bureau, Taipei Wine Factory.
 - In 1987, due to rapid urbanization in [Taipei](#), pollution it caused due to manufacturing process and skyrocketing land prices, the winery moved to [Linkou District](#) in [Taipei County](#).
- Huashan Art District (1999)
 - Reusing of space
 - The Wind of Huashan
 - an avant-garde theater troupe began staging underground performances at the site
 - made a strong impact on the ecology of performing arts in Taiwan₁₇

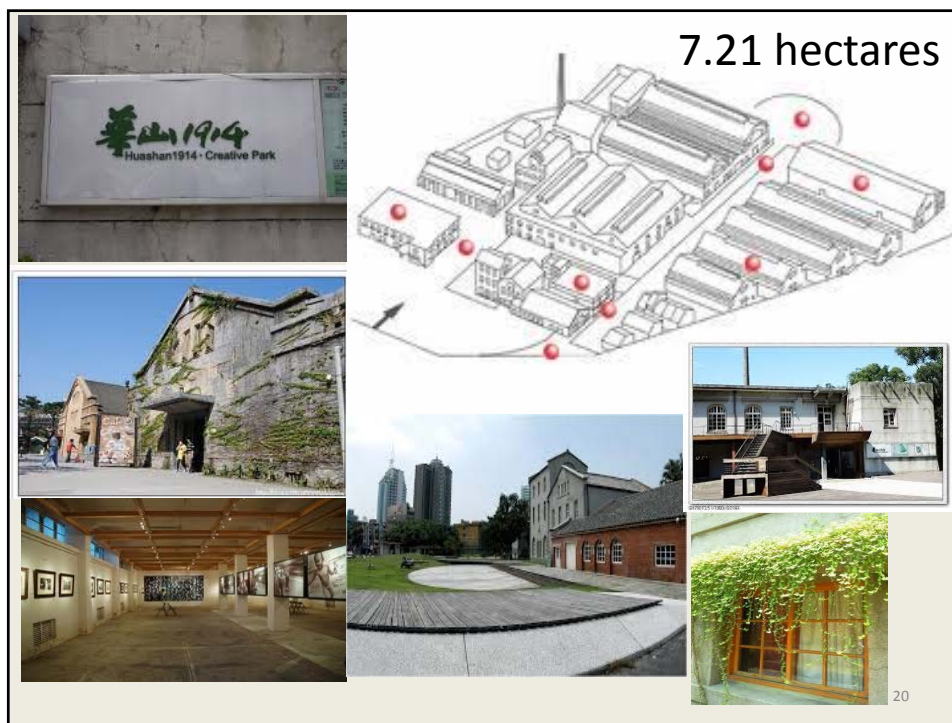
From abandoned
resources to reborn
of culture assets



From abandoned resources to reborn of culture assets

- transferred to Huashan Creativity Cultural Park(2002)
- Huashan 1914 creative park(2007~)
 - ROT(Reconstruction, Operation, Transfer)15 years to the privately run Taiwan Cultural-Creative Development Co.

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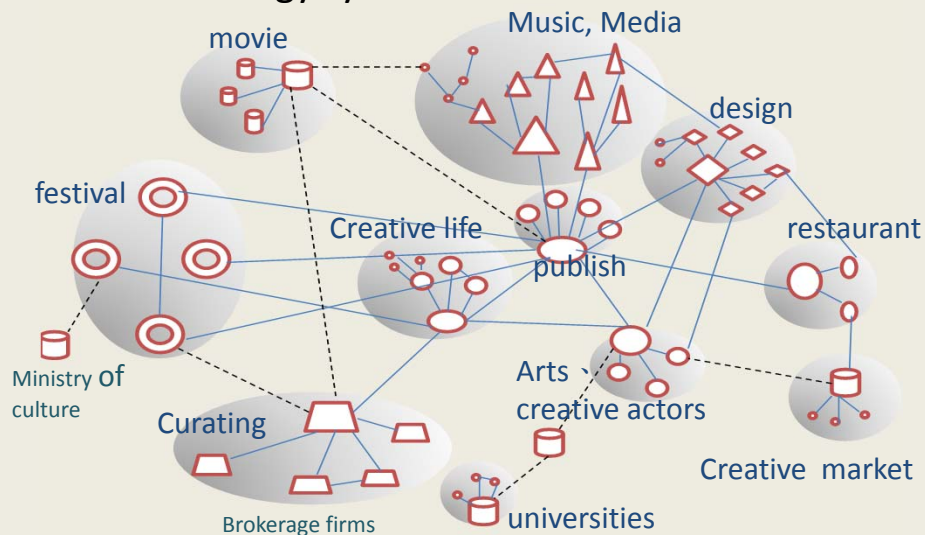


Case2: Huashan 1914 creative park

- For five years, the Huashan 1914 has hosted nearly 3,500 creative activities and events
 - Huashan Living Art Festival
 - Huashan Urban Simple Life, the park's biannual music-design-food festival
- attracting more than 400 million people to participate, each of these forums, shows, performances, exhibitions is unique story
- Breakeven revenue, start to have profits.
- “Life in the slow lane”(the wall street journal, travel, 2013/03/14)
 - **Taipei, once a typical Asian boomtown, is forging a different path than its flashier neighbors**
 - It's just past dusk and the crowds are getting bigger at Huashan 1914 Creative Park, a **distillery-turned-arts-hub** in the heart of Taiwan's capital.

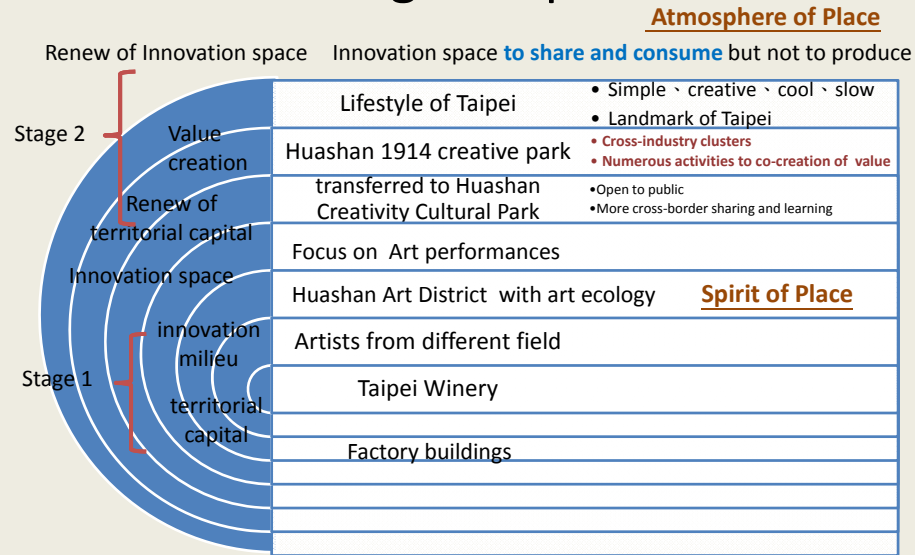
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Related creative Industry groups in the creative ecology system in Huashan 1914



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The emergence process



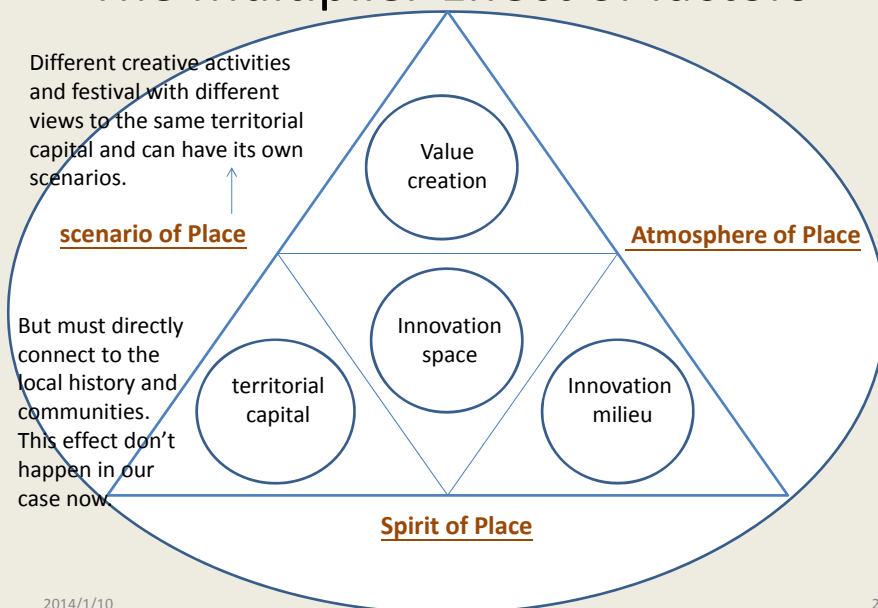
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The Multiplier Effect of factors

Different creative activities and festival with different views to the same territorial capital and can have its own scenarios.

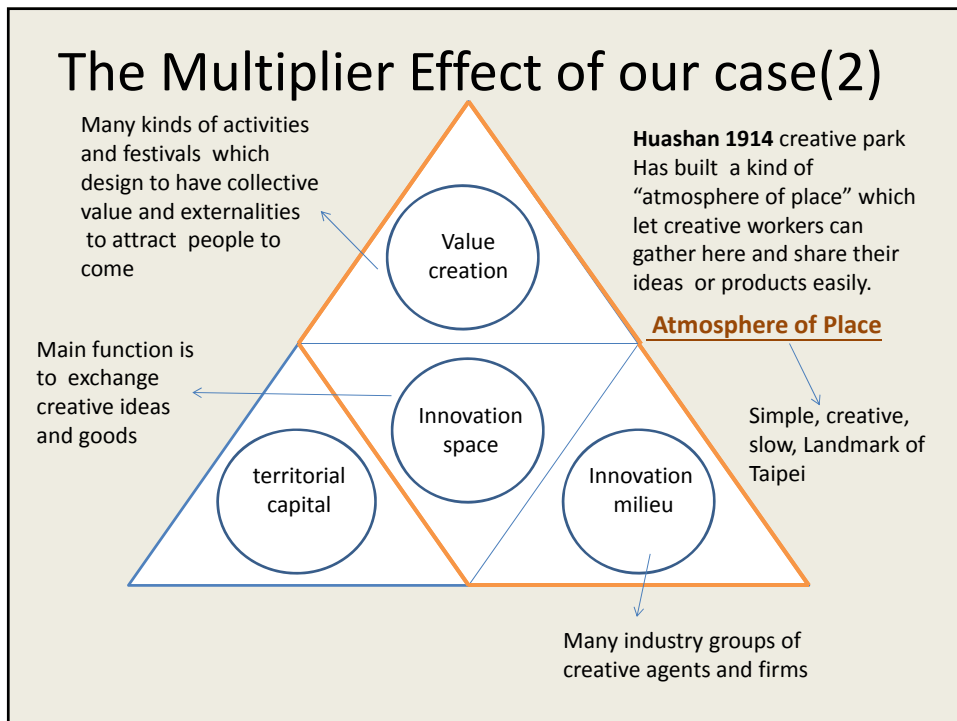
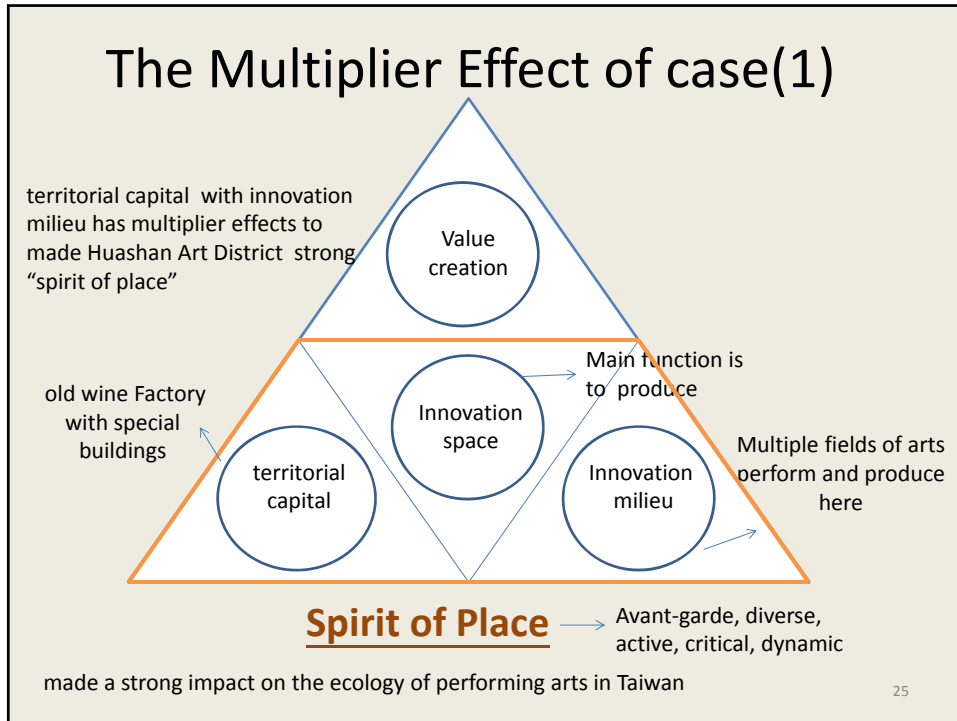
scenario of Place

But must directly connect to the local history and communities. This effect don't happen in our case now.



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The Multiplier Effect of factors

- The factor--innovation space as the form of external appearance such as street blocks, creative hub, creative park, creative area etc.
- The emergence of creative ecology system is the process of evolution and the factors have multiplier effects.
- **Spirit of Place**
 - territorial capital X innovation milieu
 - In the case such as the period of Huashan Art District stage which use the old wine factory capital to attract arts and emerge the art ecology
- **scenario of Place**
 - territorial capital X Value creation
 - the different public and private sectors have their plans and images to the exploitation of this old abandoned asset
- **Atmosphere of Place**
 - innovation milieu X Value creation
 - In the case at the Huashan 1914 stage, there are diverse groups stationed in the creative park and release sundry value activities.

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Discussions and Conclusions

- this paper synthesizes emerging trends in the literature in relation to creative ecology system with the context of regional development and defines the factors of the creative ecology system.
- Creativity may be found everywhere, but perhaps not all localities can become 'creative places' with the competitive advantages that this implies[11]
 - It will develop to innovation space with its functions and emerge the value ecology system.
- We sheds light on the governance issues of the complexity of regional systems in creative industry[12]
 - creative spaces focus on different main function will cause different ways of the governance
 - The system is dynamic development, it depends on the key factors of the value ecology system.

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Discussions and Conclusions

- Finally we try to develop an analytical framework for creative ecology system with a “factor–function–rule” architecture
 - Different factors with different function of the space and linkage effects should have different ways of governance
- In case of Huashan 1914, the Innovation space function is to share and consume but not to produce
- The creative ecology system becomes a platform for creative workers and agents to share, learn, experience, test, tell, sell their ideas and stories and build the value co-creation effect

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