# The Significance of Creativity in Urban Governance and Regeneration Practice through the Lens of an Institutional Capacity Framework

Hiroshi Saito

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School of Architecture, Planning and Landscape

Newcastle University, UK

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# ABSTRACT

Contemporary urbanised places have specific challenges arising from social and economic change. Thus, the techniques of 'modern' town planning, focused on regulating urban land use and property-led development, have been usurped by 'softer' factors. One of these new directions centres on ideas of the 'creative city'.

This thesis uses Healey's institutional capacity framework to analyse two 'creative city' cases, one in the UK and one in Japan. Using a comparative approach, it investigates the significance of the creativity concept to mobilise governance resources; the development of 'civic creativity' through collaborative governance; and the roles of social enterprise in establishing creative local governance and community-based practice.

The importance of the creativity concept stemmed from its vagueness, its 'interpretive flexibility'. This flexibility created a space where relational resources, knowledge resources and mobilising capacity were developed to underpin the development of a creative milieu consisting of creative local governance and practical regeneration activity.

Civic creativity was present in both case studies, but they differed in the forces that drove the development of creative city ideas. In the UK, such ideas were more explicit, driven by their circulation in well-established policy networks and through vertical networks linking central and local government. Such 'external forces' were not only a trigger to transforming local governance and community activities through urban regeneration to be creative, but also diverted attention from building local institutional capacity. In the Japanese case, without such explicit external forces, internal forces based on local collaborative traditions were utilised to address urban regeneration through horizontal networks.

Social enterprises were significant throughout both cases, through the formation of special vehicles for building partnerships, and at a practical programme level where citizens and social enterprises applied their creativity to improving the quality of life through social and artistic programmes to tackle local problems.

# ACKNOWLEDGEMENTS

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| | |
|---|---|
| ADF | Agency Deregulated Function |
| APL | Application Plus Ltd. |
| BSS | Beaumont Street Studios |
| CAQDAS | Computer-Assisted Qualitative Data Analysis |
| CBI | Confederation of British Industry |
| CDC | Community Development Corporation |
| CDFAs | Community Development Finance Associations |
| CDFIs | Community Development Finance Institutions |
| CDVF | Community Development Venture Fund |
| CICs | Community Interest Companies |
| CIDA | Cultural Industries Development Agency |
| CIK | Cultural Industries in Kirklees |
| CLGs | Companies Limited by Guarantee |
| CTI | Creative Town Initiative |
| CSS | Community Support Service (KMC) |
| CU | Credit Union (KMC) |
| DETR | Department of Environment, Transport and the Regions |
| DoE | Department of Environment |
| DRAM | Dalton, Rawthorpe and Moldgreen |
| DTI | Department of Transport and Industry |
| EAGGF | European Agricultural Guidance and Guarantee Fund |
| ERBEDU | European Regional Business and Economic Development Unit |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| EU | European Unit (KMC) |
| GfG | Group for Growth |
| GOYH | Government Office for Yorkshire and the Humber |
| HBG | Huddersfield Business Generator |
| HPL | Huddersfield Pride Ltd. |
| ICT | Information Communication Technology |
| ILM | Intermediate Labour Market |
| INS | Information Network System |
| IPSs | Industrial and Provident Societies |
| KMC | Kirklees Metropolitan Council |

| | |
|---|---|
| KR | Knowledge Resource |
| LFRs | Less Favoured Regions |
| LSP | Local Strategic Partnership |
| MC | Mobilising Capacity |
| MCM | Machizukuri Corporation Mitaka |
| NCR | New Commitment to Regeneration |
| NDC | New Deal for Communities |
| NPO(s) | Non-Profit Organisation(s) |
| NRF | Neighbourhood Renewal Fund |
| NTT | Nippon Telegraph and Telephone Corporation |
| PJ | Proper Job Theatre |
| PPPs | Public–Private Partnerships |
| PPS | Partnership and Procurement Service (KMC) |
| RDAs | Regional Development Agencies |
| RES | Regional Economic Strategy |
| RR | Relational Resource |
| SBCA | Suga Brown Creative Arts Ltd. |
| SBS | Small Business Service |
| SEU | Social Exclusion Unit |
| SMPC | SOHO city Mitaka Promotion Committee |
| SMEs | Small Medium Enterprises |
| SOHO | Small Office Hone Office |
| SOI | Structure of Interest |
| SRB | Single Regeneration Budget |
| SSS | Senior SOHO Salon |
| TCM | Town Centre Management |
| TEC | Training and Enterprise Council |
| TMO | Town Management Organisation |
| TUC | Trades Union Congress |
| UDCs | Urban Development Corporations |
| UPP | Urban Pilot Project |
| VAK | Volunteer Action Network |
| VNPO | Voluntary and Non-Profit Organisation |
| WYSEL | West Yorkshire Social Enterprise Link |
| YF | Yorkshire Forward |
| YHP | Yorkshire and Humberside Partnership |

# Chapter 1. Introduction

## 1.1 Introduction to Civic Creativity

### 1.1.1 Decline of functional modernism

The late 20th century witnessed a decline in the theories and practices of functional modernism in town planning. Planning systems rooted in rational comprehensive planning came to be regarded as bureaucratic, inflexible and exhibiting a lack of inventiveness, as they became overly focused on regulating physical change in the built environment (Albrechts, 2005). Specifically, in the field of urban regeneration, property-led redevelopment projects based on 'master plans' were implemented with huge financial resources. However, the expected trickle-down effects were far from being realised, providing limited benefits for local society. For Allmendinger (2002), modern planning theory failed to address problems such as poverty, homelessness and wealth inequality, and was latterly overly concerned with how planning was enacted. Similarity, Sanderock (1998) posited that modern planning was anti-democratic, race and gender-blind, and its outlook overall culturally homogeneous (1998). Furthermore, the outcomes of modern planning created new problems such as car-centred urban structures and social problems associated with high-rise residential blocks (Allmendinger, 2002).

### 1.1.2 Increasing significance of soft infrastructure issues

Thus, we came to comprehend that the contemporary urban condition reflected a fragmented social order that should be recognised in planning theory (Healey, 1997). This fragmentation was caused by both 'a change from a "modern" period of shared objectives, to a "postmodern" time of lifestyle diversity and the celebration of difference' (ibid, p.31) and an increasing recognition of diversity issues. In order to refine urban planning to adjust to this problematic urban condition, it was necessary that governance and planning be interlinked in society (Albrechts, 2005). In this context, 'governance' means 'collective action arrangements

designed to achieve some general benefit' (Healey, 2004, p.87). In addition, the term 'creative governance' implies to 'transform established government practice and create new governance capacities' (ibid). A core feature is the establishment of 'social and intellectual capital' (Innes, 1994) to encourage mutual understanding between various stakeholders involved in urban governance. Specifically, the aim of transforming governance is constructed on two levels, 'the soft infrastructure of practice for developing and maintaining particular strategies in specific places' (Healey, 1997, p.6) and 'the hard infrastructure of the rules and resources of the policy system' (ibid, p.6). From the above, the importance of establishing the 'soft infrastructure' in urban place governance is increasingly emphasised in the refinement of urban planning. This 'soft infrastructure' can be rephrased as 'creative milieu', defined as follows:

> … the set, or the complex network of mainly informal social relationship in a limited geographical area, often determining a specific external image and specific internal representation and a sense of belonging, which enhance the local innovative capacity through synergic and collective learning processes. (Fromhold-Eisebith, 1999, p.5)

While formal government is significant in such a milieu, third-sector organisations are key players alongside the private sector (Giddens, 1998). In summary, 20th century urban planning was not robust in designing a 'creative milieu' with its emphasis on regulating instruments. The importance of creativity in urban governance arising from 'soft infrastructure' latterly became a key theoretical and practical concern in the urban planning domain.

### 1.1.3 *Rise of creativity as central to regeneration and urban futures*

In recent years, arguments about creativity in relation to urban affairs increased rapidly and the 'creative city' became a 'buzz' concept in the future vision of a city or town. Alongside the concept, plenty of practices were raised. As part of 'creative' theory and practices, strategies of 'culture-led regeneration' and 'city marketing' to create a 'good image' and improve the quality of the place to attract people were emphasised (Baycan, 2011). Specifically, from the economic perspective, the 'creative economy' or 'creative industry' developed as key ideas, and from the

physical-spatial dimension, 'creative milieu' and 'quality of place' were emphasised (ibid). Along the lines of these theories and practices, in the 1980s and 1990s urban regeneration projects in many European cities emerged to solve problems with an emphasis on cultural resources (Bianchini, 1994). These experiences sought to apply the notion of 'creativity' relating to place with a new recognition, as follows:

> The town saw that it had only one resource – its people: their intelligence, ingenuity, aspirations, motivations, imaginations and creativity. If these could be tapped, renewal and regeneration would follow. … This means giving scope to people's creativity and harnessing their capacity to solve problems. This was the true source of urban competitiveness. (Landry, 2008, p. 82)

Furthermore, ideas of creativity became associated with the act of performing local governance itself, the notion of 'civic creativity', which was defined as 'imaginative problem-solving applied to public good objectives' (Landry, 2006, p. 2). Thus, a range of actors from formal local government and others 'oriented to the public good' are critical in the development of civic creativity:

> Civic creativity is the capacity for public officials, and others oriented to the public good, to imaginatively achieve higher value within a framework of social and political values. (Landry, 2008, p. 190)

This thesis therefore proceeds with a double meaning of civic creativity, expressed most clearly by Healey (2004):

> Governance processes may be 'creative' in a double sense. In one sense, new governance capacities can be developed, whether through struggle, learning or evolution. In a second sense, some ways of doing governance have better potential than others to foster the innovatory, creative modes sought by the advocates of economic and cultural creativity (p. 87).

This quotation emphasises the importance of being creative in relation to governance practices and creating the conditions for creativity in relation to place governance. In this research, civic creativity is explored through this 'double sense' dimension of creativity in urban governance.

## 1.2    Research Aims

The focus of this study is to analyse urban regeneration policy and practice in the UK and in Japan, and consider ways forward to creative governance. The presumption is that a greater degree of creativity in local governance would be desirable.

Following the above focus, my research aim is to explore the question: 'How do ideas of civic creativity emerge and be deployed in urban regeneration practice?' Two case studies of urban regeneration are assessed in this research addressed through an 'institutional capacity framework' (Healey, 2002). This framework suggests a need to focus on the following sub-questions to realise the aim: (a) How significant is the concept of 'creativity' in mobilising for urban regeneration? (b) How is civic creativity developed in urban regeneration through collaborative governance practices? A further sub-question seeks to explore the wider creative milieu and focuses especially on the third sector, thus: (c) What roles can social enterprises play in collaborative local governance oriented towards 'creativity'?

## 1.3    Methodology

This research derived inspiration from the ideas of comparative urbanism (Nijiman, 2013), which seeks to acquire new points of view to analyse local governance capacity through the study of situations that are often highly contrasting. Specially, empirical research was carried out in two case study areas, in the UK and Japan, based on very different social and cultural contexts.

The case study in the UK was in Huddersfield, where the concept of creativity was applied as the banner of urban regeneration. The second case study, in Japan, was in Mitaka city, where the concept of SOHO (Small Office Home Office) was applied as an analogous banner. The concept of urban regeneration in both case studies was different, but the concepts shared an underlying application of 'civic creativity' (Landry, 2006). The 'interpretive flexibility' (Bijker

et al., 1987), enabled by concepts such as 'Creative Town' and 'SOHO City', allowed for such an analysis.

In order to investigate the conversion of 'civic creativity' in individuals to place creativity, collaborative ways of mobilising resources through various networks formed by combining formal and informal partnerships were analysed. The concept of 'institutional capacity' (Healey, 2002) was made up of a number of supporting ideas that required exploration, notably assessing levels of relational resource (RR), knowledge resource (KR) and mobilisation capacity (MC) (ibid).

One significant feature when looking at comparative urbanism across the very different contexts lay in the differences in terms of the strength of 'external forces' beyond the local cases. In the UK case study, Huddersfield, the availability of money from central government and the dependence on it for urban regeneration meant that the terms of such finance being made available were a crucial factor in how the locality responded. On the other hand, though the Japanese government had a policy of urban regeneration, in contrast to the UK there were no particular subsidy schemes. In addition, in terms of the 'local context', the relationship between municipalities and citizens was different in the UK and Japanese case studies. In Huddersfield, the advent of strong leaders in the local council was the trigger for collaboration between the public sector and others. On the other hand, in the Japanese case study, Mitaka city, there was a strong local tradition of collaborative ways of governing.

In both cases, social enterprises played a crucial role, both as intermediary-sector bodies and as active actors of local governance. Social enterprises were recognised not only as organisations of social economy, but also as 'place change agents' (Barry, 2012) that could mobilise various resources through various networks. In the UK, social enterprise was recognised as a crucial actor for implementing urban regeneration. The New Labour administration of the time positively positioned social enterprises as key organisations of urban regeneration in their

policy (Painter and Goodwin, 1995). On the other hand, in Japan, even the recognition of social enterprises was not fully established. However, there were active community groups and a public sector-led intermediary sector, according to the Japanese traditions of local society. Though the circumstances surrounding social enterprises were different in the UK and Japan, the 'Third Way' (Novak, 1998) promoting social innovation, was applied to address problems in local society.

## 1.4 Outline of the Thesis

Chapter 1 expanded upon the aims of this research and its focus on comparative research, and provides an outline of the thesis. In Chapter 2, the notion of creativity related to local governance will be discussed. In Chapter 3, the related theories of collaborative governance will be reviewed, along with new institutionalism. Then, in Chapter 4, the role of social enterprises in social innovation and the trajectory of development of social innovation, especially in the UK's New Labour administration, are debated. The applied analytical framework of this research, the institutional capacity development framework, will be surveyed in Chapter 5, aiming at understanding the case studies through an institutional approach. Chapters 6 and 7 explain background information about urban regeneration in both the UK and Japanese case studies. Chapters 8 and 9 will analyse the case studies based on empirical data. The project commenced in the middle of 2004, with fieldwork being carried out during the 2005-06 academic year. The fieldwork was completed just before the end of the Single Regeneration Budget (SRB) funding period in Huddersfield, which is one of the case study areas of this research. In Chapter 10, some significant findings in response to the research questions through the comparative analysis of the case studies will be presented.

# Chapter 2. Creativity and Local Governance

## 2.1    Introduction

> Creativity is the ability to produce work that is both novel (i.e., original, unexpected) and appropriate (i.e., useful, adaptive concerning task constraints). … At individual level, creativity is relevant, for example, when one is solving problems on the job and in daily life. At a societal level, creativity can lead to new scientific findings, new movements in art, new inventions, and new social programs. (Sternberg and Lubart, 1999, p.3)

Creativity can be defined simply as the ability to create something new and suitable (Ochse, 1990; Sternberg, 2006; Sternberg and Lubart, 1993, 1999) in the psychology academic community. Creativity is a term which has very broad and ambiguous meanings, according to viewpoints at different levels, such as individuals, organisations and societies (Sternberg and Lubart, 1999). Also, variety and vagueness are caused by a diversity in applicable fields of creativity, such as those of the arts, economics and governance. This section begins by laying out the historical dimensions of the research on creativity, and looks at the variety of the concept of creativity from the three different viewpoints: individuals, organisations and society. Each level of creativity may correspond to an almost specific applicable field. For example, the individual level of creativity seems to be applied to arts exercises such as community arts, and creativity at the organisational level may be relevant to the governance of associations such as corporate or administrative governance. A societal level of creativity would be crucial for economic development including the establishment of new industries. Finally, how the concept of creativity is relevant to urban regeneration will be examined by the theoretical framework of creativity, which is based on the discussion of this section. Moreover, from the different views of creativity, social enterprises will be defined as 'interface' organisations between the individual and society.

## 2.2    Creativity in Psychology in Incipient Research

Research on creativity has been widespread in the psychology field from the 1950s. In particular, the article 'Creativity' (Guilford, 1950) was a trigger for the encouragement of research on creativity in the American psychologists' community. Before Guilford, the main creativity research studies had targeted geniuses such as Newton, Copernicus, Galileo and Darwin. For instance, 'The early mental traits of three hundred geniuses' (Cox, 1926) focused on the evaluation of genius through the supposed intelligence quotient and quantitative personality method. Another example is 'The art of thought' (Walls, 1926), which presented that the creative process has four stages: 'preparation', 'incubation', 'illumination' and 'verification'. Although these thoughts about the development process of creativity have been influential following research studies on creativity, the focus of this study was only on creativity in a single individual, without the influence of the social context.

After World War II, creativity research thrived, mainly in the United States, due to Guilford's influence on the American psychologist community. During the first half of the 1950s, the main theme of creativity research paid attention to ascetic concerns such as architecture, mathematics and natural sciences. In the second half of that period, due to the increasing tension between the US and the USSR, caused by the 'Sputnik Crisis', concern was focused on the development of engineering, especially in the space race. Therefore, following these conditions of society, called the Cold War, creativity research was engaged in physics or engineering matters (Csikszentmihalyi, 2000). During the 1950s and part of the 1960s, the main discussion about creativity was based on two major theoretical frameworks of thinking: 'divergent thinking', which aimed to create multiple solutions with limited resources; and 'convergent thinking' which aimed to achieve a necessary sole solution (Guilford, 1950). According to these theoretical discussions of styles of thinking, Guilford developed the 'structure of interest (SOI) divergent production test', which was a method to measure creativity. Although this sort of measurement method has been developed by some researchers up till now, there have been

arguments that attempting to measure creativity itself is not suited to the fundamental nature of creativity.

## 2.3   Group Creativity

On the trajectory of creativity research, most researchers have focused on 'individual' creativity as the target of their research, and thus recognition of social factors on the creative process have not been discussed sufficiently (Paulus and Nijstad, 2003). As a result, individuality, the chance of development, culture, enthusiasm and cognitive ability were recognised as the main factors underpinning personal creative performance (Munford and Gustafson, 1988). In addition, although isolation and self-reflection have a positive impact on creativity, pressure from the others in the group is a negative factor which tends to lead to non-creative results, rather than applying unique ideas due to the sharing of information and being conscious of common ideas (Stasser, 1982).

Although creativity research is still weak within psychology (Paulus and Nijstad, 2003), in terms of 'team work' (Agrell and Gustafson, 1996; Bennis and Biederman, 1997; Kayser, 1994) or 'collaborative learning' (Johnson and Johnson, 1998), the importance of communication or interaction among individuals in the group has been recognised gradually. For example, Osborne pointed out that group brainstorming was a useful way to create novel ideas (1963), and Stein argued that the process of discussion in a group stimulated creativity in the individual (1974). Recently, studies about group creativity – in other words, the importance of social and contextual factors – were emphasised by more researchers, such as Terresa M. Amabile (1996) and Mihaly Csikszentmihalyi (1998). In these studies, social factors were emphasised – not only the efficiency of group brainstorming, but also a greater variety of factors such as the possibility of mentoring, the presentation of the social model, the influence of family norms, the social reward context, and so on (Paulus and Nijstad, 2003).

For Kurtzburg and Amabile, the notion of 'creative synergy' was presented as 'the idea that a group of people has produced something that no one would have been able to alone' (2000, p. 289), and in order to stimulate creative synergy, the combination of persons who have different characters, and interaction between them, are very important (Kurtzburg and Amabile, 2000). Although they pointed out the importance of communication and interaction between group members, even in fostering creativity through interactions and combinations of various members of the group, their recognition of the origin of creativity was only in individuals' minds. In addition, in their description of creativity in a group, called 'creative synergy', the diversity of the members of the group and conflicts relating to that diversity could lead to more creative outcomes, due to stimulation of the importance of multiple viewpoints (ibid).

## 2.4   Creativity in Business Management Focusing on Communication

> As creativity is a social process, entailing a dynamic of according value and receiving recognition, we can say that it never realised as a creative act until it is achieved within some social encounter. … without communication the creative process is never complete. (Negus and Pickering, 2004, p.23)

In the business management field, creativity is recognised practically as an essential ability to create new projects in running a business. In order to research creativity in business management, the research and development area was particularly focused on the relationship between individuals and organisations, which is relevant to the performance of business activities; for example, through observing some engineers according to various indicators, such as the frequency of communication, strength of motivation and degree of satisfaction (Pelz and Andrews, 1966). As a result of this study, Pelz and Andrews described the importance of various communications between the individual and the organisation and between colleagues for effective creation of, and outside impact on, a productive environment for encouragement (ibid).

Moreover, Tushman's (1977) study of creativity in research and development activities through investigating various communications across boundaries, appropriated to different innovation processes, was relevant to the discussion of the conversion process from creativity in the individual to creativity in society. In his thesis, there are three phases of innovation: 'idea generation', 'problem solving' and 'implementation'; and in each phase, 'extra-organisational communication' to investigate social needs, 'intra-departmental communication' to foster specialised solutions and 'intra-organisational communication' to practise the production of new ideas in society are described as important communications across several boundaries (ibid). In addition, his discussion developed the crucial boundary roles in innovation to mediate communication, gather and diffuse information, deal with uncertainty in outside organisations and expose informal statuses and critical information (ibid).

## 2.5    Creativity in Planning Perspective

> Cities have one crucial resource – their people. Human cleverness, desires, motivations, imagination and creativity are replacing location, natural resources and market access as urban resources. The creativity of those who live and run cities will determine future success. (Landry, 2008, p.xiii)

In the last decade, arguments concerning the 'creative city' have increased rapidly and the creative city has become a 'buzz' concept of the post-industrial vision of a city or town, which has been led by two thinkers, Charles Landry and Richard Florida. In the 1980s and 1990s, the development of the concept and implementation of urban regeneration projects in many European cities to solve the problems of disadvantaged areas with cultural resources commenced (Bianchini, 1994). According to these experiences, the necessity of reconsideration of the cultural-led urban regeneration approaches was pointed out by a few scholars such as Franco Bianchini, who developed the 'Creative City' leaflet (1995) with Charles Landry. For Bianchini, the major problem of the 1980s and 1990s' cultural-led urban regeneration approach was the tendency to create facilities that provided the possibility of cultural consumption rather

than cultural creation (Bianchini, 1994). Moreover, it would be important to redefine who urban regeneration is for, oriented to realise social innovation (Mouleart, 2000) in our period.

Based on the above discussion, the very influential professional Charles Landry (2000) presented some relevant thoughts on the concept of the creative city in his book *Creative City: A Toolkit for Urban Innovators*. Although most of the creative city 'buzz' discussions are inclined to concentrate on art and cultural concerns, Landry paid plenty of attention to broader 'creative' events such as vocational training and social education that were engaged in physiology or business management fields, as stated previously. In Landry's (2000) discourses of a creative city, 'civic creativity', 'creative milieu' and 'the cycle of urban creativity' were highly important in terms of the local governance dimension.

## 2.6 Civic Creativity

> Civic Creativity is imaginative problem-solving applied to public good objectives. It involves the public sector being more entrepreneurial, though within the bounds of accountability, and the private sector being more aware of its responsibilities to the collective whole. (Landry, 2006, p.2)

As stated in the previous subsection, the notion of 'civic creativity' is one of the most crucial components of the 'creative city' as presented by Landry. In his 'creative city' context, he focused on how major actors of urban governance, such as the public and private sectors, unlock their potential to implement collective action for urban regeneration through the transformation of conventional bureaucratic organisational culture (Landry, 2008). In this view, it can be identified that he emphasised a sort of group creativity, i.e. organisational or corporate culture. Relating to this notion, other researchers, mainly in the business management field, presented 'civic entrepreneurship' for the public sector and social entrepreneurship for the private sector, more specifically as follows:

> Civic entrepreneurship is the regeneration of the mandate and sense of purpose of public organisation, which allow it to find new ways of combining resources and people, both

public and private, to deliver better social outcomes, high social value and more social capital. (Leadbeater and Goss, 1998, p.18)

As well as 'civic creativity', the above descriptions would contribute to foster civil society through the transformation of standards of values based on each different organisational culture with a decision to being creative as an organisation, i.e., taking a risk of doing something which has been never done. Moreover, Landry described the concept of civic creativity from a different point of view, which was more focused on the socio-political aspects of creativity and place, as follows:

> Its [civic creativity's] scope is the confluence point between individual self-interest and collective desires, where being 'me' and being 'us' at the same time is possible. It is creativity that negotiates and balances a harmony between diversity of conflicting interests and thus is always involved in some form of politics (Landry, 2008, pp.190–191).

Although the importance of interaction between the individual and society was discussed in the previous section about the psychology and business management perspective of creativity, in order to convert creativity in the individual to creativity anchored in a certain place, it would be necessary to establish creative events as an institutionalised collective action through a collaborative approach with various actors in the fragmented local society.

## 2.7   Creative Milieu

> A creative milieu is a place – either a cluster of buildings, a part of a city, a city as a whole or a region – that contains the necessary preconditions in terms of 'hard' and 'soft' infrastructure to generate a flow of ideas and inventions. Such a milieu is a physical setting where a critical mass of entrepreneurs, intellectuals, social activities, artists, administrators, power brokers or students can operate in an open-minded, cosmopolitan context and where face to face interaction creates new ideas, artefacts, products, service and institutions and as a consequence contributes to economic success. (Landry, 2008, p.133)

Another relevant notion constituting the concept of the creative city by Landry is the 'creative milieu', which originated strongly from town planning thought. The 'creative milieu' is considered as a school of 'milieu' concepts, which have been developed and presented by the GREMI (Group de Recherche European sur les Milieux Innovateurs) research group in France. Although, even in this group, there were a variety of views on the concept of milieu and transformation of the focuses in time, the more generalised concept of 'milieu' specialised in local innovation is defined as 'the set, or the complex network of mainly informal social relationship on limited geographical area, often determining a specific external "image" and specific internal "representation" and a sense of belonging, which enhance the local innovative capability through synergistic and collective learning process' (Camagni, 1991, p.3).

The concept of 'creative milieux' or 'innovative milieux' includes contradictory thoughts as to the local governance dimension, which is the balance between dependence and independence in the local social-spatial context within the agency and the structure. In terms of social affairs, Granovetter (1973, 1983, 1985) discusses 'embeddedness' and 'the strength of weak ties'. In the concept of innovative milieux, the firm or agent is an independent and autonomous actor while being a part of milieux with their innovative capability (Mouleart and Sekia, 1992; Millat, 1991). On the other hand, from the geographical perspective, spatial proximity is crucial, besides a decreased transaction cost, for face-to-face contact and the sharing of a common cultural context encouraging an informal local network (Gorz and Braun, 1993); whereas networks combining various elements of innovative milieux have to be opened up to external resources in a globalised society (Ache, 2000). These can be distinguished from supranational formalised interrelations (Camgni, 1991).

Florida (2000) described 'creative milieu' in similar notions of 'civic ethos' which is shared by the people belonging to the 'creative class' such as 'artists, engineers, musicians or computer scientists, writers or entrepreneurs' and make 'creativity, individuality, differences and merit' valuable (p.8). In addition, Florida pointed out the importance of Granovetter's 'weak ties'

rather than Putnam's social capital, because traditional social capital is too strong to allow people to accept new people or ideas that generate diversity or innovation, but weak ties could do so (ibid, p.274). According to Robert Cushing's research on the relationship between social capital, diversity and innovation, Putnam's social capital communities were not 'centres of diversity, innovation and economic growth' (ibid, p. 273). This was because the social capital had a positive relationship with 'social isolation' and 'security and stability' of local society (ibid, p. 275). There is a major difference between 'weak ties' and 'social capital'.

Furthermore, closely related to the 'milieu' concept, 'institutional capacity' was developed by Healey based on the studies by Amin and Thrift (1995a) and Innes (1994), which will be discussed in a later section of this chapter. For Healey, building 'institutional capacity' creates consensus on collective actions and flexibility for unforeseen situations based on trust and collaboration within territorialised society (Healey, 1998). Also, Florida (2000) described a similar notion to 'innovative milieu' as 'creative capital' in creative people who would like to acquire diverse environments and novel thoughts, encouraging regional economic expansion. At Florida's insistence, regarding those represented by the term of 'creative class', it would be critical to focus only on people who are connected to the creative industry and creativity as an economic function.

## 2.8   Creativity in Local Governance

> Governance processes may be 'creative' in a double sense. In one sense, new governance capacities can be developed, whether through struggle, learning or evolution. In a second sense, some ways of doing governance have better potential than others to foster the innovatory, creative modes sought by the advocates of economic and cultural creativity. (Healey, 2004, p.87)

In the planning field, especially in research about local governance, the relationship between creativity and territorialised society such as towns, cities or regions has been discussed by some researchers (Healey, 2004; Kunzman, 2004, 2005; Albrechts, 2005; Cooke and Schwartz, 2007;

Cooke and Lazzeretti, 2008; Montgomery, 2005, 2007; Peck, 2005; Chatterton, 2000; Hall, 2000; Drake, 2003; Scott, 2006).

One of these planning-centred articles, 'Creativity and Urban Governance' by Healey (2004), which aims at the analysis of association to encourage creative innovation with local governance formation, is relevant to my research. Many researchers such as Cooke (2007, 2008) or Florida (2000, 2005) have stated that forms of governance have great influences on innovative organisations; also, many practitioners such as Landry or Montgomery have discussed the conflicts between governance and creativity. Healey distinguished 'governance' from 'government'. For Healey, government was 'the formal organisations of the "public sector"' (2004, p.87), while 'governance' was defined as 'collective action arrangements designed to achieve some general benefits' (ibid, p.87). From the perspective of this transformation from 'government' to 'governance', the relationship between creativity and governance may be made clear.

One of the essential instincts of creativity is to do something which has never previously been done (Sternberg, 2006). In the local governance context, that means giving up the conventional regulation-centred administrative approach or the future vision of a place based on homogeneous culture, local-governance-acquired flexibility, self-transformation system and diverse culture for 'the searching for "new" – "new policies", "new projects", "new practice" and "new people"' (Healey, 2004, p.89) by taking risks due to the uncertainty of the 'new'. However, a practical excessive audit culture – the conventional regulation culture – destroys capacity for creativity. The importance of the balance between existing and the new, as stated above, is pointed out by Healey as follows:

> … a complex balance between self-regulation and self-distribution, between being supportive in multiple ways and constraining where essential, between openness and transparency and accepting the likelihood of critique and protest, between producing and circulating knowledge and information and accepting that valuable knowledge

resources are also to be found in the many nooks and crannies of urban life. (Healey, 2004, p.100)

## 2.9    Conclusion

According to the theory of creativity presented by psychology and the business management field, there are some suggestions for applying creativity in the local governance field. One of them is the importance of sufficient 'communication' between various individuals, such as the person and the organisation, to encourage creativity. In addition, this 'communication' includes a reflection of social values and requirements. The next is that there are 'processes' in applying creativity. Though usually the moment when creativity is applied is expressed as 'lights blinking' or 'struck by lightning', in actual fact, there are 'processes' such as 'idea generation', 'problem solving' and 'implementation'. The last suggestion is that there are 'levels' of creativity which range from the individual level to the social level. At the individual level, creativity is an ability to solve the daily problem. At the social level, creativity transforms the social paradigm. From the planning perspective, it may be important to transform creativity in the individual into creativity in local society.

# Chapter 3. Urban Governance

## 3.1    Introduction

The aim of this chapter is to identify the important theoretical elements underlying creative urban governance. The basic perspective of creative governance is based on the theory of collaborative planning (Healey, 1997). In particular, the chapter will focus on the significance of the theory of 'partnership' and 'institution' in urban governance.

## 3.2    Partnerships and Power

Geddes (1997) suggested that 'partnership has become a central feature of a new model of governance, both creating and reflecting changing relationship between three spheres of the state, the 'market' and the civil society' (pp.8–9). Partnerships prevail in broader fields of public service provision (Pierre and Peters, 2000), particularly in the field of local economic development and urban regeneration (Bailey, Barker, and Macdonald, 1995; Jessop, 1997; Lowndes and Skelcher, 1998; Davies, 2001, 2002), which has been influenced by shifts in both British and European governance policies towards entrepreneurial and partnership ideologies (Davies, 2001).

However, the definition of partnership is still ambiguous, due to the discourse in government policy (Atkinson, 1999) and between scholarly discussions (Peters, 1998). Peters (1998, p.12) defined five general features of partnership: 1) at least two actors are involved, of which one is public; 2) each participant bargains on their own behalf; 3) participants have an enduring relationship among themselves; 4) each participant brings something to the partnership; and 5) responsibilities for outcomes and activities are shared. This definition could be acceptable, but the more complex contemporary multi-sectoral partnership in urban regeneration could not be accounted for by these definitions. Wilson and Charlton (1997) defined a partnership by focusing on the feature of multi-sectoral partnership, as follows:

> Three or more organisations – representing the public, private and voluntary sectors – acting together by contributing their diverse resources in the furtherance of a common vision that has clearly defined goals and objectives. (p.10)

Lowndes and Skelcher (1998) discussed more detailed features of partnerships from their dynamic perspective. In their article, the development processes of partnership were constructed in four stages, which were 'pre-partnership collaboration, partnership creation, partnership programme delivery and partnership termination' (p.313). In addition, they pointed out that each stage of these processes emerged in a different mode of governance, which are dominated by 'hierarchy, market and network' (ibid). This account could make the notion of partnerships clearer in the time dimension and suggest that partnerships could be established by intention of actors on the basis of trust and mutual benefit.

The three different modes of governance, as described by Lowndes and Skelcher (1998), focused on the different values and priorities of partnerships. In market mode, actors can acquire a high degree of flexibility in making partnerships according to the needs of the market. However, only when actors can recognise the particular advantages in collaboration with other actors will they make partnerships, and if there are not some advantages in a partnership, actors tend to be independent in market mode (Lowndes and Skelcher, 1998). In the hierarchy mode of governance, though problems with making partnerships in the market could be surmounted by the power of authority and supervisory structure theoretically, partnerships would lose their flexibility and innovation because of formalisation and routinisation of partnership by bureaucratic methods (ibid). In the network mode of governance, correlative interests and 'the development of interdependent relationships based on trust, locality and reciprocity' (ibid, pp.318–319) encourage and maintain partnership activity.

When the focus is on the practical dimension of multi-sectoral partnerships, the power which was exercised by actors among partnerships, which is 'not neutral' (Atkinson, 1999, p.59), will be recognised. In addition, Atkinson (1999) described that partnerships are the result of the

exercise of power and the discourse of partnership that emphasises existing power relations and domination and distribution of the resources of urban regeneration. Furthermore, in terms of focusing institutional change, Davies (2005) argued that partnership institutions do not always solve tensions and conflicts through path dependency while studying partnerships in urban regeneration:

> The dominant patterns in partnership relations are agonistic, not coordinating, hierarchical, not path dependent . . . It may be better in this context to characterize partnerships as an arena where path shaping strategies compete rather than one in which institutional norms and practices are entrenched. (Davies, 2004, p.582)

Urban governance, especially partnership governance, is 'not value neutral' (Pierre, 1999, p.372) and the major challenge of the partnership mode of governance is 'managing the interaction of different modes of governance' (Lowndes and Skelcher, 1998, p.313).

However, for Davies (2001), in urban regeneration partnerships, the mix of governance modes is dominated by hierarchy, so a partnership strategy is not appropriate for the governance which is controlled by government or that which is managed by networks. In addition, he described the main function of 'partnership governance' (2001, p.14) as 'the diffusion and augmentation of state power' (ibid) and partnerships as 'a re-organisation of central-local relations' (Davies, 2002, p.321). These accounts of partnerships have contradicted the notion of 'governing without government' (Morgan, Rees and Garmise, 1999; Rhodes, 1996). In actual fact, the structure of financial resources is particularly dominated by central government's intentions; these are needed to implement urban regeneration or local economic development. In other words, 'new governance' via a partnership strategy could encourage the state to determine the 'rules of the game' (March and Olsen, 1989) for actors in urban regeneration at local level.

### 3.3    Partnerships Strategy in Urban Regeneration

Urban regeneration is one of the practical strategies for the improvement of economic, physical and social conditions in urban areas, which would interact with transformations of the mode of urban governance. For Roberts (2000), urban regeneration is a 'comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an urban area that has been subject to change' (p.17). In order to make a contribution to the improvement of urban areas' conditions, urban regeneration projects should be implemented as various forms of collective action focused on the public realm by entrepreneurialism (Harvey, 1989).

UK government regeneration programmes such as City Challenge and Single Regeneration Budget were based on the thought behind the comprehensive, multi-sectoral and partnership approach to regeneration (Carter, 2000). Carter suggests that four major contexts of and reasons for the multi-agency partnership method of urban regeneration are: 1) the central government requirement for initiatives to obtain funds; 2) the recognition of urban problems as complex and multi-cause issue through the experiences of implementing various inner-city policies and property-led urban regeneration in the 1980s and 1990s, 3) the difficulties of breaking conventional barriers in politics and local administration and 4) increasing demand to make decisions and implement the self-help approach to solve their problem with local people (ibid).

However, these approaches were criticised as 'inward-looking' by Hall (1997). Hall suggested that conventional UK urban regeneration policy was identified as an 'inward-looking' mode of business and failed to solve multifaceted urban problems. In addition to this, he suggested that in order to solve these complex problems, an 'outward-looking' scheme of urban regeneration is needed (ibid). Also, the necessity of multi-organisation approaches to urban problems was recognised by the actors involved in urban regeneration due to the problems' multiple causes

(Carter, 2000). Isolated urban change schemes are no longer attainable and the importance of holistic conditions, including economic, social and environmental concerns, should be stressed (Healey, 1997). Although 'partnerships often face real political and organisational difficulties in moving from low-risk, traditional projects to more creative, risky, challenging ventures' (Boyle, 1993, p.322), in order to improve the fragmented urban condition, urban regeneration requires a strategy to implement multiple projects and policies.

> Urban regeneration has provided a laboratory for the development of partnership. The move from state provision to private sector-led urban regeneration which took place during early 1980s initially caused a considerable degree of conflict, confusion and concern, especially with regard to the vexed question of local accountability. (Roberts and Sykes, 2000, p.301)

In this perspective from the urban regeneration experience, the actors who make partnerships available to acquire various effective resources should play their own roles in strategic partnerships. Carter (2000) suggests that there are key roles of three different types of actors in partnerships; 1) the private sector can make 'effective business decisions' and should take more social responsibility; 2) the community sector may be flexible enough to create informal networks, especially those that are related to the local community and need more financial resources; and 3) the public sector can act in a role that encourages co-operation in partnership and supports local initiatives and decision making, maximising various resources and providing administrative supports.

## 3.4    Network Governance

According to the discussion of partnerships and power in previous sections, the arguments concerning the differences between 'partnership governance' and 'network governance' will be raised. The discussions of network governance are based on 'the "discovery" of non-hierarchical forms of governance based on negotiated interaction between plurality of public, semi-public and private actors' (Sorensen and Torfing, 2007, p.2). These discussions were the

result of the governing processes that are no longer properly managed by the government in a fragmented, complex and dynamic society (Kooiman, 1993). With widespread recognition of the contemporary unmanageable condition of urban political conditions, the central decision makers in both the public and private sectors recognised interactive network approaches as new forms of governance, which could be an appropriate answer to the problems in a fragmented, complex and dynamic society (Sorensen and Torfing, 2007). In particular, 'leading politics and entrepreneurial administrators have taken network governance to their hearts' (ibid, p.6).

 'The relational webs and networks in which we live our lives' (Healey, 1997, p.57) are the basis of the concept of collaborative governance; also, the attention of institutionalists' social theory is on the lively process of continuous creation of relations with others (Perry, 1995; Healey, 1997). Healey's interpretation of the relational web in terms of interaction between people pointed out the 'nodes' of networks or relational webs. Her notion of 'nodes' is the arena 'where system of meaning, ways of acting and ways of valuing are learned, transmitted and sometimes transforms' (Healey, 1997, p.58). According to her accounts, in order to encourage and maintain the network governance, which is different from 'a re-organisation of central-local relations' (Davies, 2002, p.321), the 'nodes' – which could be places, organisations or associations – are extremely important. These 'nodes' would be the pivot of 'self-organising networks, characterised by interdependence, resource exchange, rules of the game and significant autonomy from the state' (Rhodes, 1997, p.15). Healey described this 'self-organising network' as 'relational worlds … [which] are embedded in past experiences which structure relational opportunities and obligations' (Healey, 1997, p.58).

In network governance, a significant discussion could be how the 'nodes' may be embedded in a society, especially in the territorialised local society, which has an original path-dependent original context. Fluidity would be the essential and practical concept of network governance in a fragmented society (Rhodes, 1997). For Healey, fluidity occurs between different scales of time and space, and also creates an analytical framework based on different levels of

governance such as 'specific episode', 'governance processes and mobilisation of bias' and 'governance culture' (Coaffee and Healey, 2003). Healey also described fluidity in a dynamic complex of contemporary urban condition as a potential of innovative governance (2004). In a fluid governance structure, the 'nodes' would work as a pivot, and creating and managing the 'nodes' could be the major challenge.

In this research, social enterprise based on a local community is emphasised as one of the possible crucial 'nodes' in the network governance. This is because of the essential feature of the social enterprise, which is the 'mediator' between the individual and society, and between different people or organisations that have different values, identities and cultures. The 'mediator' could be the driving force of network governance through the mobilisation of various resources from different levels of governance.

## 3.5    Institutionalism and Governance

The following sections will discuss governance through the insitutionalists' accounts, especially with the insight of sociological institutionalism into urban governance. First of all, the institutionalism tradition in social science and some definitions of 'institution' will be reviewed. Next, the transformation of urban governance, focusing on the two important concepts, 'institutional turn' (Jessop, 2001) and 'scalar turn' (Jones, 2001), will be examined in the urban studies context. Then, the discussion about institutionalism will be narrowed to sociological institutionalism, which has encouraged collective process, informal institutions and micro-level human activities. Finally, the institutional view on urban governance will be discussed in order to connect methodology discussion.

The origin of institutionalism started with interest in the formal institution of government (Schmidt, 2006). However, the old institutionalism was replaced by the systematic approaches of political science, such as Marxist analysis, which by the 1950s and 1960s attempted to be

structural and holistic (ibid). Marxist analysis reckoned the state to be a system which functioned as a whole by means of class conflict rather than competing interests, with an anticipated outcome not of self-maintenance but self-destruction through revolution (Dahrendorf, 1959). By the 1960s and 1970s, with a focus on individuals and their behaviour, which was the predominant approach of political science, the old institutionalism and political system approaches were superseded by behaviourism (Somit and Tenenhaus, 1982).

In the late 1970s and early 1980s, a new institutionalism was begun by scholars of various disciplines who intended to reckon the concept of the state as the explanation of politics (Schmidt, 2006). In political science, March and Olsen (1984) focused on the issue of institutions; in the economics field, Williamson (1975) and North (1990) raised pioneering arguments of the new institutionalism; in sociology, especially as an organisational theory, Granovetter (1985) and DiMaggio and Powell (1991) contributed towards the development of new approaches to institutionalism.

The common theoretical framework of various institutionalisms is a repudiation of the suggestion that appreciable behaviour was the basic datum of political analysis and argument that referring to institutions is essential for the understanding of political actors' behaviour (Schmidt, 2006). Up to the present day, lively arguments about new institutionalism have been continuing in the various fields of social science.

On the other hand, the arguments and concept of new institutionalism still seem to be confusing, due to the different analytical perspectives of institutionalists in different fields. This means that institutionalism is not a coherent body of theory and may have the potential to explore insights into society. However, the central analytical concern of institutionalism is to understand the relationship between structure and agency (Hay and Wincott, 1998), which is the widely accepted essential feature of new institutionalism that has challenged behaviourism and rational choice theory.

## 3.6    The Term 'Institution'

As stated above, the theory of institutionalism includes various kinds of thoughts and contexts; also, the term 'institution' is the same as 'institutionalism'. According to Lowndes (1996), many social episodes which occurred at different levels used to be accounted for by the term 'institution'. In addition, she tried to define the baseline elements of institutions as follows: 'institutions are [a] middle level concept', 'institutions have formal and informal aspects' and 'institutions have legitimacy and show stability over time' (Lowndes, 1996, p.182).

The first element, 'middle level concept', means that individuals devise institutions, while institutions constrain and shape daily individual actions and decisions (Lowndes, 1996). The next element of institutions, 'formal and informal aspects', means that institutions include both formal rules and laws which were operated by the old institutionalism (Schmidt, 2006) and informal norms and customs which are habitual actions and related to the processes of the ways of doing things (Lowndes, 1996). The last element, 'legitimacy and stability', means that institutions have legitimacy apart from the predilection of individuals, because of their stability over time or relation to the identity of the place (ibid).

Furthermore, as to more comprehensive definition of institutions, some of the new institutionalists (Peters, 1999; Thelen, 1999; Lowndes, 2001) agreed that institutions are 'the humanly devised constrains that shape human interactions' (North, 1990, p.3), the so-called 'rules of [the] game' (March and Olsen, 1989, p.162) that is played by organisations and individuals. These 'rules' are not only formal, but also informal, such as habit, tradition, culture and custom, which are 'embedded in structure of social relations' (Granovetter, 1985, p.481). In addition, the interplay between individuals and institutions, and the power and values which they embody, are emphasised by the new institutionalism (Lowndes, 2001). The term 'institution' not only means organisation, but also another social milieu.

## 3.7 'Institutional Turn' in Urban Studies

In the 1990s, the relationships between institutions, urban economic development, and the transformation of political and economic governance were one of the major interests in urban studies (Amin and Thrift, 1994). This interest in institutions encouraged some scholars, such as Amin (1999), Healey (1997) and Jessop (2001) to explore a new perspective of relationships between institutions and urban affairs, which has shifted to become a central part of urban studies' concerns (Wood and Valler, 2001).

Particularly in economic development, the 'embeddedness' (Granovetter, 1985) of economic activities in institutions was emphasised. Granovetter's interest in 'embeddedness' has been rooted deeply in the thought of Karl Polanyi (1992), who suggests:

> The human economy ... is embedded and enmeshed in institutions, economic and non-economic. The inclusion of the non-economic is vital. For religion or government may be as important for the structure and functioning of the economy as monetary institutions or the availability of tools and machines themselves that lighten the toil of labour (Polanyi, 1992, p.34).

This concept of 'embeddedness' is one of the bases of the institutionalists' view of economic development. This understanding of the new conceptualising relationship between economy and institutions shifted attention from formal institutions and informal norms, culture and convention which shape social practices (Storper, 1997). In addition, the analytical framework of institutions was changed by this new view away from organisations or single institutions to more complex institutional aggregation or processes and regulatory networks (Valler, Wood and North, 2000). For instance, Amin and Thrift examined the institutionalisation process (1995b), which guided a broader recognition of the mutual interrelationship and the different institutional setups between economy, culture and politics in the urban area.

Following the new direction of urban studies, accompanied by the new view of institutions as stated above, the so-called 'institutional turn' (Jessop, 2001) described this situation, but this

cannot be regarded as an organised academic exploration, due to the arguments between many different theoretical frameworks (Jessop, 2001, Macleod, 2001). Jessop suggests that the 'institutional turn' needs to be recognised as a 'complex, polyvalent phenomenon' (2001, p.1213) in urban economic development contexts. Furthermore, Jessop (ibid) describes these obvious turns as 'moments in the continuing self-organization of social scientific enquiries and also as moments in new (or renewed) interest in institutional design in diverse policy fields'.

Thus, Jessop (2001) argues that these turns should be evaluated according to the value that is added to the social sciences by the 'institutional turn' and their effectiveness in developing and implementing policy.

## 3.8    'Scalar Turn' in Urban Studies

Similarly to the 'institutional turn', the so-called 'scalar turn' (Jones, 2001) also had an impact on urban studies, particularly on economic development arguments. This assumption about the 'scalar turn' appeared in some articles (Amin and Thrift, 1994; Storper, 1997; Cooke and Morgan, 1998) that focused on the spatial scale of urban or regional governance and the co-ordination of the interrelated activities at a specific spatial scale. This focus on the spatial scale of governance encouraged the rescaling of state activities in the context of globalisation (Brenner, 1999) and assumed that economic development governance was mainly conducted by formal and informal networks and partnerships at sub-regional level (Goodwin and Painter, 1996).

The current regional or regeneration policy of the European Union and its member states was powerfully driven by the institutionalist paradigm on regional governance (Amin, 1999; Macleod, 2001). Also, the British New Labour government's partnership-based policy could be considered as 'using new institutionalist imagery' (Lowndes, 2005). In these regional policies, the encouragement to network and the mobilisation of a plurality of self-organised organisations

and the endogenous potential of the places were driven by the dynamics of the sub-regional spatial scale, which was impacted by central government. It was particularly important that British government and European Union funds for regional development required the development of partnerships at the sub-regional level (Jones, 2001).

Stated above, the 'scalar turn', inspired by institutionalist accounts in urban studies, theso-called 'new regionalism' (Lovering, 1999), was criticised due to the lack of translation into 'governance axioms' (Lovering, 1999, p.368). In addition, Lovering pointed out that scholars 'jump from ideal-typical theoretical categories to supposedly real-world empirical categories, and thence to policy recommendation' (1999, p.385). The other critique, that of Macleod (2001), recognised the influences of 'new regionalism' on local governance, including economic development, especially in the prominence of the self-organising and fluid nature of governance formation, including partnership and network approaches. However, 'new regionalist' arguments overlook the 'politically constructed nature' (Macleod, 2001, p.823) of regional development and governance, which are characterised as power relations.

## 3.9    Sociological Institutionalism

New institutionalism still does not have a coherent body of theory, as stated above. However, recent publications (Torfing, 2001; Georges, 2001) discuss that three types of new institutionalism, presented by Hall and Taylor (1996), seem to be agreed in general by scholars. These three different kinds of new institutionalism are rational choice institutionalism, historical institutionalism and sociological institutionalism. Between these three institutional approaches, there are some areas of overlap and 'basic cleavage' (Lowndes, 2002, p.95) between normative approaches and rational choice approaches (Lowndes, 2002). These two versions of institutionalism, which are based on different ontological positions – in other words, the 'calculus' approach and the 'culture' approach (Hall and Taylor, 1996) – make different findings concerning relationships between actors and institutions. In this research, sociological

institutionalism, 'providing important theoretical building-blocks for normative institutionalism' (Lowndes, 2002, p.96), is applied as an analytical framework.

Sociological institutionalism emerged in the late 1970s and rejected conventional methodological approaches of institutionalism such as behaviourism, system approaches and rational choice analysis (Schmidt, 2006). The sociological institutionalism can account for the important role of collective processes of interpretation and legitimacy in the formation and development of institutions, and the inefficiencies in institutions, that rational choice institutionalism cannot (Meyer and Rowan, 1977).

In sociological institutionalism accounts, institutions are recognised as formal and informal structures of norms, rules and practices that form actions in social contexts (Giddens, 1984; DiMaggio and Powell, 1991). Patterns, cognitive frameworks and systems that control human activities were formed by sociological institutionalists' institutions and the cultural spirits and schemas were diffused by the institutions through organisational conditions, serving emblematic and ritual objectives rather than only utilitarian ones (Schmidt, 2006). In order to account for institutions, sociological institutionalists focus on analysing interactions in a fragmented society (Gonzalez and Healey, 2005). DiMaggio and Powell (1991, p.13) argued that institutionalised norms, rules and practices 'penetrate organisation, creating the lenses through which actors view the world and the very categories of structure, action and thought'. In describing the common understanding and standards that control actions, form identities, affect interests and effect recognition of problems and solutions, sociological institutionalism works best (Schmidt, 2006).

In urban studies and planning theory, sociological institutionalism has evolved as a method of placing politics in territorial governance contexts and identifying micro-level political actions in a wider structural power (Fainstein, 2000; Gualini, 2001; Healey, 1997, 2004). Particularly in governance analysis, institutionalists' accounts provide the methodological strategies that

can interpret qualities of its capacity to encourage socially creative initiatives (Gonzalez and Healey, 2005).

## 3.10    Institutionalists' View on Urban Governance

From the institutionalists' perspective, governance was constructed by 'a broad institutional grounding' (Kajer, 2004. p.8) and 'the frameworks within which citizens and officials act and politics occurs, shaping the institutions of civil society' (March and Olsen, 1995, p.6). Furthermore, since the new institutionalists' theory focuses on informal institutions which are embedded in culture, as Lowndes (2001) suggested, this new institutionalists' view could be relevant to the analysis of the fluid nature of governance characterised by partnership and network approaches. In particular, conceptualising 'the strength of weak ties' (Granovettor, 1973) within contemporary urban political contexts is important for the understanding of the 'interaction between political institutions and the wider institutional frameworks' (Lowndes and Wilson, 2003, p.280) in urban governance.

Another advantage of the new institutionalism is the ability to analyse not only organisations but also organisations' relationships; institutions could create better understood partnerships established among multiple organisations which are located in different levels of governance. Pierre (1998) suggested that the institutional approach to urban governance analysis is a useful tool in understanding the 'relationship between institutions and fundamental values, norms and practices' (p.193), and it is crucial to explore the importance of partnerships in urban governance.

Apart from the advantages of new institutionalists' approaches to the analysis of governance, such as paying attention to informal institutions and the interrelationships between organisations, as stated above, the new institutionalism could also represent 'powerful conceptual tools' to account for institutional change, which mainly occupied governance theory

(Kajer, 2004). In particular, path dependency, which was conceptualised by historical institutionalism (Hall and Taylor, 1996), could encourage the understanding of changes and continuities in governance formation. Path dependency and stability over time could be identified in institutions (ibid). These points of view are important for the understanding of institutional change (March and Olsen, 1989). According to Lowndes (2001), institutional change could occur through 'a contested and dynamic process of embedding new rules and disembedding old rules' (p.1965) for 'management change' (Lowndes, 1999).

## 3.11    Institutionalists' Analysis of Urban Governance

Institutional analysis is a useful tool in the field of urban regeneration to understand how various actors of urban governance may manage social resources. Institutions are defined as 'complexes of norm and behaviours that persist over time by serving collectively valued purposes' (Uphoff, 1986).

It is important for the analysis of community-based urban regeneration to realise that institutions form networks among local communities and their social resources. In this research, in order to understand local institutions with an inside perspective and to draw collective action as a creative urban regeneration programme, institutional analysis has been undertaken.

From the perspective of institutional analysis, social phenomena could be understood as patterns of continuous acts through institutions and networks in a society where people live through interaction with each other. The most comprehensive analytical framework of interaction between institutional structures and actors such as individuals and agencies is by Anthony Giddens:

> Structure, as recursively organised sets of rules and resources, is out of time and space, save in its institutional and co-ordination as memory traces, and is marked by an 'absence of subject'. The social system in which structure is recursively implicated, on the contrary, comprise the situated activities of human agents, reproduced across time

and space. Analysing the structuration of social systems means studying the modes in which such systems, grounded in the knowledgeable activities of situated actors who draw upon rules and resources in the diversity of action contexts, are produced and reproduced in interaction. (Giddens, 1984, p.25)

More specifically, in the planning context, the definition of institutional analysis as described by Patsy Healey is very clear:

Institutional analysis is an interpretive and relational view of social life, which focuses on people activity and interactively constructing their worlds, both materially and in the meanings they make, while surrounded by powerful constrains of various kinds (Healey, 2002, p.10).

This means that analysis needs to focus on how can such learning processes take place in urban governance contexts, as actors develop awareness of what might be of collective concern, what options for action there might be, who the stakeholders are and how agendas and relations might develop. Interpretive analysts and planning theorists emphasise that certain episodes of governance activity not only generate a particular outcome of some kind but also the processes of activities.

## 3.12    Conclusion

This chapter focused on the theory of an institutionalism and institutional capacity in relation to creative urban governance. The theory of institutional capacity was developed through the discussion of urban governance oriented to the partnership strategy between multiple stakeholders. In particular, it focused on the social dynamism which is constructed by mobilising various resources through various networks. In this research, how individual creativity is converted to be place creativity, and in order to realise it, how the governance process has been transformed, are some of the key research questions. Institutional capacity, as stated above, is important for this research because creativity in local governance is difficult to identify by analysing the 'hard infrastructure of the institution' (Healey, 1997). One essential matter of applying creativity in local governance are how a 'creative milieu' (Landry, 2008,

p.133) is established not only by the 'hard infrastructure of [the] institution' but also by the 'soft infrastructure of [the] institution'.

# Chapter 4. Placing Social Enterprise in Social Innovation

## 4.1    Introduction

This chapter will discuss social enterprise as an alternative socio-economic organisation for meeting human needs (Moulaert et al., 2005) and make the position of social enterprise clear in the social innovation perspective. Therefore, the chapter will firstly review the theory of social innovation (Munford, 2002) from Polanyi (1944) and Schumpeter (1976) to present discussions such as Moulaert et al. (2005), Gibson-Graham (2006) and Mulgan et al. (2006), which are based on socio-economic and territorial development dimensions. After reviewing the theoretical discussions, social enterprise will be placed in the British and Japanese historical background of social economy. In this part, different trajectories of social economic development between the two countries and its influences on contemporary social enterprises will be looked at. Next, in order to examine the role of the social enterprise as a 'provider' of services in postmodern welfare (Leonard, 1997), the notion of social enterprise as the 'third way' (Giddens, 1998) will be discussed.

## 4.2    Trajectory of Discussion of Social Innovation

To look at social innovation in a historical perspective, it is important to review the paradigm change of social distribution systems, which was described as 'the atmosphere of hostility to capitalism' (1976) by Schumpeter, and the advent and the failure of communism in the Soviet Union and eastern European countries. Although there is little doubt that the capitalism promoted by the industrial revolution was astonishingly successful in the late 19th and most of the 20th century, excessive accumulation of capital caused the concentration and centralisation of the means of production, and 'the capitalist order tend[ed] to destroy itself' (Schumpeter, 1976, p.423). On the other hand, Fukuyama argued that the collapses of communist countries in the 1980s could be described as liberal democracy joining hands with liberal economics and

market capitalism for the possible condition of unlimited growth of liberalism in both politics and economics (Fukuyama, 1992). After the failure of communism, establishment of the market, disempowerment of bureaucratic administration, diminishing public affairs and encouragement of private enterprise with individual entrepreneurship were implemented by these countries.

Consequently, it was attempted to create the mixed economy, not only to replace the social distribution system in former communist countries, but also to reform the welfare state through collaboration with the private sector in western countries such as the UK. Especially in the UK in the 1970s, the advent of the Thatcher administration promoted a mixed economy by privatising nationalised industries such as gas, electricity and rail transportation, which had been established soon after World War II and had aimed to make the UK a comprehensive welfare state (Timmins, 1995). This meant 'a fundamental structural transformation of the institutions, practices, boundaries and perceived responsibilities of the state; a significant recasting of the very nature of the political; and perhaps even a lasting impact on the hearts and minds of the electorate' (Hay, 1996, p.151).

This argument about the social distribution system, 'economics', 'is grounded in social life and cannot be understood separately from the larger question of how modern societies organize themselves' (Fukuyama, 1995, p.xiii). Other researchers present the same notion as Fukuyama's recognition of economics, such as Polanyi and Granovetter (Amin and Thrift, 1995a). Polanyi, in his book *The Great Transformation* (1944), argued that 'economy' was embedded in a combination of four socio-economic principles, 'reciprocity', 'redistribution', 'exchange' and 'householding', which are known as social relations and institutions. Granovetter (1985, p.504), however, argued that even more market-centred economic behaviour is 'closely embedded in networks of interpersonal relations'.

In addition to the intimate relationship between economy and society, the balance between individuals and groups to mobilise into collective action has deep implications for social innovation.

## 4.3        Current Discussion of Social Innovation

The importance of the concept of innovation, not only in the economic field related to technological innovation, but also in other fields such as culture, politics and society itself, was recognised by Joseph Schumpeter in terms of economic effectiveness (Schumpeter, 1943). For Moulaert et al. (2005), after Schumpeter, the concept of social innovation has been developed mainly in three different fields, which are organisational management (Damanpour, 1991), business (Ind and Watt, 2004), fine arts (Munford, 2002) and territorial development (Marris, 1969; Rosenbloom, 1969; Mouleart, 2002). Each branch of these discussions has relations to crucial concepts, such as social capital (Putnam, 2000) in the organisational management field, community economy (Gibson-Graham, 2006), which aims to empower to local people in the line of social economy, and entrepreneurship and leadership in the organisation of the field of fine arts, relating to creativity (Moulaert et al., 2005). `

Moreover, Moulaert developed a crucial discussion about social innovation in relation to 'territorial development' from the 'integrated area development' (Moulaert, 2002) perspective. He pointed out that social structures based on the indigenous context at various spatial scales, such as the regional, local and neighbourhood scales, have numerous influences to prevent innovative and challengeable projects from being implemented by a territorialised society (Moulaert et al., 2005).

In addition, his argument about social innovation was extended to political governance, encouraged by spontaneity and social solidarity, political originality and radically democratic practice for transforming the social order mainly from middle of the twentieth century

(Moulaert, 2002; Seoane and Taddei, 2002). 'Most contemporary discussions about social innovation stress the "process" dimension of social innovation – i.e. the governance and capacity building (empowerment) dynamics of social movements and initiatives' (Moulaert et al., 2005, p.1972). This (the satisfaction of basic needs) 'is achieved by the combination of several processes: the revealing of needs by grass-roots movements and through institutional dynamics, the integration of deprived groups into the labour-market and into the local production system, and training permitting participation in the labour-market' (Moulaert, 2000, p.76).

## 4.4    Definition of Social Innovation

An acceptable definition of social innovation, presented by Mumford (2002), is that social innovation is creating and implementing a novel theory of people and their relations with society. This definition could generalise the term 'social innovation' and be aware of the differences from the interests of innovation in the arts and sciences. Mumford (ibid) illustrated social innovation with historical examples, such as the critique of capitalism by Karl Marx, the assembly manufacturing system by Henry Ford and the achievements of Benjamin Franklin to understand the enormous influences of new ideas on our society through social interactions. Munford pointed out the difficulties of the development of examination of social innovation as a scientific object according to the complexity of social interactions, which can be characterised by four dimensions: multiple parties, multiple streams, actions and dynamic contexts (ibid).

Munford developed the theory of social innovation mainly from the historical perspective, arguing that social innovation should be paid more attention in the field of psychology, especially in the study of creativity. However, another line of discussion of social innovation, rooted in the thought of famous German philosophers, which is useful for the development of the concept of social innovation, is the civil society context (Gerometta et al., 2005). According to Gerometta et al. (2005), 'Hegel stated that the experience of voluntary activity for common

purpose in associations produces new forms of solidarity and egalitarian participation, membership and ethical life' (p.2016), and they also discuss Habermas's notion of 'life world' which was conceptualised as 'a public sphere of communicative action and deliberation in which, according to a more or less supportive institutional framework, the process of political opinion and will formation take place' (ibid, p.2017).

In their study, especially in the transforming welfare state with a 'fragmented society' (Healey, 1997) including heterogeneous individuals and groups, civil society rooted in 'social milieux' (Madanipour, 2002), such as social interconnections, an unexpected frame of reference and directions, needs to develop the capability to deal with public concern over citizen participation to fill the gap of redistribution of political, economic and cultural resources between different social segments (Gerometta et al., 2005). As stated by Gerometta et al. innovative society, as a result of social innovation, has different sectors of individuals and groups sharing some common values of co-operation and social cohesion and implementing them in the public sphere.

Next, the discussion of social innovation by Moulaert was focused on territorial development through the relevant studies, SINGOCOM and ALMOLIN, and defined the term 'social innovation' in four sentences, as follows:

> Social innovation is path-dependent and contextual. It refers to those changes in agendas, agency and institutions that lead to a better inclusion of excluded groups and individual in various spheres of society at various spatial scales.
>
> Social innovation is very strongly a matter of process innovation – i.e. changes in the dynamics of social relations, including power relations.
>
> As social innovation is very much about social inclusion, it is also about countering or overcoming conservative forces that are eager to strengthen or preserve social exclusion situations.

Social innovation therefore explicitly refers to an ethical position of social justice. The latter is of course subject to a variety of interpretations and will in practice often be the outcome of social construction. (Moulaert et al., 2005, p.1978)

According to the above definitions, it is clear that Moulaert's concern with social innovation focuses on its contribution to social inclusion. Furthermore, building on the perspective of territorial concerns that he emphasises, social innovation could achieve the fulfilment of unsatisfied human needs and the transformation of social relations between individuals and groups which are embedded in the neighbourhood, local or wider society via the integration of various fields of activities which constitute territorial development, such as economics, politics and culture, through communicative mediation between different actors and territorial dimensions (Moulaert et al., 2005). In addition, social innovation was discussed as an analytical tool of importance to civil society in social transformation and social economy in the dynamics of the macroeconomy (ibid).

## 4.5    Social Innovation and Social Enterprise

Social innovation is not only caused by 'anecdotes' or 'hunches', but may also be realised by valid knowledge about established points of success and obstacles to be effective and sustainable for innovators and their ideas (Mulgan et al., 2006). In order to change society holistically, there needs to be linkage between small-scale projects with social enterprise and large institutions, called 'hard infrastructure' (Healey, 1997) such as law (Mulgan et al., 2006). Therefore, social enterprise has an intimate relationship with social innovation, as follows:

Social innovation is not unique to the non-profit sector. It can be driven by politics and government (for example, new models of public health), markets (for example, open source software or organic food), movements (for example, fair trade), and academia (for example, pedagogical models of child care), as well as by social enterprises (microcredit, and magazines for the homeless). (Mulgan et al., 2006, p.4).

Furthermore, the theory of social economy can mediate between social enterprise and social innovation to construct a theoretical framework by placing social enterprise as an actor in social

innovation procedures. Although social economy has been recognised as a series of concepts connected to poverty, from the contemporary perspective, it has a strong potentiality of establishing social capital (Putnam, 1993). Through individual networks and collective action, social capital could be built with the ability of social economy to encourage economic efficiency and widespread democratic citizenship; and social enterprise, in particular, 'as sites of both social integration and provision for social needs' (Amin et al., 2002, p. 7) has a crucial role in encouraging social innovation.

Especially at the local level – in other words, territorialised local society – that combines the existing methods of running local society with community development tradition, the importance of social enterprise encouraging social innovation would be clearer. Before the spread of the term 'social enterprise' as a UK government strategy for regenerating disadvantaged areas where heavy industries used to be located, community business, community enterprise (Pearce, 1993) or community economy (Gibson-Graham, 2006) was already flourishing in less favoured regions – mainly in Scotland – in the 1970s.

In the UK, community development traditionally had a limitation on the fields of its activity, such as housing and welfare services, and uncovered local development such as employment and enterprising trade activities. The principles of traditional British community development were not based on a holistic approach, and consequently an issue-based line of action was taken as bureaucratic government business rather than an integrated method of improvement of devastated local communities (Pearce, 1993). Community enterprise has been rooted in the idea of improvement in most excluded communities through collaborative and independent strategies, such as locally owned businesses, non-profit organisations (NPOs), co-operatives, community development corporations and employee-owned businesses (Gibson-Graham, 2006) applying their own resources. However, community enterprise is not only recognised as an advantageous method for disadvantaged communities (Pearce, 1993).

The concept of the community economy was constructed by the interdependence between the high diversity of the economic and 'non-economic' activities based on a path-dependant relationship (ibid). The various interreliant social and economic relationships release potential in a particular terrain and encourage the destabilisation of hegemonic 'capitalocentral' economic activities by accumulation of practices (Gibson-Graham, 2006; Torfing, 1999). In order to unsettle or displace the capitalocentric economy, i.e. by social innovation in the socio-economic landscape, diverse economic relationships characterised by sociality and interdependence need to be adapted into the hegemonic system, which is an unequal economic space (Gibson-Graham, 2006).

## 4.6    Social Enterprise in Local Development

Social enterprises can achieve social innovation at the local level by providing innovations that implement multi-level, collaborative and empowerment grass-roots movement strategies, and by reactivating contextualised old intuitions contributing to the improvement of the socially excluded condition (Moulaert and Nussbaumer, 2005). This means that another advantage of social enterprise as a holistic approach to community development is an adaptability to the actual declining circumstances of the local community, where untrained people who intend to acquire employment live, unlike the conventional 'business development scheme' which is without sufficient consideration of appropriate training for long-term unemployment (Pearce, 1993). Another relevant role of community enterprise for community development is not only the creation of employment for people in blighted communities, but also capacity building, which encourages mutual support and co-operation to contribute to develop the social economy for the individual and the local community (ibid).

Moreover, the possibility of social enterprise in the development of local areas is highlighted by Amin et al. (2002) as follows:

Social economy organisation does not mean simply consolidating local structures and

improving local access to labour markets. Simultaneously, it must allow people, individually and collectively, to transcend the limitations and constraints of the place. As such it entitles (re)creating multi-scalar capacities, infrastructures and connection which allow for the kinds of communication, interaction, and dialogue between social actors at all levels through which civic power is actively reproduced. (Amin, Cameron and Hudson, 2002, p.49)

This perception of social enterprise was made clear from the perspective of the 'Integrated Area Development' agenda, which, in particular, stresses the necessity to connect a socially innovative view of development (basic need satisfaction, cultural emancipation, social and political empowerment) to an active network of agents and resources across various spatial scales and institutional settings, but with a strong focus on improving the quality of life in area-based communities (Moulaert, 2000).

The contradiction of social enterprises is that some of them are successful because of their provision of services focused on local demands; however, a local focus would place a limit on growth by limiting the quality and quantity of demands for goods and services supplied (Amin, et al., 2002). This creates tension between social aims and market systems.

## 4.7    British Social Enterprise

British social enterprises have long traditions which started with Robert Owen and the Rochdale Pioneers. From the historical perspective, co-operatives and voluntary organisations have a great influence on social enterprise needs, reframing central government policy (Spear, 2001). The social enterprise movement has risen and fallen since World War II, reflecting the particular central government policy; especially following the advent of the Thatcher administration, attention to social enterprises declined in the 1980s (McArthur, 1993). In the 1990s, the policy of New Labour held up the importance of the role of social enterprises in contemporary society, but the legal status of social enterprises was not integrated. Therefore, there is little standardisation of social enterprises as defined by company law, industrial and

provident law and the Charities Act 1992/3 (Spear, 2001). At the same time, in the last decade, the emergence of new types of social enterprise, such as worker co-operatives, social co-operatives, social firms and mutual organisations made it more difficult to recognise the situation of social enterprises.

According to Spear (2001), new types of British social enterprises play a variety of roles, as follows: providing affordable housing, creating employment for excluded people, management of community development and supplying welfare. In addition, concerning local development, the social enterprise sector plays an important role as a development trust through partnerships with local authorities, the private sector and communities (ibid). 'There are over 160 development trusts, i.e. "enterprises with social objectives which are actively engaged in the regeneration of an area – a valley, housing estate, a town centre or a wasteland – whilst ensuring that the benefits are returned to the community"' (ibid, p.260).

Furthermore, Spear pointed out another activity of development as 'multi-purpose organisations committed to tackling poverty and injustice in urban and inner-city areas' (ibid, p.260).

## 4.8    Origin of Social Enterprise

The original idea of social enterprise can trace its roots back to the medieval guilds of workers. Over the centuries, there were various political and social movements of co-operatives that emphasised the idea of working together for a common social purpose. In particular, the great social experiments of Robert Owen – for instance, New Lanark and New Harmony – had an enormous influence on co-operative movements in the 19th century. Following this movement, the Rochdale Pioneers, who founded the 'Equitable Society' in 1844, are said to be the immediate founders of what is now the social enterprise movement.

There is a long history of social enterprise in the UK. Ever since the 18th century, various charities, workers' co-operatives and NPOs have been formed.

In the early 19th century, in Great Britain, anti-co-operative concepts prevailed in many ways.

Robert Owen, who was an owner of New Lanark mill, tried to build an ideal community for his workers. He has been called the 'father of English Socialism'. His core belief was that 'human character was not founded by people as they wrestled with original sin but formed for the people, out of the environment in which they had to live' (Donnachie and Hewitt, 1993). In the early part of the 1800s, in New Lanark, he attempted to improve every individual's personal environment. For example, he created the first kindergarten for children, who were an important part of the factory workforce. For adult workers, including working mothers, there was a crèche, medical care, comprehensive education classes and recreation facilities (Donnachie and Hewitt, 1993). Owen tried to improve the quality of everyday life through these kinds of opportunities. His other challenge was to establish co-operative communities in New Lanark. The profound fundamental values of co-operation as a way in which to organise economic activities were identified by Robert Owen. In actuality, his community had co-operative economic systems such as the retailing of goods and local currency (Cole, 1953). The great experiments in New Lanark caused his idea of the co-operative to prevail all over the world, but most English people did not respond to this idea.

During 1820s and 1830s, plenty of co-operative societies were founded (Birchall, 1994). Many societies were started and Owen began to spread his ideas through publishing, lectures and by promoting various associations. Owen led 30,000 union members and fought with them for workers' rights; however, the Home Office refused their appeal (Donnachie and Hewitt, 1993). The strength and activities of the union gradually decreased, and finally in 1834 the union collapsed and the labour movement which had grown around Robert Owen came to an end. However, the idea of the co-operative was taken up by the Rochdale Pioneers, which was the origin of the modern co-operative movement.

The Rochdale co-operative is probably the most well-known of all early co-operatives that were the first to be successful over a long period of time. In particular, it is famous for its principles of operation of the organisation: the Rochdale Principles. In the 1840s, owing to the progressing industrial revolution, it was difficult for working-class people to maintain their standard of living.

At first, the Pioneers collected money from workers who subscribed to their effort for one year. Then, they created a set of rules for the management of the organisation and established themselves as a legal organisation under Acts of Parliament. Finally, they rented a warehouse and purchased everyday goods, and then opened a shop that could improve the quality of the workers' lives (Birchall, 1994). After the establishment of the co-operative shop, the Rochdale Pioneers established a housing co-operative, the Rochdale Land and Building Company, in 1861 (Brown, 1944). It has been said that the reason for the success of the Rochdale co-operative shop and the unique feature of this society was the Rochdale Principles. In these principles, there were eight disciplines (Holyoake, 1918); 1) open, voluntary membership; 2) democratic control; 3) limited returns, if any, on equity capital; 4) the net surplus to belong to the user-owners; 5) honest business practice; 6) the ultimate aim is to advance the common goods; 7) education; 8 co-operation among co-operatives. At the time, there were many co-operative organisations, but no one had these kinds of rules, and even in the 21st century, these principles have been upheld in co-operative organisations all over the world. The modern legacy of the co-operative movement in Britain is, of course, Co-operative stores, together with the Co-operative Bank and building and insurance societies; also, agricultural and fishing co-operatives have been formed over the years. These co-operative organisations have survived the demutualisation trend of the past decades, but the number of these traditional co-operatives are likely to continue to decline, through mergers and occasional further demutualisation (Birchall, 1994). However, their role and influence may be important in starting new social enterprises which try to explore new fields of work in their areas.

## 4.9    Germination of Social Enterprise

The modern social enterprise movement in the UK, and its relationship to urban regeneration, originated in the 1970s, with early initiatives perhaps inspired by experience in the United States (McArthur, 1993). The first substantial initiative of social enterprise in the UK was in Scotland in the late 1970s, where some public authorities, with the Highlands and Islands development board, started to establish support community enterprises (Hayton, 1997). Around the same period, the Home Office incorporated small area-based initiatives in their urban regeneration policy (Morrison, 1987). In the 1970s, a series of government initiatives emerged that focused on both declining places and local communities, such as inner cities and the long-term unemployed. These government initiatives had various programmes which were initially based on a welfare policy which provided benefits to local people in need (Passey and Lyons, 2004). During the 1970s and 1980s, plenty of similar initiatives were made, mainly focusing on declining communities (McArthur, 1993). On the other hand, in the 1970s, the co-operative movement of that time obtained the rich operating resources within trade unions and the labour movement that retained a commitment to supporting mutual ideals. Although there was a strong commitment to the principles of co-operation in the 1970s administration (Birchall, 1994), no national strategy was developed and central government struggled to work out how best to support this movement (McArthur, 1993). The advent of the Conservatives at the end of the 1970s and their retention of power well into the 1990s meant an end to the re-emergence of the community sector of the 1970s (ibid). The 1970s saw a new wave of consumer co-operation in line with new social movements of the times. In the 1980s, worker co-operatives and other forms of community enterprise were initiated, sometimes with the support of local government, as a response to local employment creation (Pearce, 2003).

Changes to the conditions surrounding social enterprises are well described in 'Social Enterprise: Mainstreamed from the Margins' by Mark Morrin et al. (2004). In this article, looking at the situation before the New Labour administration, social enterprises took their

chances in the existing regeneration programme, such as City Challenge, Single Regeneration Budget and so on, and there was no specialised strategy for social enterprises (Morrin et al., 2004). In the Commission on Social Justice report in 1994, social enterprises were recognised as new organisations of community-led regeneration, according to the examples of Birmingham and Glasgow, and the commission emphasised the establishment of development trusts and credit unions (ibid): 'This created the conditions for the emergence of social enterprises from out of the margins and into mainstream policy' (ibid, p.70).

Although in 1997 and afterwards, the decrease in the unemployment rate, which started in 1994, was continuing, the poor employment levels of deprived communities remained unchanged. This situation changed the attitude to social enterprises of the Labour administration, particularly the Department for Trade and Industry (DTI) (Morrin et al., 2004). A very important view of social enterprises was described by the HM Treasury report *Enterprise and Social Exclusion National Strategy for Neighbourhood Renewal* in 1999. It said, '… simply promoting enterprise in deprived communities does not get the attention it deserves – whether from the different parts of central government, or from the diversity of local and regional institutions, or from private sector banks and other firms' (HM Treasury, 1999).

There was a remarkable change seen in the attention given to community business in the late 1970s. This was a move away from traditional housing issues, instead combining with the unemployment issue, which is related to the local economy through the experiences of the Community Development Project (Mayo, 1989). In addition, the co-operative movement set out the means of independence of the economic aspect for community development. It was calculated in the late 1970s that the co-operative model could stimulate individual entrepreneurship, which achieved limited success in some local areas in the UK (Storey, 1979). However, it is difficult to form an 'attachment community' in an urban area, as there is a diversity of economic, cultural and spatial situations; attention should be paid to existing organisations such as housing associations and credit unions, including the co-operative model,

which have a potential to stimulate community activities (McArthur, 1993). In addition, looking within community businesses, its members inherit resources such as the people, the culture, the networks and so on from the existing community organisation; for example, from the community council or tenants' association (McGregor and McArthur, 1988). The tendency for community businesses to acquire multifunctionality was influenced by the US model. In the United States, community businesses had largely been growing through Community Development Corporation (CDC) support. This was due to the specific situation of access to non-governmental fund sources, professionalism and various commercial activities which were offered by the CDC. In addition, the tradition that NPOs have a greater role in public services may limit government capacity. This situation is different from that of the UK.

## 4.10    Policy Context of Social Enterprise

During the 1980s, the attention of the government community development policy in depressed areas changed from the conventional method to a broader one related to labour market strategies (McArthur, 1993). This was the reason for the decreasing attention paid to community businesses during Thatcher's administration. The privatisation policy of that administration caused high unemployment rates in disadvantaged areas. This is because the trickle-down approach made the usual channels to obtain jobs insufficient at the local level (McArthur, 1993). One of the important roles of social capital was to create jobs in depressed communities.

In this situation, community businesses were again regarded as a good bottom-up method of creating new employment, so local government set up units which supported community business development and emphasised community business as a key element of local policy. In the late 1980s, taking advantage of this government policy change, community businesses were attracted again. The new government political programme, which included Enterprise Zone and some new initiatives, achieved a certain amount of success, but there were still unemployment problems in disadvantaged areas. To solve the problems of depressed communities, the

government targeted geographical areas, economic sectors, and groups of people (Turok and Wannop, 1990). In this regard, community business may be seen to be suitable and rational and was also considered to be a better attempt at solving problems than supporting conventional small businesses. Community businesses had grown when government had strongly needed communities to provide more active citizenship, self-help and independence from the UK administration. This was because the Home Office tended to distrust local authorities and expanded control to the community sector and used community organisations to restructure the post-war welfare state. In the light of the Local Government Act of 1988 which required competitive tendering for community care, if the community sector could provide a better performance than the private sector, it was more attractive to local authorities.

During the 1980s, especially in Scotland, there were plenty of pilot projects of community businesses that were driven by people who had an optimistic perspective and enthusiasm about community development, and were strongly supported by the local authorities (McArthur, 1993). This experience formed the recognition of the community business as a point of view. This point of view was, however, based on the cost-effectiveness of job creation, which when managed by community businesses was worse than that of the private sector. Community businesses have a potential that can create coordinated activities between community development and economic development (Teague, 1987). In other words, community business had not only created employment, but had also developed a personal capacity through education and job training programmes (McArthur and McGregor, 1989). In the early 1990s, community business was recognised both as a problem of commercial difficulty and a necessity to explore new commercial fields.

In 1997, with the advent of the New Labour government, the idea of 'social enterprise' which was based on their 'third way' ideology, was used as a strategy to improve social exclusion conditions. In addition, the government tried to modernise government under the banner of 'Citizens First' (The Cabinet Office, 2000), which not only focused on consumer-oriented

public service provision, but also on realising sustainable public services through partnerships between government and local people. Local people were expected to be an important partner of the government in this partnership. In this perspective of the New Labour government, social enterprise was recognised as a non-governmental organisation which shifted to being indirectly controlled by government, otherwise 'governance' (Painter and Goodwin, 1995). Social enterprise can be recognised as an actor that interacts with various other actors such as the national and local government, the private sector, local people's organisations and citizens within the governance system. In particular, in the welfare reform agendas of the New Labour government, social enterprise played a crucial role.

The discourse of social enterprise delivered a mechanism to promote the strategy of enterprising approaches through communication between the public and other parties, especially in third sectors. Creating an enterprise culture in the welfare field was a major intention of the government through the discourse of social enterprise. The enterprise culture was expected to be able to boost business, not by nationalisation or subsidy, but by implementation of a business culture. However, the government recognised the need for appropriate support of social enterprises, as it realised that they could provide employment, make local economies active and deliver welfare services in a particular local area. These developments of social enterprise strategies can be seen in the publication of the 'National Strategy for Neighbourhood Renewal' (SEU, 2001) which aimed to solve the problems of disadvantaged communities, by such means as the Phoenix Fund and the Community Development Funds.

### 4.11    Social Enterprise: A Strategy for Success

In the New Labour administration, some policies and government units were launched to promote social enterprises. First of all, the Social Enterprise Unit, which was embedded in one of the DTI agencies, and the Small Business Service, founded in 2001. Then, a government strategy for social enterprise, *Social Enterprise: A strategy for success* was launched in 2002.

This programme had three objectives: 'creation of an enabling environment for social enterprise', 'making social enterprises better business' and 'establishing the value of social enterprise' (DTI, 2002). As another government strategy for social enterprises, Community Interest Companies (CICs) were proposed in 2004 in order to create legal form appropriate for social enterprises.

Besides these strategies, various financial support schemes including associations were created, e.g. Community Development Finance Institutions (CDFIs), Community Development Finance Associations (CDFAs), Phoenix Funds, the Community Development Venture Fund (CDVF) and City Growth. Most of these associations and funds aimed to promote and support social enterprises in deprived areas.

In this publication, a practical vision for social enterprise was fleshed out, and the government's recognition of and expectations for social enterprise was made clear, as follows. Social enterprises could contribute to stimulation of the national economy through improvement of the conditions of wealth creation: productivity, competitiveness and social inclusiveness. Moreover, social enterprises were to empower individuals and communities to support a decrease in social exclusion by promoting active citizenship as a reformed public service, responding to the needs of the customer. The government established the discourse of social enterprise as a strategy to create a relationship between active citizenship to deal with social inclusion, the social responsibility of the private sector and the promotion of an enterprise culture in the public sector, which was oriented towards the political objectives of welfare pluralism and modernising government.

In the article, 'Social Enterprise doing well in UK' in *European Venture Capital Journal* in April 2004, referencing the report *The Global Entrepreneurship Monitor* which was published by the London Business School, 'The report found that social enterprises create more jobs and have as high or higher turnovers than their mainstream counterparts. However, much of this

activity has shown its greatest expansion in the last three years suggesting the phenomenon is a long way from realising its full social economic potential' (*EVCJ*, 2004, p.20).

Generally, the tide of social enterprises has been increasing, as the above article mentioned. At the same time, they have great potential to improve economic and social conditions. In *A Survey of Social Enterprises Across the UK* (IFF Research, 2005), the object is to improve understanding of social enterprise activity. In this report, the situation of social enterprises in the UK has been recognised more specifically through actual figures. This research is based on the registration data of companies limited by guarantee (CLGs) and industrial and provident societies (IPSs). According to this data, the number of social enterprises is around 15,000, which is 1.2% of the total enterprises in the UK, and the median income is £285,000.

Notable results of this research are as follows. First, in the main trading activities of social enterprises, 20% of them manage 'estate renting activities', including selling and developing their own property and real estate agent work. Next, concerning the mission of the enterprise, 29% of all social enterprises gave 'improvement of all urban environments' as their mission. Then, 24% of social enterprises existed to help the community within which they were located. Viewed from the geographical aspect, 89% of social enterprises are located in 'urban areas' and 49% of them are located in an area which would not be considered a deprived area.

Looking at the results of the above survey, we can recognise that social enterprises have a great potential, not only concerning social workers in deprived areas, but also for wider activities that are related to town planning issues. Although it would be necessary to analyse the data from the research more deeply, there may be a relationship between social enterprise and town centre management.

## 4.12    Historical Perspective of Japanese Social Economy

> The social economy sector is a newcomer in Japanese society. Based on two experiments and theories derived from the European concept of social economy and the American concept of the non-profit organisation, the Japanese way of integration of a social economy sector is developing under the name of 'non-profit and co-operative sector'. … Even though there is no clear image of the sector, both the financial need of public authorities and the social needs of citizen users, especially in social security and medical care, have made the social economy sector an alternative for realising better service supply. (Ishizuka, 2002, p.241)

Before industrialisation, the local geographical community, *mura* (which means 'village') and a community based on blood relatives, *ie* (which means 'family unit') were the basis of the organisation of the family budget. A family budget existed in a non-market sense, which is similar to the social economy in Europe. These are *kou* or *yui* (which mean the traditional reciprocal system) which had the function of mutual aid and other specific aims (Sawamura, 2004). Traditionally, in Japan, neighbourhood society was constructed by the patriarchal family unit *ie*. Combinations of family units, such as residents' and neighbourhood associations, bound by geographical conditions, are typical associations of a local community. This type of organisation has the functions of mutual aid and management of common property. During World War II, these local associations also had the function to transmit the orders of the police state, with its full authority, to their subordinates.

In particular, after World War II, local authorities that intended to become welfare-oriented took the place of the family budget economy, as in Illich's notions of 'shadow work' or 'shadow price' (Sawamura, 2004). As a consequence, traditional community associations were dissolved to reform the Japanese state regime. In high economic growth periods, many problems of daily life resulted, such as childcare or maintaining community facilities. In order to solve this problem, community associations were reconstructed, based on the traditional ones.

With the decreasing family budget economy, private companies provided fringe benefits to employees (Sawamura, 2004). 'Lifetime employment, long experience ranking order and company unions have supported Japanese management and maintained the low unemployment rate, but, it is not an economic democracy-like system and is outdated' (Ishizuka, 2002, p.242). Due to attaching importance to life as a salaried worker, many people cannot become rooted in their communities. This kind of 'business person' cannot inherit a local platform that creates social capital in a community. However, people who have retired from companies tend to have a consciousness about their community (Miyasaka, 2004).

## 4.13    Possible Social Economy Organisations in Japan

Organisations combining the public with the private sector to manage public business has been called the 'third sector' in Japan (*san-seku* in Japanese). This Japanese type of mixed economy organisation has also faced the same difficulties as in many other developed countries (Ishizuka, 2002, p.242). One of the major problems is that citizen participation activities cannot be included in the third sector's activities. The Japanese third sector is appointed by the government and supervised by orders from above, so there is less independence from the public sector (Sawamura, 2004).

While focusing on the local community, though the residents' and neighbourhood associations act as the major organisations that have been rooted in the context of their specific areas, NPOs and co-operatives do not take an active part in a geographical community. Traditionally, residents' and neighbourhood associations are in charge of the community as a lower branch of the government. Therefore, they can obtain grants from government and maintain the functions of the community. As a result, there is no incentive to give full play to the community (Kawaguchi and Tomizawa, 1999). Recently, the tendency can be seen of people's increased desire to do something for their own community by themselves, and in order to promote this

motivation, the community have to organise themselves and obtain resources from outside agencies.

Moreover, another important element to consider about the social economy organisation in the Japanese context is a weak tradition of voluntary activity. It used to be said that Japanese people were not familiar with voluntary activity because of the weakness of such a tradition in the community and dependence on the government and bureaucracy (Ishizuka, 2002, p.257). However, 1995, when the Hanshin Awaji (Kobe) great earthquake occurred, was the first year that NPOs existed. After the earthquake, for the first time, many people paid attention to NPOs, NGO voluntary organisations and citizen-based public service corporations, and in 1998 the NPO Act was approved. This act defined NPOs as incorporated associations. Next, many people became conscious of the self-help principle as actors or players in society. Finally, the importance of a community based on mutual aid was recognised clearly due to the lack of risk management in the public and private sectors (Nozu, 2005).

For Ishizuka, there would be four influential factors to encourage the social economy:

> … as an economic factor, development of the service industry, the worsening of the environmental situation, increasing unemployment and the evolution of new needs of workers including the quality of jobs, as a social factor, the Japanese can stress the phenomenon of the collapse of the traditional family concept and community due to company-ism as a basis of society; as a political factor, there exists the failure of the welfare state policy and as a cultural factor, we can see the change of citizens' values with regard to the quality of life. (Ishizuka, 2002, p.261)

According to the transformation of social conditions as described above, organisations that were established by local people and run community businesses have been increasing. The development of these organisations has a pattern: firstly, community activities are constructed as piecemeal actions by volunteering; next, some members who engaged in these activities intend to make profits from them. Last, the piecemeal actions are converted to more stable and

enduring subsequent activities (Miyasaka, 2004). In order to promote volunteer activities based on the local community through an incremental process, many organisations which run community businesses intend to obtain the status of NPO. This is because there are many overlapping areas of activities between community businesses and NPOs. Another reason is that the status of NPO adds a character of corporate qualification to the organisations, and they can make contracts with any other organisations (Miyasaka, 2004).

In parallel to this community-based movement, government policy moved to more focused innovative economic strategies; for example, in 1998, the central government's Economic Planning Agency published *The Economic scale of NPOs in Japan: Economic Analysis Report on Private Non-profit Activity Organizations* (EPA, 1998) which provided the basic quantitative data of an NPO. The next year, 1999, the Economic Strategy Council was founded as an advisory body to the prime minister and, in this report, expressed the need to create new business and social innovation; however, these concerns did not link to any strategy to create new employment. However, these days, there is an increasing recognition of the fact that community businesses are creators of new employment. This consciousness about community business has not extended to changing systems or institutional settings (Abe, 2001).

However, consciousness about the social economy has now matured and needs the establishment of an understandable definition or concept of social economy that has an inevitable diversity, in order to make the notion of social economy clearer for citizens who could possibly be actors in it.

In the academic field since the 1990s, some academics such as Kawaguchi and Tomizawa have introduced the concept of social economy. However, there is some concern about this concept from economic policymakers (Abe, 2001, p.42). In his series of studies about social economy, Nohara (1996) classified the Japanese social economy sector into three categories:

a. Institutionalised social economy: co-operatives, labour unions, public interest bodies, general interest bodies, etc.

b. Community social economy: informal associations such as neighbourhood organisations, children's clubs, senior clubs, etc.

c. Civic social economy: citizens' movements for anti-pollution, feminism, human rights, etc., consumer organisations, NPOs, NGOs and social welfare organisations.

From this typology, various intentions of establishing social economy organisations can be recognised. Kawaguchi and Tomizawa (1999) summed up the principle of social economy entities in four issues: open doors, independence, democracy and not for profit. He agrees that co-operatives, mutuals and associations such as NPOs are the main elements of the social economy and suggests that small family businesses and small businesses which respect these four principles may be included in the elements of the social economy organisation – in other words, the third sector – in Japan.

From the perspective of the trajectory of Japanese NPOs, it came to light that the conditions of Japanese social economy have been developing and the potentiality of NPOs to perform as a crucial actor in the social economy has been increasing. Although many researchers recognised that the period after the Hanshin Awaji earthquake was the epoch of the encouragement of Japanese Voluntary and Non-profit Organisations (VNPOs), the VNPO movement and philanthropy by private companies began in the late 1980s, especially in the fields of older and handicapped people's care, community development and natural environmental preservation (Imada, 2003). The law on NPOs that was passed in 2003 was based on these movements, and the whole of society recognised the important role of VNPOs in the revival process after the great earthquake, which promoted the legitimisation of VNPOs (ibid).

## 4.14    Problems and Prospects of Social Economy in Japan

In some experiences of social economy organisations, particularly in co-operatives that have strong relations with the market such as consumer co-operatives, agricultural co-operatives and co-operative banks, the values of the organisations were criticised because of unsatisfactory levels of business due to insufficient agreement with the requirements of citizens (Ishizuka, 2002). Ishizuka described that, in Japan, some obstacles to the development of the social economy organisations are the tax burden, a lack of training systems for human resources, the employment system and the low level of management skills (Ishizuka, 2002). In Japan, NPOs are the most popular organisational status of the social economy sector, and most NPOs are small in terms of members and finance; those NPOs that have workers employed full-time are only 20% of all NPOs. These full-time workers are mainly retired people who are over 60 years old. In addition, the voluntary member who is the main force of the NPO is a student or a housewife who has no job experience, so awareness of responsibility is not enough. This situation makes it difficult to develop NPOs' activity (Kawaguchi and Tomizawa, 1999).

## 4.15    Comparing Social Enterprise in the UK and Japan

The differences between the European welfare state regime and the Japanese corporate-centred state regime, and the place of social economy in neoliberal settings in Japan are very important discussions to have when analysing Japanese NPOs and co-operatives. Although the condition of institutions promoting and stabilising the social economy is not matured in European countries, the social economy sector, which does not belong either to the public or private sector, performs a crucial role to encourage social movements and the provision of various social services in real life. For example, the expectation from co-operatives is the establishment of a network among various types of the self-sufficient third sector bodies, such as NPOs, the voluntary sector or social enterprises, which could realise innovative thought in contemporary society (Ishizuka, 2002). For Ishizuka (2002), in order to establish the institutional framework

of social enterprises in Japan, a multidimensional point of view, including legislative, economic, social and political concerns, must be developed into effective regulations, policies or organisations (Ishizuka, 2002).

The principle of contribution to a community makes community businesses justifiable. However, if community businesses are confined within a community, the organisation of community businesses would be of an exclusive character. A boundary exists both inside and outside. To overcome this problem, a community business has to create an external network and recognise universal values. Multidisciplinary discussion, practices within a community and a cross-ministerial policy are needed to promote social economy in Japan. According to the national survey of the Japanese NPO sector, 65% of the entire economic value of NPOs is in the medical and education field, and the corresponding proportion of the welfare and community activities field is less than 20%. Compared to the UK, the proportion of current expenditure in the fields of community development, housing and employment is much lower (Japan: 0.3%; UK: 7.8%). As a consequence of the accelerating stream of an ageing society in Japan, the awareness of sustainability has been increased and the basic features of NPOs have been transformed from charity and philanthropy by the individual to considerations of community development of disadvantaged conditions that citizens would like to improve (Ishizuka, 2002).

## 4.16    Social Enterprise in Postmodern Welfare

The concept of 'social capital', which was defined as 'the ability of people to work together for common purpose in groups and organizations' by Fukuyama (1995), is critical not only to economic concerns but also to almost every other aspect of society. Amin and Thrift argued for the concept of the 'third way' to create the necessary means of association (Hirst, 1994); it is seen as an alternative to either uncontrolled neoliberalism or a planned economy. These

attempts to indicate new ways of encouraging the multiplier effect in the development implementation of a variety of regional actors; in other words, the 'third way' in local development applies innovative social networks, including all the relevant actors, within the territorialised local society.

In order to realise the crucial performance of social enterprise for social innovation in local economic development as the 'third way' applying 'social capital' in developed societies such as the UK and Japan, the following theories of institutions – endogenous institutional capacity (Healey, 1997), path dependency (Moulaert, 2000), a negotiating process between all the relevant actors and intermediate forms of governance to create institutional thickness (Amin and Thrift, 1995a) – are important in terms of shaping local socio-economic development. To support these theories, encouragement to establish local governance capacity to fertilise institutional thickness, which can make the territorialised local society able to increase its impact on events within and outside the local area, would be important. In truth, if the network of institutions has sufficient quality and quantity, it becomes greater than the sum of its elements. Significantly, Amin and Thrift (1995a) suggest that associationism is a 'part of an attempt to put some flesh on Gramsci's ideas of an integral economy, as economy plus society'.

Despite their emphasis on local governance, Amin and Thrift recognise that 'multi-level governance' (ibid) – in particular, macro-regulatory institutions that can supply some fundamental commitment to the regions at national and super-national level – would be needed to cause local associationism to work. Examples of such commitment are recognised as a way of income redistribution into Less Favoured Regions (LFRs), which would compensate for the abolition or reduction of conventional national subsidies to regenerate industry connected with the expansion of LFRs. They conclude that without super-national controls by the European Union, 'local associationism will continuously run up against hostile macro-economic forces'

(ibid). Local associationism is just one of the tools to improve regional economic competitiveness.

The above discussion from the socio-economic dimension, especially concerning communitarian economics and associationism, would be very relevant to the form of the theoretical framework of the social economy sector, mainly in the context of economic concern. However, these approaches would be fundamentally unsuitable for the improvement of the problems of disadvantaged, marginalised or excluded communities, because they seem to suppose that if the capitalist economy can be made more efficient, everybody will be able to take benefit from it. In other words, the principles of the approaches to socio-economic development based on communitarianism and assosiationism represent a trickle-down strategy.

The social enterprise is a hybrid economic institution that is located midway between conventional businesses and non-profit social institutions and possesses both their characters. Therefore, definitions or recognition of social enterprise can be varied, and different people have different definitions according to their intentions or perspectives. The business ethics of contribution to the local society or community would be characteristic of social enterprises that provide services for the collective interest (Amin et al., 1999) in the territorialised community. This communitarian perception connected to social enterprises emphasises how practitioners involve local people, build local capacity, respond to local needs and are linked to a network of local voluntary organisations (Mayo, 1998). Some successful social enterprises have encouraged citizen participation and promote the capacity of the social economy to advance social inclusion (McGregor et al., 2003). These initiatives and functions of social enterprise have been paid attention by actors in national and local government, in particular in the political arena, because of their community-oriented and self-help strategies (Hayton, 2000) together with cost-effectiveness (Mayo and Caring, 1995).

**4.17    Conclusion**

The innovation of local development may be recognised as the transformation of the patterns of governance within the territorialised local society. The term 'governance' (Healey, 2002) emphasises the transformation from the term 'government', which refers to a direct or bureaucratic system, towards indirect control through networks including non-governmental organisations (Painter and Goodwin, 1995; Knox and Pinch, 2000). In other words, innovative government and welfare reform initiatives aimed to 'put people's needs at the heart of service reform' (The Cabinet Office, 2000). These agendas have resulted in plenty of practices of community development related to active citizenship to uncover problems and look for solutions for the establishment of civil society.

The banner of 'Citizen First' in public service provision, as stated in the government's *Modernising Government Annual Report 2000* (The Cabinet Office, 2000) pointed out the importance of the citizen taking greater individual responsibility for welfare provision in the postmodern welfare. The 'Citizen First' report not only aimed to put the consumer at the heart of service provision but also focused on the partnership strategy between the government and non-governmental organisations to provide a sustainable service to the community, and the community is expected to be engaged and play a crucial role within this partnership structure.

The 'third way' (Novak, 1998) was the principle of welfare reforms in the UK, accepting that the welfare settlements of the previous Fordist era were no longer adequate due to the dramatic shift in socio-economic conditions. From the third way perspective, this change could be regarded as an opportunity to promote entrepreneurship actively in all sectors of the economy and society. Novak (ibid) argues that the 'third way' is part of an evolution in socialist thought owing to the shift of social conditions such as a decline in birth rates, an increased elderly population, increased costs of health provision and decreasing ratios of active workers to

pensioners, which meant that socialism in the latter part of the 20th century came under threat. These changes made social democratic parties such as New Labour try to establish new regeneration policies promoting enterprise and job creation, and the promotion of social enterprises can be understood in this context.

Applying social enterprise to urban regeneration is one of the third way strategies which responded not only to new right criticisms of social welfare, but also to the problem caused from ambiguous boundaries between the conventional thought of Left and Right, particularly in the public service field (Lloyd, 1998). Postmodern welfare is characterised by the limitation or fragmentation of the comprehensive welfare state, which had been the target as the vision of the state after World War II. For Painter and Goodwin (1995), the emergence of social enterprises was recognised as a new institution of welfare provision in the transition from the crisis of traditional welfare to postmodern welfare.

Moreover, from the regulation theory perspective, whether social enterprises can be recognised as actors in the postmodern welfare system may depend on whether we are still in a period of transition or in postmodern society itself. If we have already passed through the transition period, social enterprises may, therefore, be some of the new welfare institutions which Painter and Goodwin (1995) identified. In addition, Giddens (1998) argues that to respond to the requirements of a progressively more diverse society, postmodern welfare must collaborate with other levels of governance. Social enterprises have already emerged at many different levels of governance and perform as a node in a web of governance to deal with a more diverse society, as described by Giddens (1998).

# Chapter 5. Methodology

## 5.1        Introduction

The methodology applied in this research is the case study approach, in which interviews and documents, including archival records, are a part of data collection. In this chapter, first of all, case study areas and methods to compare two case study areas will be reviewed. Next, the institutionalist perspective and related theories of social innovation that are employed in the research will be discussed. The advantages of the insitutionalist perspective are appropriate to investigate the process and the mechanism of creative governance and the essential relationship elements of local governance such as policy, actors and financial resources. Lastly, the strategies of data collection and analysis to examine the significance of creativity in urban governance and regeneration practices are discussed.

## 5.2        Case Study

> In belief, the case study method allows investigators to retain the holistic and meaningful characteristic of real-life events – such as individual life cycles, organisational and managerial processes, neighbourhood change, international relations, and the maturation of industries. (Yin, 2003, p.2)

This research focuses on the significance of creativity in local governance from the institutionalist perspective. In other words, the transformation process of local governance from conventional methods to a new mode of governance, i.e. creative governance, is examined in this research. In-depth case studies facilitate the exploration of narratives, processes and events within specific situations, which may accept local specificity (Hakim, 1987; May, 1993; Yin, 2003) and form the basis of the research. By addressing various sources of data such as interviews and documents, the case studies provide an integrated way of investigating ongoing real-life processes that are strongly based on the specific context. The case study approach can be adapted for investigation of the complexity of roles and relationships in real life.

Hakim (1987) argues that, compared to large-scale research, qualitative research is enormously useful for investigating the framework of relations between factors in a complex network. This is a qualitative piece of research, because it includes various research approaches and greater personal contact. However, case studies have been criticised for their potential lack of rigour. If the implementation method of the case study is poorly planned, it can become too long and too detailed (Platt, 1988; Yin, 2003), and may produce only unreliable descriptions (May, 1993). Practically, this commitment to exploring multiple sources is implemented through 'triangulation' (Yin, 2003), which means that at least three sources of evidence concerning the same aspect of the study are collated. Although the validity and reliability of the data that is collected can be improved by triangulation, if various pieces of data are not organised, it is difficult to decide which should be accepted. A more credible approach than triangulation alone was suggested by Silverman (1993), which changes the emphasis to theoretically drive research. He stated that theoretically driven research enables the researcher to move 'beyond the gaze of the tourist' (ibid, p.289). In other words, an interpretive process is important for exploring social phenomena. In this research, in order to interpret empirical data, the theory of the 'institutional capacity' framework will be applied.

## 5.3    Comparative Analysis

In comparative analysis, some problems and obstacles are recognised by many researchers (e.g. Mangen, 1999; Hantrais, 1999). One of the most crucial problems of comparative research is the lack of a comparative urban framework in terms of the theoretical dimension (Kantor and Savitch, 2005). In particular, the middle-range theory (Merton, 1949), which can bridge the gap between theory and reality, has difficulty in application to comparative research among different countries with different social lives and histories (Kantor and Savitch, 2005). Furthermore, for Yates (1977), although territorialised local areas such as cities, towns or sub-regional municipalities are paralleled with the country and have the same governance structure,

local decisions are profoundly influenced by central government aims and the relationship between the various levels of government. Although, in the UK and Japan, municipalities have independence from central government to some extent, when obtaining subsidies from central government, municipalities largely have to follow the intentions of central government. For instance, the Japanese central government did not have an influential subsidy scheme for holistic urban regeneration such as the Single Regeneration Budget (SRB) in the UK. Accordingly, many Japanese urban regeneration projects were based on each municipality's resources, except for some national property-led regeneration projects. In contrast, in the UK, many urban regeneration projects were triggered by national funds with central government aims.

DiGaetano and Storm (2003) discussed the feature of three different levels of the urban governance method – structural, cultural and rational choice theory – applied for cross-national comparison, and moreover, they tried to integrate these three thoughts into the institutionalist approach as a middle-range theory for the investigation of the dynamic relationship between these three levels. Also, since institutions can be set between actors of urban governance located at the micro level and political structural forces located at the macro level, institutionalism is a 'middle-range' theory (Bell, 2002; Pontussen, 1995). Although it has been discussed in a previous chapter of this thesis, the discussion of new institutionalism is similar to the integrated approach of cross-national comparative analysis of urban governance by DiGaetano and Storm (2003). Thus, in this study, the new institutionalism approach – in particular, the sociological institutionalist approach – is applied in the comparative analysis between the UK and Japanese cases.

Besides the theoretical obstacles of comparative study such as those mentioned above, some practical obstacles derived from language issues were identified (e.g. Carmel, 1999). One of the problems of studying in a foreign language is the interpretation of discourses in qualitative data, including documents and interviews, due to rhetoric or metaphors in speech, such as litotes,

aphorisms, euphemisms, hyperbole and innuendo. In order to solve, or at least improve, the multilingual problem, some ways of collecting and analysing data were suggested as follows (Mangen, 1999). In the interview, a concrete definition should be made of the key concept, which has the possibility of various meanings based on different socio-cultural contexts, to be shared between researcher and respondent; furthermore, Mangen (1999) pointed out the importance of evaluation of the collected data, because the position of a foreign interviewer tends to be of a more non-directive and passive position than that of native speakers. For Mangen, an effective way of overcoming the above obstacles in an interview is to record it to allow it to be heard repeatedly and to acquire language support from a native speaker (ibid).

## 5.4    Selection of Case Study Area

Since the empirical study explored the theoretical concerns of the significance of creativity in urban governance by investigating two case studies, the case study selection was crucial. The intention was to address creativity by investigating both UK and Japanese urban governance, focusing on urban regeneration. There are some similarities in the socio-economic and political development between the two case studies, but also some significant differences in politics, local authority processes and structures, and partnership mechanisms and cultures/ historical trajectories. The research seeks to investigate the specific nature of institutional capacity in local governance formation in each case study area, and to attempt to account for the differences in the concrete outcome by identifying the patterns of causality underlying them. Although each city had its own characteristic features, there were some comparable positive relevant issues to the research questions of this research. Despite the differences based on the present and past social, cultural and economic conditions of each country, both cities are examples of the nature of contemporary urban politics in centralised countries. Both cities started to foster alternatives to their traditional industrial models of economic development to regenerate local socio-economic conditions.

In qualitative research, as with this research, cases are usually selected for theoretical purposes, especially when building or investigating theories (Eisenhardt, 1989). In addition, the case study approach is the predominant method in which cross-national research is carried out (Yin, 1982). The rationale is that the selection of these case studies will highlight the different features of creative regeneration as well as different patterns of collaborative planning based on their institutional capacity. The two case studies are located in different countries and represent developed countries in the west and east. The UK case study, Huddersfield, was chosen because it is one of the original creative city attempts, named 'Creative Town' Huddersfield. The reason for selecting Mitaka city as the Japanese case study is due to the regeneration programme named 'SOHO City' Mitaka, which is one of the cutting-edge attempts in Japan to transform the current urban condition into a better place.

The selection of the case studies depends on the nature of the primary research question, which is concerned with the application of creativity in urban regeneration through collaborative methods. This thesis took 'Creative Town' Huddersfield in West Yorkshire and 'SOHO City' Mitaka in Tokyo, Japan as its case studies. Both case studies were where the focus of this analysis, although more attention was given to the UK's one, Huddersfield. This was obviously because the concept of 'Creative City' itself originated in the Western world. One of the responses to the regeneration of both cities has been the creation of partnerships operating the outside traditional structures of local government. Another important factor of the regeneration of these cities has been the use of high-profile concepts, events and facilities; one of the symbols of Huddersfield's regeneration relates to the siting of a cultural industry office complex building, Media Centre, while in Mitaka, it was the business incubation building, Mitaka Industrial Plaza. These cases did not represent general examples, but from studying them, the generalisability of some of the findings may be transferable to other places, even while recognising local differences (Bryman, 1992; Yin, 2003; Stake, 1994).

These two case studies have similarities that rationalise comparative study. In an aspect of the basic geographical features of these areas, the population size of each of the case studies is around 150,000, and both areas used to be industrial cities and have now declined due to the changes in the economic fabric of society. Furthermore, the two case study areas are located between core cities. Huddersfield is situated between Leeds, Manchester and Sheffield. Mitaka is located between the core Tokyo business quarter, constituted by Hachioji city, Tachikawa city and Tama city, and the Tokyo metropolitan centre. More importantly, in the local governance processes focusing on urban regeneration, there were powerful intermediary agencies – Huddersfield Pride Ltd and Machizukuri Company Mitaka, respectively – at the heart of the regeneration programmes, and these agencies succeeded in collaborating with social enterprises and organisations from various other sectors. The most significant reason for the selection of these case studies was that both of them carried the banner of a creative concept adapted to their place, 'Creative Town' Huddersfield and 'SOHO City' Mitaka, as their strategy of urban regeneration to mobilise creativity from individual to collective action within the community-based sector, in such organisations as social enterprises, non-profit organisations (NPOs) and voluntary bodies.

Through analysis of the two case studies, I attempt to understand similarities in the concept of 'creativity' in the different countries and the diversity of the strategies implemented, which depended on each country's social conditions. The case studies needed to be selected with regard to consistency while providing different national context. The selected locations were able to show consistency in terms of location, size of population and being at a similar stage in their targeted regeneration project processes, as well as being representative of collaborative methods towards creative urban regeneration in their countries. Those variables, especially that of collaborative strategies of urban governance, relate to those that have been highlighted in the analytical framework, which is described in sections 5.8 and 5.9 later in this chapter. There are five theoretical criteria to be used in selecting case studies: creative regeneration concept; multi-

level governance structure; implementation of community-based strategy; application of both formal and informal partnerships; and the existence crucial intermediary organisation as a catalyst of network governance. More specifically, the reasons for selecting Huddersfield and Mitaka city as case study areas are summarised as follows:

- 'Creative Town' Huddersfield

  o Regeneration Concept

  Huddersfield is a pioneer of the 'Creative Town' where urban regeneration has been implemented under the banner of creativity, not only in the UK but also Europe-wide. In addition, Huddersfield's regeneration is according to the hypothesis of the 'cycle of urban creativity' (Landry, 2008) which was established with support by Charles Landry who is the famous advocate of the 'creative city'.

  o Multi-level Governance Structure

  Creative regeneration in Huddersfield was driven by two urban regeneration policy-oriented financial resources, which were the SRB from the UK government and the Urban Pilot Project 2 (UPP2) from the European Union. In particular, UPP2 was highly ambitious in its innovative strategy, contributing to urban regeneration in disadvantaged areas in Europe.

  o Community-based Strategy

  There are numerous social enterprises based on the local community that played a crucial role and gained their ability to do so through collaboration with public- and private-sector bodies in Huddersfield's urban regeneration. Moreover, some social enterprises were established by local people with the encouragement of the urban regeneration programmes.

o Formal and Informal Partnership

The propagation of the partnership culture in Kirklees was identified in the McAlpine Stadium renewal project. The local authority and the football and rugby clubs in Huddersfield created a partnership to implement the project, and it was an exceptional challenge at a time when partnership strategy was not popular in the UK (Landry, 2008). Following this experience, a more formalised partnership between local statutory, voluntary, community and private-sector bodies was formed as the Local Strategic Partnership (LSP). In addition, through obtaining regeneration funds (SRB and UPP), some organisations at higher levels of governance such as Regional Development Agencies (RDAs), the Government Office and the EU were included in the partnership for Huddersfield's regeneration.

On the other hand, as to informal partnership, the so-called Cultural Industries in Kirklees (CIK), a group of cultural industries and artists based in Kirklees, was formed as a forum and representative body for arts organisations sharing a common philosophy and method of work of various arts concerns, ranging from performing arts to visual and electronic media (Alsop et al., 1989). They published *A Chance to Participate: The potential of cultural industries and community arts in the social and economic regeneration of Kirklees*, which pointed out the potential of cultural industries for the regeneration of socio-economic conditions in Huddersfield. These recommendations were adopted in the regeneration strategies of the local council (Wood and Taylor, 2004). This informal network was developed in the programme of 'Group for Growth' (GfG) managed by Voluntary Action Kirklees (VAK), and the membership of CIK played a crucial role in the regeneration programmes launched by the SRB from the central government and UPP2 from the EU.

o   Intermediary Organisation as a Catalyst in Network Governance

There is a so-called intermediary organisation, Huddersfield Pride Ltd, which was founded by Kirklees Metropolitan Council (KMC), the Mid-Yorkshire Chamber of Commerce, local universities, and local community bodies and businesses to obtain SRB funds. Over 13 years, from 1994 to 2007, Huddersfield Pride managed numerous regeneration projects, including town centre management, collaborating with various actors not only in Kirklees and the UK, but also across Europe.

- 'SOHO City' Mitaka

o   Regeneration Concept

Mitaka city has implemented an urban regeneration programme under the banner of 'SOHO City'. SOHO means 'Small Office and Home Office', which describes a style of work in an urban area including self-employment and small and medium enterprises (SMEs) applying information and communication technologies (ICT), such as web design or computer network administration, that are compatible with a good residential environment. In the urban regeneration programmes of Mitaka city, the term 'creativity' is not used as a banner, but the concept of the SOHO City was constructed through creativity at multiple levels, such as individuals in the local community and organisations including those in the public and private sectors.

o   Multi-level Governance Structure

In the SOHO City Mitaka regeneration programme, construction of a key facility, Industrial Plaza Mitaka, was mainly funded by a non-governmental body, the Japan Development Corporation, controlled by the Ministry of Land, Infrastructure and Transport. Before starting this building, Mitaka City Council carried out a pilot project of small office complexes for SMEs and the self-employed, using their own money.

Through this trial project, the local council acquired useful relational resources to manage business incubation facilities. In addition, participants in this pilot project – the self-employed, SMEs and local NPOs – became important partners of the local council to promote this regeneration.

- Community-based Strategy

In the Mitaka regeneration project based on the concept of SOHO City, there are lots of NPOs and SMEs intending to make a contribution to the regeneration of the area. Characteristically, these organisations apply information and communication technology effectively and run businesses such as childcare services, business support services for local SMEs and promotion of employment services for older people that are rooted in the local community. Before launching this research target regeneration programme, Mitaka city had a tradition of citizen participation in local governance through the establishment of a residents' council for the planning and management of community centres and community *karte* (diagnosis of neighbourhood conditions by local residents) from the 1970s. This citizen participation culture was quite exceptional in Japan at the time. Afterwards, this residents' council model was adapted for many citizens' conferences, some of which took part in the platform to discuss the concept of city planning and management, which was implemented as a formal town plann in Mitaka city.

- Formal and Informal Partnership

One of the conferences mentioned above that was composed of various actors in the city such as local SMEs, IT professionals, the local cable television company, the chamber of commerce, city council officers from different departments and local residents aimed to discuss the application of information technology in local governance. This conference became the SOHO City promotion committee, which was the basis of the

partnership to implement regeneration under the banner of SOHO City. Also, an informal network was formed by the local self-employed and SMEs as the Mitaka SOHO Club, aiming to exchange information and promote collaboration of businesses.

o   Intermediary Organisation as a Catalyst in Network Governance

Machizukuri Company Mitaka was funded by the local council and collaborated with the chamber of commerce, the SOHO City promotion committee, the local cable television company and local businesses. This company aimed to implement comprehensive regeneration programmes, including the projects based on the SOHO City Mitaka vision stated as above. In addition, this company was responsible for the town centre management as a town management organisation (TMO) provided by the Central City Invigoration Law 1998.

These case studies do not represent general examples, but from their study the generalisability of some findings may be transferable to other places, even while recognising local differences (Yin, 1984). A key challenge in comparative research is to develop concepts that 'can address the same kinds of problems in different places, while making allowance for variations' (Kantor and Savitch, 2005, p.140). Sellers (2005, p.420) described the potential of cross-national comparative research focusing on specific urban areas as follows:

In undertaking comparative, cross-national research from the standpoint of urban regions rather than from that of countries, comparative urban politics has the chance to elaborate new, multilevel forms of comparative analysis that can more effectively grasp the changing character of the nation-state and democratic possibilities of contemporary societies (Sellers, 2005, p.420)

This means that the horizontal relations of urban governance are emphasised as well as the vertical relations (Ward, 2008) in analysis. As the attempt to conceptualise and select study

areas for the project in the two cities illustrated, however, it is essential not to be tied to rigid categories when developing a comparative framework.

Table 5.1: Comparative Chart of Case Study Areas

| | Huddersfield | Mitaka |
|---|---|---|
| **Population** | 162,949 (2011) (urban sub-area) | 187,494 (2014) |
| **Area** | 68.0 km$^2$ | 16.5 km$^2$ |
| **Location** | Neighbouring Leeds, Sheffield and Manchester | Neighbouring the centre of Tokyo |
| **Local public entity** | Kirklees Metropolitan Council | Mitaka City Council |
| **Character of the area (past)** | Textile industry | Machine industry |
| **Character of the area (current)** | Service sector Media industry | Residential area Animation industry |
| **Issues** | Decline of local economy Unemployment Ethnic minority exclusion | Decline of local economy Decreasing tax revenue Ageing and shrinking population |
| **Characteristic area resources** | Afro-Caribbean culture Historic high quality buildings Partnership culture in local council Community music and poetry tradition | Pilot area of Area Information Network System Citizen participation culture in local council Accumulation of animation industry |
| **Concept of regeneration** | 'Creative Town Huddersfield' | 'SOHO City Mitaka' |
| **Regeneration start date** | 1995: 'Huddersfield Challenge' (SRB1) | 1997: 'Area Information Plan' |
| **Key grants** | Single Regeneration Budget Urban Pilot Project (EU) | Urban Industrial Infrastructure Grant Tax revenue |
| **Key organisation** | Huddersfield Pride Ltd (inc. Town Centre Association) | Machizukuri Mitaka Ltd (inc. Town Management Organisation) |
| **Major community sector organisations** | Beaumont Street Studio Cultural Industry Development Agency Suga Brown Creative Arts Ltd Proper Job ArtiMEDIA | Senior SOHO promotion salon Childcare convenience store Community supporters Mitaka Network University Mitaka SOHO Club |
| **Key facilities** | Huddersfield Media Centre | Mitaka Industrial Plaza (SOHO building) |
| **Universities** | Huddersfield Univ. Huddersfield Technical Collage | Tokyo Women's Univ. Kyorin Univ. International Christian Univ. Japan Lutheran College |
| **Key cultural facilities** | Lawrence Batley Theatre (people's theatre) | Ghibli Museum (animation museum) |

UK Central Government

Yorkshire Forward

Funds

Funds

European Union

Applying UPP

Applying SRB

Huddersfield Pride Ltd
(Town Centre Association)

Support

4 Creative Industry buildings

Media Centre Network

Kirklees Metropolitan Council

Partnership

Creative Town Initiative

Partnership & Support

SMEs

Mid-Yorkshire Chamber of Commerce

Plan of 'Creative Town' Huddersfield

Self-employed

Government Office/TECs

NPOs

Support

Cultural Industry in Kirklees

Local universities

Community sector

Kirklees Partnership (LSP)

Local businesses

Voluntary Action Kirklees

Local communities

Figure 5.1: Schematic of Huddersfield regeneration programmes

Japan Regional Development

Funds

Mitaka City Council

Funds

Mitaka Urban Development Corporation

**Machizukuri Mitaka Ltd (Town Management Organisation)**

Operation & Support

6 SOHO buildings

Trade Income

Partnership

Partnership & Support

SMEs

Tax Revenue

Self-employed

Mitaka Machizukuri Institute

Plan of 'SOHO City Mitaka'

Partnership

NPOs

Support

Community sector

Local Universities

SOHO Development Association Council

Mitaka SOHO Club

Local businesses

Local communities

Figure 5.2: Schematic of Mitaka regeneration programmes

## 5.5    Test Interview

The test interview was conducted in December 2005 and January 2006 in Huddersfield. This was the interview with two key persons from the Huddersfield creative regeneration activities, the UPP and several regeneration projects based on the SRB, mainly during the 1990s. It aimed to identify the important policies, projects, organisations, key actors, arenas and other events that applied creative governance approaches.

In the UK case study, the test interview was with two key persons. One was the executive officer of Huddersfield Pride, which was launched by the SRB and was the key agency of regeneration in Huddersfield in the last decade. The other interviewee was the ex-executive officer of the Creative Town Initiative which was launched by the EU UPP; he is now the senior partner of the professional consultancy firm Comedia, providing the key concept of Creative Huddersfield as a creative city. These two persons have been engaged in Huddersfield regeneration based on creative governance approaches, including collaboration with many social enterprises, for the last decade.

The results of the interviews identified relevant issues in terms of policy/vision, governance structure/formation and the implementation process.

- Policy/Vision

  It was discovered that the regeneration policy was mainly based on UK central government subsidies such as the SRB, which was fairly substantial, but the contract culture was an 'obstacle' to the flexibility of the regeneration projects due to funding priorities and audit criteria. This meant that a feasible delivery plan and accountability in performing it had to be established at the start of the programme. On the other hand, even though the UPP fund from the EU did not have sufficient flexibility in promoting regeneration programmes, it did possess ambitious (but ambiguous) concepts such as 'creative city', which could be applied as a banner under which to regenerate

Huddersfield within particular time limitations and a certain amount of discretion. Although the 'creative city' has become a popular concept of urban regeneration, especially in Western countries, it is still too ambiguous to create consensus as a concept for urban regeneration policy. Therefore, in the following main body of the interview research, the disadvantages of the contract culture based on the central government subsidy scheme and recognition of the creative city concept in relation to Huddersfield's regeneration will be investigated.

- Governance Structure/Formation

In the 1980s, KMC had been transformed dramatically from a rather bureaucratic and conservative organisation to an entrepreneurial and open-minded one by the new influential leader of the local council, John Harman, and the executive officer, Robert Hughes, as 'triggers'. This transformation promoted an organisational culture based on joined-up approaches, such as collaboration with other organisations and between different divisions within local government, using persuasion to challenge obstacles. As a consequence of this change, the independent agency, Huddersfield Pride Ltd, was established as a sustainable practical body of urban regeneration, utilising local, national and international networks to launch novel projects in the long term. Therefore, in the following main body of the interview research, the process of the transformation will be focused on; also, the process of what and how a new structure of local governance was created, including partnership with organisations outside the local authority, will be researched.

- Implementation Process

In the implementation process of the regeneration based on the SRB and UPP, mobilising creative resources in the local community was focused on. In order to mobilise resources in the local community, Huddersfield Pride Ltd, as a main agency, promoted the involvement of local people in urban regeneration activities through the

establishment of trust with local communities. The practical methods of mobilising local people paid attention to the entrepreneurship of local people and launched various projects adapted to different people's intentions. Although these community-centred regeneration projects achieved certain results with a social enterprise strategy, a respondent identified that, in order to realise a creative Huddersfield, the democratisation of creativity for more people in the town was required. Therefore, in the following main body of the interview research, the process of mobilising creativity in the local community into regeneration events through social enterprises will be researched. In addition, the characteristics of social enterprises as an engine to democratise creativity, in comparison to a conventional organisation such as those in the private, public and voluntary sectors, will be explored.

## 5.6    Documentary Research

The documentary research method considers a very broad range of perspectives (Yin, 2003), and information in documents in various forms and sources. Relevant documents for this research were not only official documents, mainly from the public sector, but also proposals and agendas, progress and internal reports, informal and internal documents, and newspapers and magazines. In addition, the recent importance of internet resources has been increasing rapidly. Although it is required to pay attention to the credibility of the data, the immediacy and accessibility of the internet cannot be disregarded, particularly when obtaining data about remote research objects. As to case study information in the documentary research, the incompleteness or ongoing state of the documents has to be recognised and the additional information has to be pursued.

Documentary research, including previous academic work, plays a crucial role in two aspects of the preparation of the field research, such as interviews with key person in the case study. One aspect is recognising the need for background information – fact-finding – to in-depth data

collection and analysis, and the other one is promoting inferences that encourage the researcher to discover new, worthwhile questions in the research (Yin, 2003). In this research, the main documentary research, particularly in the case study, was conducted before the field survey, during 2005–2006, and during the field survey, some new, crucial documents were obtained. For instance, in the UK case study, there were some reports about targeted regeneration published by Kirklees Metropolitan Council and Huddersfield Pride Ltd such as *Made in Kirklees – celebrating DIVERSITY, maintaining DISTINCTIVENESS, harnessing CREATIVITY – Cultural Policy for Kirklees* (KMC, 1994a); *Kirklees – Where are we heading? – The outlook for the council* (KMC, 1994b); *Towards A Cultural Strategy for Kirklees* (KMC, 1993); *Kirklees Partnership: Our Agenda for Change* (Kirklees Partnership, 1999); and *Huddersfield Pride Ltd. 2002–2003 Annual Report* (Huddersfield Pride Ltd, 2003). In the Japanese case study, in a similar manner to the UK case study, the following were published: *Mitaka o kangaeru kiso yogo jiten – Shisei gaiyo* [Mitaka Data File 2004] (Mitaka City Office, 2004); *Mitaka no comyunitii* [Community of Mitaka] (Mitaka City Office, 2002); *Mitaka-ism – Mitaka kara no hasso* (Machizukuri Corporation Mitaka, 2003); *Jyouho-toshi Mitaka o mezashite – Mitaka Yume Mirai* [Aiming to Information-based City – Mitaka, Dream, Future] (Machizukuri Corporation Mitaka, 2000); and *Konna Mitaka ni shitai* [We would like to make Mitaka like this] (Mitaka Citizen Plan 21 Conference, 2001).

Through investigation of these documents, municipalities' formal policy intentions and related community-based practices as crucial contexts of urban regeneration may become clear. The facts from these documents are the basic data of the ability to uncover the hidden complex processes of social events (McDowell, 1992). In other words, qualitative research – the interviews with the actors of urban regeneration in the two case studies – was constructed on the basis of the documentary research.

## 5.7    Interview Research

The interview has a broad variety of forms and diversity of methods, ranging from the structured to the unstructured interview (Briggs, 1986; Cohen and Manion, 1992; Randnor, 1994). The structured interview is one in which researchers ask pre-established questions with a limited choice of answers. The researcher has a great degree of control over the informant's response and there is little flexibility in the interview. In contrast to the structured interview, the unstructured interview has greater flexibility. Within the unstructured interview, the researcher has the opportunity to ask new questions in the process, and the interviewee is allowed to respond to them freely. Located between the two types of interview method, this study relied predominantly on the semi-structured interview, which is a more flexible version of the structured interview.

In this research, the main instrument was semi-structured interviews with the key actors (UK: 14 respondents, Japan: 14 respondents) in the case study.

Table 5.2: List of Interviewees in Huddersfield (UK case study)

| **Above Municipality Level** | | | |
|---|---|---|---|
| Yorkshire Forward (Regional Development Agency) | Tracey Greig (Manager) | 6th June 2006 | Public Sector |
| West Yorkshire Social Enterprise Link | Mary Walker (Project Director) | 5th June 2006 | Public Sector |
| **Municipality Level** | | | |
| Kirklees Metropolitan Council West Yorkshire: European Unit: LSP / EU Fund | Heather Waddington | 19th May 2006 | Public Sector |
| Kirklees Metropolitan Council West Yorkshire: Credit Union | Jane Gillespie | 5th June 2006 | Public Sector |
| Kirklees Metropolitan Council West Yorkshire: Partnerships and Procurement Service | David Wyles (Leader of TCM) | 9th May 2006 | Public Sector |
| Kirklees Metropolitan Council West Yorkshire: Community Support Service | Ann Chapman | 7th June 2006 | Public Sector |
| Huddersfield Pride Ltd[a] | Teresa Butler (Executive Director) | 14th Feburary 2006 | Intermediary Sector |
| Huddersfield Business Generator[b] | John Edmonds (Manager) | 11th May 2006 | University |
| Comedia[c] | Phil Wood (ex-Director of CTI) | 12th January 2006 | Private Sector |
| **Neighbourhood Community Level** | | | |
| Proper Job Theatre Company[d] | Rick Ferguson (Managing Director) | 10th May 2006 | Community Sector |
| Creative Industries Development Agency[e] | Anamaria Wills (Chief Executive) | 9th May 2006 | Community Sector |
| Beaumont Street Studio[f] | Sean Leonard (Director) | 4th May 2006 | Community Sector |
| Suga Brown Creative Arts Ltd[g] | Debbie Brown (Director) | 3th May 2006 | Community Sector |
| artiMEDIA (+artiMOTION)[h] | Brian Cross (Director) | 7th June 2006 | Community Sector |

[a]Huddersfield Pride Ltd

This was the partnership organisation for the delivery of regeneration programmes based on the SRB.

[b]Huddersfield Business Generator

This was the business management course in Huddersfield University. This course is widely open to the public.

[c]Comedia

This is the professional consultancy firm founded by Charles Landry in 1978. In Huddersfield's regeneration, it supported the establishment of the concept of the creative city.

[d]Proper Job Theatre Company

This company was familiar with providing vocational training based on performing arts methods. In Huddersfield's regeneration, they tried to deal with unemployment issues.

[e]Creative Industries Development Agency (CIDA)

CIDA was the support organisation for creative and cultural activities, utilising a strong network with the creative industrial sector.

[f]Beaumont Street Studio (BSS)

BSS was a non-profit organisation providing support for the unemployed, mainly in the black/ethnic minority community. They provided vocational training for the music industry with the use of their facilities in recording and radio studios.

[g]Suga Brown Creative Arts Ltd

Suga Brown delivered dance workshops, mainly for young people and children. Through these workshops, participants could acquire basic social skills that were useful for employment.

[h]artiMEDIA (+artiMOTION)

artiMEDIA provided training courses to support the unemployed in co-operation with the creative sector. They were familiar with film production.


Table 5.3: List of Interviewees in Mitaka City (Japanese case study)

| **Municipality Level** | | | |
|---|---|---|---|
| Mitaka City Office, Information Section | Masayuki Uyama (Head of Section) | 28th August 2006 | Public Sector |
| Mitaka City Office, Life Economy Section | Kenichi Managi (Head of Section) | 30th August 2006 | Public Sector |
| Mitaka City Office, Elderly People Care Section | Takatoshi Todoroki | 1st September 2006 | Public Sector |
| Machizukuri Mitaka Corporation[a] | Yutaka Kobayashi (Project Manager) | 22th August 2006 | Intermediary Sector |
| | Sachiko Seki (ex-Senior Manager) | 6th and 11th September 2006 | |
| SOHO City Mitaka Promotion Committee | Takamasa Maeda (Chair) | 4th September 2006 | Intermediary Sector |
| Mitaka Network University[b] | Hidemi Takeda (Manager) | 25th August 2006 | Citizens' University |
| **Neighbourhood Community Level** | | | |
| Mitaka SOHO Club[c] | Kenichi Kawase (Director) | 5th September 2006 | Community Sector |
| Community Supporters[d] | Tooru Miya (Director) | 23th August 2006 | Community Sector |
| Senior SOHO Salon[e] | Shigeo Kurosawa | 25th August 2006 | Community Sector |
| Kosodate Conbini[f] | Nanako Kobayashi (Director) | 4th September 2006 | Community Sector |
| Application Plus Ltd | Tsugutoshi Hatano (President) | 24th and 31st August 2006 | Private Sector |
| Waseda Research Institute[g] | Masayuki Shinkawa (COO) | 7th September 2006 | Private Sector |
| SO-HOT Ltd[h] | Konomi Morishita (President) | 11th September 2006 | Private Sector |

[a]Machizukuri Mitaka Ltd (TMO)

This company was founded by Mitaka City Office as a TMO to implement urban regeneration based on the concept of 'SOHO City Mitaka'. This organisation operated six SOHO buildings and provided consultancy for SMEs and community organisations. Also, this company carried out non-profit business. It was succeeded by Mitaka Machizukuri Public Corporation.

[b]Mitaka Network University

This university provided programmes of lifelong learning for local people and a career building programme for children in cooperation with other universities.

[c]Mitaka SOHO Club

This voluntary organisation provided an arena for mentoring and discussions about business between self-employed people in the SOHO building in Mitaka city.

[d]Community Supporters

This NPO creates hubs of social networks, especially for young people who are interested in the animation industry in events and 'University Studio'.

[e]Senior SOHO Salon

This NPO provides IT training courses and promotes employment in cooperation with the city council for older people by older people.

[f]Kosodate conbini

This NPO provides information about childcare through the internet for young mothers in cooperation with the city office.

[g]Waseda Research Institute

This institute is the co-provider of one of the series of SOHO buildings and manages this building.

[h]SO-HOT Ltd

This company provides a business support service for SOHO workers, which was established by part-time workers in the SOHO building.

The selection of interviewees was based on the 'snowballing strategy'. After examining existing studies of urban regeneration policy, considered for application of creativity and social economy activities in each city, a first sample of potential respondents was built up. In addition, others were added to the interviewee list according to the recommendations of the people in the test interview. The initial selection of specific interviewees was made depending on their formal position within the organisation (e.g. in the case of Huddersfield, five KMC officers and one Yorkshire Forward officer, and in Mitaka, five Mitaka city government officers for the period

of study were interviewed because of their strategic position) and their reputed influence in appropriate policy areas (reported in the literature or cited by other interviewees).

Other interviews were mostly the leaders of relevant agencies, such as Huddersfield Pride Ltd and Machizukuri Company Mitaka. These agencies played a crucial role in the implementation of creative regeneration as the intermediary between the local community and the government. Moreover, interviews were carried out with leaders of community organisations or social enterprises of various organisational statuses such as NPOs, voluntary organisations and private firms.

In selecting interviewees, the following points were noted. The first was the actors' belonging to the various levels of urban governance – those of the municipality and the neighbourhood community. In addition, in the case of the UK, actors from above municipality level, such as Yorkshire Forward and West Yorkshire Social Enterprise Link, were selected. This was because these county-level organisations had a crucial influence on urban regeneration in Huddersfield. The second point was the attributes of the actors' organisations. This meant that interviewees were selected from the public, private and community sectors. The last point was that the interviewee played a crucial role in planning and implementing urban regeneration in the case study. In particular, many social enterprises playing crucial roles in implementing creative practice as a part of urban regeneration were focused on.

The main body of interview research was implemented in May and June 2006 in Huddersfield and August and September 2006 in Mitaka. Preliminary contact was made with the interviewees by e-mail, informing them about the background and the objectives of the research and the availability of dates for interviews (see Appendix for Sample letter to interview). Afterwards, contact was made with some of the interviewees by telephone to explain the reasons why interviews were necessary for the research and to determine whether the respondent was willing to co-operate to arrange a convenient time and place.

In the interview setting, after introducing the interests of the study, all interviewees were informed of certain predetermined themes, but without fixed questions. Ethical considerations were also provided to all informants, who were assured that they would not be identified in any published material, which secured anonymity, and the academic nature of the research was emphasised in order to ensure frank and open discussion, which secured the reliability of the information (Janesick, 1994). A digital voice recorder was used to facilitate the process of interaction between interviewer and interviewee, as well as that of analysis through the transcription of audio data (Briggs, 1986; Radnor, 1994). A copy of the full transcription of the audio interview was offered to each interviewee; all except two declined this offer. In addition, at the end of each interview, the researcher asked the interviewee to recommend other potentially well-informed interviewees. It was through this approach that new interviewees were selected.

The semi-structured interview is a flexible conversation between researcher and interviewee. It is different from the unstructured interview (Eyles, 1988), which means that the interview starts with an introduction including the theme and purpose of the interview, and the conversation proceeds between interviewer and interviewee with the purpose of gathering data. The qualitative interview is organised to draw out statements from a respondent who has difficulty in expressing their ideas easily and clearly (McCracken, 1988). Cornwell (1988) stated that the qualitative methodology had the advantage of letting subjects express themselves and facilitates a broad-range investigation of various topics, and enables access to the respondent's interpretations and values. Most importantly, the methodology can provide informal information as to the social relationships acquired according to the research objectives.

Even though the interviews in the two case study areas were undertaken at different periods within several months, the research had to be aware of maintaining a balance between flexibility and reliability in data collection. Flexibility contributed to promoting the discovery of the respondent's views; at the same time, reliability in the detail, the types of questions asked, and

additional explanation and confirmation that complemented data from the interviews were essential in order to draw appropriate conclusions. Therefore, triangulation gathered from interviews with secondary data was adapted to enhance the trustworthiness of this study (Denzin and Lincoln, 1994; Lincoln and Guba, 1985; Miles and Hubermas, 1994)

The process of building up the questions in the interview was not established as a rigid process and followed the strategy of beginning with questions concerning the most general and current topics, according to the interview guide, and narrowing down to more specific questions related to past events for greater investigation to answer the research questions. The interview process was designed to develop an understanding of a number of key themes, including recognition of declining urban conditions in the 1980s and 1990s, the processes of urban regeneration and relevant events or resources that aided the revitalisation of the case study areas. The interviews paid special attention to changes in creativity in individual people, to place creativity in social enterprises based on a creative milieu and institutional thickness.

After carrying out the interviews, all interview recordings were transcribed and coded as the first step of analysing qualitative data. In this research, in order to code the qualitative data, the computer-assisted analysis of qualitative data (CAQDAS) programme package, Nvivo, was used. This was because the amount of transcribed interview recordings was huge, and the researcher used a process of 'open coding' (Sandelowski, 1995) to identify potential themes and issues via pulling together real instances from the transcribed interviews. After coding categories emerged, generated themes, issues and patterns were linked as a part of the analysis process (Ryan and Bernard, 2000). This process was repeated with each of the three research questions in each of the two case studies. Accordingly, the context of the case study dynamics was understood, and the phenomena within the case study were interpreted. The case study findings are mainly presented in Chapters 8 and 9.

## 5.8      Analytical Framework

In this research, the institutionalist approach was employed as an analytical framework for applying civic creativity in urban regeneration. Although the institutionalist approach to the analysis of urban governance has been discussed in the previous chapter, here, more practical applications of institutionalist approaches will be discussed. Furthermore, as to broader local governance concerns, the concept of 'institutional capacity' (Healey, 2002) is a relevant analytical framework for this study, especially in investigating the significance of creativity in urban regeneration, reflected by the change from 'government' to 'governance', which is characterised by its fluidity (Rhodes, 1997; Healey, 1997). This perspective may be explored by the new institutionalist approaches to analyse the urban and regional socio-political condition.

Conventional approaches to investigate urban regeneration have not paid so much attention to the importance of local institutional arrangements. It is important for the analysis of community-based urban regeneration to understand institutions and their social resources embedded in the local. In this research, the main reasons to apply the institutional capacity framework as the analytical framework are to understand local institutions with an inside perspective and to portray collective action that is effective, sustainable and institutional. Institutional analysis is a social phenomenon understood as patterns of continued acts through institutions or social networks, where people behave and interact with each other. One of the background theories of the institutional capacity framework was presented by Anthony Giddens as follows:

> Structure, as recursively organized sets of rules and resources, is out of time and space, save in its institutional and co-ordination as memory traces, and is marked by an 'absence of subject'. The social system in which structure is recursively implicated, on the contrary, comprise the situated activities of human agents, reproduced across time and space. Analysing the structuration of social systems means studying the modes in which such systems, grounded in the knowledgeable activities of situated actors who

draw upon rules and resources in the diversity of action contexts, are produced and reproduced in interaction. (Giddens, 1984, p.25)

This description explained the features of institutions through the relationship between structures, the individual and agencies. More specifically, in the planning context, the definition of institutional analysis described by Patsy Healey is very clear.

Institutional analysis is an interpretive and relational view of social life, which focuses on people's activity and interactively constructing their worlds, both materially and in the meanings they make, while surrounded by powerful constraints of various kinds (Healey, 2002, p.10).

This means that analysis needs to focus on how such learning takes place in urban governance contexts, as actors develop awareness of what might be of concern, what options for action there might be, who the stakeholders are and how agendas and relations might develop. Interpretive analysts and planning theorists emphasise that certain episodes of governance activity not only generate a particular outcome of some kind but also the processes of activities.

From the institutionalist approach, there are some analytical viewpoints that may be considered. Firstly, it is important to analyse what kind of patterns are established and maintained in the process of governance activity around the case study. These kinds of patterns may be formed by different forces, both internal and external. The second point of view focuses on people who play various roles in governance process as actors. In this viewpoint, the interlinked networks are very important for analysis. Identifying these networks – the idea of 'intersubjectivity', called 'the fabric of our becoming' by Crossley (1996) – is useful. The third point is the 'hard infrastructure' (Healey, 1997) of the institution such as its formal organisation, legislation and so on. Finally, the influence of external forces on the institutional capacity of the local society is another important viewpoint of the institutionalist approach (Vigar et al., 2000).

In the institutional approach, analysing the concept of 'institutional capacity' (Healey, 1997) is very important to grasp and understand social dynamism. The concept of institutional capacity

focuses on the way external forces and local contexts combine together in the process of acquiring and exchanging knowledge, and on social networks and the way in which they are translated into collective action to create dynamics between people, organisations and associations (Healey, 2002). Regarding the notion of institutional capacity, Judith Innes' work examines it through the practices of consensus building. Her interpretations are grounded in observations of informal governance processes; in other words, the 'soft infrastructure of institution' (Healey, 1997) at work (Innes, 1999). She distinguishes between three forms of capital which are deployed in the interactive governance context: intellectual capital, social capital (Innes et al., 1994) and political capital. Healey developed Innes' typology into knowledge resources, relational resources and mobilisation capacity. It was through the analysis of these three elements of institutional capital that she attempted to operationalise the concept of institutional capacity (et al., 2003). In addition, the concept of 'institutional capacity' (Healey, 1997) is very important when attempting to grasp and understand social dynamism. The concept of institutional capacity focuses on the way external forces and local contexts combine together in the process of obtaining and exchanging knowledge, and on social networks and the way in which they are translated into collective action to create dynamics in which people, organisations and associations in a place (Healey, 2002).

More specifically, in Healey's (2002) practical work, *Shaping City Centre Futures*, she made five points to focus on when analysing the institutional capital of the area. The first was to look at how key people or agencies play crucial activities in multiple networks; such a network builds the structure of a community and always continues to change. The second was to focus on how internal forces are adapted to external forces; a manner of adaptation is embedded into the governance process. The third was to focus on how influences of external forces are made obvious and handled well; a reaction to external forces changes with the situation of the internal ones. The fourth was to look at how policy intentions are realised in regulatory legislation; such legislation includes a substantial programme and resource allocation system. The fifth

concerned what kind of dynamics were working in the process. A dynamic is generated by both external and internal forces. In this research, these substantial criteria may be very useful as a method of analysing data. In practice, in order to investigate institutional capacity in both of the case study areas, the qualitative dimensions of three components of the institutional capacity framework (Healey, 2002) – knowledge resources, relational resources and mobilising capacity – have been connected to analytical targets of this research, shown in the table below.

Table 5.4: Analytical Framework

| Institutional Analysis | Criteria | Analytical categories |
|---|---|---|
| Knowledge Resources | <ul><li>Understanding and evaluating regeneration strategies</li><li>Perception of process involved in regeneration</li><li>Recognition of areas obtained through regeneration</li></ul> | **Perception of creativity**<br>- Lack of understanding of the concept of creativity<br>- Fundamental nature of creativity is indigenousness<br>**Recognition and expectation of social enterprise**<br>- Increasing recognition of the importance of social enterprise<br>- Insufficient credibility of social enterprise |
| Relational Resources | <ul><li>Views on key players</li><li>Networks to projects</li><li>Perception of power relations</li></ul> | **Contexts and purposes of making partnerships**<br>- Accessing various funding resources through partnerships<br>- Partnerships to enterprise/implement projects<br>- Partnerships with various actors<br>- Partnership process for urban regeneration<br>**Initiative and leadership in making partnerships**<br>- Influential leaders<br>- Leadership as a group of people (or organisation)<br>- Various key actors<br>- Disadvantages of being strong leaders<br>**Benefits and outcomes of partnerships**<br>- Sharing thoughts based on trust<br>- Partnerships for public funds<br>**Gateway to grants**<br>- Combination between various funds<br>- Transformation of government policy of public funds<br>- Dependent on public financial resources<br>- Inflexible regeneration and insufficient amounts of public money |
| Mobilising Capacity | <ul><li>Context and reason for involvement</li><li>Participation strategies</li></ul> | **Attracting people with creative activities to social enterprises**<br>- Why is creativity important?<br>- Various attractions and interface<br>**Discovering their own creativity**<br>- Creating self-confidence in doing something creative<br>- Open to possibility, standing close to wants<br>- Recognition of the creativity in individual<br>**Fostering their own creativity**<br>- Circulating information both at the local and global level |

| Institutional Analysis | Criteria | Analytical categories |
|---|---|---|
| | | - Generic skills<br>- Infrastructure of incubating business<br>**Practising their own creativity in society**<br>- Bridging to creative sector<br>- Applying knowledge and relational resources to specific activities<br>- Opening up the creative sector |

## 5.9    Defining the Research Questions

The research question is divided into three sub-questions, including descriptive and interpretive inquiries, in order to fulfil the research aim, which is to investigate the significance of creativity in urban governance and community-based social enterprise practices in urban regeneration. The main research question, 'How can creativity, as a crucial resource, be mobilised into urban governance and collaborative practices of urban regeneration?' is divided into the following three research sub-questions: (a) How significant is the concept of 'creativity' in mobilising for urban regeneration? (b) How is civic creativity developed in urban regeneration through collaborative governance practices? and (c) What roles can social enterprises play in collaborative local governance oriented towards 'creativity'?

**(a)  How significant is the concept of 'creativity' in mobilising for urban regeneration?**

- The significance of the concept of creativity has a wide and flexible applicability to various actors and activities. However, its ambiguity and adventurous nature creates obstacles to creativity. Its ambiguity can involve various people, and result in conformity with 'governance' (not 'government') thought.

**(b) How is civic creativity developed in urban regeneration through collaborative governance practices?**

- The resources for shaping 'creative' regeneration are powerful leadership, financial flexibility, application of an informal social network, an effective intermediary agency and implementation of community-based projects, etc.

- Effective collaboration is built by breaking down the barriers both within and outside the local authority, accessing informal/local networks, implementing various projects with social enterprises and funding regimes, etc.

**(c) What roles can social enterprises play in collaborative local governance oriented towards 'creativity'?**

- The significance of social enterprise is much closer to local communities (at an arm's length relationship with government) and easier to obtain public money (matching partnership policy). However, social enterprises tend to be dependent on public money in the UK, unlike the Japanese case (Japan and the UK are learning from each other).

- Substantial projects to mobilise creativity for urban regeneration are education programmes, vocational training, art-oriented activities and projects bridging to (creative) industry.

In order to analyse empirical data from the case studies corresponding to research questions through the institutional capacity framework, key theories of research questions, specific episodes from case studies and criteria from the institutional capacity framework were summarised in the table below. These criteria were developed by Barry (2012) based on Healey's concept.

Table 5.5: Research Questions Matrix

| Key Elements of Research Question | Relevant Episodes to Research Question | Knowledge Resources | Relational Resources | Mobilising Capacity |
|---|---|---|---|---|
| The concept of creativity including 'interpretive flexibility'<br><br>• The ambiguity of the concept was an obstacle, but through debating the concept, governance capacity was gained | Centred in physical and social node, 'creative milieu' established | **Openness and social learning** | Range of stakeholders involved | |
| | Promoting civic entrepreneurship by strong leadership and taking risks | **Actor's ability to reflect new frame of reference** | | **Their ability to explore opportunity structures**<br><br>Apply a diverse repertoire of political techniques and strategies |
| | Sharing the concept through practices of participating in regeneration | Degree of integration | Range of stakeholders involved | |
| Creative regeneration with collaborative governance<br><br>• Collaborative regeneration policymaking process as a node of combining top-down and bottom-up processes<br>• Social enterprise as a node of combining formal and informal networks | Strong leadership led by strong leaders and organisational culture | Actor's ability to reflect new frame of reference | | Their ability to explore opportunity structures |
| | Top-down oriented formal partnership | Degree of integration | **Degree of integration and exchange between the networks**<br><br>Morphology of their social networks<br><br>**Their proximity to major centres of power and influence** | Identify appropriate arenas |
| | Bottom-up oriented informal partnership | | | |
| | Combining different networks through implementing substantial projects via social enterprise | | | |
| | Inflexible ways to access public money | | Their proximity to major centres of power and influence | |
| The role of social enterprise as a driving force to apply civic creativity for collective action<br><br>• As an incubator of creativity in individual local people<br>• As an institution for transforming a volunteer group to more practical actor of regeneration | Process of fostering civic creativity | Openness and level of social learning | | Their ability to explore opportunity structures |
| | Mobilising various resources from various networks into collective action | **Actor's ability to reflect new frame of reference** | **Degree of integration and exchange between the networks**<br><br>Morphology of their social networks | **Place change agents at critical 'nodal points' on routes to resource and regulatory power** |
| | Unstable management of social enterprises | | Their proximity to major centres of power and influence | |

## 5.10     Conclusions

This chapter outlined the methodology that was adapted to explore the research questions emerging from the theoretical discussions based on the literature review in the previous chapter. It has been shown how an institutionalist approach in the case study methodology informed the development of the research questions.

We shall now move to consider the case study areas in greater detail, including the political settings and socio-cultural contexts related to urban regeneration (Chapters 6 and 7). After the investigation of the background information of the case study areas, the result of the analysis is described, divided into three parts following the main research questions (Chapters 8 and 9). This analysis not only contributes to the acquisition of further understanding the significance of creativity in the case study areas, but also provides useful suggestions for creative urban regeneration through collaborative strategy.

# Chapter 6.  'Creative Town' Huddersfield

## 6.1    Introduction

In this chapter, background information of the UK case study, i.e. urban regeneration in Huddersfield, will be investigated by the trajectory of British urban regeneration policy, and the details of urban regeneration programmes and actors in the case study area. First of all, the development of joined-up strategies through the establishment of various funding schemes, actors of regeneration and the legislation reflecting central government urban regeneration policy will be looked at. Then, more specific joined-up processes in the case study will be examined by studying regeneration events in the target period and regeneration programmes in Huddersfield in this research. At the end of this chapter, the 'hard infrastructure' (Healey, 1997) of urban regeneration in the case study will be pointed out to analyse qualitative data in the following chapters and compare the British and Japanese case studies.

## 6.2    Urban Regeneration Policy During the Post-war Period in the UK

The origins of contemporary urban regeneration policy in the UK dates back to the 1940s and the post-war period urban policies (Roberts, 2000). In the early period of urban regeneration, policies aimed to renew the ravaged physical conditions of slums – in particular the housing conditions – caused by excessive centralisation after the industrial revolution. Therefore, in 1945, the Distribution of Industry Act was passed for the mitigation of the centralisation of the economy and the population in London, and in 1946, the New Town Act was enacted for the building of urban infrastructure in suburbs outside London. The regeneration policy was a part of the comprehensive urban policy which was formulated in the 1947 Town and Country Planning Act. For Short (1982), the UK government had the 'twin aims of containing urban growth and creating self-contained, balanced communities' (p.39), and these aims had underpinned British urban policy until the end of the 1960s (ibid). During the post-war period,

problematic urban conditions were characterised by unemployment, poverty, immigration and inner-city problems (decreasing population) (Cullingworth and Nadin, 2006). Although in the Town and Country Planning Act 1947, the Comprehensive Development Area was launched, an increase in citizen actions, such as civic trusts, during the 1950s and 1960s led people to recognise the importance of daily social life. Therefore, in 1967, the Civic Amenity Act was enacted, working to preserve historical areas. Also in 1967, in order to improve housing conditions, the Housing Act was passed and plenty of houses were provided as new towns in the suburbs.

## 6.3 Policy for Inner Cities

The Local Government Grants Act 1969 (Social Need) was established to improve the ravaged urban conditions as stated above. The urban regeneration policies based on this Act were called Urban Programmes (1969–1992). The Urban Programmes were modified in 1977; the jurisdiction of the programme was moved from the Home Office to the Department of the Environment, and the budget was increased from £30m to £125m. In the Urban Programmes, although local economic development was recognised as an important strategy to solve the problems in deprived urban areas, recognition of the fulfilment of welfare service provision and employment was still insufficient (Turok, 1987).

In the 1970s, 'partnerships' were almost always between central government and local government, and local authorities were recognised as 'natural agencies to tackle inner city problems' (DoE, 1977, p.8). Thus, in the Inner Urban Areas Act 1978, the priority of Urban Programme grants was formalised as a part of local government. Particularly in local government, where seven partnerships were located – the London Docklands, Hackney-Islington, Lambeth, Newcastle-Gateshead, Manchester-Salford, Liverpool and Birmingham – these had first priority. These Inner City Units were established and managed by partnerships between central and local government, the NHS, the police and voluntary organisations.

However, the Urban Programmes in this period did not work well due to a lack of financial resources from central government (Lawless, 1982).

## 6.4 The Thatcher Administration

The Thatcher administration basically continued the Urban Programmes and partnerships from the previous Labour government. However, Conservative government policy was based on 'value for money' which was a principle of 'New Public Management', and therefore the central government changed the partners in urban regeneration from local authorities to the private sector – so-called 'public–private partnerships' (PPPs). This policy of central government was partly caused by the intention of focusing on the development of infrastructure in urban areas via large-scale redevelopment projects, which was known as 'development-led' policy and 'leverage planning'.

The Urban Development Grant was launched as a series of 'leverage planning' regeneration policies and its so-called gap funding aimed to fill the gap until urban development projects became profitable for the private sector. Also, another option for central government to provide subsidies for urban regeneration was the Urban Regeneration Grant, which had a similar framework to the Urban Development Grant; however, this grant had a direct funding scheme to the private sector, bypassing local government, and focused on large-scale development projects on sites larger than 20 acres.

Besides the funding schemes stated above, Urban Development Corporations (UDCs) were established by the Local Government, Planning and Land Act 1980 to induce private-sector investment in urban development projects. This was reflected in the ideology of the Conservative administration that partnerships with the private sector to achieve urban redevelopment were more important than those with local government. Therefore, by this Act, UDCs had 'general power' concerning the land and 'specific power' concerning town planning

in Urban Development Areas. As a result of urban development by the UDCs, they succeeded in inducing private investment and activating the real estate market through the transformation of the character of specific areas such as London Docklands. However, due to the sluggish demand of the real estate market at the end of the 1980s and the beginning of the 1990s, many UDCs could not achieve the expected capital gains of their development projects. Furthermore, a more important criticism of 'development-led' urban regeneration policy driven by UDCs is that the 'trickle-down' strategy did not work, on the whole, when attempting to revitalise a local society, and this lesson was put to good use in later urban regeneration policy in the UK.

**6.5    Challenge Funds**

In 1991, City Challenge Funds were established to regenerate deteriorating urban areas, and these funds had two characteristic features; one was a competition process among local authorities to obtain funding; the other was that the funding scheme required the local authorities to enter into partnerships. The former feature was reflected in the Single Regeneration challenge funds launched in 1995, and the latter was continued in later funding systems such as the New Deal for Communities (NDC) and the Neighbourhood Renewal Fund (NRF). The Single Regeneration Budget (SRB) was formed via the regeneration budgets in different departments of central government, namely the Department of the Environment, the Department of Education, the Department of Trade and Industry, the Department of Employment and the Home Office, and it was managed by the Department of the Environment. From 1995, management of this budget was transferred to Regional Development Agencies (RDAs), but central government involvement was still powerful.

The SRB had a funding scheme of challenge funds, besides money for the Housing Action Trust, UDCs and English Partnerships. SRB Challenge Funds had the following aims: development of educational skills and increase of employment opportunities for local people; improvement of social exclusion and the securing of equal opportunities for excluded people;

promotion of sustainable local regeneration; preservation of the natural environment and maintenance of social infrastructure including housing; support and promotion of local economic sectors; and improvement of community safety through decreasing crime. These problems could be identified all over the UK, even in relatively wealthy local municipalities; thus, SRB challenge funds did not focus on specific areas and types of projects. As a result, the areas of regeneration, including those in pockets of deprivation, were widely spread.

In the funding approval regulations, besides the principle of the competitive process to acquire funds, partnerships were required between different broad sectors, such as the public and private sectors, local communities, and voluntary organisations. Furthermore, relationships with other development schemes, such as the European Regional Development Fund, were required.

The main criticism of the SRB funding scheme was its inflexibility, because substantial output from the project had to be demonstrated in funding proposals, and funding provision was decided by an evaluation of the achievement of the project. On the other hand, a considerable development of the regeneration policy through SRB, including the previous City Challenge Funds, was the promotion of strategic thinking and the partnership approach for the implementation of collaborative achievements between various actors in local governance (Foley, 1999).

As stated above, the characteristic features of urban regeneration policy as a result of transformation during the 1980s and 1990s were the competition process for the acquisition of funds and the requirement to make partnerships and promote capacity building in the creation of the implementation plan. As a result, during the 1990s, the concept of partnerships was further developed with involvement with the voluntary sector and local communities, and the importance of local government to manage partnerships was increased.

## 6.6     After the Single Regeneration Budget

The SRB Challenge Fund continued over six rounds, starting in 1999. The duration of funding was between one and seven years. From 2002, the Single Budget provided funds for continuing projects implemented by SRB. The Single Budget was formed by the integration of 11 budgets provided to the RDAs. In addition, in 1998, the Social Exclusion Unit presented the report *Bringing Britain Together* (SEU, 1998), which aimed to fill the gaps in social conditions between local areas. In this report, the importance of active local community participation to regeneration was emphasised, and central government provided the funds as the New Deal for Communities (NDC) to 39 partnerships based on local communities (Lawless, 2003). The target areas for the NDC were selected by the Index of Local Deprivation in 1998 in order to concentrate financial resources in significantly deprived areas. Another new fund was the Neighbourhood Renewal Fund (NRF) formed by 'A New Commitment to Neighbourhood Renewal: National Strategy Action Plan' in 2001. The main aim of this fund was, similarly to the NDC, the improvement of significantly deprived areas which were identified by the Indices of Deprivation 2000. However, there were two major differences from the NDC. One was that approval of the fund was automatically decided by figures based on the index, without competition between partnerships. The other difference was that the partnership was required to participate in the Local Strategic Partnership (LSP) to obtain funding. In addition, the renewal projects implemented by NRFs had to be agreed with the Local Neighbourhood Renewal Strategy created by the LSP.

## 6.7     New Actors of Urban Regeneration

The original intention of the establishment of the LSPs was the integration of various organisations that provided public and social services into a single partnership to better fulfil the needs of the local community. This was because the collaboration of existing partnerships did not work well enough to regenerate deprived areas through enhancement of public services.

As a result of many regeneration challenges based on various partnerships, an excessive number of partnerships was established and the efficiency of the regeneration funds was decreased. Therefore, the central government tried to integrate these partnerships in each local area to implement more strategic regeneration based on local society.

The main actor of an LSP was a public-sector body such as a local authority, the National Health Service, the police or the Training and Enterprise Council (TEC) (later renamed the Learning and Skills Council) and so on; some LSPs were created from the partnership established to obtain SRB challenge funds. The main aim of LSPs was to build strategic decision making and implementation through the integration of various multiple partnerships to find a solution to broad administrative problems. Especially in areas where NRFs were approved, LSPs played a crucial substantial role in establishing the Local Neighbourhood Renewal Strategy and implementing it with consensus between partners.

Besides LSPs, RDAs were formed as so-called quangos by the Regional Development Agencies Act 1988 in each of the eight regions in England, plus London, to lead economic development within the region. In the white paper called *Building Partnership for Prosperity: Sustainable Growth, competitiveness and employment in the English Regions* (DETR, 1997) published by the New Labour administration in 1997, RDAs were expected not only to manage ongoing projects but also to implement central government's regional policy based on regional cohesion. Therefore, RDAs were given authority over plural budgets transferred from different departments of central government and other government organisations. Economic development by RDAs was according to three levels of strategic plan: Regional Strategy, Corporate Plan and Business Plan.

For the New Labour administration, the establishment of RDAs could be positioned as a series of decentralisation polices which fought back against the previous Conservative administration's policies. At the same time, since in this period the importance of the European

Union (EU) was increasing, especially following the Maastricht Treaty, the autonomy of local governance had to be established in order to align to multi-level governance.

## 6.8      Single Regeneration Budget (SRB) in Huddersfield

In Huddersfield, there were three rounds of SRB funds from central government, and each of them had its own original objectives, but still reflecting continuity for 12 years.

First of all, in the SRB Round 1 project named 'Huddersfield Challenge', £12.66m was approved in 1994 for a partnership between Kirklees Metropolitan Council, Calderdale and Kirklees TEC and the Mid-Yorkshire Chamber of Commerce; and at the time, in order to organise the bid and deliver the regeneration programmes, Huddersfield Pride Ltd was established. The duration of these regeneration programmes was seven years, from 1995 to 2002. The regeneration programmes of 'Huddersfield Challenge' included four main themes: improving the competitiveness of local business; unlocking the potential of existing and future works; developing sustainable communities; and stimulating the residential property market and improving the quality and safety of the surroundings. There were over 20 programmes, mainly focused on tackling the unemployment of local people and improving the physical environment of the town centre and the high streets of the surrounding residential areas. A significant outcome of these programmes is the establishment of a flexible network between various organisations including public-, private- and third-sector bodies. Even though the programme 'Group for Growth' (GfG) promoted the establishment of the network, which turned out to be an active network that included numerous voluntary organisations managed by Voluntary Action Kirklees (VAK), one of the primary organisations of GfG, in terms of social enterprise as a crucial actor in urban regeneration, these SRB funds could provide projects managed by the partnership between the public sector and social enterprises.

Next, in an SRB Round 3 project named 'DRAM' which represented the second set of SRB funds for Huddersfield, £4.7m was approved during 1997–1997. In this period, regeneration programmes were provided in specific areas: Dalton, Rawthorpe and Moldgreen ('DRAM'), which are located on the outskirts of Huddersfield town centre. The regeneration programmes provided by SRB3 are not the research target of this thesis, because although these programmes were also managed by Huddersfield Pride Ltd, partnerships with social enterprises are limited and the aims of the 'DRAM' project focused on specific areas separated by Huddersfield town centre, which was the main arena of 'Creative Town' Huddersfield. Furthermore, during almost the same period as SRB3, the EU Urban Pilot Project (UPP) was delivered (1997–2001) in Huddersfield and this was more relevant to 'Creative Town' Huddersfield. However, some of the regeneration programmes in SRB3 were delivered by the social enterprise that played a crucial role in SRB1, SRB5 and the UPP with Huddersfield Pride Ltd.

Finally, from 1999 to 2006, an amount of £15.1m was approved by the SRB5 fund under the banner of 'A Platform for Change'. The regeneration programme launched by SRB5 inherited the results of SRB1 and UPP, and aimed to improve the local community environment in diverse fields, namely town centre regeneration, housing environments, healthcare services, education for young people and so on. However, notable projects were implemented in this regeneration programme, especially 'Encouraging Community Enterprise' which promoted the social enterprise based on the local community that represented the uniqueness of 'A Platform for Change'. In previous SRB funding programmes, there were partnerships with social enterprises to provide social and public services for the local community, and through these projects some social enterprises could develop their own ability to achieve their social aims and sustainability of business activities. Also, the importance of the social enterprise as an actor to regenerate the local community was identified. Therefore, in the SRB5 programme, encouraging and supporting social enterprises was one of the most important projects. Another characteristic project in 'A Platform for Change' was the application of creative industry to

implement the social inclusion of people in disadvantaged communities in the labour market. The projects 'artiMEDIA' and 'Mediaworks', which were managed by the local social enterprise, tackled the development of creative industry, as well as the promotion of employment for disadvantaged people.

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Box 6.1: Mini-case study of creativity in urban regeneration 01

**Suga Brown Creative Arts Limited**



# Suga Brown Creative Arts Ltd.
'Creative Town' Huddersfield

**Brackenhall Community Centre**

**Processional Dancers**

They were teaching dance for children in Saturday class at the community centre as volunteers (2001).

SRB3: Youth Development Initiative
SRB5: Encouraging Community Enterprise

Huddersfield Pride Ltd.

**The Media Centre**

**Director of the Media Centre**

After the establishment of the company, they had a office in the Media Centre, and undertook collaborative works with various organisations both inside and outside the facility.

KMC invited them to other community centre dance classes as teachers

Kirklees Metropolitan Council

They obtained plenty of experience of teaching dance to young people

They performed at the big city-wide big festival competition with their pupils

Through the experience of teaching dance, they realised the necessity of activities in which children and young people could be involved voluntarily, not only for children, but also for local society itself.

**Huddersfield University**

**Incubation Programme Director**

The dancers enrolled in the business incubation programme managed by Huddersfield Uni. to acquire the skills of business management. Consequently, they established Suga Brown as a company limited by guarantee (2004).

This is a good example of a successful strategic regeneration programme. The actors promoting the creative process of Suga Brown were basically established according to the theory of the 'Cycle of Urban Creativity' which was the principle of Huddersfield's regeneration. Recently, Suga Brown has become active in continental Europe, and they are collaborating with various types of artists and other organisations.

Suga Brown is an urban street dance and drama company based in Huddersfield, effectively engaging young people, who are mainly socially excluded, in fun workshops. It delivers dance workshops, mainly for young people and children. Through these workshops, participants may acquire basic social skills that are useful for employment. Their mission is to build the confidence of young people, enabling them to feel good about themselves and show what they can achieve in safe environments.

Suga Brown began in 2001 with a Saturday morning class at a local community centre. This was set up and administrated by Deborah Brown and her daughter Linzi teaching the young people street dance. Kirklees Council then invited Suga Brown to start classes at another community centre. Afterwards, they held classes in many other places in Kirklees. Initially, street dance classes were set up in areas where

children had little or no access to this type of activity and soon they were seeing literally hundreds of

children attending and working towards their own performance showcases in local theatres and community centres. Further urban art classes of graffiti, rap poetry and other forms of urban dance were added. Suga Brown soon became a popular name throughout the area and was commissioned to work in local schools, youth groups and with other community organisations.



*Homepage of Suga Brown Creative Arts Ltd.*

## 6.9 Urban Pilot Project (UPP): Creative Town Initiative (CTI)

The Urban Pilot Programme was 'funded under article 10 of the European Regional Development Fund (ERDF), aims to support innovation in urban regeneration and planning, through a series of Pilot Projects in cities across the European Union' (EC, 1998, p.1). ERDF was the main method of regenerating Less Favoured Regions (LFRs) in EU member states with the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF). These funds were designed to promote balanced regional development in EU territory in order to be competitive in the world economy. For the local authorities and regeneration partnerships in the UK, the European Commission was a significant provider of funds which was mainly from the ERDF for urban regeneration (Noon et al., 2000).

In the first phase of the Urban Pilot Programme, 33 pilot projects in 11 European member states were approved during the period 1990–1993. The budget amount of UPP Phase 1 was 204m ECU. In Phase 2, 26 projects of 503 proposals in 14 member states were selected, and a budget of 162m ECU was approved during the period 1997–1999. The Huddersfield 'Creative Town'

project, launched by the 'Creative Town Initiative' (CTI) based on Huddersfield Pride Ltd, was one of these innovative regeneration projects.

Compared to the SRB, the UPP aimed to develop a more innovative way of regeneration as a model of good practice for all EU countries. The proposal for UPP Phase 2 by Huddersfield under the banner of 'Creative Town' was valued as a novel means of the development of competitiveness of a smaller town in a knowledge-based society (EC, 1998; Wood, 1998). Furthermore, in the standards of selecting proposals for UPP2, in order to fulfil the notion of different levels of actors, 'open coordination' (CEC, 2002, p.23) of policy development – in other words, multi-level governance strategy – was promoted, rather than centralised measures (Bradford, 2005; CEC, 2002). The intention of the UPP was similar to the partnership-centred method of urban regeneration that was encouraged by the UK central government, as stated in previous sections. The UPP, under the banner of 'Creative Town Huddersfield', was implemented by the various partnerships based on the CTI, which was a time-limited organisation and a part of Huddersfield Pride Ltd. For Wood (1998), the CTI was inspired by the theory of the 'creative city' (1995) presented by Charles Landry and Franco Bianchini, and aimed to support creative industry in Huddersfield. The local council officer, Phil Wood, was a leader of the CTI and various partners, which was named 'The Huddersfield Creative Town Partnership'. The responsibility of the management and implementation of the UPP were vested in KMC, and HPL was the pivot agency of the various partnerships that ran each project practically (CTI, 2002).

The theoretical framework, and also the practical implementation, of each regeneration programme which aimed to be part of 'Creative Town Huddersfield' was 'The Cycle of Urban Creativity' (Wood and Taylor, 2004). This concept was built via five different stages of developing creativity, as follows: 1) enhancing the ideas-generating capacity of the town; 2) turning ideas into reality; 3) networking and circulating ideas; 4) providing platforms for delivery; and 5) building audiences and markets.

1. Enhancing the ideas-generating capacity of the town

   The main aim of this stage was to promote and spread discussion about Huddersfield all over the town (Wood, n. d.). This process was expected to create opportunities to think about the town through stimulating local people's creativity by circulating various ideas within and outside Huddersfield. For instance, in the project named 'LAB', a local theatre company, Proper Job Theatre, provided a unique vocational training programme especially for people in disadvantaged communities. This programme was characterised by a collaborative strategy in a performing arts exercise and encouragement of participants to inspire neighbours in their community.

2. Turning ideas into reality

   In this stage, the provision of opportunities to try out ideas and to turn them into reality as substantial economic or social activities was expected (ibid). In order to do so, the CTI launched a 'creative investment scheme' with the Cultural Industries Development Agency (CIDA) which aimed to create a strong partnership between local small businesses and the financial sector and investors. However, since the recognition of creative industry as a promising field was not developed at the time, the outcome of this project was limited.

3. Networking and circulating ideas

   In order to build a 'creative community' promoting collaboration between individuals and organisations not only in Huddersfield, but also all over the country, the sharing of useful knowledge and information for creative events was promoted (ibid). In practical terms, the CTI published the Cultural Economy Database which investigated the impact of the creative industry on economic and community development, and recognised the requirements of the creative industry to promote their businesses in Huddersfield.

Regarding marketing the town outside Huddersfield, the CTI advertised Huddersfield with the slogan, 'Huddersfield: Strong Mind, Creative Mind', in the self-published national magazine *BRASS* and other mass media.

4. Providing platforms for delivery

To deliver sustainable creative events, physical and virtual platforms such as a business centre, a studio, galleries and websites were needed as facilities where creative people could create products and services (ibid). The main facility for the creative industry in Huddersfield was the Media Centre, proposed by Cultural Industry in Kirklees (CIK) and launched by a wide range of cultural, educational and media organisations and Kirklees Metropolitan Council in 1995. In UPP- funded projects, the CTI promoted the Phase 2 and 3 development of the Media Centre with its partners. Furthermore, as part of the series of projects in the Media Centre, the CTI launched Creative Lofts, which was the live house unit for creative business organisations, and the Hothouse Unit in the Media Centre building, which offered low-cost office space, especially for start-up businesses.

5. Building audiences and markets

Products and services that applied creativity turned out to be valuable; throughout the process, as a result of accessing creative outcomes, audiences and markets were attracted by them. Thus, it was important to deliver, share and spread substantial creativity to the wider market and audience (ibid). The CTI organised various types of websites, publications, exhibitions and lectures, and also provided training programmes in marketing skills for small and medium-sized enterprises running creative businesses.

In the final report to the European Commission published in 2002, the important role of creativity in urban regeneration was reported, with clear output such as development of business, education and vocational skills and promotion of social inclusion and capacity building through

the series of creative town projects (CTI, 2002). In particular, the establishment of the platform applying creativity in the process of urban regeneration, e.g. the Media Centre and CIDA, was a crucial achievement of the UPP (ibid). To sum up, 'it is clear that the Creative Town Initiative has indeed left a legacy in terms of physical infrastructure, sustained projects, commitment to the "creative sector" and a belief in the contribution to the regeneration process' (ibid, p.26).

Although the UPP named 'Creative Town Huddersfield' was an EU funding programme limited to four years, the lasting achievement was successful development, especially in the encouragement of locally based social enterprises and creative milieux based on various sorts of institutions in Huddersfield. Thus, after the EU funding had come to an end, some social enterprises succeeded in the development of their businesses and creative network.

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Box 6.2: Mini-case study of creativity in urban regeneration 02

**Beaumont Street Studios**

Beaumont Street Studios (BSS) is a non-profit organisation providing support for the unemployed, mainly in the black/ethnic minority community. They provide vocational training for the music industry with the use of their facilities in recording and radio studios. BSS was started in 1985 by the Huddersfield West Indian Association. They provided music and media production, facilities in disadvantaged communities across the region. BSS was managed by a Black Management



*Beaumont Street Studios*

Committee in collaboration with a person who used to be a city council officer and, also, he had already established close connections with the music industry. BSS came about from the connection between the association and the local authority in that there was a small number of local authority officers, who assisted the association to start looking at how to develop further services, so the notions of providing training services, for instance, and also music facilities was kind of born of that association. BSS acquired money as commercial income, mainly from non-governmental bodies such as Jobcentre Plus, the Learning and Skills Council and the local council. In addition to funding as part of a contract, they acquired lottery funding.

## 6.10    Regional Development Agencies: Yorkshire Forward

At this time, RDAs were one of the most important actors in local governance. Although in 1995, at the start of SRB funding regeneration in Kirklees, RDAs were not still established, the necessity of powerful new regional-level bodies replacing the Government Offices was expected and they were launched in 1998. In Yorkshire and the Humber, which included Kirklees Metropolitan Borough and Huddersfield, Yorkshire Forward (YF) was the RDA which was established in 1999 by the Regional Development Agencies Act 1998. Although, prior to the establishment of YF, the Government Office for Yorkshire and the Humber was a key agency at regional level, YF was established in advance of the formation of an elected regional government (Roberts, 1999) in Yorkshire and the Humber. The legal status of RDAs was of non-departmental government bodies, called 'quangos', and they were expected to perform as meso-level actors to fill the gap in regional governance constructed by both 'top-down' and 'bottom-up' approaches. In other words, from the central government perspective on regional governance, RDAs were established to integrate economic development and other fields of regional policy through joined-up strategies (Roberts and Lloyd, 1999; Bridge, 1999).

Furthermore, during the 1990s, the more important the regional policy of the EU came to be, the more important the coherence of the regional policies that were implemented became. For Kohlor-Koch (1996), 'multi-level governance' was presented as a form of integration for European nations that discussed power sharing between actors at different levels of government and social and economic groups through partnership. Thus, RDAs were expected to promote partnership, working not only between the EU, the UK central government and local government, but also between other actors of regional governance.

Before the establishment of YF in Yorkshire and the Humber, the Yorkshire and Humberside Partnership (YHP) was established in the 1980s by the regional Trades Union Congress (TUC) (as chair), the regional Confederation of British Industry (CBI), Yorkshire and Humberside

Chamber of Commerce, the TEC, universities in the region and the local authorities. Although YHP was formed as a public–private regional body of Yorkshire and the Humber, the region did not have a strong tradition of collaboration at regional level such as other regions in England until the early 1990s (White, 2000). This was because there was no strong political support mechanism due to the diversity of the issues and the competitive conditions between sub-regional areas (McCarthy and Burch, 1994). Later, in 1994, the Government Office for Yorkshire and the Humber (GOYH) was formed, as well as a Regional Assembly, which aimed to integrate 22 local authorities' voices and was developed in 1996. These institutions succeeded in promoting partnership methods within the region and, in 1997, in order to build a wider partnership with social and business community, the first regional chamber of commerce in England was formed (White, 2000).

The deprived condition of Yorkshire and the Humber was indicated by the *State of the Region Report* published by the European Regional Business and Economic Development Unit (ERBEDU) in 1998. The region had various problems, as follows: the GDP of the region was lower than the EU average; unemployment was higher than the national average; the amount of inward investment into manufacturing, research and development and enterprise of small to medium-sized enterprises was small; average earnings, especially in rural areas was lower than national average; achievement of A-levels and GCSEs was lower than national average; and the percentage of 16–18-year-olds in education or training was the third lowest in the EU.

In order to improve these problematic conditions, YF first recognised the positive aspects of the region, e.g. physical infrastructure such as the Humber ports, the germination of a cluster of new growth industries such as the cultural, biotechnology and electronic industries, business and financial services, and education and training infrastructure such as universities (Hall, 1999). Due to both the deprived conditions and positive aspects of the region as stated above, YF defined their activities for regenerating the region as follows: 'innovation and creativity must be high priorities, but we must ensure that deprivation and pockets of poverty are

addressed and brought back into mainstream economic activity' (ibid, p.5). Thus, YF set six attainments for the region: 'a strong, positive identity', 'a sustainable region', 'empowerment partnership and communities', 'a culture of enterprise and creativity', a 'self-reliant region' and 'ladders of opportunity for all' (ibid).

In practical terms, in order to develop the competitiveness and productivity of the region, the Regional Economic Strategy (RES) was formed under the banner of 'Advancing Together: Towards a World Class Region' as a framework for economic development, skills and regeneration (Roberts and Benneworth, 2001). For Roberts and Benneworth (ibid), YF was 'a strongly business-led organisation' (p.152) and the RES was 'based on the faith in the ability of the private sector' (ibid). Also, YF worked closely with the regional chamber of commerce on specific regeneration projects.

When YF was established in 1998, urban regeneration based on SRB3 and UPP2 was proceeding in Huddersfield. For SRB1, the partnership between KMC, the Mid-Yorkshire Chamber of Commerce and Calderdale and Kirklees TEC had applied for the challenge fund and GOYH was responsible for its use. However, after the RDA was established, the responsibility of the SRB was transferred to YF; thus, in the regional partnership in Yorkshire and the Humber, YF played a crucial role, especially in acquiring financial resources, including funds from the EU. Armstrong and Wells (2006) described that local third-sector bodies recognised that YF was 'business dominated' and focused on economic achievement rather than social inclusion.

## 6.11    Kirklees Metropolitan Council (KMC)

Kirklees Metropolitan Council (KMC) was formed as a district council in 1974 as a result of a merger between three former district councils by the Local Government Act 1972. Afterwards, since the abolition of West Yorkshire County Council in 1986, the district council became a

metropolitan council covering the Huddersfield, Batley and Dewsbury areas. Historically, in Kirklees, due to the prosperity of the textile manufacturing industry since the industrial revolution of the 18th and 19th centuries, there is a legacy of fine Victorian and Edwardian buildings, particularly in Huddersfield. However, like other British industrial towns, the local economy in Kirklees, which was based on the manufacturing industries, has declined since the 1960s, and Kirklees became a residential area for people who commute to neighbouring cities including Manchester, Sheffield and Leeds.

In 1987, John Harman, who belonged to the Labour party, became the leader of the council; also, Robert Hughes was appointed as chief executive. These two new leaders recognised the limitations of the existing council structure in decision making and its implementation strategy to provide public services; thus, they restructured not only the council itself, but also the relationship between the council and the other actors of local governance (Leadbeater and Goss, 1998). The leadership of Harman was characterised as persuasion to 'maintain group cohesion' between local leaders of different political parties and different sorts of organisations including public-, private- and community-sector bodies (Leach and Wilson, 2002). For Leadbeter and Goss (1998), the restructuring of KMC was characterised by three major changes; first, the emphasis on outcomes rather than output as regards important issues for the local council; second, the development of operational responsibility of the actual managers of the departments of the council that delivered particular services; third, establishment of creative partnerships with various partners, including community groups and private companies who had not been recognised as partners in local governance.

In particular, the third change shown above seemed to be the most important for the later urban regeneration programmes based on national and EU regional policies that emphasised partnership strategies. In Huddersfield, before the SRB-funded regeneration projects, the Alfred McAlpine Stadium project was the most obvious and impressive achievement by the partnership between the council and the private sector (Leadbeater and Goss, 1998). The first

significant partnership in Kirklees was the Kirklees Henry Boot Partnership, established in 1989 for the redevelopment of council property in the town centre, and this partnership was a good preparation for the Alfred McAlpine Stadium partnership (ibid).

The Alfred McAlpine Stadium redevelopment project arose from both national policy and KMC's intention. In 1989, at the Hillsborough football stadium in Sheffield, there was a tragic accident, the Hillsborough disaster, resulting in the deaths of 96 people. Following the accident, Peter Murray Taylor, the Lord Chief Justice of England and Wales, published the Taylor Report giving recommendations on safety in football stadiums. KMC recognised not only the necessity of the improvement of the stadium in order for safety, but also the importance of the stadium for the local economy (ibid). Therefore, KMC established Kirklees Stadium Development Ltd with the football club and rugby league club to redevelop the stadium into more functional and safe leisure facilities, including retail parks. As a result of this joint redevelopment project, the Alfred McAlpine Stadium was rebuilt and awarded the RIBA Building of the Year award for 1995. In 2004, the name of the stadium was changed from the Alfred McAlpine Stadium to Galpharm Stadium.

Leadbeater and Goss (1998) pointed out that, for KMC, any difficult decision making while undertaking this joint project succeeded because of the organisational restructuring of the council by Harman and Hughes, as stated above. Furthermore, KMC recognised that the stadium redevelopment project was an investment in the social capital of Kirklees; thus, KMC utilised the stadium for the regeneration of the local community through various activities concerning healthcare, education and provision of employment for local people (ibid). Especially in employment, the Stadium Employment Partnership played a crucial role in regenerating the local community through providing jobs in the stadium. These multiple outcomes of the Alfred McAlpine Stadium project were achieved by the public–private partnership.

Another major stream that fostered the partnership culture in KMC was the collaboration with the local informal network of cultural industry organisations and artists based in Kirklees. This group was established in 1989 as a forum of artists who worked in a variety of fields from the performing arts to electronic media work (Alsop et al, 1989). The main aim of this group was the improvement of deprived community conditions via the promotion of community arts. KMC collaborated with CIK to create the basic direction and strategies of regeneration in Huddersfield in a remarkable report named 'A Chance to Participate' which was to be implemented during the 1990s. The backbone of this report was a community-based strategy; in particular, highlighting the potential of community arts to encourage the improvement of the quality of local people's lives through partnership with various actors including the local council and the community art sector (ibid).

In this report, 'community art' was defined as follows:

> The development of the social and economic infrastructure of a neighbourhood by harnessing the resources of local government, the commercial and voluntary sectors and local talent to achieve the potential of the local community. (ibid, p.3)

> Processes include: improving multi-cultural relations, reducing unemployment, increasing access to training or educational provision, encouraging new enterprise, harnessing young people's energies, helping people improve the environment they live in, stimulating the local economy, improving facilities and resources. (ibid, p.3)

This definition was rooted in the community arts tradition relating to social regeneration from the 1960s, which also existed in Kirklees with the cultural (or creative) industry as a new promising economic field in the economic development dimension. Following this report, a clearer propagation of the concept of the creative city can be found in the two council reports *Towards A Cultural Strategy for Kirklees* (KMC, 1993) and *Made in Kirklees – celebrating DIVERSITY, maintaining DISTINCTIVENESS, harnessing CREATIVITY – Cultural Policy for Kirklees'* (KMC, 1994a).

Just before launching SRB-funded regeneration programmes under the banner of 'Creative Town', in order to clarify the aims of KMC as the sole democratically elected body, *Kirklees – Where are we heading? – The outlook for the council* (KMC, 1994b) was published. Considering the achievements of the local council characterised by the partnership- and culturally-led strategies, especially in the previous ten years, the report suggested the council's goals were constructed by 'a flourishing community', 'a thriving economy' and 'a healthy environment'. This regional policy of KMC responded not only to the issues in the municipality, but also to the shifting wider tide of regional policy at the national and super-national level. As examples of institutional change in the UK, the competition principle was being introduced in the provision of public services, New Public Management based on contract culture was being adopted and the responsibility of non-elected bodies for public services ('quangification') was increasing (ibid). On the other hand, at the super-national level, the EU encouraged regional development based on their perspective and Agenda 21. Especially in the cultural policy section, entitled 'A Thriving Local Culture', the basic concept of 'Creative Town Huddersfield' can be found, as follows:

> The Council is developing a cultural policy around three standards – celebrating diversity, maintaining distinctiveness and harnessing creativity (ibid, p.21)

This basic concept of cultural policy was led by the following six principles:

- Local cultural diversity and pride are an essential precondition of achieving economic, community and environmental regeneration.
- Imagination and creativity are essential elements in achieving both local identity and personal development.
- Diversity of lifestyle, livelihood, cultural and habitat is an asset and through the understanding and celebrating of this a tolerant society can be built.
- Local distinctiveness takes centuries to develop but can be lost overnight and so must be defended and nurtured.
- Local culture is dynamic, not static, and therefore change and development are an essential partner to protection and conservation.

- Through investment, empowerment and education, the creative abilities which exist in all citizens can be released for the good of the individual and the economy.

(ibid, p.21)

These guidelines were built on the experience and achievements in the late 1980s and early 1990s of the transformation in Kirklees's local governance which was triggered by its remarkable leaders, John Harman and Robert Hughes.

*Kirklees – Where are we heading? – The outlook for the council* (KMC, 1994b) described a set of issues facing the council, and established a wider framework of long-term council policies. More importantly, this change determined to involve unrecognised resources, such as people, organisations, the physical environment, history, culture and creativity in every element in Kirklees. At the same time, these guidelines implied that individual matters and local society concerns, and social interests and economic benefits, operate in parallel, and both of them should develop cooperatively. This basic concept was developed and realised especially in the SRB- and UPP-funded projects in the 1990s and early 2000s.

## 6.12　Local Strategic Partnership (LSP): Kirklees Partnership

For Baily (2003), the Local Strategy Partnership (LSP) was 'being established in England to provide an inclusive, collaborative and strategic focus to regeneration strategies at local level' (p.443) and was 'also required to rationalize the proliferation of local and micro-partnerships set up by a succession of funding initiatives over the last 25 years' (ibid). After the establishment of challenge funds, a partnership between various sectors based on local society was essential to obtain funds, and it became difficult to efficiently utilise partnerships in fragmented conditions. Thus, central government intended to reorganise inefficient partnerships through the launching of LSPs with the following principles:

- brings together at a local level the different parts of the public sector as well as the private, business, community and voluntary sectors so that different initiatives, programmes and services support each other and work together;

- is a non-statutory, non-executive organisation;
- operates at a level which enables strategic decisions to be taken and is close enough to individual neighbourhoods to allow actions to be determined at community level; and
- should be aligned with local authority boundaries.

<div align="right">(DETR, 2001, p.10)</div>

In the Kirklees LSP, Kirklees Partnership was established in 1998, chaired by the leader of KMC. Before the establishment of the LSP, the Kirklees sub-region had a tradition of partnership working within the region, especially through regeneration using central government funds such as the SRB in the 1990s (Russell, 2001). The aims of Kirklees Partnership followed the concept of the New Commitment to Regeneration (NCR), which was 'development in response to the shared view of local authorities and the other sectors in regeneration – private, public and community sectors – that regeneration policy had largely failed to help poor communities in any lasting way' (Local Government Association, 2000, p.2).

Thus, the vision and strategy implemented in Kirklees was created by the aims of the NCR, which were the encouragement of greater collaboration, consistency, flexibility and innovation in regenerating deprived communities (Russell, 2001).

Kirklees Partnership consisted of the following members:

- Calderdale and Kirklees Careers Service

- the Benefits Agency

- West Yorkshire Probation Service

- Dewsbury NHS Trust

- West Yorkshire Passenger Transport Executive

- West Yorkshire Police

- the Employment Service

- Kirklees Council for Voluntary Service

- Kirklees Federation of Tenants and Residents Association

- Kirklees Racial Equality Council

- Routeways to Success

- Dewsbury Partnership

- Huddersfield Pride Ltd

- the Mid-Yorkshire Chamber of Commerce and Industry

- Calderdale and Kirklees Health Authority

- Dewsbury College, Huddersfield Technical College

- University of Huddersfield

- Calderdale and Kirklees Training and Enterprise Council

- the Trades Union Congress

- the Housing Corporation

- Kirklees Churches Together

- Kirklees Metropolitan Council

- Batley Community Development Ltd

- Cultural Industries in Kirklees

These member organisations of Kirklees Partnership had a broad variety in their organisational status, mission, service provision and background, including being rooted in the community. Some of the organisations such as Huddersfield Pride Ltd and CIK were the main actors of the SRB-based regeneration programmes that were launched before the establishment of the LSP. According to this organisation of Kirklees Partnership, the LSP, as a new strategy of joined-up working in regenerating deprived communities, could be seen as a result of urban regeneration policy through partnerships and locally based implementation of regeneration in Huddersfield. In other words, the LSP aimed to formalise the informal partnerships, as well as make existing various partnerships flexible (Baily, 2003).

Kirklees Partnership launched their vision and strategy for the sub-region, *The Kirklees Partnership: Our Agenda for Change*, in October 1999 after a year of discussions. The Kirklees

Partnership Vision and Strategy aimed to improve current problems and support future challenges – in particular excluded and deprived communities – in the following six key themes:

- Supporting and encouraging individuals in their personal development
- Enjoying a good environment and more sustainable way of life
- Building a strong economy
- Having a future that involves everyone
- Having a community that is healthy, safe and well-housed
- Sharing a good quality of life with strong community identities

(Kirklees Partnership, 1999)

The LSP mainly played a crucial role in the improvement of the most disadvantaged communities through social inclusion approaches, as intended by the Social Exclusion Unit (SEU) of central government. The SEU also identified the importance of LSPs as a way of tackling the problems via the development of Neighbourhood Renewal Strategies in the 88 most deprived local authority areas (Bailey, 2003). Thus, the importance of LSPs was heightened in the planning and implementation process of regeneration based on NRFs and the NDC, which were launched in the middle of SRB funding rounds.

## 6.13    Huddersfield Pride Ltd (HPL)

Huddersfield Pride Ltd (HPL) was the partnership organisation for the delivery of regeneration programmes based on the SRB, which was launched by a partnership between KMC, Mid-Yorkshire Chamber of Commerce and Industry, and Calderdale and Kirklees TEC in 1995. The company was managed by a board of directors which included representatives of communities and local businesses, KMC, the University of Huddersfield, Huddersfield Technical College, Mid-Yorkshire Chamber of Commerce and Industry, Kirklees Council for Voluntary Service, and Kirklees Racial Equality Council.

The aim of HPL was 'to transform Huddersfield into a thriving and creative town valued by wealth creators and its richly varied communities for its quality of life and diversity of

opportunity' (Huddersfield Pride Ltd, 2005). According to this aim, there were five strategic visions:

- to improve the competitiveness of existing business and further diversify the local economy
- to unlock the potential of the existing and future workforce; practically, the unemployed and those suffering from disadvantage in the labour market
- to build sustainable communities with the active involvement of individual and corporate citizens
- to develop a thriving town centre
- to stimulate the property market and improve the quality and safety of our surroundings

(Huddersfield Pride Ltd, 2003)

As a meso-organisation in local governance, HPL contributed to form a flexible network between various many organisations and individuals. For example, the establishment of the GfG funded by the ESF and the SRB was a partnership between groups of voluntary- and public-sector bodies. In this programme, HPL backed voluntary organisations through support of development business plans, assessment of training needs, improvement of accessibility to the public, services and grants, and promotion of information and experience between voluntary groups. In addition, when a voluntary-sector body within the GfG identified the necessity of receiving specialised support, HPL provided proper assistance through their network with professional agencies including private- and public-sector bodies.

The other important role of HPL was to deliver financial resources from the public sector to local organisations. HPL managed to obtain £32.2m from the central government as an SRB and £1.9m from the EU as a UPP. In addition, HPL obtained £65.5m from other public bodies and £68.5m from the private sector. During the life of HPL, around 11 years, £168.1m was delivered to regeneration programmes in Huddersfield through HPL.

On the other hand, in the delivery of regeneration programmes managed by HPL, KMC played a crucial role in terms of financial and human resources. This was because KMC was not only

a partner of programme delivery, but also the body responsible for the bid; also, the many officers of KMC were involved in several programmes, due to the SRB regulation that only 5% of the whole amount awarded could be used for staff. Furthermore, KMC provided the major part of matching funds; thus, although HPL was established as an independent partnership-based agency, it was difficult to deliver the regeneration programmes flexibly against KMC financial control.

## 6.14 Conclusions

Reviewing the trajectory of the development of partnership strategies in urban regeneration, the changes to 'hard infrastructure' (Healey, 1997), funding schemes and organisations can be discovered. At first, the partnership between central government and local government was emphasised, and then public–private partnerships (PPPs) were encouraged, especially by the Thatcher administration. Finally, there were partnerships including various organisations in geographical scales of activity, status and aims; for instance, LSPs. Concerning the changes to the funding scheme, competitiveness between local partnerships and the 'contract culture' (obtaining 'best value' for money) between the public and other sectors was promoted by central government policies.

The Huddersfield case study could be located in the middle of this transition; a novel means of regeneration strategy was implemented based on the 'creative city' concept which was inspired by flexible local community networks, the entrepreneurial culture of local government and the opportunity of more experience through the EU-funded UPP. In particular, HPL, as the core agency of the 'creative' regeneration policy played a significant role for the acquisition of financial resources from the central government and the EU. Furthermore, it was important that the 'creative' context of Huddersfield was formed by various cultural traditions and the intention to collaborate between various actors.

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# Chapter 7. 'SOHO City' Mitaka

## 7.1　Introduction

In Japan, the main strategy of ongoing urban regeneration was based on the concept of *machizukuri*. Although it is difficult to translate *machizukuri* (Sorensen, 2007; Sorensen and Funck, 2007a, 2007b; Bosman, 2007; Friedman, 2005; Evans, 2002) into English, according to the definition by Sorensen and Funck (2007a), it means 'attempts to achieve more bottom-up input into local place management in which local citizens play an active role in environmental improvement and management processes' (p.1) for 'urban liveability and environment sustainability' (Sorensen and Funck, 2007b, p.278). Another definition of *machizukuri* as compared to *toshikeikaku* was defined by Hein (2001) as follows:

> The particularities of Japanese cities are reflected in two different planning approaches: toshikeikaku (urban planning), administration initiatives that focus on overall physical structure and layout, and machizukuri (community-building), which is small-scale urban design that arises out of citizen participation and community organization. (p.221)

This concept, *machizukuri*, could be recognised as an achievement of the transformation of the Japanese conventional rational comprehensive planning system, mainly based on the top-down system which was imported from the Western world from the late 19th century. Thus, in this chapter, the trajectory of Japanese town planning and the outlook of Japanese local government will firstly be investigated for better understanding of the case study as an example of *machizukuri*. Thereafter, a contemporary Japanese urban regeneration policy under the banner of 'Urban Renaissance' led by the central government will be looked at. Then, a more specific context of urban regeneration in the case study, Mitaka city, will be discussed. In the study of background information on Mitaka city, it will be emphasised that the process of 'SOHO City' programmes was driven by enterprising small businesses and flexible partnership governance as a form of creativity in territorialised societies. At the end of this chapter, in order to compare

both UK and Japanese case studies in the following chapter, the framework of the targeted regeneration programme will be explored.

## 7.2    Trajectory of Japanese City Planning System

The Japanese planning system changed a few times after the collapse of feudal Japan in the late 19th century. Especially in the post-World War II period, the framework of the contemporary planning system was established by the City Planning Law of 1968. During the post-war period, disorganised developments were widespread and concentrations of population and industry in urban areas occurred due to the rapid reconstruction of devastated areas by bombing. Therefore, the Japanese government launched the City Planning Law of 1968 as a revision of the Law of 1919, following the Comprehensive National Development Plan characterised by the growth pole development strategy. The City Planning Law aimed a) to restrain urban sprawl; b) to build up comprehensive city planning; c) to promote co-operation between city planning and regional planning; d) to rationalise the actors and procedures of city planning (Oshio, 1975). This regulation was expected to promote effective land-use control, the integration of multiple municipalities into coherent planning units and the empowerment of local government concerning city planning (Ishida, 1987). Properly, the City Planning Law focuses on the physical environment in urbanised areas, as well as a strong relationship between three different sorts of legislation: a) the comprehensive development plan at national level, such as the Comprehensive National Land Development Law and the National Land Utilisation Planning Law; b) specialised development plan for rural areas, such as the Agricultural Land Law and the Land Exploitation Law; c) more detailed regulations on city planning, such as the Building Standards Law (concerning land-use zoning), the Urban Renewal Law (concerning urban development projects) and the Roads Law (concerning urban facilities) (City Bureau, Ministry of Construction and City Planning Association of Japan, 1974).

Keeping consistency with related regulations as stated above, the City Planning Law has improved and controlled urban conditions through various measures, e.g. the zoning system, the development permission system and implementation of development projects. One of the criticisms of the Japanese city planning system is that the holistic control of urban conditions does not work well enough; thus, a huge urban sprawl and incoherence of urban landscape has been generated (Ishida, 1987). In terms of the relationship with urban regeneration in recent times, urban redevelopment projects, land readjustment projects and new residential area development projects have been the most significant measures to determine what urban regeneration should be like as a current national policy. This is because urban redevelopment projects and land readjustment projects have been major measures of improvement of urban conditions and required collaboration between the public and private sectors and residents' associations as stakeholders to implement projects. Furthermore, since these projects could be established by a certain degree of subsidy from the government, the achievements of the projects have to be evaluated by referencing public interests at the time. This basic concept of Japanese city planning was called 'project-oriented planning' which required close collaboration between the planning and engineering departments in the local authority. Although this concept of planning, implementing substantial projects, was secure in a high economic growth period, such a physical environment-centred measure would be disadvantageous in contemporary developed Japanese society.

Another characteristic feature of the City Planning Law of 1968 was the first introduction of public participation in the planning system, but the efficiency and hypocrisy of it were heavily criticised (Ishida, 1977; Sorensen, 2002). The major actual form of public participation was the public hearing. However, this was implemented in a limited fashion according to the requirements of the local authority, who made a decision whether the opinion of local people was to be taken into consideration or not in the planning process (Ishida, 1977; Sumida, 1977). Furthermore, the local authority selected the people who were to give their opinions, and the

time and place when and where they were to give their opinion, and also restricted the questions to be asked; in other words, it was a one-way method of communication (ibid). A more basic problem of the Japanese planning system, in terms of public participation, was that the accessibility to planning information was not secured to prevent local people from complaining about the planning administration (Oshio, 1975). These limitations on public participation in planning have not improved very much, even in recent times.

After the establishment of the City Planning Law of 1968, Japanese planning legislation has been modified to reflect the socio-economic condition of each period. Especially after the crash of the bubble economy in 1991 and the great Hanshin Awaji earthquake of 1995, the stream of planning thought was dramatically changed to be conscious of the sustainability of Japanese society, including physical, social and cultural concerns.

One major shift in the Japanese socio-economic condition was caused by the failure of neo-liberal thought on urban development at the beginning of the 1990s. After a reforming conservative administration faced the problem of the budgetary deficit, neo-liberal thought was promoted by the central government in the 1980s in order to reduce government expenditure (Ishii, 2000). This government socio-economic policy aimed for privatisation, deregulation, public–private partnerships and small government, which were encouraged by the Thatcher and Reagan regimes in the UK and US. As a result of the carrying out of neo-liberal socio-economic policy starting from the 1980s, and the transformation of economic conditions, especially the shift to overseas of big companies' investment policy, by the introduction of the floating exchange rate system under the Plaza Accord in 1985, the Japanese financial sector was hungry for new borrowers to be offered discounted rates, due to the increased money supply (Noguchi, 1994; Oizumi, 1994). Consequently, following the government land development policy, based on neo-liberal thought and aiming to stimulate the Japanese economy, loans moved into real estate (Noguchi, 1994; Oizumi, 1994), and in the period 1985–1990, land prices rose by a factor of 3.3 (Ishii, 2000). A feature of the land development at the time was that inefficient land use,

such as old wooden residence blocks located in 'inner areas' were converted to high-rise residences and office and commercial buildings in order to maintain high levels of profits from real estate. Another feature was that urban sprawl was considerably expanded by the development of residential areas in suburban areas far removed from the central districts of big cities such as Tokyo, Osaka and Nagoya. In addition, since – except for investors – the people who used to live in more central areas sold their property and moved into the suburbs, the price of new real estate even in the suburbs increased dramatically in a short period of time.

By the end of the 1980s, it was noticeable that this bubble economy was overheated, and the government started to issue new regulations to control unreasonable land prices (Noguchi, 1994). One such measure was the Transaction Surveillance System launched by the National Land Agency in 1987 to observe land prices for plots larger than 2,000 m$^2$ (Noguchi, 1994). This surveillance was focused especially on the prices of land in big cities, which had the potential to attract enormous investment. Another scheme was the regulation to restrict the amount of loans for real estate investment, which was launched by the Ministry of Finance in 1990 (ibid). At the same time, the Ministry of Finance raised the tax rate on capital gains on land. These national government measures were effective in stabilising land prices before very long (ibid). Finally, as a more influential measure, the Bank of Japan gradually increased the discount rate from 2.5% to 6% over a period of almost one year. As a result of these government actions, excessive land prices started to drop from 1990; however, the rapid decrease in land prices caused immediate shock to the whole Japanese economy, which was called the collapse of the bubble economy (Oizumi, 1994). Since the end of the bubble economy, many urban development projects ground to a halt and the number of vacant plots and buildings increased dramatically. This financial confusion caused quality of place to deteriorate, not only in urban areas but also in suburban and rural areas.

After the crash of the bubble economy, for some time, urban development projects were put on hold and enormous amounts of resources and time had to be spent to relieve negative assets

from the overheated economic development that had been based on neo-liberal thought. However, in 2002, the government launched the Urban Renaissance Special Measures Law, *which* aim*ed* to revitali*se* exhausted urban condition*s via* sustainable measures.

Another period that transformed the Japanese planning system towards *machizukuri* was due to the reconstruction process of damaged areas after the great Hanshin Awaji earthquake. This earthquake on 17 January 1995, which reached 7.3 on the Richter scale, mainly struck the southern part of Hyogo prefecture, including Kobe city, which had a population of more than 1.5 million. As a result of this disaster, at least 4,751 people died and over 12,000 buildings were heavily damaged or had collapsed (Kobe City, 2008). Furthermore, public facilities, in particular traffic networks, port facilities and various urban utilities such as electricity, gas and water failed across the city; also, local industries including factories, shopping arcades and agriculture and fishing facilities were damaged (ibid). This was the first serious earthquake affecting a contemporary urbanised area in Japan; thus, the damage caused by the earthquake reached beyond the assumptions that had been made by the Japanese government. After the earthquake, central and local government initiated every possible resource into immediate reconstruction of the damaged areas. However, it was soon clear that the resources available to the government were insufficient to restore the physical, economic and social damage holistically. Government resources were mainly invested in the most severely damaged areas, mainly through urban development measures such as the Urban Redevelopment Project and the Land Readjustment Project. The areas in which these development projects were carried out were very small compared to that of the damaged areas as a whole. In addition, the development projects worked well to restore the physical conditions of devastated areas, such as reconstruction of houses and public facilities. However, apart from the reconstruction of physical damage, in terms of more specific needs of local residents such as care for older people and treatment for the mental condition of the people who had to live in temporary shelters, provision of public services by the government was not sufficient due to their lack of ability to

do so. In order to fill these gaps, local residents exercised their autonomy and formed community-based and theme-oriented organisations as non-profit or voluntary-sector organisations, with support from the public sector. This social movement rapidly expanded, not only in the damaged areas but also all over the country. In fact, more than a million volunteers from all over Japan came to support the people who were affected by the disaster. This was called the beginning of the 'age of volunteerism' in Japan (Tanaka and Kimura, 2001). This movement has continued to the present time; for example, the number of volunteer groups aiming to provide welfare services rapidly increased from 861 in 1995 to 1,915 in 2002 (Kobayashi, 2004). Another good example of this social movement that mobilised citizen participation was residents' – including stakeholders' – organisations for *machizukuri*. Before the earthquake, there were some *machizukuri* organisations all over Japan. Kobe city, which was the most severely damaged municipality, had a strong tradition of this strategy, especially in urban redevelopment projects and a broader range of *machizukuri* activities such as the improvement of residential environments or community development. Thus, after the earthquake, the Kobe city government promoted the establishment of *machizukuri* organisations for the reconstruction of damaged areas, mainly through the urban redevelopment projects and land readjustment projects implemented by the local authority. As a result of this promotion, the number of *machizukuri* organisations increased from 28 before the earthquake to 70 after it (ibid). Although the *machizukuri* organisation strategy for mobilising residents into government-oriented urban development projects was criticised in terms of the actual autonomy of the residents (Satoh, 2006), community-based organisations that had been established and were active before the earthquake played a crucial role in effective consensus building within the process of reconstructing damaged areas. Thus, the potential role of *machizukuri* organisations was widely recognised all over Japan, not only in times of emergency, but also at other times (ibid). After passing through the above two significant events, and reaching for a new direction for urban development in the socio-economic confusion after

the crash of the bubble economy and the damage caused by the great Hanshin Awaji earthquake, mainstream Japanese city planning moved to the *machizukuri* philosophy.

## 7.3     Japanese Local Government

The most important issue for Japanese local government is 'decentralisation' due to significant social changes such as globalisation, an excessive market economy, an ageing society and so on. The term 'decentralisation' could be defined as the transformation of large parts of government authority and financial resources passing from central government to local government (Ikawa, 2008). Japanese local government can be characterised as follows: 'the gap between the revenue and expenditure of central and local government remained substantial and was made up by money transferred from the central to local tiers' (Kamo, 2000, p.114). For instance, while UK local government expenditure amounted to 20 to 30% of the total expenditure of the government in the period from 1975 to 1995, expenditure on Japanese local government reached 60 to 70% in the same period (OECD, 1994). This means that local government was not fully independent in terms of financial autonomy; thus, local government administration was controlled by uniform rules established by central government. In other words, 'the system of local government in Japan is heavily centralised under a unitary state' (Vogel, 2001).

The basic structure of Japanese government has three layers of administration, which are formed by the central government and two layers of local authorities, namely prefectures and municipalities. Municipalities are the smallest unit of local government, and mainly administrate affairs of daily life and provide more basic services. Prefectures are larger local government bodies than municipalities. Prefectures provide upper-tier services related to more than two municipalities, and administrate a part of central government affairs. The two levels of local government are considered to have equal standing in legislation (Ishida, 1987); however, the prefecture is actually superior to the municipality, due to the principle that communications

between the central government and the municipalities have to pass through the prefectures (Reed, 1986). Besides, until the establishment of the Comprehensive Decentralisation Law in 1999, prefectures played the part of central government administration known as the Agency Deregulated Function (ADF), aside from the primary function of autonomous municipalities. For Furukawa (2003), about 70 to 80% of the work carried out by prefectures and about 30 to 40% of that of municipalities was devoted to ADF concerns. Ikawa (2008) described the situation of Japanese local government as an 'interfused pattern' (p.4) of government, pointing out that a large amount of authority still remains with the central government; however, local government carries out a large number of its duties as an agent of central government (Ikawa, 2008). Contrasting with the 'interfused pattern', Ikawa (2008) described the other type of local government as a 'separated pattern' (p.4), which means that the local government is able to implement its duties independently and central government is able to carry out its administrative work via its own organisations. In addition, since city planning competence was included within ADF, major city planning matters could not be fully controlled by the prefectures and municipalities.

The contemporary local government system was established by the Japanese Constitution of 1946 and the Local Autonomy Law of 1947, just after World War II. Since, under the occupation of the Allied forces, the concept of democracy was strongly encouraged as a basis for the nation, in the 1946 Japanese Constitution, the principles of local government were listed as follows:

- Opens with a declaration of respect for local autonomy and its basic principles
- Prescribes that members of the legislative and executive branches be elected by direct public elections
- States clearly that local authorities should have a broad range of authority over a broad range of administrative functions, and grants local legislative authority
- Imposes restrictions on the enactment of special legislation applicable only to a given local authority

(CLAIR, 2004, p.1)

However, the Japanese local government system was rooted in the first modern administration in the Meiji period (1868–1912), after the end of the feudal state in the Edo period (1603–1867). At that time, Japanese government was strongly oriented towards modernising every single matter concerning the state, including the local government system, with reference to Western countries' system of government. Thus, the basic feature of the system of government at the time was greater centralisation than that of today, in order to implement efficient top-down control all over Japan. However, this basic characteristic of Japanese government has decreased in the last 140 years, especially after World War II as stated above. For Furukawa (2003), the Japanese administrative reform process from the post-war period to contemporary times can be divided into four phases, as follows: from 1945 to the 1950s: 'the democratic phase'; the 1960s–1970s: 'the management-oriented phase'; the 1980s: 'the liberal conservative phase'; and the 1990s: 'the reorganization phase' (2003, p.24). In particular, the third phase ('the liberal conservative phase') and the fourth phase ('the reorganisation phase') which occurred after the period of high economic growth period following World War II are important for the discussion of contemporary administration reform in Japan. This is because these two phases were formed by a corresponding trend to that of broader neo-liberal thought in Western countries, and 'reorganization' occurred as a reaction to excessive 'capitalocentric' (Gibson-Graham, 2003) methods of state administration.

The Japanese government administration reform in the 1980s may be characterised by the strategy created by privatisation and centralisation, which was based on neo-liberalism, whose policies began in the UK and the US in the 1980s (Kamo, 2000). The other pattern of policy in the 1980s was characterised by non-privatisation and decentralisation, which was implemented in European welfare states such as the Nordic countries (Kamo and Endo, 1995). However, in the 1990s, the central governments of the UK, the US and also Japan promoted administrative devolution, which occurred due to the improvement of the poor state of central government (Kamo, 2000).

Consequently, the Fifth Comprehensive National Development Plan, titled the 'Grand Design for the 21st Century', established in 1998, focused on contemporary social conditions, namely globalisation, an ageing society with a falling number of children and the progression of information technology. In order to deal with these novel trends in society, the plan aimed to establish a 'multi-axial national land structure' based on the decisions and responsibility of each region through participation and partnership. Connected to this direction of development plans, at that time or thereabouts, devolution and decentralisation of the Japanese government system was started in real earnest by the Decentralisation Promotion Law of 1995, the Comprehensive Decentralisation Law of 1999 and the establishment of the Council for Decentralisation Reform in 2004. As a result of this institutional transformation in Japanese government, from 1999 to 2004 the number of local municipalities decreased from 3,233 to 1,820. Although the merging of local municipalities was actually promoted by the law, the local authorities were not empowered to exercise authority over large local businesses; this was regulated by the central government. The decentralisation process of the Japanese government system is still only half completed; however, these institutional reforms, as stated above, can be called the 'third revolution' of local government after the Meiji restoration of 1868 and the post-World War II restoration of 1945 (Furukawa, 2003).

The key achievement of this 'third revolution' of local government towards the realisation of an equal relationship between central and local government was the abolition of ADF and its replacement with legally commissioned activities by a major revision of the Local Autonomy Law in 1999 (Ikawa, 2008; Furukawa, 2003; Vogel, 2001). Besides the abolition of ADF, the 'new' Local Autonomy Law clarified the division of roles between central and local government; in particular, equality and clarity of intervention by central government was guaranteed by the law (Ikawa, 2008).

However, even today the centralised administration system still remains in place to quite some extent, and reformation of the government system, especially the relationship between central

and local government, is ongoing. In order to overcome these limitations somewhat, it is quite important to cast light on the relationship between local government and residents; in other words, the promotion of citizen participation will be essential to encourage local government autonomy. For Vogel (2001), in order to promote such participation in local governance, it is significant to foster democratic leadership and citizenship through the direct election of mayors and governors. From the perspective of New Public Management, Osugi (2007) discussed the necessity of a community self-governing framework to establish the principle of self-determination and responsibility at each local government level in Japan. Furthermore, Osugi pointed out that a direct voting system as stated above, external auditing by residents and high accessibility to information within local government are the most relevant measures for the creation of a community self-governing framework (ibid).

Besides these measures for community self-governance in Japan, some local authorities launched a *machizukuri* ordinance (Kadomatsu, 2006) to control planning concerns in particular. Even though this ordinance cannot run counter to the statutory provisions passed by the central government, it is useful to shape the local administration using holistic and collaborative approaches, according to the particular characteristics of the local authority.

## 7.4    Japanese Urban Regeneration Policy: 'Urban Renaissance'

Alongside the 'third revolution' of local government reform, the Japanese government launched a special urban regeneration policy under the banner of 'Urban Renaissance' with the establishment of the Urban Renaissance Headquarters within the cabinet in 2001 and enforcement of the Urban Renaissance Special Measures Law in 2002. The concept of the 'vitalisation of private forces' was the principle of this regeneration policy, and both private real-estate developers and ordinary local residents – which implied a possible conflict due to the differences in their basic nature – were emphasised as the significant 'private' actors of urban regeneration (Kadomatsu, 2006).

The special policy for urban regeneration was mainly constructed by the three programmes which were the promotion of 23 'urban regeneration projects', the assignment of 65 'urban regeneration emergency districts' (with a total area of 6,612 ha) and the selection of 805 'urban regeneration model projects' (Innovating Urban Structure Workshop, 2003). The first pillar of Urban Renaissance, the urban regeneration projects, was led by central government in order to attract private investment and mobilise real estate property through the construction of urban infrastructure such as roads and port facilities, and utilising existing urban stocks such as vacant plots (Kadomatsu, 2006). The second pillar of Urban Renaissance was that urban regeneration emergency districts were established to promote existing private development projects by the deregulation of development rules and provision of financial support (ibid). Consequently, in urban regeneration emergency districts, many large-scale developments were accomplished. Although these two strategies for urban regeneration were based on top-down and development-led thoughts, the third pillar was intended to promote a bottom-up method of regenerating urban areas, but it was a minor strategy within the overall urban regeneration policy (ibid). In this measure, the government introduced the competitive principle into the funding scheme in order to promote autonomous activities based on local identity, similarly to challenge funds in UK. Thus, most of the proposals for this subsidy were from municipalities, the community sector and non-profit organisations. This fund was provided only for four years (2004–2007); however, after this period, another funding scheme aiming to promote local-level autonomy was created by the various actors.

As a result of Urban Renaissance, some achievements, such as the establishment of large-scale urban developments, were identified in the central districts of large metropolitan areas, and the mobility of beneficial real estate property was increased; however, these were still insufficient for the implementation of urban regeneration. One criticism of the urban regeneration policy was that the precarious conditions for disasters such as earthquakes were not improved in most high-density old wooden residential areas surrounding the central districts (Disaster Prevention

Urban Planning Workshop, 2003). This was because these areas did not have enough potential to attract private investment, and their size was too great to be improved via limited public financial resources. Another criticism was that the opportunity for citizen participation in the urban regeneration processes was still insufficient (Takahashi, 2002). Although the autonomy of local residents was important, especially for the improvement of living conditions in high-density old wooden residential areas, the basic measures of city planning led by the government were top-down and followed neo-liberal thought. Furthermore, the transaction costs of urban development, such as City Planning Tax and Fixed Asset Tax, became a heavy burden during the period in which it was impossible to work out the capital gain from real estate in the development business, unlike the period of high economic growth (ibid). Thus, there was an argument that the main expenditure for city planning, including urban regeneration, should not depend on the revenue from real estate property but from Residents Tax and Corporation Tax.

Besides the special regeneration policy of Urban Renaissance, which was mainly under the supervision of the Ministry of Land, Infrastructure, Transport and Tourism, there was another particular urban regeneration measure to improve the condition of the central districts in relatively small local towns, which was enacted by the City Centre Revitalisation Law of 1998. The Ministry of Economics, Trade and Industry was the main competent authority for this regeneration policy. Thus, the main focus of this strategy was on economic activities; for instance, financial support for small local shops in city centres and regulation of the location of large shopping centres in suburban areas. Furthermore, this city centre regeneration policy was supported by two other pieces of legislation, namely the Location of Large-scale Retail Stores Law of 1998 and the revised City Planning Law of 1998 and 2000; these laws, plus the City Centre Revitalisation Law of 1998, were called the three laws of *machizukuri*.

These three laws of *machizukuri* had the following principles: a) change of the authority relating to city centre regeneration from central government to local government; b) promotion of a combined physical and social strategy to improve city centre environments; c) deregulation of

restrictions to the location of large-scale stores within city centres (Okada, 2006). Another novel method of regenerating city centres was the establishment of the Town Management Organisations (TMOs) based on Town Centre Management (TCM) in the UK. The main expectation of the organisation was for it to play a significant role in improving the commercial environment through its skill and experience relating to commercial business. Thus, the TMOs were mainly created by the chambers of commerce and shopping street associations, and collaborated with local councils, mainly to create and implement city centre revitalisation plans. In such plans, which reconsidered the idea that an accumulation of shops within the city centre was compared to a large-scale shopping complex in the suburbs, the TMOs established the plans for shop management, i.e. dealing with the lack of variety in the types of shops and changing their arrangement.

As a result of the city centre revitalisation attempt during 1998–2005, 666 city centre revitalisation plans and TMOs were established in 628 municipalities all over Japan (Okada, 2006). Many TMOs addressed the problem of vacant shops and accessibility to the town centre, and improvement of the deteriorating conditions of city centres was achieved to some extent, such that the outcome of the attempt became observable by everyone (Noguchi, 2003). For example, as to shop management, TMOs invited new shop tenants into vacant shops with advantageous rent contracts, and transformed the use of buildings from commercial to public usage such as community halls and older people's care stations. In addition, as to the improvement of accessibility to city centres, TMOs managed 'community buses' (provision of frequent services and a lot of stops from place to place with relatively small-sized buses) as inexpensive public transport for everyone.

However, the limitations of these outcomes were recognised when compared to a holistic revitalisation of city centres. In 2004, the Ministry of Internal Affairs and Communications published its evaluation report on the revitalisation of city centres based on the three laws of *machizukuri*, and it was pointed out that the achievement of such revitalisation was not

complete (Okada, 2006). The report stated that decreases in the variety of commercial functions, the number of employees in the commercial sector and the overall population in the city centre had continued (MIC, 2004). Major criticisms were the imbalance of revitalisation attempts, concentrating mostly on the improvement of commercial environments and insufficient restrictions on the locations of large-scale shopping centres in suburban areas (Okada, 2006). Furthermore, a more basic problem of the revitalisation of city centres was that the lifestyles of the urban population had been rapidly transformed beyond assumptions, due to the development of an ageing society and an information/communication technology-based society.

In 2006, the City Centre Revitalisation Law and City Planning Law were revised, due to the insufficient achievement of city centre revitalisation based on the previous legislation. At the same time, in order to strongly promote revitalisation, the Revitalisation of City Centre Headquarters was established within the cabinet. This headquarters controlled the subsidy system through the introduction of a more competitive principle in order to select and concentrate government resources. Another main aim of this organisation was the reduction of departmentalism in the government to utilise limited financial resources efficiently, similarly to the Single Regeneration Budget in the UK. Another characteristic feature of this new revitalisation policy was that the concept of the 'compact city' was clearly emphasised in order to establish appropriate city centres for environmental consciousness and a new era. Specific measures to revitalise city centres were modified according to lessons from previous attempts. First, the regulations concerning the location of large-scale retail shops were more restricting. Second, it was proposed to invite various facilities other than commercial ones into city centres, such as hospitals, public halls, universities and residential areas. Third, in order to make TMOs more effective organisations, they were changed to 'Town Centre Revitalisation Committees' which included various actors such as non-profit organisations, private firms and ordinary residents, similarly to Local Strategic Partnerships in the UK.

## 7.5    Outline of Mitaka City

Mitaka city is located next to the 23 central special wards of the Tokyo metropolitan government (the distance from the centre of Tokyo to Mitaka city is about 18 km). The population of Mitaka city was 178,944 in 2008 and the total area is around 16.5 km$^2$ (Mitaka City, 2008; Budiarjo, 2005). Most of the population commute to work in the centre of Tokyo, and Mitaka is regarded as a favoured 'city for living' with plenty of green and public facilities. Besides its good reputation as a residential area, Mitaka city succeeded in inviting universities and a research centre for mechanical and engineering industries to establish themselves there. Furthermore, the world-famous animation studio, Ghibli founded the Ghibli museum in collaboration with Mitaka City Council and the Tokyo metropolitan government (Ghibli Museum, 2008). Some works of Studio Ghibli, such as *Spirited Away*, received awards at the Academy Awards and the Berlin International Film Festival. This facility is useful for the promotion of a good image of the place and name of Mitaka all over Japan, as well as in some other Asian countries.

Recently, Mitaka city was also recognised as one of the most advanced local authorities in terms of administrative reform and resident participation in Japan (*Nihon Keizai Shimbun*, 2006). The driving force for implementing its novel method of local governance was 'civic entrepreneurship', which was rooted in the history of the Mitaka city administration, starting from the post-war period. After World War II, many urban areas of Japan had been damaged by the bombing of the Allied forces; thus, most Japanese local authorities spent their major financial resources on reconstructing public facilities, especially roads. The mayor of Mitaka city at the time, Heiszaburo Suzuki, on the other hand, promoted the establishment of an independent sewerage system for the whole Mitaka area (Takao, 2006; Mitaka City, 2004). Consequently, Mitaka city was the first municipality to establish a city-wide sewerage system, in 1973 (ibid). At the time, there were many criticisms of Suzuki's reconstruction policy, but he accomplished his intentions according to his beliefs as a public health professional (he was

a doctor) through the introduction of the beneficiary payment principle and application of New Public Management thought into local government administration (Osugi, 2007; Panao, 2005). Alongside the establishment of the sewerage system, he dealt with neighbourhood community affairs. In order to revitalise social capital at the neighbourhood level, he planned to set up community centres through the citizen participation strategy both in the building process and the management of the facility. This was also the first community centre in Japan (Kiyohara, 2000; Mitaka City, 2002; Minowa, 2005). Mitaka City Council divided its municipality area into seven blocks to establish and support the community centre and residents' council, not only for participation in substantial activities to maintain the neighbourhood community, but also to encourage social solidarity among the long-time residents and the relatively new residents from elsewhere (ibid).

Furthermore, a remarkable attempt of administrative reform and resident participation was the establishment of the Citizens' Conference at city-wide level for discussion and for an effectual basic city plan. This was started in the early 1970s, continuing to the present day. An especially notable attempt for citizen participation in local governance was the establishment of the Mitaka Citizen Plan 21 Conference, which aimed to formulate the Mitaka Citizen Plan 21 as the proposal for the Mitaka City Council to draft the third city Master Plan. This organisation was time limited to a period of two years (1999–2001), and Mitaka City Council appealed to the public to become members of the conference (Takao, 2006; Furukawa, 2003; Mitaka City, 2001; Minowa, 2005). As a result of the recruitment for conference members, the number of local people who registered as members was 375 (Mitaka City, 2001). The most significant feature of this citizens' conference was that they started discussions before the completion of the draft Master Plan by the city council. This meant that there was complete space for discussion by the citizens on the formal Master Plan of Mitaka city, which was completely different from the method of citizen participation by public hearing. This conference was organised via ten theme-oriented subcommittees, such as the urban infrastructure committee,

the daily life security committee, the human development committee and so on. The conference and the city council made a partnership agreement on effectual and equal collaboration to establish the Master Plan of the city, similarly to the Local Compact in the UK. Consequently, in October 2000, the Mitaka Citizen Plan 21 Conference proposed Mitaka Citizen Plan 21, and the city council created the draft of the third Master Plan of the city, reflecting the conference's report (Mitaka City, 2001). Afterwards, the conference and the city council exchanged their opinions as previously agreed. Since this method of administrative reform and resident participation was quite new in Japan in the early 2000s, the 'Mitaka Model' had a huge influence on other local authorities all over Japan (Kiyohara, 2000; Osugi, 2007).

In Mitaka city, there was another level of citizen participation and collaboration between various actors in local governance, which was the Mitaka Machizukuri Institute, created by the local residents, researchers in local universities and local council officers. This institute was started from a study group in a project which was entrusted to the International Christian University by Mitaka City Council in 1988. In 1996, in order to involve more of the various actors in the city, as a part of the Mitaka Public Corporation of Machizukuri, the institute was legitimised by the local council (MCM, 2000, 2003). This institute had three subcommittees, and one of these specialised on the theme of the 'information-based city'. This subcommittee involved various members such as IT specialists, the chamber of commerce, a cable television company and the related broad division of the city council, and had a discussion leading to the SOHO City Mitaka project.

## 7.6 'SOHO City Mitaka' Project

In 1996, Mitaka City Council launched a unique policy supporting SOHO (Small Office Home Office) business under the banner of 'SOHO City Mitaka'. The concept of SOHO was introduced from the US. At the time, in Silicon Valley, San Francisco, many small enterprises had arisen and succeeded in their business based on IT concerns. The object of SOHO City

Mitaka was not exactly the same as that of Silicon Valley, but the application of IT and flourishing of small-sized businesses inspired Mitaka City Council and some Mitaka citizens to promote economic development through the SOHO strategy (Andaya, 2005). Another background effect of SOHO City Mitaka was the leading edge experiment in the Information Network System (INS) by Nippon Telegraph and Telephone Corporation (NTT; previously Nippon Telegraph and Telephone Public Corporation) in 1984 (Zacharilla, 2008; Panao, 2005). This experiment was implemented in cooperation with Mitaka City Council and a citizens' study group in order to establish an area-based new information system applying digital and information technology. Following this experiment, in 1988, NTT built a digital communication net, named INS Net 64, which used existing metallic cables combined with digital communication technology across the city (Ishii et al., 1993). After the establishment of INS Net 64, the city council provided a new information service related to nursing care and city administration using a fax system; also, a citizens' group of shop owners established the 'Electronic Market Place' on the internet (MCM, 2000, 2003).

This style of working, SOHO, is appropriate to the existing character of Mitaka city as a good place to live. Furthermore, Mitaka city faced a problem with an ageing society, the decline of commercial functions and large companies moving outside the city. Therefore, it was easy to anticipate that the tax revenue of the city (60% of the total revenue of Mitaka City Council was from municipal tax, and half of the municipal tax was paid by individual residents) would decrease, as would the vitality of Mitaka's local society (Seki, 2005). In order to tackle these problems, Mitaka City Council launched a policy to promote small enterprises, applying the community-based strategy based on the report *Proposal for the Informatised City of Mitaka – from INS Experiment City to SOHO City* (MCM, 2000; 2003) by the Mitaka Machizukuri Institute as mentioned above. Firstly, the city council legitimated the concept of 'SOHO City Mitaka' in the formal plans *Local Informationisation Plan of Mitaka City*, *Mitaka Industrial Development Plan* and *Mitaka City Centre Revitalisation Plan* in 1996 and 1998 (ibid). The

expected effects of SOHO City Mitaka were a) promotion of an environmentally friendly city and a high level of welfare municipality; b) encouragement to establish citizens' identity, public participation, community cohesion and a city-wide *machizukuri* movement; c) contribution to the vitality of the city and stability of municipal finances through invitations to information and industrial companies to establish themselves in the city and the development of local industry (ibid).

Then, the city council created a strategic plan to promote the SOHO City concept, as well as establishing the SOHO City Mitaka Promotion Committee, which aimed to form a private sector-based support system to implement substantial activities of the concept. Based on the strategic plan, in 1998 the city council launched a time-limited pilot project of a SOHO office facility, named the SOHO Pilot Office, in cooperation with the committee. This facility was located on only one floor (248.1 m$^2$) including nine office units for small businesses in a private rented building. This pilot office also provided basic office facilities such as internet access, photocopying machine, meeting room and reception desk. The standard size of each office was between 5 and 12 m$^2$, in line with research on the demands of small-sized enterprises (Seki, 2005). In this research, it was worked out that there were a few appropriate size offices for small businesses managed by only a few workers. As a result, 57 enterprises applied for nine tenancies (ibid).

After establishment of the SOHO Pilot Office, six other SOHO buildings were established up until 2003. Each building applied different project schemes, particularly financial resources. The *Sanritsu* SOHO Centre was created in a building which was donated by a local resident. The *Hikohdo* SOHO Office and Home Office Mitaka were managed as private properties by the local shop owner with support from Machizukuri Corporation Mitaka. The Mitaka Industrial Plaza Annex was established by a joint venture between Machizukuri Corporation Mitaka and a few private companies. The central facility of the SOHO City project, Mitaka Industrial Plaza, was legitimised by the Mitaka City Centre Revitalisation Plan based on the City Centre

Revitalisation Law of 1998 and acquired a subsidy from a quango, the Japan Regional Development Corporation (Kamikawa, 2005). In the process of building Mitaka Industrial Plaza, it was useful to create a plan of the facility, so that the council officers could accumulate strategies for managing SOHO buildings and coordinating small companies, obtained from the experiences of the SOHO Pilot Office (MCM, 2000, 2003; Seki, 2005). To date, more than 100 businesses, mainly in the IT field, have had a connection to these facilities.

Besides the development of facilities to improve the physical environment around SOHO City Mitaka, the development of the social environment was also emphasised by Mitaka Machizukuri Institute and the city council. One of the major projects was the creation of Machizukuri Corporation Mitaka (MCM) as a driving force of SOHO City activities with TMO status, and the existing public corporation of Mitaka City Council, Mitaka Public Corporation of Machizukuri, was integrated into it (MCM, 2000, 2003). Another activity of the SOHO City project was the provision of opportunities to promote local businesses, such as holding business conferences and business plan competitions, providing a business consultation service and seminar, managing office facilities, and a virtual shopping mall on the internet, which was managed by MCM. As a result of these activities, many community businesses or social enterprises arose in Mitaka city (Seki, 2005; Shibata, 2005).

Box 7.1: Mini-case study of creativity in urban regeneration 03

**Kosodate Conbini** (Child Care Salon)

# NPO *Kosodate Conbini*
## (Child care salon)

'SOHO CITY' Mitaka

Mitaka *Kosodate* Net
(internet portal site with parenting information)

**Citizens' participation workshop**

**Voluntary Group for Housewives**

Local housewives made a group to create an internet portal site with parenting information in accordance with a national policy (2001).

Machizukuri Company Mitaka (MCM)

**Business incubation facility**

**Other NPOs and SMEs**

*Kosodate Conbini* moved into the SOHO business incubation facility, and started new businesses in collaboration with other organisations in the facility.

MCM recommended that the group should enter the Business Plan Contest, and won the award

Mitaka City Office

NPO *Kosodate Conbini*
(Child care salon)

Since the participants were brought together through public appeal, various human resources gathered in the group.

After an experimental 6 months' period of a demonstration internet site, the intention to continue blossomed.

After the establishment of the Law to Promote Specified Non-profit Activities in 1997, the group acquired the legal status of an NPO.

**Various human resources**

After acquiring a legal status, *Kosodate Conbini* was entrusted with public service work from the city hall, and became a partner in managing projects.

Afterwards, although focusing on the theme of child rearing, the NPO has developed various activities such as production of a movie called *Bloom*, in cooperation with non-governmental public bodies, social welfare councils and volunteer centres. In addition, the area of their activities is not limited to Mitaka city, and the 'Mitaka child care net', the information portal site about parenting care, has been extended to other municipalities by Machizukuri Company Mitaka.

This NPO provides information about childcare through the internet for young mothers in cooperation with the city office. The *kosodate conbini* was started as a voluntary group for housewives through recruitment by Mitaka City Office in accordance with the national policy 'Development Project of the Internet Portal Site for Parenting Information' in 2001. This recruitment was a series of collaborative activities with Mitaka City Office, and various types of people applied. After an experimental six-month period of a demonstration internet portal site for parenting information, MCM recommended that the group should enter the Mitaka Business Plan Contest, and they won a merit award.



*Homepage of Kosodate Conbini*

This event made them wish to continue this activity on a firmer base. At the time, the Law to Promote Specified Non-profit Activities 1997 had been passed, and they acquired the legal personality of an NPO. By acquiring legal status, the *kosodate conbini* could make a contract with Mitaka City Office, which meant that they became a crucial partner in implementing the SOHO City Mitaka regeneration policy. As a consequence, the activities of *kosodate conbini* were expanded by collaborating with other SOHO companies and NPOs. Although, in the first place, *kosodate conbini* was nothing but a simple voluntary group for housewives, they were now managing a business, which requires major responsibility.

## 7.7    Machizukuri Corporation Mitaka (MCM)

Machizukuri Corporation Mitaka (MCM) was created as a TMO and legitimised by the City Centre Revitalisation Law of 1998. MCM was legitimised within the *Local Informationisation Plan of Mitaka City* and the *Mitaka Industrial Development Plan* as the core body for the promotion of the SOHO City Mitaka project. The legal status of the corporation was as a private firm whose stocks were shared by the local council (96% of total equity) and some local private companies and organisations such as a bank, a chamber of commerce, an agricultural cooperative and so on (MCM, 2000; 2003). As stated above, MCM provided plenty of services promoting local businesses, as well as itself running businesses. The main income of the company was from the management of public facilities such as a public car park which used to be owned by the Mitaka Public Corporation of Machizukuri (ibid). In terms of the financial autonomy of MCM, this actually depended on the local authority; however, this strong relationship with the local authority made MCM's activities credible. Furthermore, this relationship contributed to increase the credibility of small businesses connected with MCM. In other words, a major advantage of setting up business in SOHO facilities managed by MCM such as Mitaka Industrial Plaza was to acquire credibility for one's business (Seki, 2005).

Another significant role of MCM in the SOHO project was the promotion of collaboration among various local actors through the implementation of tangible projects. The important point in creating an effective relationship among local actors was that MCM was a separate

organisation from the Mitaka City Council office (Shibata, 2005). This was because the public sector could support private activities, but could not be their business partner (ibid). Since, in the framework of SOHO City Mitaka, the local council recognised that it was impossible that SOHO could grow without collaboration from various types of businesses, organisations and people (Seki, 2005), MCM was established strategically by the local council.

Furthermore, it was important that MCM was a TMO in order to integrate various activities in Mitaka city. Usually, the main function of a TMO was to revitalise the city centre through improvement of the physical and commercial environments; however, MCM could combine these improvement methods with other various community-based *machizukuri* activities implemented across the city (MCM, 2000; 2003). For example, MCM developed a practical internet information service for childcare for young mothers in collaboration with a locally based non-profit organisation called the Parenting Convenience Store, which was a voluntary group of housewives. One of the practical contents of this website was information on appropriate restaurants in which one could eat dinner with small children. Although it was difficult for busy young mothers to find out this sort of useful information, the non-profit organisation created a partnership with restaurant owners in the city centre to obtain it. At the same time, this information service was a good opportunity for restaurant owners to gain new customers. Except for activities in the city centre, where the Mitaka Public Corporation of Machizukuri utilised the methods of *machizukuri*, MCM supported broad *machizukuri* activities, such as the provision of a design workshop for a community park, managing the *machizukuri* information centre and co-operation with a community-based ecology movement.

Box 7.2: Mini-case study of creativity in urban regeneration 04

**Senior SOHO Salon**

This NPO provides IT training courses and promotes employment, in cooperation with the city council, for older people through older people. In Mitaka city, this further example of a social enterprise, the Senior SOHO Salon, was launched by elderly retirees to spread personal computer use among elderly people. The members of the Senior SOHO Salon were gathered together through an informal network. However, since these elderly retirees were not familiar with community work, it was essential that the city office supported them to foster their ability. As a result, this process not only meant an increase in the NPO's ability to implement a substantial project, but also promoted the establishment of trust between the NPO and the city office.

Furthermore, the presence of the Senior SOHO Salon was seen as a partner to provide public services collaboratively. Though, in general, elderly people were recognised as people who need to be cared for by someone, with the application of their ability the members of the Senior SOHO Salon played a crucial role in caring for mainly elderly people who were not familiar with using PCs. The driving force of the Senior SOHO Salon was individual initiatives. However, as stated above, the process of fostering the ability of NPOs through collaborative methods was important in order to convert creativity in an individual to creativity of the place.

*Mitaka Industrial Plaza (SOHO Office Complex)*

## 7.8    Conclusions

Basically, the Japanese planning system is still quite centralised in terms of 'hard infrastructure' (Healey, 1997); however, the *machizukuri* movement, as 'soft infrastructure' (ibid), has increased in the last few decades, especially after the crash of the bubble economy and the great Hanshin Awaji earthquake in the first half of the 1990s. Currently, the discussion of autonomy in local government has developed further, and although it is not enough to realise practical decentralisation, the legitimised administration system of governance is changing, mainly by

the abolition of ADF and mergers of municipalities empowering local authorities. In practical local activities such as the revitalisation of city centres, it could be identified that greater autonomy of local society was applied to substantial projects.

Mitaka city is one of the most advanced examples of administration reform and citizen participation based on New Public Management thought in Japan (Panao, 2005). The significant opportunity of Mitaka's innovative attempts was the accumulation of 'civic entrepreneurship' (Leadbeater and Goss, 1998) culture in the local council by successive city mayors. With regard to the SOHO City concept as a substantial project, the Mitaka City Council office and MCM supported the promotion of a new style of work in SOHO, which was appropriated to foster micro-scale autonomy in local residents. Furthermore, they could organise various autonomous projects in local society via information and communication technology. This urban regeneration policy of Mitaka city had a limited relationship with the central government policy of revitalising city centres.

Comparing Huddersfield with Mitaka city, there are plenty of similarities in terms of a driving force of urban regeneration and the method of mobilising the energy of urban regeneration into collective action, even in different contexts and objectives. In the following chapters, through the analysis of qualitative data from the in-depth interviews with key persons in each case study, the potential role of social enterprises through the application of civic creativity in innovative local governance relating to urban regeneration will be investigated.

# Chapter 8. UK Case Study Analysis

## 8.1      Introduction

This chapter will analyse dimensions of institutional capacity building in a UK case study, the regeneration of 'Creative Town Huddersfield'. This will be discussed in three parts: knowledge resources, relational resources and mobilisation capacity. This is because the documentary research and descriptive analysis of empirical data suggested that these three elements of the institutional capacity framework were relevant to the main research in the rest of this chapter and the next chapter.

First, the dimension of knowledge resources is related to the research sub-question, 'How significant is the concept of 'creativity' in mobilising for urban regeneration?' In order to explore this question, the first section will focus on advantages and disadvantages of the concept of creativity in urban regeneration. While there is difficulty in understanding this concept due to its ambiguity, it has no limits in its applicability to mobilising various resources, 'civic creativity', in the individual.

Next, the dimension of relational resources is related to the research sub-question, 'How is civic creativity developed in urban regeneration through collaborative governance practices?' This section will focus on (1) the leadership involved in transforming the organisational culture of Kirklees Metropolitan Council (KMC) into a collaborative mode of governance. Furthermore (2), the dynamics of a collaborative method of governance constructed by formal and informal networks will be discussed. In addition, this section will explore (3) the good and bad impacts of public subsidies through partnership as a crucial resource of urban regeneration.

Finally, the dimension of mobilisation capacity is related to the research sub-question, 'What roles can social enterprises play in collaborative local governance oriented towards 'creativity'?' This analysis of mobilisation capacity will focus on social enterprises as a pivot organisation

for the mobilisation of various resources in urban regeneration. Firstly, in order to understand the role of social enterprises, (1) the recognition and expectations of social enterprises will be reviewed. In particular, two roles of social enterprises, which are (2) fostering creativity in the individual and (3) linking people to the wider society will be discussed. At the same time, as an acute problem for social enterprises, (4) unstable management of its activities will be pointed out.

## 8.2 Significance of the Concept of 'Creativity' for Urban Regeneration as a Knowledge Resource

### 8.2.1 The fundamental nature of creativity

The essential strategy of creative regeneration in Huddersfield was how creativity in individual people was applied to open up new possibilities to improve the quality of people's lives and the economic condition of the area. According to the research on creativity in the psychological field, creativity comes from an individual person as an endogenous movement. Thus, a principal nature of creativity would be its indigenousness.

> … particularly those of us who were involved in the Creative Town, would like to have kind of infused public-sector organisations, private businesses, large and small and so on and so forth with a notion that creativity is a powerful tool and allowing staff or members of an organisation to express their creativity, and that could be around, for instance, administrative processes or management or development of new product, all that sort of thing. You can apply a notion of creativity or apply creativity to all those activities to almost every human activity. (Director of BSS)

This fundamental nature has both advantages and disadvantages. One of the advantages is that the concept of creativity has great possibilities to be applied to a wide variety of fields of human activities, according to the varieties of individuals themselves. In the interview with Beaumont Street Studios (BSS), one could recognise the positive side of the concept of creativity.

On the other hand, a disadvantage of the concept is that it is difficult to share it. Thus, the concept of creativity as a banner of urban regeneration in Huddersfield could be an obstacle to implementing actual programmes through partnerships. This negative side of the concept of creativity is related to a general preconception of it. In the interview with Proper Job (PJ) there is a description about the negative side of creativity: 'creativity is a hugely ambitious concept'.

Moreover, the concept of creativity tends to be misunderstood and overestimated by people; also, these perceptions could prevent individuals and organisations from doing something creatively. In order to implement collective action, such as urban regeneration, under a banner of creativity, it is necessary to get rid of biased views of creativity and encourage people to understand it through their own flexible definition. In addition, it would be useful to provide various ways of applying creativity in urban regeneration programmes.

### 8.2.2 *Lack of recognition and understanding*

Though recognising and understanding the concept of 'creativity' might be a starting point for creative regeneration in Huddersfield, various sorts of gaps between different types of communities may have prevented people from understanding creativity, which they had never previously experienced. As stated above, the concept of creativity could not be understood clearly because of its ambiguity. Even more specific terms, e.g. 'creative industry' or 'business incubation', were still difficult to understand in the public sector. In the interview with the Creative Industry Development Agency (CIDA), they said that the lack of recognition of the creative industry by the local council and Yorkshire Forward (YF) was a big obstacle to involving the local authority in creative regeneration, such as the establishment of a creative industry.

> And they are just beginning to change their approach now, literally this year. But in the early days, I had to fight very hard to get them to understand, and I know I mean you know it took me years, but part of the process was setting up the Digital Cluster Steering Group. (Chief Executive of CIDA)

The central issue of the lack of creativity was ignorance in the local authority or central government. These public bodies have much authority and power, including over spending. Therefore, in order to launch creative strategies for area-based development, creativity would be needed to fill the gaps between a bureaucratic administration community, such as a conventional local authority, and an innovative business community, such as a social enterprise, by a 'mediator' who had the ability to bring together the different communities.

### 8.2.3    Ghettoising the concept of civic creativity

Charles Landry said, 'Civic creativity for me is basically finding imaginative solutions to problems that are for the public good' (2006, p.2). The concept of civic creativity can be extended into cases such as urban regeneration; however, it is difficult to apply the civic creativity concept practically in urban regeneration to give requirements to prove cost-effectiveness to obtain grants from a public body.

> And I guess that's why in the end the Creative Town Initiative became much more artistic, much more about the arts and the creative industries and less about the wider civic creativity. And that's always been a great regret of mine and of Charles's, because in the end, I think it became a lot easier to sell creativity house, media and arts, business and creative industry and everything that goes on in this Media Centre. And it was a lot harder to explain, to get people to understand to what we meant by civic creativity. (ex-Director of CTI)

Differences existed between the first intention and results of 'Creative Town' Huddersfield. The few creative industries were a substantial outcome required by the evaluation of the Urban Pilot Project (UPP).

The Media Centre was the flagship project of the series of creative regeneration programmes that aimed to promote business-to-business activities, but not to the local people in Huddersfield directly. This underutilised condition of the Media Centre can be described as a disadvantage of being 'inward looking'.

> Exactly, so it's alright being a cluster, as long as you are looking outward. If you are a cluster looking inwards you're a ghetto, so you know it's ridiculous. So that's the danger really, but the good thing about this is that it's expanding, constantly expanding. (Chief Executive of CIDA)

In order to avoid creating a 'creative ghetto', strategies to democratise creativity spatially and socially were required. In the spatial dimension, the series of development media-related facilities such as the Creative Loft and BSS that are located around the Media Centre are possibilities for establishing a place that could encourage creativity based on Huddersfield. In the social dimension, the application of creativity was mainly focused on promoting the creative industry, as described in the following sections.

### 8.2.4   Upscaling 'creativity'

In the 1990s, the environment surrounding creative thinking and activities was radically transformed, corresponding to the significance of the knowledge-based economy. Huddersfield's creative regeneration started early in this process; thus, it was difficult to get people to understand what creative thinking is and to attract investors to creative sectors. When creative regeneration started in Huddersfield, the domain of creativity could not be fully accepted; however, during this period, there was a growing recognition of creativity in the local authority, not only in terms of economic benefit but also the fact that social and cultural benefit were growing.

As a result of the transformation, both the favourable and unfavourable aspects of developing the creative industry came to light. The unfavourable aspect was that only highly qualified people could acquire opportunities to work in the creative sector, due to its popularity. Generally, highly qualified people were significant in conventional industry; however, this standard of evaluation for human resources was not always appropriate for the creative industry. The creative industry needs to acquire creative talent from various types of people. With the growth of creative industries, these barriers increased and interfered with developing the

creative sector; in particular, acquiring human resources through recruitment of talented people for the creative sector was difficult.

> Anyway, we identified four key barriers that employers had to address, if the creative sector was going to start fulfilling some of the forecasts that were being made for it economically and politically. And the four key reasons were entry-level recruitment, that's because the creative sector is the highest qualified industry sector in the UK. (Chief Executive of CIDA)

The interviewee pointed out four key barriers of developing the creative sector, which were: the entry-level requirement of high qualifications demanded by the employer; the difficulties of continuing professional development; insufficient support for freelancers; and little diversity of the people in the sector. For example, jobs in the creative industry were open only to highly educated people such as those with doctorates. The closed recruitment system of the creative sector, which overestimated conventional qualification such as degrees, lost plenty of opportunities to acquire local creative talent.

> So, you've the haemorrhage of talent out at the top and at the same time, if you've got a very bright, very talented, very committed, very energetic, very flairful young person who stepped out of school who hasn't got a PhD, or hasn't got a degree, or hasn't got A levels, they don't even get to the starting point of an interview. So all the young people, who drop out of school and they spend their entire life doing creative things, playing on computers or making music whatever, they don't even get to the starting point and we're losing 50% out of the tops, so it is a very, very big issue. (Chief Executive of CIDA)

Although it was a fact that the number of jobs in the creative sector had increased, recruitment to particular jobs was not sufficient to significantly contribute to the improvement of the employment conditions of the local community. Recognition of the importance of creative thinking in the context of the knowledge economy grew relatively slowly; however, its credentials were established and closely linked to the creative industry. Everybody wanted to invest in it and use the term 'creativity' to acquire credibility without fully understanding creative methods.

You know, they are all slowly awakening to the idea that the creative sector is a very important part of their economy. Everyone wants to get on to this knowledge economy bandwagon. We speak the language of the creative sector, which is what gives us credibility, because Business Link, for example, doesn't understand how the sector works. (Chief Executive of CIDA)

Despite lacking deep understanding of the actual meaning of the term 'creative', because of the widespread recognition of the creative industry, it became easier to mobilise financial investment for it. In the mid-1990s, it was difficult to acquire investment from the financial sector, but the environment surrounding the creative industry changed.

### 8.2.5 Possible social impact of creative industry

The creative industry is characterised by human-centred activities which have a great social impact.

> … the industry generally claims to be sensitive to, you know, the needs of communities, you know, a more humanist sort of industry than the chemicals industry or whatever, you know, just straight up and down business. This was about expression and art and people and humanity and yet was doing little or nothing to actually extend the opportunities created within it to the people who can benefit from the most. (Director of BSS)

This shows that the creative industry is well suited to the urban regeneration of local communities. According to the experience of CIDA, creative skills can be applied horizontally, even in a non-creative environment.

> … until we get creativity as a horizontal thing across all businesses, across all departments, I mean one of the things that's interesting for us is using our creative skills to go into [a] non-creative environment. (Chief Executive of CIDA)

The potential exists to associate the creative industry with the application of creativity by emphasising the differences between creative industry and others. The creative industry is more appropriate for such application in individuals because the nature of the creative industry can be recognised as a more human-centred business.

## 8.3 Effective Collaboration as a Relational Resource

### 8.3.1 *Leadership*

#### Organisational change in Kirklees Metropolitan Council

In the 1980s, Huddersfield was faced with a serious economic, social and governmental crisis.

> Many thousands of people were made unemployed relatively quickly in the town, and it was something that the town wasn't really accustomed to. There had always been high levels of employment, and suddenly all the well-known businesses were closing down. Buildings were empty. And unemployment was 15%, 20% higher in certain parts of town. And certainly, there was a crisis, quite clearly taking place here. (ex-Director of CTI)

In order to surmount these problems, the leaders of KMC, John Harman and Robert Hughes, played a crucial role in transforming the methods of governance rooted in the culture of the local government in practical ways. This transformation was implemented in a top-down way, applying the power and the faith people had in the leaders. Hughes had a future image of Huddersfield that suggested the 'civic creativity' of local people would be applied to regenerate the town. Even though there were criticisms about the new challenge of creative regeneration, Hughes did not give up and spoke of hope and being positive. In practice, Huddersfield Pride Ltd (HP) was the main body behind regeneration and the two leaders encouraged it to implement regeneration programmes in novel ways.

#### Transforming the organisational culture to be creative

In the case of KMC, the influence of the leader of the council, John Harman, was very strong and transformed the mode of business in the council to be entrepreneurial. It was interesting that the key to the transformation of the organisation was focusing on individual officers. In the interview with BSS, the interviewee said that the business methods of the council were changed completely by John Harman.

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> … he [John Harman] certainly had a policy of coming in and enabling the council to be more, I suppose, to be more entrepreneurial, …. You know, he enabled people officers in the council to take risks and take responsibility for seeing projects through and enable the few officers including myself, I benefited professionally an awful lot from the way John Harman approached his work at the council, enabling us to pursue things that we thought would be good and to stick with them and take a lot of sort of personal ownership and provide a lot of kind of personal commitment to those projects, and it was very much that environment, that atmosphere, that enabled us to do the Creative Town Initiative that was very much the kind of the outcome of officers within the council being enabled to pursue projects that normal councils would have rejected as a bit mad or a bit quirky or … (Director of BSS)

This is a good example of applying creativity in local government through strong leadership in governance. In other words, this is a sort of strategy focusing on individual officers for reaching an advantageous outcome for the local council as a whole. As a result of this transformation, some councils could apply their 'civic entrepreneurship' (Leadbeater and Goss, 1998) with the effective support of the leader of the council.

### Difficulties of sustaining civic entrepreneurship

However, when Harman left the council, this innovative policy of the organisation was scaled down due to inferior leadership. Consequently, the efficiency of this strategy was diminished due to the loss of the powerful pivot of the organisation.

> But I think particularly after John Harman retired as leader, it became extremely hard because there was nobody to replace him at that same level of ability and of vision. And certainly, after John Harman retired from Kirklees, the whole council slowly became more conservative. It stopped taking risks, and the new – and Robert Hughes, he left as well. (ex-Director of CTI)

There was an interesting relationship between an individual and the administration of a local authority. After the retirement of two leaders, the 'civic entrepreneurship' in the council was decreasing due to a risk-averse mindset in the council officers, even when the council had acquired a national reputation for Huddersfield as a creative town. There might still have been council officers who wanted to do something creative, but they could not gain the support they

needed in the council. Therefore, they tried to maintain creative activities through the support of social enterprises which had sufficient ability to implement substantial programmes. Some social enterprises could gain such ability through providing regeneration programmes by using UPP or Single Regeneration Budget (SRB) money; however, they had to still depend on public financial resources.

The unique challenge in Huddersfield of urban regeneration through creative means was implemented by a top-down method based on strong leadership. No doubt, during a period of strong leadership, the top-down method is effective in facing challenges; however, it is difficult to continue the momentum after the leader has left. Therefore, it is important to institutionalise a creative environment which can promote the new challenge by taking risks. In Huddersfield, some social enterprises fostered by Harman's administration contributed to maintaining a creative environment.

### 8.3.2    *Dynamics of collaborative governance*

**Emergence of various partnerships and civic entrepreneurship caused by the top-down strategy**

A considerable transformation of KMC was carried out by the top-down strategy launched by the new leaders of the council. This transformation made the methods of local government business more entrepreneurial. One such method used by the local council was that of utilising human resources by breaking sectional and bureaucratic barriers within the council. In other words, a bottom-up strategy was utilised as a strategy of local governance.

> Yeah, so that was great, and again he used to break down the barriers, and he would look around the council and say, 'Well, where are the interesting people, the risk takers, the innovators, the creative people? I want to find them, I don't care where they are, I don't care that whether they are senior or junior, they're male or female, they are this or that or whatever. I want them', and he would handpick people and organise little teams and give you projects. (ex-Director of CTI)

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Furthermore, the leader of the council decided to create partnerships with various actors outside the council, due to recognising that the council had a limited ability to meet regeneration objectives.

> And he was the first one to take a very courageous step and say, 'Well, we can't do everything. It's impossible. The problems are so great, the needs are so complex that we don't have the expertise, or the skills, or the resources, or the staff to do everything. We have to accept our limitations, and we have to accept the need for partnership.' Now, partnership is a very commonly used word these days. It's used very easily but in 1986, believe me that was a very, very radical and revolutionary word to use. (ex-Director of CTI)

John Harman transformed relationships both within and outside the council. With regard to the outside world, he formed partnerships with the private and community sectors and fostered the ability to win the competition for challenge funds. With regard to relationships within the council, he changed the culture and system of the organisation to be more entrepreneurial. This transformation required the leaders to take responsibility, which they did not hesitate to take.

The emergence of effective partnerships between different parts of the council and between the public and private sectors and the community was a significant outcome of the transformation of local governance in Kirklees. As a result of this transformation carried out by Harman, the governance capacity of KMC was developed well enough to win a competition among other local authorities to obtain funds from central government.

> It became a very, very successful city and a very greatly transformed city, but John Harman was certainly also alongside Manchester in taking that attitude that we will play by the government's game. And so because John Harman have completely transformed the organisation; he had put it in a very strong position to be able to compete, it's almost like Kirklees was at the starting, the start of the race, very fit, very healthy. (ex-Director of CTI)

In addition, the leaders proposed a future vision of Huddersfield and promoted it be shared not only by council officers but also by local actors who were involved in a loose network.

**The significance of networks**

In the Huddersfield regeneration, there was not only an individual leader, but also a network between key actors who shared the values and the intention of creative regeneration. The creative urban regeneration in Huddersfield was initiated by the local council. The local actors had the sense of being a part of the revolution of Huddersfield. In the Huddersfield creative regeneration, there was a loose network between various personalities such as Phil Wood, Brian Cross, Robert Hughes and John Harman. In addition, this network was established on trust with each other. Also, local government itself was a key to urban regeneration in Huddersfield.

> … but we can't separate the history of what happened in Huddersfield from the personality of Phil Wood, the personality of Brian Cross, the personality of Robert Hughes and John Harman. But what is that links them, is you know, what you might call as a value chain, a connectedness of values, but we have trust with each other. (Director of artiMEDIA)

There were various key actors in various sectors, and these actors were networked loosely mainly by the intermediary organisation, Huddersfield Pride. The major role of these actors proposed in the vision 'Creative Town' was to acquire public money, recognise the potentiality of creative activities and network with various actors and resources. One of the creative regeneration programmes, called Media Works, was based on BSS which was managed by Sean Leonard. He was also an important personality with vision, and brave enough to involve technocrats and bureaucrats to acquire resources such as public money. Besides Sean Leonard, Phil Wood was an important person in Huddersfield. He used to be a council officer and was influenced by Charles Landry, and then worked with Landry. In addition, Phil was not only familiar with creative activities such as art, drama and music, but also identified the potentiality of enhancing creative activities to achieve general social objectives such as education, employment and community engagement.

**Two directions of partnerships**

In the UK, from 1980, a partnership strategy relating to local governance was developed. It started with a partnership between central and local government, followed by partnership between the public and private sectors. Nowadays, the partnerships in governance of local society have become complex, like a web-type network, which includes community organisations and non-profit organisations (NPOs). In the middle of the 1980s in the UK, partnership strategies in local governance were unusual; however, KMC turned partnership strategy, as an effective and practical idea of local governance, into reality.

> You had to be able to show that you and this local authority was in partnership with the private sector and with the community sector. And Kirklees was. It was for many other cities, it was quite clear that they weren't. They didn't even know the names of the people who they needed to be in partnership with. And so that was a great opportunity because it enabled all the changes that Harman had brought about in Kirklees. It enabled them to move them beyond them big merely ideas, and to turn them into cash, and into regeneration. (ex-Director of CTI)

In Huddersfield, two different sorts of partnership were found. One was vertical partnership, such as a partnership between the central and local government, and another one was horizontal, such as a partnership between local actors. In order to form a rich, complex web of partnerships, a creative environment – in other words a 'creative milieu' through both top-down and bottom-up methods of local governance – was constructed.

**Two different aspects of partnerships with the public sector**

The SRB challenge fund was a trigger to implement partnership strategy in urban regeneration; however, the bureaucratic top-down mode of government was still in place. The challenge fund came as a scheme for the new provision of public money to promote the endogenous development of local areas; however, the power to make the decision of where to allocate the money was still in the hands of government. In other words, the local council was the body

accountable for public money, including EU funds. There were practical discussions between CIDA and YF, to develop the creative industry cluster.

> And we did partnership work for them. And I suppose the other way, the important one was when I first set up CIDA, Yorkshire Forward, which is the Regional Development Agency was just setting up its cluster strategy, and they had a cluster which was for multimedia, and so I went and argued, and argued, and argued, and argued (Chief Executive of CIDA)

In addition, KMC could give CIDA credibility, which was useful for obtaining new jobs from other organisations. As for developing a social enterprise, it was important to create an effective relationship with the public sector.

On the other hand, for instance, the new regional non-governmental body, YF (a regional development association (RDA), created a new relationship between the public sector and other sectors. The quality of partnership with the public sector was transformed from one-way to two-way after the establishment of the RDA in Yorkshire.

> I think we've certainly worked more in partnership, and I think it was more about partnership working than anything before the RDAs. Before the RDA was established, I think it was a lot of this is what you will do and this is what you will do and this is what we're going to give to you to do x, y, and z, and I think with the RDAs it was far more of a two-way partnership. (Manager of YF)

Furthermore, in the Huddersfield regeneration, based on the SRB and EU money, the partnership strategy between the local government and community sectors was effective, not only to win the competition for public funds, but also to promote social enterprises by providing various opportunities. In other words, this advantage of the partnership culture in Kirklees was that it made clear that there were no great differences in the intended uses of money between Huddersfield Pride and social enterprises. Huddersfield Pride was important not only for acquiring funds, but also for promoting social enterprises by various means.

> … the Huddersfield Pride is important and the Kirklees Council, Cultural services is important, not because they funded us but because they were great champions of ours.

So, you know, they kind of promoted us, and if there were opportunities they would come and commission us to do work, or they would get other, you know, recommendation or other people in, and they just kind of kept the profile of the company very high, which is very useful. (Chief Executive of CIDA)

**Partnerships for enterprising/implementing projects**

One of the main objectives of creating partnerships is to acquire funds such as the SRB, which requires a partnership between local actors; however, there are other objects of partnership. One of them is to develop relational resources, e.g. the partnership between Huddersfield Pride and the community sector. In this case, community-based social enterprises had a strong relationship with a local community; in addition, Huddersfield Pride applied the relationship to various professionals implementing community development programmes. Another partnership objective is to acquire knowledge resources, e.g. the partnership between Huddersfield Pride and CIDA. CIDA was the professional organisation for promoting and supporting the creative industry. In the establishment of various partnerships in Huddersfield, Huddersfield Pride played a crucial role as an intermediary-sector body; in other words, as a 'node' of the relational web of resources.

Huddersfield Pride played an important role in promoting social enterprises and starting regeneration programmes through its partnership strategy; however, this partnership did not need to be kept in place after completing the business. The other effective partnership was formed between the service provider and service user.

So, Huddersfield Pride's main role was to get us started and I think that's what they have been doing. They get projects started. They don't necessarily hold their hand for years and years. They get them started and get them off the ground and hopefully they will run on their own which is what we did. (Manager of HBG)

In the interview with Huddersfield Pride, the partnership between KMC, the Mid-Yorkshire Chamber of Commerce, and Calderdale and Kirklees Training and Enterprise Council (TEC) was formed to acquire SRB funds, and then various sectors joined to implement the

regeneration programmes funded by SRB. In order to do so, financial resources and other various resources were needed. In the Creative Loft project, an old building was refurbished as working–living space; Huddersfield Pride went into partnership with the Media Centre and Housing Association to acquire knowledge resources from a professional in the field of housing. Partnerships with the community and voluntary sector were most important for the management of projects funded by UPP. The advantage of the community and voluntary sector was their strong commitment to the project as a relational resource.

### Partnerships with various actors

The partnership strategy of urban regeneration was launched by central government policy. In actual fact, the partnerships were established by various local actors from public, private, community and voluntary sectors so as to complement each other. The board of Huddersfield Pride was constructed not only by the people from the public sector, but also by community representatives and local business people. For instance, the DRAM project concerning Huddersfield Pride using SRB money was different from a conventional partnership led by the public sector.

> It was community driven there, very much community driven and all the board would fund with community, they did have a police rep on, but it had to be the community constable or the sergeant responsible for the community constable. There was a head teacher from the High School in the district on it. I think that's a public sort of organisation, all the rest were people who lived there and there were maybe Tenants and Residents Association in my opinion and Old Peoples' Clubs and Young Peoples' Clubs, Nursery Associations and stuff like that and just residents, very, very community based, absolute bedlam. (Executive Director of HPL)

In SRB5, more community-based approaches were implemented to encourage community enterprises in four specific areas.

> As we developed in Huddersfield Pride, and SRB5 kicked in and stuff, we wanted to strengthen the community representation on the board. So, we put out besides the

> Voluntary Action Kirklees and the Kirklees Racial Equality Council, so there should be at least four places for representatives of the community. (Executive Director of HPL)

Groups for Growth (GfG), which promoted the establishment of networks between various local actors, aimed to empower individual people through enterprising community businesses. In other words, this was a crucial challenge to applying civic creativity by individuals to implement urban regeneration.

> Groups for Growth involved some European funding – European Social Funding is about education and what we were trying to do was help groups which are part run by individuals, but help them do what it is they wanted to do better, so that ultimately the individual people in the communities they were trying got a better service from that group, that voluntary group. And that was a partnership thing, the true partnership thing, talk for hours as partnerships do, but it did help a lot of groups who then saw an opportunity to trade so that it could actually have the confidence to say, well what we're doing has a value and we should charge for that value, whether we charge the person using the service or charge the council who should be delivering the service to that person, so that they could begin to trade which was the sort of start community enterprise. (Executive Director of HPL)

KMC Community Support Service (CSS) provided financial resources to Voluntary Action Kirklees (VAK); however, more importantly, this partnership led to the stronger and safer community programmes of the Local Strategic Partnership (LSP). In this partnership, they complemented each other. Community representatives, who were the members of the LSP, worked with CSS. Another statutory matter in collaboration with the local community was the development of Local Compact.

### Different professions carry out effective regeneration programmes

In Huddersfield's regeneration programmes, effective partnerships between different professions could be identified. Huddersfield Business Generation (HBG) had a broad network between small businesses through a 'friend' scheme. Through the membership of a 'friend', they could acquire useful business information and opportunities to partner with other small

businesses. Huddersfield University held a business plan contest named the Capella Award, which was partly funded by a small company that had graduated from HBG.

> You know, I mean our network probably consists of about 200 to 300 businesses now. So, if you join as a friend, and you are prepared to put a bid in, you get to come to a meeting, you get our newsletter, you get an association with the university for example. You can say, I am associated with the university project, that sounds good to people. (Manager of HBG)

> Beaumont Street Studios came about from the connection between the association and the local authority in that there was a small number of local authority officers, who assisted the association to start looking at how to develop further services, so the notions of providing training services, for instance, and also music facilities was kind of born of that association. (Director of BSS)

### Dynamics of partnerships for urban regeneration

Some partnerships were started with the intention of obtaining funds according to public funding regulations. In this sort of partnership, the public sector plays a crucial role by facilitating a loose network. In addition, in order to create an effective partnership, establishment of trust is essential. Trust between partners is based on collaborative implementation of creating and sharing a common vision through regular contact. In an effective partnership based on trust, it is possible to identify an appropriate partner to complement one's weakness with the other's strengths.

In order to obtain SRB1 funds, KMC, Calderdale and Kirklees TEC and Mid-Yorkshire Chamber of Commerce created a partnership. This was the starting point of the implementation of the partnership strategy for urban regeneration. Furthermore, in SRB5, these different local actors were clustered to provide useful services for local people. In the interview with Creative Town Initiative (CTI), trust was the 'secret weapon' for working together with various local actors.

> Now, in order to do that, in order to put together a bid first of all, to create a vision, to get people to share that vision, to buy into it, to then put a bid together, and then to

expect people to move from a standing start almost to move at high speed together requires enormous amount of trust; and I think that was our secret weapon really here. We built trust, and we took time over it. It takes many years to build trust, and we'd be working together, many others from the early 80s onwards, starting – who started very small. (ex-Director of CTI)

Though this network was built by the people who were sharing a specific purpose, in general, it would be more difficult to establish trust. As stated above, in the first place, a partnership was established mainly to obtain funding; however, the process was implemented to create and share the vision and mobilise the various resources into activities to realise the vision. This process could be carried out on trust. In addition, trust was required to take risks.

> And so, this was a new breed of people who've grown up through difficulty together, and so in that way you build trust, and it's on the basis of that trust that you are then able to take risks. (ex-Director of CTI)

In Huddersfield's regeneration, an individual loose network was important, as well as it being facilitated by the public sector.

> So, the local authority will have played a key sort of facilitative role in taking it from probably a fairly loose network of individuals, who felt they had a common interest, I suppose largely because of their ethnicity and their perception of discrimination and disadvantage and then the local authority helping them give some sort of structure and resources to those plans. (Director of BSS)

> So, our community, I mean we are not formally a social enterprise, but I mean effectively we are. Our community is the creative community, and we don't just work in Huddersfield; we work all over the country and overseas as well. (Chief Executive of CIDA)

Through the various networks, CIDA provided their professional knowledge and skill to the people who worked in another part of the creative sector. Consequently, this creative network could support people who would like to be successful in the creative sector.

Usually, people who are outside the creative industry cannot understand it. Therefore, the partnership with the financial sector was very important in terms of promoting the creative

sector. In this network, CIDA could find not only the clients of the businesses, but also their suppliers:

> And I suppose the obvious benefit is the fact that you are in the centre of a lot of creative businesses. So, for example, a lot of the businesses here are our clients but also a lot of the business here are our suppliers as well. So, we commission graphic design and we commission, you know, different research and what comes up from people who are in this world. But there is a danger that you just become a ghetto … (Chief Executive of CIDA)

> Yeah, you know so a range sort of community-based other private sector or community-sector organisations. So in terms of joining up, there are linkages. There are regular contacts. There are formal and informal networks. (Officer of CSS, KMC)

In general, the collaborative approach means that different sectors work together for a common aim, applying the strength of each sector. More pragmatically, for instance, if there were a fund that could only be accessed by the voluntary sector, then in order to obtain funds from it, KMC CSS would need to work with that sector. West Yorkshire Social Enterprise Link (WYSEL) pointed out that the network could create opportunities which promoted social enterprises working together:

> … we seem to find that social enterprises aren't – they don't see other social enterprises as a competition or a threat, they seem to just want to talk and compare notes, and there's been quite a few who have identified opportunity to working with each other and sort of trading together. So, yeah, I think it has happened and these networks provided that sort of opportunity. (Project Director of WYSEL)

### 8.3.3 *The good and bad of public subsidies*

#### Accessing various funding resources through partnerships

The urban regeneration policy of the UK government was changed by the introduction of the Challenge Fund. This was because the UK government promoted a partnership strategy in urban regeneration. As a consequence – also in the case of Huddersfield – in order to obtain public funds many partnerships were formed. In the process of obtaining funds, intermediary-

sector bodies such as Huddersfield Pride and YF played a crucial role, not only in obtaining funding, but also in managing regeneration programmes practically. For instance, the Media Centre project, implemented by Huddersfield Pride in collaboration with the Media Centre, obtained more than £1.2m, from both the SRB, provided by the UK government, and UPP2, provided by the EU. In Huddersfield's urban regeneration, in order to acquire SRB funds, KMC led the establishment of a partnership between Huddersfield local actors including Huddersfield University, Huddersfield Technical College and the Mid-Yorkshire Chamber of Commerce. In another example, BSS acquired money as commercial income, mainly from non-governmental bodies such as Jobcentre Plus, the Learning and Skills Council and the local council. In addition to funding as part of a contract, they acquired lottery funding. However, CIDA pointed out that the importance of Huddersfield Pride was not only as a body eligible to obtain funds, but also as a leader of regeneration as a 'champion' of creative affairs in the area.

The EU UPP funding was an excellent opportunity to achieve something that had never been done before. As a result of obtaining funds, the core of a creative regeneration, Creative Town Initiative (CTI), was founded. Innovative regeneration programmes were initiated by CTI in collaboration with some social enterprises and the local council. Most of these activities were based on the UPP, with ambitious objectives and a definite amount of funding:

> I should think that what we learnt in 1989, early 90s, was how to be opportunistic. You know, here is an opportunity of money, yeah, we have to develop the media centre. We'll attach – we've to have the things prepared to attach it. If we said, yeah, we'll have the money and you look there is nobody with group infrastructure or organisations to take up the opportunity. So we learned to be opportunistic, you know, and how to benefit our own organisations. (Director of artiMEDIA)

Proper Job Theatre Company (PJ) is one of the important actors of creative generation in Huddersfield. In the interview with PJ, they said creative strategies were part of the projects launched by CTI:

> … they got their title of a creative town and we got large funding from Europe, that was the first, that was when we first really began to use drama and theatre as a tool for social regeneration and personal development. Then we really began to diversify and we really began to create programmes of work. (Managing Director of PJ)

However, in the interview with Suga Brown Creative Arts Ltd. (SBCA), it was pointed out that the creative regeneration was too 'administrational' and the main outcomes of the project were mainly realised in building office facilities:

> But what kind of happened in that process is it's become too administrational, where it's not about the artists themselves. It's all about offices and it's just the infrastructure of offices that's been built. And that is where the kind of creative wealth come in from, by people renting out offices, you know, that kind of stuff there, and when it comes to the actual talent in themselves and being highlighted and, you know, around nationally and everything else, it doesn't happen. (Director of SBCA)

Although the main financial resource of Huddersfield regeneration programmes was public money from central government and the EU, there were other resources which were provided by both existing and new bodies. In regard to existing bodies, it was important to establish partnerships to implement specific projects. For instance, in the Creative Loft project, Huddersfield Pride formed a partnership with a housing association. Another example was WYSEL's programme of encouraging social enterprise that was supported by Business Link, which mainly handled mainstream business support programmes.

The Media Centre 2 project was established from various financial sources, including SRB, UPP, KMC, Business Link and self-funding. Another financial resource of Huddersfield Pride for the implementation of regeneration programmes was the National Lottery.

On the other hand, a novel body of funds has emerged these days. For social enterprises, the banks' risk-averse attitude towards loaning money would be an obstacle. Therefore, new types of banks or money-lending schemes would be useful. YF was the main financial resource for WYSEL. WYSEL formed a partnership with a private bank, HSBC, through the Phoenix Loan Fund established by the central government. Another example of a partnership with a private

bank is that WYSEL formed a partnership with Barclays Bank through the Community Development Finance Initiative (CDFI). WYSEL succeeded in establishing an effective partnership with the mainstream banks. In addition, new types of banks such as Unity Bank, Charity Bank and Future Bank were other partners of WYSEL.

However, for most social enterprises, mainstream banks were not acceptable as partners due to the lack of clear understanding of their business from a commercial viewpoint.

> … quite a lot of social enterprises go with those two because they don't take the commercial view of mainstream banks, but the mainstream banks still have got a long way to go. (Project Director of WYSEL)

As the amount of public funds decreased, it became more important to acquire financial resources from mainstream banks.

**Strict monitoring and evaluating system of grant use**

The UPP, one of the EU area regeneration grants, had adventurous objectives that were different from the major urban regeneration grants in the UK. The main object of the UPP was to promote novel methods of urban regeneration as role models all over Europe. In actual fact, the UPP was a trigger to transform the mode of urban regeneration into something more creative. A characteristic feature of novel methods of urban regeneration in Huddersfield was that many projects were launched mainly by CTI, a time-limited local agency, with local small organisations such as social enterprises and small and medium-sized enterprises (SMEs). However, there was not sufficient flexibility to use money in terms of implementing more creative activities. As for the EU funds, the UPPs, the inflexibility of the use of funding was pointed out in the interview with CTI.

> And so, we were awarded funding for a project which – in the end we had to narrow its focus down because the European Commission imposed a very inflexible structure on top of it, which made it very difficult to be creative. It's very typical we have big bureaucracies like the European Commission. They want you to be innovative and

creative, but actually they're not prepared for the consequences of that. And so they wanted know how we were going to spend every last penny. So, in the end, I guess the program of the Creative Town Initiative was not as creative as we originally wanted it to be. And we, in the end had to narrow the focus of it into things where we were more confident of achieving an outcome, and not to do as many really risky things, where we were stepping into the dark into the unknown. (ex-Director of CTI)

There were, thus, contradictions between adventurous objectives and bureaucratic assessment systems. One of the essential natures of creativity is to do something novel that could produce an unexpected outcome and achieve an unexpected perspective of urban regeneration. Furthermore, as to UK grants – mainly the SRB – more criticisms were expressed by other interviewees. In the interview with BSS, the interviewee said that the lack of flexibility in using money caused by a 'risk-averse' organisational culture could not create 'developmental relationship' between the public sector and other organisations:

All those [public-sector] organisations are very risk averse, so the bad news, so they are trying new things that don't go well it's just not on to go back and saying, 'Actually, we tried this, you know the reasons we tried it but this, that, and the other went wrong. This is how we would deal with it in future.' All they would worry about is you haven't got them cross. You haven't got 50 people crosses; 20 of them didn't go into employment or whatever, you know, it's not like there's any genuine sort of developmental relationship built up between an organisation like ours and them. You know, you either tick the boxes and you get the dots or you don't. (Director of BSS)

In the urban regeneration policy of the New Labour administration, the same kind of contradictions could be found. Promotion of the knowledge economy, such as creative industries, and social inclusion, such as encouragement of social enterprises, were major parts of the regeneration policy of the New Labour government. On the other hand, 'Best Value' was another major approach to distributing money effectively to inspire the local economy. However, these two different policy outlooks could not be integrated practically in the local field for effective governance.

There's much more going on than just did they come to the training session and what did they do afterwards, and I think that contract culture, you know, which is born, you

know, off 'Best Value' and you know broadly similar approaches isn't conducive to coming up with new ideas, to try new and innovative and risky ventures and to establishing more of a kind of equal relationship between deliverers who know an awful lot about a small area, you know, the small area in which we operate, and them as generic fund holders. (Director of BSS)

In this interview (BSS), the interviewee said that this attitude of a public body, the 'contract culture', discouraged social enterprises from undertaking innovative activities and also could not create an equal relationship. In his view, this unavailability of grants was caused by the 'Best Value' policy, which was proposed by the New Labour administration. For a bureaucratic organisation, the contract culture is the method by which business encourages that bureaucratic character. In the interview with BSS, the interviewee essentially said that bureaucratic organisations such as the government tend to be risk averse.

**Inflexible regulations and insufficient amounts of public money**

Time limitations, tangible outputs and conditions on the use of funds may cause problems for social enterprises. The regulations attached to the use of money from the council may make the business difficult to run. Huddersfield Pride was disbanded at the end of the SRB funding period. The main reason for closing it down was the expiration of financial resources from KMC. In other words, KMC played a crucial role, which was to put money into Huddersfield Pride to maintain the organisation. This meant that Huddersfield Pride was dependent on KMC.

Although there was a time limitation on the government providing funds, BSS aimed to be a permanent organisation from the start. There was the regulation that only partnerships could obtain funds. In this case, the aim behind the partnership was very pragmatic. In the case of the central government funding to support people to obtain qualifications through LSP, there was a gap between the regulation of funds and the demands of local people.

> Yes, they are the other main sort of funding organisations, government funding. LSP obviously provides the skills agenda and Business Link accesses funding from the LSP, although the majority is from Yorkshire Forward, but it does actually get some funding

through the LSP to the Labour Workforce Development within small businesses. We got some funding from the LSP to support skills development within social enterprise, but because of the nature of the LSP they want qualification, they want NVQs, they want – and we really couldn't sell it, you know what I mean; it wasn't a product that our clients were interested in. They wanted support with leadership and management, but they didn't want to have an NVQ at the end of it. So, it wasn't really successful in that sense. So, we don't actually get any funding from the LSP at the moment for social enterprise. (Project Director of WYSEL)

### 'Best Value' policy decreases creativity of social enterprises

Although it is necessary to evaluate the output of the social enterprise activities subsidised by public money, the opportunities to apply creativity in social enterprises are decreased. This point of view may be explained by the concept of 'soft' and 'hard' infrastructures of institutions (Healey, 1997). In the interview with BSS, the interviewee pointed out the problem of the 'Best Value' policy rooted in New Public Management in regard to systems of monitoring and evaluation:

'Best Value' is the reason I left the council because I just saw that we were in fact spending more time trying to work whether we had done a good job than doing a good job, you know, and I don't think 'Best Value' or prior to that 'Compulsory Competitive Tendering' are necessarily the best ways to achieve that. I think my main problem with the environment around monitoring and evaluation and so on and so forth is that really, it's born of contract culture, so we have money and a contract from a public organisation that could be the local authority, it could be the Learning and Skills Council, it could be Yorkshire Forward or whatever. And they draw or with them we draw a series of targets, how many people, what are they going to do, what services they are going to get, all that sort of thing. (Director of BSS)

So, before beginning a subsidised project, the relevant organisation had to precisely depict its output.

However, KMC CSS pointed out the positive side of the 'Best Value' method of subsidising community and social enterprises. Public money such as the SRB encouraged community-sector organisations and social enterprises to deliver public services close to the community:

I think there were positives and negatives. I mean the positives, and I suppose the thrust from central government is if you have more voluntary organisations or community organisations being contracted to deliver services, for instance to deliver commercial service over services relatively people in the community, then the positive side of that is the idea is that those services become much closer to the people, much more responsive to community needs and if they delivered via [a] big statutory agency. That's sort of [the] theory of it. The weakness is wherever those organisations exist, yeah, how do you maintain standards? (Officer of CSS, KMC)

**Dependence on public financial resources**

Community-based social enterprises mostly depend on public money, including both grants and contracts. On the other hand, the public sector creates the support scheme to maintain these small organisations via provision of financial resources. The amount of money required to maintain a community-based social enterprise is not great.

For BSS, 80% of all income was from the public sector (30% was a grant and 50% came via a contract). On the other hand, for CIDA, all income from the public sector came via contracts, which meant selling services for the public sector; these contracts were not only from the UK but also from all over Europe.

Besides the public funds, YF established the Charity Bank as a way of supplying money for social enterprises. Another novel way that YF supplied money to social enterprise was the West Yorkshire Social Enterprise Package. This aimed not only to set up businesses, but also to maintain them. YF said that its main role in Huddersfield's creative regeneration programme was not only the provision of money, but also of flexibility and the opportunity for social enterprises to attempt new challenges.

**Transformation of government policy of public funds**

In the trajectory of urban regeneration policy, the importance of partnership strategy increased according to the change in thought from 'government' to 'governance'. In the context of urban governance, various local actors played crucial roles in governing local society; however, most

social enterprises depended on public money, which was obtained via subsidy or contract. If the period of supply of public funds expired, most social enterprises faced financial problems.

Based on this recognition, CIDA tried to establish a new scheme of funding by mainstream investors; however, it was not successful due to the lack of recognition of both social enterprises and creative industries. It was important for social enterprises to obtain financial resources by themselves to implement their activities sustainably. CIDA described another aspect of the condition of funds for urban regeneration.

> … we were talking maybe ten years ago now, it was very hard to get financial institutions interested in investing in the Creative Town, but things are changing. Things are changing a lot, and we are now part of the European programme. We have Holland, and France, and Germany, and our responsibility in that European program is to identity venture capitalists, and banks, and institutions financing for creative businesses. (Chief Executive of CIDA)

However, this ambitious challenge failed due to the undeveloped conditions surrounding the creative industry. Nowadays, according to the growth of the industry, many investors all over Europe have an interest in investing in creative industries. CIDA created various networks with those in the financial sector to create new funding schemes for the creative sector.

### Financial dependence of social enterprises on limited and unreliable sources of public money

Social enterprises have to maintain stable financial resources in order to sustain their activities. Most of them do not depend on grants or subsidies; however, most of their financial resources are obtained through contracts with public bodies. This means that social enterprise activities have to follow the government's policies. In the interview with KMC EU, the interviewee pointed out the severe financial difficulties of social enterprises with an example of a small and community-based organisation, Beaumont Street Studios (BSS). These problematic financial conditions were caused by the gap between rigid grant regulations and the necessity for social enterprises to use the money.

> But I can get used to it because it's my job, but it's very hard for people on the ground, very hard, and there is often, you know, again I'll come back to Sean's organisation, to Beaumont Street [Studios], that the biggest problem for Sean is because their organisations only survive on contract money really, if there are delays in programme for over 12 months, for them to try and bid for another contract, they can have a big gap in their funding and risk the business going under … (Officer of EU, KMC)

Certainly, provision of public service is a sort of economic activity known as procurement. According to this line of thought about the market, social enterprises are independent actors of the market economy, but in actual fact, the procurement market is dominated by government policy. There is a contradiction between social aims and the market economy, and between the independence of the organisation and the substitution of the public service provider.

### Financial resources and targets

Generally, the major difference between social enterprise and mainstream business is the method of obtaining financial resources. Social enterprise has as its first priority to realise specific social objectives, and then make profits to implement the activities realising their aims. In other words, social enterprise has a double bottom line, namely financial benefit and social benefit. In this perspective, it is remarkable that the creative sector can make an impact both economically and socially.

> Well, it's not complicated because the – one of the extraordinary and unique characteristics of the creative sector is it has the capacity to impact economically and socially, and so you can either have an agency that works with artists and works with creative entrepreneurs who want to earn more money … (Chief Executive of CIDA)

Both mainstream business and social enterprise have to create financial benefits to maintain their activities. However, social enterprise also aims to create social benefit, which is difficult to measure. There are problems in measuring the efficiency of investment in social enterprise, unlike mainstream businesses. This difficulty may cause a limitation in access to financial resources by social enterprises. Since social enterprises cannot access various financial

resources due to the problems in demonstrating efficiency of investment, they are more dependent on public funding.

> There may be slight nuances, for example, in social enterprises you tend to rely a lot more on funding … (Manager of HBG)

Conventional economic development policy has a clear aim to promote profitable activities within a municipality. In this perspective, though social enterprises can make profits, government policy did not pay any attention to the potentiality of social enterprises in terms of local economic development via bottom-up methods.

## 8.4 The Role of Social Enterprises as a Catalyst to Mobilise Various Resources

### 8.4.1 Recognition and expectation of social enterprises

In the UK, social enterprise was identified in the 1970s in Scotland as community businesses that aimed to create employment in disadvantaged areas. However, in the field of urban regeneration, the recognition and expectation of social enterprise have only been established recently. One of the ways in which social enterprise in Huddersfield started was through unemployed people, who had enough time to develop new businesses using information technology as an up-to-date invention in the 1980s.

> They enjoy the opportunity, the freedom that being unemployed brought, to try something new, to invent a different kind of a lifestyle. And that was combined with new opportunities coming available, new technology of the early days, and the computer, and other forms of equipment made it possible to start doing interesting things with your spare time, and with not much money. And so many of these social and creative enterprises that were at the heart of the Creative Town were borne out of that period of unemployment in the early 80s. (ex-Director of CTI)

In the early days, social enterprises did not always work with the arts and creative industries, and they had a strong intention of creating employment for excluded people. They practised a bottom-up method of creating social businesses by themselves:

When I worked for the council, I was very much involved in starting social enterprises in deprived areas. We started a community enterprise back in the early 80s. This had nothing to do with arts, or media, or anything. It was simply about creating employment in a deprived area. But again that was a very important strand, I think, of the thinking in this town at that time. That you know very anti-hierarchical, very anti-technocratic, it was the belief that good ideas grew from below, and very much it was the role of the local authority to nurture those ideas, but not to take them over and lead them. (ex-Director of CTI)

With changing times, understanding of the nature of social enterprise and attention to it as a novel strategy of urban regeneration increased gradually at national level. Especially in the field of economic development and community engagement, bottom-up methods via social enterprises were practised. However, in Huddersfield, there was no idea that social enterprise was a useful strategy for urban regeneration programmes at the early stage. Afterwards, an understanding of social enterprise started to increase gradually. In the new urban regeneration programmes – the SRB – in the mid-1990s, regeneration policy supported locally based organisations such as social enterprises; however, in actual fact, the local government officials did not know what social enterprise was:

That's when they decided to go and apply for some funding from the government to help assist in a program of social enterprise and how to regenerate certain organisations within the locality, so it was a new thing. So, lots of people, a lot of organisations, they didn't know what – didn't connect – who didn't know what they meant by social enterprise. (Director of SBCA)

Recognition of practical possibilities of social enterprises in the urban regeneration had been gradually established through implementing practices, and its potentiality in various fields was more expected by the local government. In the Huddersfield regeneration programmes managed by Huddersfield Pride, the number of social enterprises was not great; however, there were plenty of opportunities for them, especially in the field of social care:

Now, we haven't got lots and lots of them, and but when you look at the community enterprises, or social enterprise in Britain, a lot of the opportunities for delivering

services locally are around social care, elderly care, children's care, nurseries, crèches, things like that. (Executive Director of HPL)

In terms of application of further resources to community development, the existing community development service in the local council was open to social enterprises. However, the local council maintained an arm's length relationship with social enterprises, because community development was implemented in places that involved unknown problems. This was because many social enterprises in Huddersfield were rooted in the local community, especially in disadvantaged areas:

> Obviously in terms of the social enterprise we do is almost at arm's length because the very nature of stimulating people in the town through business, …. But I say at arm's length because you are entering into another world where there are notorious areas where there is an unknown problem in terms of developing. (Officer of PPS, KMC)

Though work experience with social enterprise was insufficient in the community development field, the local council tried to involve social enterprises in order to obtain further development resources as a new client.

### The voluntary sector as a potential social enterprise

In general, there are certainly differences between the voluntary sector and social enterprise. One major difference is whether the organisations have trading arms or not. However, this difference is not set in stone. In actual fact, it is possible for voluntary organisations to acquire trading arms to maintain their activities. Such trading arms not only contribute to the making of profit, but also establish confidence and increase the value of the voluntary organisations. Voluntary organisations could be transformed into social enterprises:

> We will work with community and voluntary organisations before they are trading because we don't just work with established social enterprises. We get into the community and work with community and voluntary groups, who are exploring, you know, means of survival, you know, so we work with potential social enterprises and some of them won't end up being social enterprises, but then once they are established, because they have a trading arm, the key thing for what intends the eligibility of a social

enterprise is that they have social aims and objectives, so they are company limited by guarantee in the main thus and that the profits, because we encourage them to make profit if they can. (Project Director of WYSEL)

Once voluntary organisations had trading arms to maintain their activities and organisation, some of them would become social enterprises with the legal status of companies limited by guarantee. Thus, WYSEL, as an organisation supporting the voluntary sector, encouraged voluntary organisations to be sustainable via the making of profits. Even for the voluntary sector, making profits was an essential element in order to maintain their organisation. However, many voluntary organisations were not good at obtaining financial resources. Thus, public money was the most important financial resource. In Huddersfield, KMC CSS supported voluntary organisations by promoting them to access public money.

Basically, voluntary organisations tend to depend on public money to maintain their activities. In addition, if the voluntary sector only had access to public money, it became a problem that the organisations were overdependent on it:

> I think, I mean, there's a number of factors, but I mean, I think one of the things that was recognised was there's a lot of community and voluntary groups, who previously depended on funding from the local authorities and from national government. (Project Director of WYSEL)

In order to make profits, business skills such as the establishment of relationships with 'clients' and 'customers', organisational management, and marketing were needed. These sorts of relationships contribute to the lessening of characteristic features of voluntary organisations, such as being dependent on public money.

### Transformation from voluntary sector to social enterprise

As stated above, many voluntary-sector bodies had the possibility of running businesses as social enterprises to maintain their activities. The central government policy of grants for social enterprises was based on the principle of promoting the opening up of this possibility. It was

discovered that the main financial resources of social enterprises were moving from grants to contracts, mainly with the public sector. This meant that the contemporary relationship between the voluntary and public sectors was different from conventional one based on the provision of grants:

> I think there is a sort of – there is a middle element there which is the way in which more and more voluntary organisations are now dependent on contracts rather than grant, which I think is somewhere in the middle of the traditional relationships and the social enterprise relationship, because in order to secure the contract, voluntary sector have to be much more business-like and we're providing the service, so in the sense, there is market forces there. (Officer of SCC, KMC)

This change made the voluntary sector more conscious of efficient service delivery to maintain their financial resources through contracts with the public sector. In addition, since public grants were decreasing as the main financial resource of the voluntary sector, it had to obtain new resources to maintain its activities. Service delivery according to the relevant contract could increase the possibility and flexibility of voluntary- and community-sector activities. However, many voluntary-sector bodies cannot become social enterprises, which would be necessary in order to recognise the essential nature of the voluntary sector.

### 8.4.2 Fostering creativity

**Why is creativity important?**

In the first place, since creativity comes from within an individual person, it cannot be taught by someone. However, in order to apply creativity, people need to establish interactive relationships that can boost their creativity. In the whole process of applying creativity that is formed by realising, fostering and practising, different types of interfaces between the individual and society needed to be provided.

One significance of social enterprise activities is to involve non-engaged people, such as residents in disadvantaged areas. However, people tend to remain in their 'comfort zone' for

themselves; this inclination is a contrary attitude to being creative. It is important to try to get people to break this barrier in their mind by promoting awareness:

> I think this is about people being able to step outside of their comfort zone perhaps, so joining a credit union is doing something a little bit different, so it just stepped in away from their comfort zone and most of the members like the credit union, once they become a member, they really like the credit union and want to stay a part of that credit union. (Officer of CU, KMC)

From the viewpoint of local people in daily life, sorting out family finances is a good practice for the utilisation of their creativity; in other words, gaining the ability to solve various problems.

### Various attractions and interfaces of social enterprises

It is important to mobilise 'civic creativity' in each individual in regeneration activities to establish place creativity or a 'creative milieu' (Landry, 2008). In order to do so, social enterprises that are independent and emphasise social justice could play a crucial role as an interface between the individual and the local community. In order to apply creativity in individuals in urban regeneration projects based on collaborative methods, it was important, firstly, to attract ordinary people to get involved in new activities. In other words, accessible and attractive training programmes were an important interface between local people and society:

> It is really hard to say. From Beaumont Street's point of view, accessing and training is the important interface and often the start of a longer relationship with, you know, participants or whatever, so providing an accessible and attractive training opportunity is the thing that gets people through the door, people from all over Kirklees; and so I guess accessible, attractive training opportunities is that interface. It's not the only one, it's just the one Beaumont Street happens to use, you know, that's our experience of it. (Director of BSS)

In the Huddersfield urban regeneration programmes, there were plenty of various attractive activities such as sports, music and the performing arts to involve non-engaged people in community-based creative activities:

Yeah, using sports, using anything and it's actually finished now. There was another one called Connect 2 and it has got Media Centre. Connect 2 with a couple of originally black kids I think and they liked music and rapping in MC and you know. (Executive Director of HPL)

Yeah and Proper Job is actually about using the community to produce a musical and again anybody from within the communities of South Asian kids, black kids, white kids, older people, younger people and stuff, and they think we can't do this, why not musical. Well, actually everybody is, you know, and with coaching and training and having fun together, these generational barriers and things can be overcome and you can actually do in a musical. (Executive Director of HPL)

Another effective element to attract people is information technology (IT), such as computers and the internet. IT could provide very attractive activities for various people in terms of working in a crucial interface with limitations of space and time. In the interview with CTI, the interviewee emphasised the possibility of using IT to encourage people to start something new. Also, in another interview with Huddersfield Pride, the interviewee recognised the possibility of IT for attracting people:

And that was combined with new opportunities coming available, new technology of the early days, and the computer, and other forms of equipment made it possible to start doing interesting things with your spare time, and with not much money. (ex-Director of CTI)

Well, in IT because you can do this, you can do that, you can do. Well I have been sitting in exams and nobody is competent in all these things, oh I didn't know I could do that you know, and that sort of builds the confidence and then they go on, and somebody expressed it to me is we get them qualified by self, training by self because the kids don't realise they are being trained, the light skills because it is having fun doing what they enjoy doing but because these are using computers too. (Executive Director of HPL)

In addition, activities based on the creative industries such as music, dance or the performing arts were not only useful for attracting people, but also for the improvement of basic social skills, which was useful in widening employment opportunities. Attractive training programmes using music or other media are a useful interface with people. However, in practice,

the main achievement of the training was the acquisition by people of general skills, which are useful for various types of employment. The creative industry, focused on by BSS, requires various types of skills and talents; therefore, many people can become professionals in the sector:

> Just in here and doing the learning and attending on a regular basis and receiving the support, we don't have any illusions that we are creating lots and lots of people, who work in the media industry, because we are not. What we are doing really is using the attractiveness of media to get quite a lot of people just back into some form of learning and they go off and do other courses, get jobs all over the place, so we're not trying to train people for the media centre. It's lovely when they do. You know, occasionally we do get somebody who goes on in the sector, but that's not what we are really about. (Director of BSS)

It was important to attract young people, who were one of the key targets of the regeneration projects in terms of improving unemployment and combating anti-social behaviour. The advantage of using creative methods of community empowerment is the ability to engage young people in disadvantaged communities who can understand the potential of creative activities.

### Recognition of creativity in the individual

In order to encourage people to apply their creativity, it may be useful to begin by providing information about creative work and opportunities to use their creativity in different ways by a time-limited programme such as the Millennium Challenge. However, if such a transitory event forms the only opportunity for creativity, the outcome of the activities will be very limited. People need to get a chance to use their creativity frequently:

> But yes, the Millennium Challenge was about taking out to the people and a number of the projects that were already happening, we encouraged them to apply to get them to visit us. But there were some things; little things that did help like it might not technically have been in Millennium Challenge. (Executive Director of HPL)

In the wider dimension of applying creativity, it was crucial to break out from the narrow stereotypes of creativity only concerning the arts, which maintained the obstacle of applying

creativity in the individual. In the interview with CTI, the interviewee wanted to break out of very limited preconceptions of creativity, what he called a 'straitjacket', and recognised that the momentum moving such events as the Millennium Challenge was not enough to democratise creativity.

> If you work or drink coffee in this Media Centre then you are obviously creative, but if you don't then you can't possibly be creative. I wanted to break out of that 'straitjacket'. And I think for a while, Millennium Challenge really did inspire people in that way. Just don't think that we were able to keep the momentum moving, [we] just didn't really have the backing of the big institutions. (ex-Director of CTI)

### Bridging to the creative sector

In order to connect people to the creative sector, it is important to provide knowledge and practical opportunities by experienced professionals. BSS was managed by a person who used to be a city council officer; also, he had already established close connections with music industry. In the interview, he pointed out the defects of the Intermediate Labour Market (ILM) programme. These were that the programme had to be on a small-scale due to limited resources and time, but it would surely make big differences in the long run:

> So, this ILM programme that we've run [is] our small attempt to create that bridge, as you said, to provide some opportunities. And its small-scale stuff, we are talking dozens of people, not hundreds or thousands, but important nonetheless. It does make a huge difference to dozens of people's lives. It would be lovely to make a difference to hundreds of people's lives, but you know time and resources don't allow it. (Director of BSS)

Experienced professionals with social objectives would be appropriate persons to connect people, including disadvantaged people, to the creative industry. In the interview with the director of CIDA, provision of specific knowledge about the creative sector was important for people to acquire work in it. This was because there were special words, knowledge and methods of working. In addition, even after previously working in the sector, it was necessary for people to update their skills:

But these kids will then have six months working, real work experience, doing a real job because we watch all that, we monitor all of that. They have learned how the sector works, because unless you go into the sector, you will never understand how it works. So they go in, and then they really begin to and they begin to meet people, and if they do well during that phase, even if they don't get a job, one of the company's suppliers might feel, 'Oh, he's very good. [unclear] I'll be using them.' So we train them, when they come out, to work as a freelance and give them access to networks that helps them get other jobs. (Chief Executive of CIDA)

In order to apply these resources in urban regeneration, regeneration programmes run mainly by the public sector have to collaborate with professional social enterprises.

### Knowledge and relational resources in intermediary sectors

Effective intermediary-sector bodies between social enterprises and other sectors are utilised via their practical knowledge and networks in the field. The intermediary sector between the individual and the creative sector is important for the practice of individual creativity in society through the acquisition of employment. Its important role is the translation of the special language of the creative industry to be understandable for local people according to the level of their knowledge and skill:

What they [BSS] are very good at, I think, is walking a line between the industry and between the community, between education, and so they are able to communicate, to translate I think. The industry has its own way of working, has its own language. It's very difficult for people to break into the industry. (ex-Director of CTI)

In order to fertilise institutional capacity in a territorialised society, specialised intermediary-sector bodies will play a crucial role. In the process of creative regeneration in Huddersfield, in order to promote civic creativity to be brought out from the individual, a challenging programme, called the Millennium Challenge, was launched. This programme provided useful opportunities to encourage local people to use their own creativity in Huddersfield. The pilot project was a privately funded project in collaboration with Huddersfield Pride to encourage

people to think of good ideas to improve daily life in Huddersfield. However, it was not enough to contextualise creative activities as place creativity.

> In the year 2000 (in the project named 'Millennium Challenge'). And we said, it [creativity]'s open to everybody. You don't have to be at the university. You don't have to be an artist or a designer. You can be an ordinary guy or a woman who works in a shop or drives a lorry, or you can be a bunch of kids in a school. You can be some old age pensioners, but do something that you have never done before. Take a risk. Do something that's just a little bit different from what you've done, something that you may be always wanted to do but never had the chance. (Director of artiMEDIA)

In this project, the chance to think about one's own creativity and do something new was provided for everyone in the town. In practice, the project was temporary and could not achieve the expected results; however, it was a good opportunity to express civic creativity in various ways by various people.

### 8.4.3 *Bridging people to society*

**Breaking the barriers to employment in the creative sector**

In order for the creative industry to make a sufficient impact on the local community, breaking the barrier of 'closed employment' of the sector was important. One barrier to employment in the creative sector for ordinary people was that the industry had a specific way of working and a culture that were difficult for outsiders to understand. Thus, it was important to translate that specific industry language to be intelligible by other domains, such as education and the local community (ex-Director of CTI).

Some social enterprises such as BSS and CIDA tried to do so using their connections with both the creative sector and the local community. They provided actual training programmes for employment in cooperation with creative-sector bodies. In the training course provided by artiMEDIA to train people to acquire jobs in the creative sector, both the process and the product of the training programme were important:

But in this way, you know that the – there are lots of people who are doing training courses and learning to make the media. I believe that we should have product, process and product, not just process, not just – yeah. (Director of artiMEDIA)

In addition, acquiring or improving generic social skills through such training programmes could contribute to greater employment in the broader labour market:

Again, a lot of the work was about generic work skills, so music or creative industries were the things that pulled people in, but in fact the outcome was broader than just whether they got on as a musician in the music industry because, you know, frankly it is ridiculous to think of hundreds of people suddenly becoming professional musicians from Huddersfield, you know, like it's the UK music industry is great. (Director of BSS)

For instance, in the ILM programme launched by central government, BSS provided significant experience of actual short-term work in the creative industry through the formation of connections between unemployed trainees and employers in the creative sector.

In these short-term placements, some trainees could also acquire regular work. This was an important opportunity for people in disadvantaged communities. Even trainees who failed to obtain a job in the creative sector could open up possibilities to obtain one in another sector by developing generic skills:

You know, as a placement for six or nine months, they have got the chance to impress that employer, so if they want to stay in the industry, you know, they can work hard at it and make themselves indispensable. So yes, we do operate that bridge and I think that's very important because one of the things – as an organisation that's committed to – that has social objectives, you know, committed to providing services that improve the opportunities available to disadvantaged people and we work in the creative sector. (Director of BSS)

However, these significant employment programmes for local people had limitations due to the lack of human and financial resources. These programmes set up by BSS could only deal with dozens of people due to a lack of time and resources. Public-sector bodies should fill this gap using public money. However, since the financial resource of government are limited, it was

important that a way of using money was found to encourage these community-based small-sector establishments to establish sustainability of their activities and organisation.

### Opening up the creative sector for the sector itself

As stated previously, in order to promote the creative sector, opening it up to various people is necessary. Talented people in the creative sector cannot be evaluated by the conventional standards of the labour market. In the creative industry, it is difficult for people that are not highly educated to obtain a job. One of the effective strategies to connect local people to the sector is to open it up to a wider range of more varied types of people. In actual fact, the work of creative sector is varied; thus, there are plenty of chances for different people to obtain work:

> So we have to open it up to the top and stop employers using education or attainment as an interview or a recruitment sift, and at the bottom, we have to do exactly the same thing and just say, 'Look, when you want someone to sweep the stage, you really don't need a graduate to sweep the stage, you can bring in anybody who is just passionate about working in theatre, and teach them, and let them grow naturally with the company.' (Chief Executive of CIDA)

Even the creative sector is a business sector; thus, there is plenty of need for people with generic skills. The process of boosting civic creativity, which has a close relationship with society, is different from the limited forms of creativity that are concerned only with the arts. In addition, through this process, creativity in the individual becomes civic creativity, which can contribute to the public good (Landry, 2006).

In this context, social enterprises may have some potential to relieve these obstacles by the nature of their organisation. The inherent characteristics of social enterprises are financial sustainability, social aims and organisational independence. In the process of establishing this interrelation, some support by social enterprises is very important. The biggest contribution to the project would be that some social enterprises may obtain an opportunity to develop their ability to provide creative services for the public. Existing regeneration funds from the UK

government were comprehensive enough but not appropriate for the adventurous challenge of an urban regeneration project (Roberts, 2000). Some social enterprises which could improve their capacity through UPP became important partners of Huddersfield Pride in providing public services in the later SRB programmes. Since CTI was dissolved and the local council retreated from the main arena of creative regeneration, these social enterprises have been supporting the cycle of urban creativity.

**Social enterprise and community development**

Besides promoting creative industry, community development was another major field of social enterprise in the field of urban regeneration in Huddersfield. Although social conditions and the needs of disadvantaged communities were various and unforeseen, the community development methods of social enterprises were appropriate in establishing a comfortable environment for local people in terms of the regeneration processes:

> There's a stigma also related to a Jobcentre and being unemployed. What people will do is go to places like Beaumont Street and, you know, Communities United Project, Full Body & The Voice, Suga Brown, all these kinds of organisations they will go to because they're in with the community. They're a softer, friendlier, more familiarised, comfortable organisation, and those individuals need to feel comfortable, and a lot of the workers, the staff that work within these organisations are totally skilled and a lot of those staff have actually been through the problems that the kids are coming … (Officer of EU, KMC)

Thus, social enterprises could be effective actors to involve people who were previously not engaged in community development.

### 8.4.4    *Unstable management*

**Too much controlled collective action by the local administration**

Partnership is an essential strategy of creative governance; however, for somebody in the bureaucratic system, it may seem like a great threat to their position in the local authority. It

was recognised that much excessive administration was a serious obstacle to creative activities. SBCA said that there were plenty of projects based on the concept of creative thought, but they gave him the impression that they were overcontrolled by the local authority:

> I would say yes and no because we really think there is quite a massive kind of a regeneration programme going on within the area. But I still feel that the local authority has too much control, and there are lots of – a lot of organisations were told down the way of them being a social enterprise. (Director of SBCA)

Especially in a partnership with a disadvantaged community, an arbitrary policy related to a specific government policy such as 'social inclusion' distorts regeneration activities in practice. This may prevent a social enterprise from exercising its ability to produce creative activities involving people in a deprived community. For instance, the local authority implemented impracticable community-based projects for the community, which did not have sufficient ability to manage the project. In the interview with SBCA, his analysis was that the local authority tended to overcontrol the projects in order to manage them completely by themselves, due to the fear of losing their jobs:

> The government still wants to see a partnership develop with all the different sectors and that partnership be equal, but because there has been an infrastructure that's been set up for years with the local authorities, they are very much kind of frightened, scared, in regards to their jobs. (Director of SBCA)

This impression could be seen in the projects which had the aim of developing disadvantaged communities, which were managed by artiMEDIA. In this interview, due to such excessive control, people who lived in the community where the community-based project was launched did not have a sense of connection to the project:

> And so I put a lot of time into it and local authority people gave lots of bits of paper, but it didn't beat in their hearts, you know. And ultimately the people who criticised it said there was no ownership of the vision, you know, and sadly some people from the African-Caribbean community said, 'Oh, well, we could manage it'. But they were volunteered in skin colour, but particularly not very experienced, yeah. So some people listened to them. 'Oh, you know, you know for black community openings, we will talk

to you, we will listen to you'. They didn't actually have the credibility to take on a programme from a two million pound to three-million-pound building employing people having. So that one didn't work unfortunately. That one didn't work. (Director of artiMEDIA)

Moreover, if the local authority has to discontinue support for a disadvantaged community, the social inclusion movement could come to an end.

## 8.5     Conclusion

This chapter was based on the interviews with key players involved in regeneration under the banner of 'Creative Town Huddersfield'. In the analysis of institutional capacity building in the case study, there were three categories: knowledge resources, relational resources and mobilising capacity.

Firstly, as to the significance of the concept of creativity as a knowledge resource, its ambiguity brought difficulties in sharing the concept as a goal between the actors of regeneration. However, in accordance with the understanding of the concept of creativity through a booming creative industry, it was calculated that wide and flexible applicability of the concept was useful to various actors and activities.

Secondly, as to effective collaboration as a relational resource, the first driving force of implementing a collaborative method of local governance was powerful leadership. After a while, the creative and collaborative intentions of networks between various stakeholders of Huddersfield regeneration were established, and they seized the opportunity provided by an enterprising fund of regeneration, the UPP from the EU. This stakeholder network included KMC, Huddersfield Pride, other public bodies and many social enterprises in Huddersfield. In implementing various creative programmes to regenerate local society, the key actor of regeneration, Huddersfield Pride, mobilised various resources through this flexible network.

However, the funding regime of public money – in other words, a strict audit system or contract culture based on 'Best Value' – created obstacles to creativity.

Lastly, as to social enterprises as a pivot of mobilising capacity in collaborative governance, their role was to increase possibilities to regenerate local society. One of the crucial roles of social enterprise was to foster creativity in the individual to improve local people's quality of life by practising their creativity in the everyday world. However, many social enterprises were dependent on public money; thus, their activities were not secure.

# Chapter 9. Japanese Case Study Analysis

## 9.1　Introduction

In this chapter, I reference the UK case study of Huddersfield analysed in the previous chapter, in order to consider adapting the concept of civic creativity in urban regeneration to the Japanese context. In actual fact, there are plenty of differences in the urban context, the policy of urban regeneration and problems of urban life between UK and Japan. Therefore, in this chapter, applying the same analytical viewpoint as for the UK case study, the regeneration process in Mitaka city under the banner of 'SOHO City Mitaka' will be analysed.

Firstly, in accordance with the conceptual frames, the dimension of knowledge resource will be analysed. In the Japanese case study, regeneration was implemented under the banner of 'SOHO City'. In general, the term 'SOHO' means 'Small Office/Home Office'. In the case of Mitaka city, this meant not only the specific style of working, but also the method of applying possible creativity in the individual for urban regeneration. In the first section, analysing knowledge resources, the advantages and disadvantages of the concept of SOHO City as the banner of urban regeneration will be focused on. In the same manner as Creative Town Huddersfield, the concept of SOHO City is difficult to understand due to its ambiguity. At any one time, it may be about the wide applicability of mobilising various resources according to the nature of SOHO, such as small-scale businesses, individual-centred activity or a loose network of the working community.

Next, in keeping with the conceptual frames, the dimension of relational resource will be discussed. This section begins with consideration of (1) the leadership required to form an organisational culture for a collaborative mode of governance in Mitaka City Office. Furthermore, (2) the dynamics of collaborative methods of governance constructed by formal and informal networks will be discussed. In addition, this section will explore (3) the good and bad sides of relationships with a public body as a crucial resource of urban regeneration.

Finally, in line with the conceptual frames, the dimension of mobilising capacity will be analysed. In this analysis, social enterprises, as pivot organisations for mobilising various resources in urban regeneration, will be focused on. Firstly, in order to understand the role of social enterprises, (1) the recognition and expectation of social enterprises will be reviewed. In particular, we will look at two roles of social enterprises which are (2) fostering creativity in the individuals who live a comfortable life and (3) bridging people to society. At the same time, acute problems of social enterprises will also be considered.

## 9.2 Significance of the Concept of 'SOHO City' for Urban Regeneration as a Knowledge Resource

### 9.2.1 The advantages and disadvantages of the term 'SOHO'

The major object of the regeneration of Mitaka city under the banner of SOHO City was the promotion of economic development through collaborative methods of governance. However, even a city council officer could not understand the regeneration policy, called 'SOHO City Mitaka'.

> I did not understand 'SOHO' or 'SOHO City'. So, I would even like to ask, 'What is "SOHO City"?' (City officer, Life Economy Section)

In the 1990s, the term 'SOHO' was not popular in Japan; therefore, it was difficult to make people understand it, even in the Mitaka City Office. Similarly to the term 'creativity', the term 'SOHO' was also recognised as ambiguous, especially for the basic concept of urban policy established by the city council.

> According to a trend in social conditions, I recognise that the concept of 'SOHO' could be a reasonable idea. However, I had some doubts about 'SOHO' as the basic urban regeneration concept of the city council. In the first place, I could not figure out how the council could promote it. (City officer, Project Manager of MCM)

The term 'SOHO' has both advantages and disadvantages, in the same way as the term 'creativity' in the UK case study. The above two interviewees pointed out the disadvantages, mainly from the viewpoint of the city council. The Japanese definition of 'SOHO' is a small office and home office, dealing with enterprises that have less than ten workers – in particular, IT concerns (Shibata, 2005). Ordinarily, the term 'SOHO' simply means a kind of style of working. Therefore, for most city officers, the term was not appropriate as the banner of the urban regeneration policy. Although 'SOHO City Mitaka' was an incomprehensible concept as a banner of regeneration policy, it triggered a novel regeneration in Mitaka.

> In the sense of gathering together various people in this area, 'SOHO City Mitaka' was a crucial and appropriate concept. (City officer, Project Manager of MCM)

This is the advantage of the term with its ambiguity. Different people understand this ambiguous concept differently, based on their situation or intentions. As a result, various people who had no specific connection with or interest in Mitaka launched their own project or created a relationship with Mitaka. Specifically, because the term 'SOHO' reminded people of small and medium-sized enterprises (SMEs) or one-person businesses, an entrepreneurial mindset arose in the existing residents of Mitaka city.

> Basically, SOHO is a small/medium enterprise or small business. In Japanese, the small business was run by a few people. So, in some people an entrepreneurial mindset arose. Rather than making big companies move into this area, this area has been acquiring something to make someone think of starting their own business. In this sense, in the last ten years, the banner of 'SOHO City Mitaka' may have had a big influence on this area's regeneration. (City officer, ex-Senior Manager of MCM)

Actually, the term 'SOHO' is ambiguous but, as stated above, its ambiguity could create the opportunity for transformation. In order to implement the urban regeneration programmes based on the concept, the Mitaka City Office established the Mitaka City SOHO Pilot Office as a time-limited experimental facility.

> Based on the recognition of the risk included in the project, Pilot Office Mitaka, the first project of SOHO City Mitaka, was launched as a demonstration experiment. In order to

evade their public-sector responsibility, Mitaka city ranked the project as a demonstration experiment (City officer, ex-Senior Manager of MCM).

This first implementation of urban regeneration was effective in keeping away from risk during a novel endeavour. This pilot project meant even if the project fell short of expectations, Mitaka City Office could control the impact on other public affairs.

> When we created the concept of 'SOHO City Mitaka', which was the first such attempt in Japan and it was impossible to know [if it would work], we tried to find people who were SOHO workers in Mitaka city. At the time, since we already knew a few SOHO workers, there were plenty of such people around the city area. Though it was easy to establish an incubation facility, the main issue was whether there were SOHO workers who would like to move into the facility (City officer, ex-Senior Manager of MCM).

In actual fact, there were a great number of applicants for tenancies; a larger number than expected. This meant that the potential of SOHO as a new working style had been identified and Mitaka city was a favourable place for SOHO workers. It was a matter of course that there was sufficient preparation by Mitaka City Office in collaboration with citizens and public-sector bodies. This preparation included practical research on SOHO workers and their essential facilities in order to plan the establishment of the pilot office.

In addition, all through this experimental project, Mitaka City Office was able to accumulate knowledge and practical competence in supporting SOHO workers in Mitaka city. Consequently, this experience led to the establishment main facility, named Mitaka Industrial Plaza, which was a large SOHO complex building that was funded by central government to assure success.

The above process could be related to the regeneration concept 'the first step of the regeneration process should be simple'; Mitaka city had an advantage as a pioneer of the SOHO City. In addition, the city office disseminated information about the commitment to urban regeneration in Mitaka through the mass media. As a consequence, Mitaka city has acquired a distinction as a popular place for SOHO workers.

This urban economic development, focusing on SOHO as SMEs was unusual in the 1990s in Japan; therefore, there was a strong recognition of unexpected risk in the SOHO City Mitaka regeneration. However, Mitaka City Office broke new ground in urban regeneration with its management of risk. Although this research emphasises how civic creativity is applied in urban regeneration mainly through establishing social enterprises, the public sector, such as a city office, should play a crucial role in promoting creative methods in actual fact. From this point of view, the case of SOHO City Mitaka showed the importance of the public sector managing appropriate risk based on civic entrepreneurship to establish a 'creative milieu' (Landry, 2008).

## 9.3 Effective Collaboration as a Relational Resource

### 9.3.1 Leadership of the city council office

The urban regeneration under the banner of SOHO City Mitaka was launched and promoted by Mitaka City Council as its leader in collaboration with citizens and private companies. As stated in the previous section, the term 'SOHO' had both ambiguity and wide applicability. In order to implement the regeneration, strong leadership based on the civic entrepreneurship of the city council was needed.

> The concept of SOHO City Mitaka was rooted in the organisational culture of Mitaka City Office. In other words, there was a tradition of trying new things in Mitaka City Office. It could be called their DNA. (City officer, Life Economy Section)

To take full advantage of the ambiguity and applicability of the regeneration concept, it was necessary to establish processes to cause this ambiguous concept to be shared by various local actors. In addition, it was also crucial to create opportunities to apply local actors' diverse abilities to specific parts of urban regeneration based on the applicable concept. In order to create these dynamic processes and flexible opportunities, a firm policy to be carried out with strong leadership was required as the foundation of urban regeneration.

Generally speaking, City Office avoids running risk in any of their business. In other words, City Office would not dare do anything which other city offices do not. Despite the fact that they did not know how much risk there was there, they tried to do it seriously. I felt Mitaka City Office was different from other municipalities. (SOHO Worker, President of APL)

Especially in a bureaucratic organisation such as local government, there is a tendency to be unwilling to take risks; as a consequence, urban policy which follows precedent is implemented to achieve urban regeneration. However, Mitaka city has been attempting to solve many difficult problems in local society with new challenges. The regeneration policy of SOHO City Mitaka is one of these new attempts with management of risks.

This regeneration policy was formed by following some basic strategies. These are as follows: 'aiming to expand regeneration policies through partnerships between local people, the private sector and universities'; 'the first step of the regeneration process should be simple'; 'the regeneration policy should be positioned holistically within municipal policy'; 'focusing on the unique character of Mitaka city'; 'the regeneration policy should be launched as soon as possible' (MCM, 2000, 2003). Though these discourses seem to be too plain in expression to be appropriate for practical policy, the area management strategy of Mitaka city is characterised by these concepts.

Firstly, as to 'aiming to expand regeneration policies through partnerships between local people, the private sector and universities', the strong point of Mitaka city is that there has been an accumulation of collaborative methods of local governance based on citizen participation. This tradition was started due to the fact that the Mitaka city government recognised the limitations of its own ability.

I thought that Mitaka City Office recognised their own limitations of accomplishing industrial development without collaboration from other sectors (SOHO worker, President of APL)

In Mitaka, applying resources to the private sector and individual citizens was a standard method of local governance. (ex-Senior Manager of MCM)

Even with collaborative methods of local governance, the city government should lead the partnership between the public, private and community sectors. In order to implement efficient local governance, the city council took a positive attitude to collaboration with various actors. This was because partnership, as the basis of collaborative methods, was not always effective. Therefore, the city office, as a secretariat of the municipality, was required to lead the partnership.

In the second place, regarding 'the first step of the regeneration process should be simple', this may be especially important for the city council. This is because a large organisation be it in the public sector or in the private sector tends to be bureaucratic. Although, for the sake of solving the problems that are faced, a new project needs to be implemented, this is not easy for a risk-averse organisation. This is because an organisation has to have a positive attitude to change conditions from stable to unstable in order to implement new challenges to solve problems. This unstable situation could be recognised as a risk; therefore, it is important to manage this. Risk management includes estimating, specifying and evaluating the effects and preparing countermeasures against unexpected situations.

> In Mitaka City Office, in order to avoid risks in the SOHO City project, we launched the first project which we could do safely without a large initial cost. As a result, the cost of the first project was a major expense in the whole budget of the city office. In short, we made a small investment to make an advertising balloon to attract attention as a strategy to manage risks. (City officer, Project Manager of MCM)

The concept of civic entrepreneurship was presented by Leadbeater and Goss as 'the renegotiation of the mandate and sense of purpose of a public organisation, which allows it to find new ways of combining resources and people, both public and private, to deliver better social outcomes, higher social value and more social capital' (Leadbeater and Goss, 1998, p.18). This concept is the key to the analysis of the creative processes of Mitaka city, because the city office played a crucial role in this regeneration with local people.

Not only in citizens' minds, but also in various departments' attitudes of the city council office did the concept of SOHO City Mitaka cause a transformation.

> Before the SOHO City regeneration, we did not tend to create positive networks between different departments in the city office. However, in proceeding with the regeneration project based on SOHO City, the possibility of a partnership between various departments that did not have a specific relationship increased. In other words, a shared margin to glue together different sectors was created by the regeneration project. (City officer, ex-Senior Manager of MCM)

### 9.3.2    Formal partnership as basis of collaborative culture

In Mitaka city, there have traditionally been plenty of results of collaboration between the public sector and the other sectors, such as the private and community sectors, including social enterprises. The starting point of implementation of collaborative methods of local governance is that Mitaka City Office correctly recognised the limitations of their capacity. Consequently, it made positive efforts to collaborate with various local actors, such as residents and the private and community sectors, to expand their own regulatory capacity.

> In 2001, the city office formulated the basic plan for Mitaka city. In this plan, there is a chapter which described the basic concept of municipal management. The first section of this chapter is entitled 'Enabling Local Governance'. This title means that the city office should change from the supplier of public services to the coordinator of the relationships between various actors in local governance. However, this title aroused criticism within and outside the city office. (City officer, Life Economy Section)

For instance, in the 1960s, when Mitaka City Office established a sewerage system, the first Japanese 'beneficiary pays' principle was applied. Following this project, the city office serviced the infrastructure system to promote collaboration with residents based on the national community development policy. In fact, the city office launched a community chart named an community *karte* (diagnosis of neighbourhood conditions by local residents). A key object of this was that residents recognised the condition of their own area through making an community *karte*' with city office support. In addition, as part of the same tranche of the community

development policy, the city office requested residents' participation in planning, construction and management of a community centre.

> In Mitaka city, citizen participation in local governance started from 1947. According to this unique tradition, a city officer may recognise how some citizens or community groups are thinking. Based on this experience, the vice-president of Mitaka City Office proposed a partnership agreement between city officials and citizens to promote the collaborative work of various local actors. (City officer, Head of Information Section)

After that, both Mitaka City Office and residents in Mitaka city developed the collaborative tradition as a method of local governance. In the 1990s, the city office implemented citizen participation in the formulation of the Mitaka city basic plan. This participatory programme, the Mitaka Citizens' Plan 21 meeting, was remarkable for the number of meetings between the residents and the city office. The total number of days on which there were meetings was 784, and the total number of meetings was 773 (Mitaka City, 2001). So, there is a history that it is important to further develop a collaborative civic culture.

> In Mitaka city, there were some remarkable outcomes of citizen participation. For instance, the Mitaka City Office collaborated with citizens to formulate the Mitaka city basic plan and establishing a community centre. As stated, since the 1960s, Mitaka City Office has led the challenge of the collaborative method in town management continuously. As a consequence of this process, many city officers have an idea of citizen participation as a precondition. (City officer, Project Manager of MCM)

The above participatory activities formed various networks between various actors, which laid the groundwork for the unusual collaborative culture of Mitaka city. However, these networks may be called 'formal' networks. For instance, prior to launching the Mitaka Citizens' Plan 21 meeting, a partnership agreement between Mitaka City Office and the citizens was concluded in 1999 (Mitaka City, 2001).

In the scheme of SOHO City Mitaka, there is a useful formal network, named the SOHO City Mitaka Promotion Council, which played a crucial role in mobilising various resources from public, private and community sectors. This council was created by Mitaka City Office, Mitaka

Chamber of Commerce, Machizukuri Company Mitaka Co. Ltd. (MCM), local universities and citizens, including an executive of a household name company (like Toyota or Sony). This council formed a committee to evaluate the tenants of the Mitaka City SOHO Pilot Office, which was an important project of the SOHO City Mitaka regeneration policy, as stated above.

### 9.3.3    *Effective informal partnership*

As stated above, the collaborative culture both in Mitaka City Office and Mitaka city in general was fostered by a formal partnership. Furthermore, an informal partnership was formed and it became the driving force that pushed the SOHO City Mitaka regeneration. The representative informal partnership was called the Mitaka SOHO Club.

> When I established the Mitaka SOHO Club as an informal network to promote collaboration between SOHO workers in Mitaka Industrial Plaza, I only created the opportunity to gather SOHO workers together. Specific projects were launched through voluntary-based co-operation. (SOHO worker, Director of Mitaka SOHO Club)

It is a voluntary group that started when the Mitaka City SOHO Pilot Office was established in 1998. This network organisation was based on volunteers and could not create economic benefits for the members of the Mitaka SOHO Club. However, the informal network which was formed through volunteer-based activities could not work effectively.

> Although we collected together various people who have different occupations to promote the regeneration project under the banner of SOHO City Mitaka, as a matter of fact such an attempt at something new did not easily happen. (City officer, Project Manager of MCM)

In order to transform a mere group of these people to an effective informal network, the Mitaka SOHO Club was equipped with various functions, such as a consultation desk, a lunch meeting and the SOHO Salon. These new functions, face-to-face and day-to-day activities, promoted the establishment of an effective informal network. As a result, this partnership worked to propose and manage events for SOHO workers such as the SOHO seminar and SOHO festival,

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in collaboration with Mitaka City Office. In addition, the participants in these activities found new networks between various resources such as characteristic persons, useful facilities and confidence with the support of Mitaka City Office.

> Only once a project within SOHO City Mitaka regeneration was launched was the required information obtained or the necessary people gathered around the project. And then the informal network was formed. So, usually, we did not intend to create an informal network. (City officer, ex-Senior Manager of MCM)

In the regeneration of Mitaka city, informal networks played a crucial role in terms of networking various resources from various actors. Especially when promoting a specific activity, such an informal network is formed as needed. In other words, since an effective informal network is project-oriented, this could not usually be easily recognised outside the project. Furthermore, the basis of an informal network is the personal relationship between individual people.

> As to an effective informal network in Mitaka, there was not just one influential leader who showed the way to the other actors. There were some representative people who had good relationships with each other. (SOHO worker, Director of Mitaka SOHO Club)

Certainly, such an informal network is not an established system, but its flexibility is effective in the implementation of new projects within the SOHO City Mitaka regeneration. In forming this informal network, the city council played an important role to some extent; this was that the credibility of the city council made many people take an interest and participate in the regeneration project.

> We could utilise the credibility of the Mitaka City Office. For citizens who were aware of the city administration, it was very important to take the opportunity to participate in the regeneration project. (SOHO Worker, Director of Mitaka SOHO Club)

As a result, in Mitaka city, informal networks such as the Mitaka SOHO Club became a gateway for various citizens, and various types of civic creativity in individual citizens were mobilised into the regeneration project.

### 9.3.4 Principle of subsidiarity between the city office and the citizen

The relationship between the city council and a citizens' group or voluntary group is based on a contract in the practical phase of regeneration. To make a contract with the city council, a community-sector body has to acquire legal status, such as a non-profit organisation (NPO) or a limited company. Furthermore, the implementation of collaborative activities based on the contract between the city office and the community sector is regulated by the principle of equality for the use of public funds. This contract culture of the public sector or public works projects caused inflexibility in urban regeneration on a par with the UK case study. On the other hand, Mitaka City Office recognised the advantage of a relationship based on a contract.

> There is a big difference between a grant of money and a contract for money for the community sector. In case of a grant of money, the community sector tends to recognise that the money is given by city office, and what [they] need to do was just submit a report to the city office. On the other hand, a contract for money could make them aware of their responsibility for the money and also for their activities. (City officer, Project Manager of MCM)

A principle of the support given by Mitaka City Office to a community-sector body was not only the provision of money, but also the provision of an opportunity to manage substantial activities. This strategic support for the community sector was effective both in fostering the community sector as a social enterprise and expanding the possibility of providing various practical public services.

In the Japanese case study, there are only a few vertical relationships of governance layers. One of them is the relationship between the municipality and central government in terms of subsidiarity. Most of the financial resources invested in the SOHO City Mitaka regeneration were from the city council budget. However, money for the establishment of hard infrastructure, such as Mitaka Industrial Plaza, the SOHO office complex building, was from the central government's budget. In line with this subsidiarity, the central government intended to make a role model of the promotion of SMEs in terms of economic development.

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In the interview with the central government, they wanted to know what the plan of urban regeneration was, and how did we implement it. This is because they would like to make a role model of economic development based on SOHO for all Japanese municipalities. (City officer, Project Manager of MCM)

In actual fact, the city centre revitalisation plan was the first authorised by central government. In the plan, the Mitaka City Office proposed MCM as Town Management Organisation (TMO) and it played a crucial role in the urban regeneration procedure as a special purpose vehicle in establishing the vertical network between the public and community sectors.

## 9.4    Role of Social Enterprise

### 9.4.1    Expectations of social enterprise

The centre of attention of this section is the role of social enterprises in the process of applying civic creativity in the individual in urban regeneration. Though the term 'social enterprise' was not very popular in urban governance relations, in this research, social enterprises play their role as 'mediators' to rebuild creative relationships between the individual and society. In Mitaka city, some people who were in both the city council office and a citizens' group could recognise its potential as an actor in local society.

We would not depend on the city office. We pay taxes and we make our local society better by ourselves. We have the idea that individual private companies and each citizen do good things for the public. (SOHO Worker, President of APL)

In the ordinary definition of a social enterprise, independence and a mission are both necessary conditions. Even though people in Mitaka city did not recognise the term 'social enterprise', they naturally oriented their activities to be social enterprise-like. This line of thought about their activities in local society influenced other ordinary people in Mitaka city, such as housewives and retired people, to be involved.

> People think that an ordinary part-time job is exchanging their time for money. However, community activities involving citizens in Mitaka are as a result of doing what they would like to do, they can get money. (City officer, ex-Senior Manager of MCM)

Through participating in or starting community activities in collaboration with various actors, the citizens of Mitaka city could achieve self-realisation in their own local society.

On the other hand, the city office had a specific strategy of local governance. If the city office was more focused on economic development through social enterprises, they would have pursued an economic outcome of the SOHO City policy. In actuality, however, the city office recognised the potential role of social enterprises; it considered not only the economic aspect, but also wider aspects of local society affairs.

> In making local policy, the Mitaka City Office not only has an economic indicator, but also a perspective of the holistic local potential. According to this perspective, we thought it was important that there are SOHOs in Mitaka city (City officer, Project Manager of MCM)

As a consequence, in Mitaka city, many social enterprises were established through implementation of the SOHO City Mitaka regeneration, and some social enterprises played crucial roles in applying civic creativity in the individual to benefit urban regeneration.

### 9.4.2 Characteristics of Japanese civic creativity

In Japan, there are traditionally key people called *danna-shu* (can be translated as 'shopkeepers') who have plenty of financial resources and credibility with ordinary residents. In other words, *danna-shu* are people who have a high standing in public estimation. In the past, in many parts of local Japanese society, there were people like this, and they took the initiative to undertake something collaboratively to improve local living conditions.

However, in an urban area that was developed as a commuter town after World War II such as Mitaka city, the bonds of community have been weakened; also, community-based leaders such

as *danna-shu* are absent. In Mitaka city, a different type of *danna-shu* played crucial roles in the implementation of the SOHO City Mitaka regeneration policy. In the following section, the process of applying civic creativity in current *danna-shu* to benefit the regeneration will be analysed.

In the implementation process of the SOHO City Mitaka regeneration, there were plenty of key persons that were partners of Mitaka City Office. Many of those people already possessed the foundations of their livelihood. One person was the owner of a SOHO company, another was a pensioner and another was a housewife. People such as these do not need to work for a living in activities concerning the regeneration project. However, these people tend to be conscious of being a member of a specific local society by spending most of their time in their local places. Furthermore, some of these people finally conceive their mission in that place. In other words, maintaining their economic base, people make efficient use of their financial, temporal and practical surpluses to improve local society. They are really the current *danna-shu* and play crucial roles in local society.

> In Mitaka, there are plenty of excellent personnel. It is expected that a head of household who lives in Mitaka and has sufficient income will be employed by a leading firm. In short, since the household income is high, his wife does not need to work. She works to participate in society. Such a housewife will also be a well-educated person and will have a strong awareness of their society. Since there is a background of talented people accumulating at high levels in Mitaka city, a creative urban project could be implemented. (SOHO worker, President of APL)

In the creative urban regeneration starting from the SOHO City Mitaka policy, Mitaka Industrial Plaza and five other SOHO complex buildings were established. However, the creative milieu in Mitaka city has been formed not only by substantial facilities but also by social institutions. Therefore, in the following section, the relationship between hard and soft constituent elements of the regeneration will be analysed through a social enterprise named *kosodate conbini* (translated as 'child careering salon') and the Senior SOHO Salon.

### 9.4.3    *Fostering civic creativity in the individual*

The *kosodate conbini* was started as a voluntary group for housewives through recruitment by Mitaka city office in accordance with the national policy 'Development Project of the Internet Portal Site for Parenting Information' in 2001. This recruitment was a series of collaborative activities with Mitaka City Office, and various types of people applied. After a six-month period of a demonstration experiment of an internet portal site for parenting information, MCM recommended that the group should enter the Mitaka Business Plan Contest, and they won a merit award. This event made them wish to continue this activity on a firmer base. At the time, the Law to Promote Specified Non-profit Activities 1997 was established, and they acquired a legal personality of an NPO.

> At the start of the *kosodate conbini*, a subsidy from Mitaka City Office was very useful. As a result, the *kosodate conbini* grew fully. (Chair of SMPC)

By acquiring legal status, the *kosodate conbini* could make a contract with Mitaka City Office, which meant that they became a crucial partner in implementing the SOHO City Mitaka regeneration policy. As a consequence, the activities of *kosodate conbini* were expanded by collaborating with other SOHO companies and NPOs.

> Through various activities in the first year, they launched several projects such as a residents' workshop, and they decided to establish a non-profit organisation with legal personality. Though Mitaka City Office hoped that this voluntary group would become an NPO, we could not force this on them. As a result of the establishment of this NPO, the city office has been able to entrust the implementation of several public affairs to *kosodate conbini* continuously since then. (SOHO Worker, President of APL)

Although, in the first place, *kosodate conbini* was nothing but a simple voluntary group for housewives, they were now managing a business, which requires major responsibility. This shows that ordinary housewives, as current *danna-shu*, could develop their civic creativity by mobilising various resources within the process of the SOHO City Mitaka regeneration.

In Mitaka city, another example of a social enterprise was the Senior SOHO Salon, which was launched by elderly retirees to spread personal computer use among elderly people. The members of the Senior SOHO Salon were gathered together through an informal network.

> Through informal exchange meetings, personal connections and territorial ties, looking for staff for NPO. (SOHO worker, member of SSS)

However, since these elderly retirees were not familiar with community work, it was essential that the city office supported them to foster their ability.

> In the process of developing their ability, the city office obtained money from national funds and provided public money to the Senior SOHO Salon. They used it and made a textbook of PC usage before starting a course on PCs. (City officer, ex-Senior Manager of MCM)

As a result, this process did not only mean an increase of the NPO's ability to implement a substantial project, but also promoted the establishment of trust between the NPO and the city office.

> As to the relationship with the city office, they recognised our activity, and they trusted our corporation. As a result, they supported us in various aspects, such as renting public facilities and supplying opportunities of public service provision. Giving a specific example, an old people's employment support project was taken charge of by us. (SOHO worker, member of SSS)

Furthermore, the presence of the Senior SOHO Salon was seen as a partner to provide public services collaboratively. In Japan, there was a perception that NPOs were convenient, inexpensive public service providers according to the thought of New Public Management. However, Mitaka City Office had the intention of applying the ability of NPOs to enhance public services through creative relationship.

> The outsourcing contract with the Senior SOHO Salon is not support for NPO activity, but it is a measure for realising the policy of the city office. There is independent NPO activity, and the city office pay them for their service. This is the most important point of collaboration with NPO. (City officer, Project Manager of MCM)

Our NPO's major advantage is that we can create an idea reflecting ordinary people's daily life. The city office is trying to reflect residents' opinions, but there is a limit. (SOHO worker, member of SSS)

Similarly to *kosodate conbini*, the Senior SOHO Salon was a group of current *danna-shu*.. Though, in general, elderly people were recognised as people who need to be cared for by someone, with application of their ability the members of the Senior SOHO Salon played a crucial role in caring for mainly elderly people who were not familiar with using PCs.

The staff of the Senior SOHO Salon are basically elderly retirees who live on their pensions. So we are working without pay. We voluntarily communicate with many people. This is our strongest point. (SOHO worker, member of SSS)

The driving force of the Senior SOHO Salon was individual initiatives. However, as stated above, the process of fostering the ability of NPOs through collaborative methods was important for converting creativity in an individual to creativity of the place.

### 9.4.4 Bridging various actors and resources

Regarding various networks in implementation of the SOHO City Mitaka regeneration policy, there has been a key organisation called Machizukuri Company Mitaka (MCM). The company was established as a TMO in accordance with the Town Centre Revitalization Law 1998. Prior to establishment, the company was positioned as a key agency for implementing the SOHO City Mitaka regeneration in the *Mitaka City Industrial Development Plan* (1996) and the *Mitaka City Information Plan* (1998). In addition, Mitaka City Machizukuri Public Corporation was integrated into MCM in 2001, and the role of the company was expanded to manage public car parks and facilitate community-based workshops.

The purpose of the establishment of MCM was to free the city office from the characteristic restrictions of a public body: in other words, the bureaucratic insistence on form. It brought flexibility to the local governance of Mitaka city in implementing novel local regeneration

policy. Therefore, the president of MCM was the mayor of Mitaka city, and Mitaka city held 98% of the company's shares.

> I think that the aim in establishing Machizukuri Company Mitaka Co. Ltd. was to put novel ideas of urban regeneration into practice. These novel ideas could not be implemented due to the limitations of the Mitaka City Office in the field of industrial development. Therefore, Machizukuri Company Mitaka Co. Ltd. seemed to be part of city office as well as a practical organisation for the implementation of specific regeneration projects. (SOHO worker, President of APL)

Due to its background, MCM was looked on as the same as Mitaka City Office by ordinary citizens. This recognition was effective in spreading the credibility of social enterprises, including NPOs and voluntary organisations, of which people were not better informed. This was because MCM could create various relationships such as landlord/tenant or client/trustee, and also be a collaborator with social enterprises. MCM could be called an important social enterprise to promote social enterprise activities by establishing their credit and access to various resources.

## 9.5    Conclusion

Although in Japan in the 1990s, the concept of SOHO City was unusual, Mitaka City Office was able to develop the concept through collaborative strategies according to the recognition of their limited regulatory capacity. In fact, by establishing MCM as a key agency, Mitaka City Office managed risk through innovative regeneration methods. In addition, substantial regeneration projects could be flexible and mobile in their implementation process by utilising formal and informal partnerships. The above-mentioned regeneration process was driven by creativity in individuals. In particular, how creativity by current *danna-shu* was applied was important for the result of the regeneration in Mitaka. In order to apply it for the SOHO City Mitaka regeneration, various resources were mobilised, mainly by Mitaka City Office and MCM.

In the context of 'from government to governance', how various resources are mobilised in collaborative activities through various networks is important. Such resources include financial resources for the implementation of substantial projects, human resources for the acquisition of specific knowledge and information and social resources to establish places where various people are able to have peer-to-peer discussions to build a consensus. In order to institute this 'creative milieu' in society, it is crucial to apply not only tangible formal partnerships but also potential informal networks.

# Chapter 10. Conclusion

## 10.1    Introduction

This study evaluates the institutional capacity required to mobilise collaborative urban regeneration under the banner of the concept of creativity by applying an institutionalist approach. This final chapter draws out the key findings from the research.

Firstly, referencing comparative analysis of the two case studies, the three research sub-questions – (a) 'How significant is the concept of "creativity" in mobilising for urban regeneration?' (b) 'How is civic creativity developed in urban regeneration through collaborative governance practices?' and (c) 'What roles can social enterprises play in collaborative local governance oriented towards "creativity"?' – will be answered.

Then, the chapter addresses the wider implications of this research, provides reflections on the research process as a whole, and proposes a future research agenda. The next section answers the first research sub-question.

## 10.2    How Significant is the Concept of 'Creativity' in Mobilising for Urban Regeneration?

This research question highlights the significance of the concept of creativity for the local governance field. This concept was first rooted in the field of psychology. Then, in various fields such as business management and town planning, it has been developed in regard to theory and practice. In each field, there was a different recognition of creativity; it refers to the concept of creativity that includes various implications that can be applied to solving the problems that we are facing in a fragmented society. In particular, Charles Landry's notion of 'civic creativity' that was defined as 'imaginative problem-solving applied to public good objectives' (Landry, 2006, p.2) was crucial for an inquiry into urban regeneration.

The analysis is based on Patsy Healey's definition of 'creativity' in relation to local governance: (1) government being creative; (2) creativity in place making and urban regeneration practice. This section addresses the first research sub-question.

### 10.2.1 The nature of the concept of 'creativity'

In the UK case study, Huddersfield is a pioneer of the 'Creative Town' concept where urban regeneration has been implemented under the banner of creativity. In addition, Huddersfield's regeneration was basically undertaken according to the hypothesis of the 'cycle of urban creativity' (Landry, 2008) which was constructed via five different stages of developing creativity, as follows: 1) Enhancing the ideas – generating the capacity of the town; 2) Turning ideas into reality; 3) Networking and circulating ideas; 4) Providing a platform for delivery; and 5) Building audiences and markets. In accordance with the theory, various regeneration programmes were implemented through collaborative methods, directed by the powerful leadership of the city council. Mainly after the Urban Pilot Project (UPP) funded by the EU, leveraging the experience of the Single Regeneration Budget (SRB1 and SRB5) funded by the UK central government, the theory of the cycle of urban creativity was refined and further influenced Huddersfield's urban regeneration. Thus, theory and practice affected each other.

On the other hand, the second case study, Mitaka city, implemented urban regeneration under the banner of 'SOHO City'. SOHO meant 'Small Office and Home Office', which described a style of work including self-employment and small and medium-sized enterprises (SMEs) applying information and communication technologies (ICTs). In the urban regeneration of Mitaka city, although the term 'creativity' was not used as a banner, in order to mobilise resources in a collaborative way into enterprising new attempts of urban regeneration, the concept of the SOHO City focused on applying individual creativity in various local actors such as individuals in the local community, and various organisations including those in the public and private sectors. For the Mitaka City Office, since the main target of regeneration was

industrial development in harmony with a favourable living environment, the city office intended to especially involve owner-managers of SMEs in the regeneration programmes. Since each local actor had a different type of creativity based on their thought and practices, in order to collect these types of creativity into collective action, it was required that the concept of regeneration should be shared by a wide circle of the local community. The regeneration policy of 'SOHO City Mitaka' was built by following some basic strategies, as follows: 'aiming to expand regeneration policies through partnerships between local people, the private sector and universities', 'the first step of regeneration process should be simple', 'the regeneration policy should be positioned holistically within municipal policy', 'focusing on the unique character of Mitaka city', 'the regeneration policy should be launched as soon as possible' (MCM, 2000, 2003). Though these principles were unusual as public policy managed by public bodies, the strong leadership and collaborative culture of Mitaka City Office implemented the promoted regeneration projects based on these principles.

In both case studies, the novel concepts of urban regeneration, 'Creative Town' and 'SOHO City', had crucial influences on the implementation of individual practices. Especially in mobilising various resources into collective action through sharing the concept of creativity, the establishment of collaboration between various actors was an essential matter. The advantage of the novel concept of creativity was that, due to its applicability, various actors in local society could take part in collaborative actions in urban regeneration in their own particular way. In other words, the concept of creativity as a banner of urban regeneration included 'interpretive flexibility' (Bijker et al., 1987). This term means not only that there is flexibility in how people interpret man-made objects, but also that there is flexibility in how man-made objects are designed (ibid).

This interpretive flexibility in the concept of creativity may open up the possibility of causing various people to be mobilised into collective action such as urban regeneration. This is because

everyone is able to discover what they themselves could or should do within such regeneration, according to their own flexible recognition of the concept.

### 10.2.2 *Disadvantages of the concept of 'creativity' for local governance*

Due to their ambiguity, the novel concepts 'Creative Town' and 'SOHO City' had both advantages and disadvantages as concepts of urban regeneration. The major disadvantage was that the concept, i.e. creativity, was difficult to understand, especially for the public sector. For public bodies such as city offices, ambiguous concepts are not appropriate in terms of the fulfilment of their accountability to spend public money based on the outcomes of policy implementation. The public policies required feasibility and consistency, for instance, due to the subsidy evaluation system, and it was easy to narrow the concept of creativity – as a banner of urban regeneration policy – to an artistic outcome. The 'Creative Town' regeneration projects based on the UPP aimed to create a role model of urban regeneration in Europe; due to the cost-effectiveness required of grants from a public body, Huddersfield Pride was forced to achieve substantial outcomes such as in the arts and creative industries.

In the Japanese case, the concept of SOHO City was difficult to understand as regeneration policy. Especially in the public sector, 'civic entrepreneurship' (Leadbeater and Goss, 1998) was needed to understand the concept. The ambiguity of the concept of 'SOHO City' made not only ordinary people, but also the city office become entrepreneurial. For bureaucratic organisations, it was difficult to be entrepreneurial due to the responsibility they held. This ambiguity created obstacles in sharing collective objectives, such as the image of the goal of urban regeneration between different people and organisations who had different values in their lives and businesses. Especially as a banner of public policy such as urban regeneration, this ambiguity of the concept of creativity was a substantial obstacle for the public sector.

### 10.2.3  Interpretive flexibility of the concept for creative urban governance

In this part, the novel concepts of regeneration, 'Creative Town' and 'SOHO City', will be considered in regard to local governance concerns. As stated previously, these concepts based on creativity had disadvantages due to their ambiguity. However, in order to surmount the obstacles caused by the ambiguity of these concepts, both case study areas, Huddersfield and Mitaka city, gained governance capacity through the implementation processes of urban regeneration.

In both case studies, to give shape to the ambiguous concept of regeneration, the public sector constructed key facilities to create various interactions between certain actors. In Huddersfield, to avoid the key facility under 'Creative Town', Huddersfield Media Centre, becoming a 'creative ghetto', the city council located a series of media facilities around it. Consequently, a physical node of the creative milieu in Huddersfield was formed, and centring on Huddersfield Media Centre, various interactive activities between a wide range of local actors emerged, mainly in the city centre. In part of the city centre, a 'creative milieu' (Gorz and Braun, 1993) was created by developing linked facilities in a specific area. In fact, some social enterprises which moved into Huddersfield Media Centre collaborated to provide novel regeneration programmes. For instance, Suga Brown and Proper Job Theatre provided a novel job skill training programme based on their professions, which are dance and drama performance.

In Mitaka, the Mitaka Industrial Plaza was established as a physical node of regeneration in a fringe area of the city centre. This facility was a seven-storey building which was funded by central government money. However, the other facilities were scattered across the city. Therefore, in Mitaka city, some key local people, including executives of local companies, SOHO entrepreneurs and public officials could establish voluntary groups. In addition, they were able to give information about acquiring opportunities and networking which were relevant to new business enterprises for various possible entrepreneurs. In specific terms, this

voluntary group, the Mitaka SOHO Club, held daily social gatherings and counselling sessions on the floor of the Mitaka Industrial Plaza that were open to everyone. As a result, some new SOHO businesses were created, and thereafter, a collaborative project was produced between small IT enterprises.

In both case study areas, although the process of specifically developing relational resources (RR), 'the range of stakeholders involved' (Barry, 2012) and 'the degree of integration and exchange between networks' (ibid) were different, establishment of a physical presence (i.e. Huddersfield Media Centre and Mitaka Industrial Plaza) helped to deal with the ambiguity of the Creative Town and SOHO City concepts through practical experience at these facilities.

In terms of the knowledge resources (KR) aspect, these novel concepts of regeneration provided local society with 'openness and social learning' (ibid) connected with participation in the regeneration projects. In both case studies, 'interpretive flexibility' might be effective for the acquisition of KR because its applicability opens various opportunities for various people, but is required to make the ambiguity of the concept easier to understand by people who are the possible local actors of regeneration. The method of surmounting the obstacle of this ambiguity had two aspects, which were to focus on a physical project such as the construction of the series of key facilities, and a social project such that voluntary organisations provided the opportunity of face-to-face communication.

Focusing on another aspect of KR, 'actors' ability to reflect a new frame of reference' (ibid); with regard to novel concepts of regeneration, the public sector gained this ability through the process of practical projects. In the case of Huddersfield, in order to implement creative projects that had never been undertaken previously, the leaders of Kirklees Metropolitan Council (KMC), John Harman and Robert Hughes, transformed the governance culture of the local government in practical ways. The leaders had faith and a future image of Huddersfield that the 'civic creativity' of local people could be applied to regenerate the town. Even though there

were criticisms of the new challenge of creative regeneration, they did not give up and spoke of hope and being positive. In particular, they established Huddersfield Pride as the main practical body to undertake regeneration, and encouraged it to implement regeneration programmes in novel ways. In addition, they transformed the mode of business in the council itself to be of an entrepreneurial nature. It was interesting that individual officers were empowered with the keys of transformation of the organisation. The officers in the council became more entrepreneurial and more conscious of their personal commitment to their business. As a result of this change, the governance capacity of the city council was increased and reflected a new frame of reference to creative regeneration.

Meanwhile, in Mitaka, in order to implement the urban regeneration programmes based on the novel concept of SOHO City Mitaka, Mitaka City Office established the Mitaka City SOHO Pilot Office as a time-limited experimental facility. This first urban regeneration project implemented achieved success in lowering the risk of an innovative approach. Their nature of this pilot project meant that even if it fell short of their expectations, Mitaka City Office could control its impact on other public matters. In addition, through this experimental project, the city office could accumulate knowledge and practical competence of supporting SOHO workers in Mitaka city. This first step of the regeneration could be related to a few of the regeneration principles: 'the first step of the regeneration process should be simple' and 'the regeneration policy should be launched as soon as possible' (MCM, 2000, 2003). There were plenty of unexpected risks in the project; however, Mitaka City Office was breaking new ground in urban regeneration in managing risk. From this point of view, the case of SOHO City Mitaka showed that the city office applied their possible 'civic entrepreneurship' (Leadbeater and Goss, 1998), which expanded their ability to reflect a new frame of reference, in order to take appropriate risks when implementing new projects based on their novel concept of regeneration. At the same time, in terms of mobilising capacity (MC), they started to establish 'their ability to

explore opportunity structures' (Barry, 2012) in various local actors by sharing the underlying concept, which included 'interpretive flexibility' (Bijker et al., 1987).

For Healey (2004),

> governance processes may be 'creative' in a double sense. In one sense, new governance capacities can be developed, whether through struggle, learning or evolution. In a second sense, some ways of doing governance have better potential than others to foster the innovatory, creative modes sought by the advocates of economic and cultural creativity. (Healey, 2004, p.87)

As to the first sense of 'creativity' in local governance, in both case studies in this research, the novel concepts of urban regeneration – Creative Town Huddersfield and SOHO City Mitaka – had a crucial influence on the methods of implementing various regeneration programmes through innovative framing of the challenge and political strategies. In other words, each case study area could increase their governance capacity by overcoming various problems through urban regeneration based on the underlying novel concept. As to the second sense of 'creativity' in local governance presented by Healey, the importance of fostering creative modes was pointed out. With regard to this point, ambiguity was promoted to establish creative modes in local governance by taking some risks. Consequently, these case study areas, Huddersfield and Mitaka city, could gain local governance capacity by announcing a creative regeneration policy. The next section addresses the second research sub-question.

## 10.3 How Is Civic Creativity Developed in Urban Regeneration Through Collaborative Governance Practices?

This research question highlights the combination between top-down and bottom-up strategies of local governance. In analysing this combination, the concept of 'institutional capacity' (Healey, 1997) is very important, especially to grasp the process of combining external forces and the local context together (Healey, 2002). This process is created through the establishment of collective action by acquiring knowledge and applying social networks (ibid). In this part,

the creative shape of local governance through the combination of formal and informal networks will be considered.

First, the governance culture centring on the city council, which was the basis of the collaborative method of local governance, will be analysed by describing the application of leadership by the city office. Next, following the application of leadership, the establishment of formal and informal partnerships will be analysed. Finally, the ways in which both formal and informal networks were combined to apply civic creativity through the intermediary sector as a social enterprise will be looked at.

### 10.3.1   Top-down initiatives for collaborative governance

Regarding top-down strategy, in both case study areas of this research, the internal transformation of the council was part of wider efforts to shape institutional capacity. The role of the city office was transformed by top-down methods. In Huddersfield, the new leader of the council tried to change the organisational culture of KMC dramatically. Meanwhile, in Mitaka City Office, there had been a tradition of civic entrepreneurship which had been formed and promoted by successive leaders of the city council. In both cases, strong leadership was based on the recognition of the limitations of the existing local authority's ability. In other words, in order to make up for their lack of governance capacity, they promoted collaboration with local actors outside the city office. In both these cases, the mayor and the city office itself applied their strong leadership in implementing unconventional urban regeneration programmes through collaborative methods with various local actors.

In the Japanese case study, as in the case of Huddersfield, the city office led the establishment of a formal network; however, there was already a tradition of an organisational culture of collaboration in Mitaka City Office. After World War II, the city office implemented collaborative action with citizens in various fields of local governance. Therefore, a formal

network, called the SOHO City Mitaka Promotion Committee, was established by various local

actors such as local SMEs, IT professionals, the local cable television company, the chamber

of commerce, city council officers of various departments and local residents as a matter of

course. In Mitaka city, the steps of 'pre-partnership collaboration' (Lowndess and Skelcher,

1998) took place over a long period of time in comparison with Huddersfield. In other words,

the culture of collaboration in local governance was institutionalised in Mitaka City Office.

Thereafter, the network became the SOHO City Promotion Committee, which was the basis of

the partnership to implement regeneration under the banner of SOHO City.

On the other hand, in Huddersfield, although the top-down method could realise dramatic

change, strong leadership had disadvantages in terms of its sustainability. It was difficult to

sustain the creative organisational culture after the leaders left the council. Also, to maintain

the creative regeneration in Huddersfield, the council had a strategy of fostering many small,

community-based social enterprises as key actors of the creative urban regeneration through

collaborative methods. Referencing 'the double sense of creativity' defined by Healey,

institutional capacity of place was developed by the transformation of the local authority itself

and the establishment of an environment where various stakeholders were allowed to be

creative.

### 10.3.2   *Reasons for top-down formal partnerships*

In Huddersfield, following the McAlpine Stadium renewal project experience, a more statutory

partnership between the public, voluntary, community and private sectors was established as a

Local Strategic Partnership (LSP) through the initiative of the government. The first reason to

create a partnership with other actors was to obtain financial resources. Creative regeneration

in Huddersfield was driven by two urban regeneration policy-oriented sets of financial

resources, the SRB from the UK government and the UPP from the EU. Through the acquisition

of these funds, some organisations in higher levels of governance such as Regional

Development Agencies (RDAs), Government Office and the EU were linked into the partnership for Huddersfield's regeneration. As a result of the establishment of the statutory partnership, Huddersfield's urban regeneration acquired 'proximity to major centres of power and influences' (Barry, 2015) through a 'vertical' partnership constituting a 'relational resource' (Healey, 1997).

Meanwhile, in the SOHO City Mitaka regeneration programme, in terms of a 'vertical' partnership including the central government level, construction of the key facility, Industrial Plaza Mitaka, was mainly funded by a non-governmental body called the Japan Development Corporation, controlled by the Ministry of Land, Infrastructure and Transport. Though this facility played a crucial role in accumulating SMEs in Mitaka city in actuality, useful RR and KR for managing business incubation facilities were acquired through a pilot project of a small office complex for SMEs from the city office budget. In addition, the participants in this pilot project, the self-employed, SMEs and local non-profit organisations (NPOs), became important partners of the local council to promote this regeneration.

Compared with the Huddersfield case study, in the case of Mitaka, there was no strong relationship between the city office and the central government, especially in terms of obtaining financial resource as subsidies. This was because, in Japan, there were no subsidy schemes for urban regeneration like those in the UK. Therefore, the morphology of the network (Barry, 2015) for the urban regeneration of the Japanese case was established at a small scale and in a relatively non-hierarchal mode (Lowndess and Skelcher, 1998) based on local community actors. In other words, Mitaka acquired a 'horizontal' relationship rather than a 'vertical' one.

### 10.3.3  *Practical informal partnerships*

In Huddersfield, in implementing each practical regeneration program, a more practical and informal network between various local actors, including the public sector, worked effectively.

The partnership between the public and community sectors that was first formed to meet the funding regime's requirements became a more effective partnership through the promotion of various practical projects. Consequently, they established a trust which was the 'secret weapon' to implement urban regeneration collaboratively. An effective relationship with the city council could result in both obtaining financial resources and credibility for their activities. This was important, especially for managing small grass-roots projects run by social enterprises. Through collaboration with the city council, credible local actors became key people in an effective informal network in combination with the formal network.

Moreover, an informal partnership named Cultural Industries in Kirklees (CIK) played a crucial role in the urban regeneration. It was established as a forum of cultural industries and artists based in Kirklees. They shared a common philosophy and method of work in various arts concerns, from the performing arts to visual and electronic media (CIK, 1989). They published *A Chance to Participate: The potential of cultural industries and community arts in the social and economic regeneration of Kirklees*, which emphasised the potential of cultural industries to regenerate the socio-economic condition of Huddersfield. Consequently, this recommendation was adopted by the local council's regeneration strategies (Wood and Taylor, 2004). In other words, this publication promoted the integration of different networks (Barry, 2015) in the conceptual phase of regeneration. As regards the practical phase of regeneration, the members of CIK played a crucial role in the regeneration programmes launched by the SRB and UPP. In actual fact, many urban regeneration programmes were launched and managed by an intermediary-sector body named Huddersfield Pride Ltd. This was also the organisation responsible for subsidies and, at the same time, the intermediary organisation between local actors in Huddersfield. It played the role of a 'node' (Rhodes, 1997) mobilising various resources through these informal networks.

In the Japanese case study, an informal network called the Mitaka SOHO Club was formed by local self-employed people and SMEs, which aimed to exchange information and promote

collaboration in business. However, in practice, the local community informal network based on volunteering did not always work. In order to create an effective informal network, the SOHO club implemented day-to-day and face-to-face communication in practical activities. In addition, an informal network was established by members of the specific projects; thus, it was not easy to recognise the network of local society outside the project. To promote the establishment of an effective informal network, the intermediary-sector body called Machizukuri Corporation Mitaka (MCM) played a crucial role as a 'node' (ibid) of local governance in terms of providing the opportunity for different networks to collaborate.

As stated above, both urban regeneration case studies were promoted by effective relationships between various actors. One of the characteristics of the relationship was a good combination of formal and informal networks through the establishment of an intermediary-sector body.

### 10.3.4   *The creative form of urban governance*

In both case studies, through the combination of formal and informal networks via an intermediate organisation, urban regeneration using novel methods was proposed and implemented. However, each case study had different processes and dynamics to increase institutional capacity in their city. In order to achieve this, the processes to transform the governance culture and its sustainability were important. This was because the governance culture was embedded in the 'structure of social relations' (Granovetter, 1985). These transformations were caused by the change in the 'rules of the game' (March and Olsen, 1989), which were both formal and informal.

In the first instance, we will focus on the relationships between external strong forces (Healey, 2002) and internal institutional capacity (ibid) of local governance. In the UK case study, the external trigger of transformation occurred where the national regeneration policy centred on a partnership strategy such as the SRB and the regional economic revitalisation policy such as

the EU UPP. On the other hand, in the Japanese case study, though there was no influential formal policy at the national and super-national level, the tradition of collaboration between the public, private and community sectors fostered a gradual transformation in the governance culture. This was because the city office recognised the necessity to accommodate the certain future issue of fiscal shortfall due to the declining birth-rate and the ageing population. These different contexts of urban regeneration in the two case studies reflected the acquisition of RR in each place. As to 'the degree of integration and exchange between the networks' (Barry, 2012) attaining a part of the RR, in the UK case study, there was a clear intention to make partnerships between the public and private sectors to obtain central government funds.

In Huddersfield, there was a dramatic transformation in the thought and methods of local governance led by strong external forces, including the new leaders of KMC and the regeneration policies from the level of government above. This change promoted an increase in the RR of the place in terms of 'their proximity to major centres of power and influence' (Barry, 2012). In fact, the city of Huddersfield could mobilise various external resources; for instance, sufficient finance to implement regeneration programmes, many experts in the creative industry, various opportunities to undertake creative challenges and so on. Afterwards, the 'creative milieu' (Landry, 2002) guided by the strong leadership shown by the two council leaders was difficult to sustain in the city council once they had left. In addition, the regeneration funds from the UK government and the EU were also inflexible in their interpretation of the evaluation of output and outcome of the regeneration programmes. In other words, it was a performance-based evaluation system of subsidy, and contributors required tangible outputs from the city council. From the view of the institutional capacity development framework (Healey, 2002), these RR established by strong leaders and top-down policies could not establish a 'broad institutional grounding' (Kajer, 2004) by themselves.

Meanwhile, though, in Mitaka city, during the period of the SOHO City Mitaka regeneration, there was no dramatic transformation in the thought and methods of local governance; Mitaka

City Office would take the lead in regeneration in collaboration with various local actors. This was because the city office was 'entrepreneurial administrators' (Sorensen and Torfing, 2007), and they 'had taken network governance to their hearts' (ibid). Mitaka city, as Lowndes (2002) suggested, had 'institutions that have legitimacy apart from the predilection of individuals because of their stability over time or relation to identity of the place'. The institutions of local governance in Mitaka city were 'legitimate' and 'stable' as indicated by Lowndes (2002).

Next, we will focus on the 'node' (Healey, 1997), which is 'the arena where system meaning, ways of acting and ways of valuing are learned, transmitted and sometimes transformed' (ibid, p.58). In combining formal and informal partnerships to be an effective RR, the node played a crucial role in both case studies. In Huddersfield, in the first place, Huddersfield Pride was established by the city council as the node to obtain public money and develop local capacity based on the national policy of the partnership strategy of local governance. Afterwards, many practical projects were implemented in collaboration with various local actors, including the public, private and community sectors. These collaborative actions were promoted by Huddersfield Pride, which created opportunities for various local actors to work together and develop trust of each other. From the view of institutional capacity development, Huddersfield Pride was a 'place change agent at critical nodal points on routes to resources and regulatory power' (Barry, 2012). In other words, Huddersfield Pride helped develop MC (Healey, 2002). In practice, it launched many types of urban regeneration programme funded by the UK government and the EU through collaboration with local actors such as social enterprises and NPOs. In each programme, these local actors could play a crucial role in planning and implementing it. Through these processes, these local actors, which were relatively small organisations, could gain the ability to provide effective services for local society. As a result, trust between the intermediary-sector body, Huddersfield Pride, and many local actors was established.

Meanwhile, in Mitaka city, there was also an important intermediary-sector body called Machizukuri Corporation Mitaka (MCM). As in Huddersfield, this was established by the city office. To be precise, MCM was rooted in a non-governmental body of Mitaka City Office. The main purpose of the establishment of this organisation was to achieve flexible methods of local administration in the city office. As stated above, the city office had a collaborative culture in its local administration, but in practice there were plenty of obstacles to the implementation of novel challenges of local governance such as the SOHO City Mitaka regeneration, mainly due to the regulations from central government. As a consequence, MCM played a role as an effective 'place change agent at critical nodal points' (Barry, 2012) to mobilise various resources from the public, private and community domains. In Mitaka, there was not very much 'proximity to major centres of power and influence' (ibid). Therefore, in response to their RR, various small, grass-root activities based on 'civic creativity' (Landry, 2008) were more important for the realisation of creative local governance. In order to foster such activities, it was necessary that the city office made flexible additions to the insufficient resources of local communities by applying its financial resources. The next section answers the third and final research sub-question.

## 10.4 What Roles Can Social Enterprises Play in Collaborative Local Governance Oriented Towards 'Creativity'?

This research sub-question highlights the possibility of social enterprises as actors of local governance, which was presented by Amin et al. as follows:

> Social economy organisation does not mean simply consolidating local structures and improving local access to labour markets. Simultaneously it must allow people, individually and collectively, to transcend the limitations and constrains of the place. As such it entitles (re)creating multi-scalar capacities, infrastructures and connection which allow for the kinds of communication, interaction, and dialogue between social actors at all levels through which civic power is actively reproduced. (Amin et al., 2002, p.49)

This perception shows that social enterprises played a crucial role in the collaborative activities of local governance. One of the important roles of social enterprise was to establish an effective network as a special purpose vehicle to mobilise various resources from the public, private and community sectors.

In the previous section, it was already mentioned that the intermediary sector played a crucial role as 'place change agents' (Barry, 2012) at the 'node' (Healey, 2002) of network governance, which was related to MC (Healey, 2002) constructing the institutional capacity of the place. In this section, these intermediary-sector bodies will be considered from the viewpoint of the nature of social enterprise, which is relevant to 'social innovation' (Moulaert, 2000) in local society. In addition, the potential role of social enterprises in creative local governance as a driving force of social innovation will be considered.

### 10.4.1 *Social enterprise as a special purpose vehicle of urban regeneration leading social innovation*

In both case studies, catalytic social enterprises played crucial roles as intermediary organisations in local networks. In Huddersfield, Huddersfield Pride managed numerous regeneration projects over 13 years, from 1994 to 2007, in collaboration with various actors not only in the UK but also across Europe. In Mitaka city, MCM implemented comprehensive regeneration programmes, including the projects based on the concept of SOHO City Mitaka. Huddersfield Pride and MCM played a crucial role as 'nodes' of networks between local actors, including the city council, to mobilise various resources. For Moulaert (2000), one of the major intentions of social innovation in local society is to provide for the 'satisfaction of basic needs' (ibid). Moreover, these 'basic needs' are reviled 'by the grass-roots movement' and 'through institutional dynamics' (ibid). Referencing this conception of social innovation by Moulaert, in both case studies, was the important role of intermediary-sector bodies concerning social innovation. Both intermediary-sector bodies implemented community-based regeneration

programmes with local actors, which meant that the 'grass-roots movement' was created by them.

At the same time, these bodies transformed the institutions of local governance through the establishment of partnerships between different levels of actors in urban regeneration based on the underlying novel concepts, which meant that new 'institutional dynamics' (ibid) were created. From the viewpoint of the institutional capacity development framework (Healey, 2002), especially in relation to RR, it was recognised that these institutional dynamics were created by social enterprises through the process of increasing the 'degree of integration and exchange between networks' (Barry, 2012).

Moreover, these bodies played a crucial role in sharing and implementing 'some common values of co-operation and social cohesion' (Gerometta et al., 2005) under the banner of the creative concepts, i.e. 'Creative Town Hudderfield' and 'SOHO City Mitaka', between different sections of individuals and groups. Huddersfield Pride and MCM also played a crucial role as 'nodes' of networks between local actors, including the city office, to mobilise various resources.

### 10.4.2   *Community-based social enterprise as a driving force of social innovation*

Another possibility for social enterprise in local governance is that civic creativity (Landry, 2008) in an individual may be mobilised into collective action through the implementation of community-based activities. In Huddersfield's urban regeneration, there were numerous social enterprises based on the local community that played a crucial role and gained capability through collaboration with the public and private sectors. Moreover, some social enterprises were established by local people through the urban regeneration programmes. The characteristics of regeneration programmes that were led by community-based social enterprises were oriented towards employment matters, especially in the creative industries.

Accordingly, various vocational training programmes were implemented. This was a major difference from the Japanese case study. In order to create these opportunities, social enterprises provided the training programmes to improve the generic social skills of local people. In addition, they provided practical knowledge and opportunities for people as experienced professionals. Through these opportunities, ordinary people could apply their creativity. This characteristic of the regeneration programmes reflected both the deprived economic conditions of Huddersfield and the Creative Town concept of urban regeneration.

In the same manner, in Mitaka, regeneration projects were based on the concept of SOHO City. There were lots of NPOs and SMEs intending to contribute to the regeneration of the area. The characteristics of the regeneration programme were very different from those of Huddersfield. It was implemented in the fields of child and elderly care services and business support services for local SMEs, by applying ICT effectively. This feature of the urban regeneration programme reflected both the character of the place, which was a residential town, and the SOHO City concept of urban regeneration.

This difference between the characteristics of the regeneration programmes in the two case studies was a consequence of 'revealing of needs by grass-roots movement through institutional dynamics' (Moulaert, 2000, p.76) and providing services for the collective interest (Amin et al., 1999). These interpretations meant that social enterprises and other community-based organisations could play a crucial role of social innovation in local society.

Focusing on the policy intentions regarding social enterprise in urban regeneration, in the UK, the New Labour government had strong expectations of social enterprise as a key agent. For Painter and Goodwin (1995), social enterprise was recognised as a non-governmental organisation which could be utilised in the move to indirectly controlled government – otherwise 'governance' – by the New Labour government. This policy intention resulted in plenty of financial resources and opportunities to take a lively part in urban regeneration.

On the other hand, in Japan, social enterprise was not recognised as an actor of urban regeneration by government or by ordinary people. However, in Mitaka city, without recognition of the concept of social enterprise, several collaborative activities were implemented through the mobilisation of various resources, including civic creativity in ordinary people. In Japanese local society, there is a unique tradition of *danna-shu* who have plenty of financial resources and credibility with ordinary residents, and they voluntarily share some common values of co-operation and social cohesion and implement them in the public sphere (Gerometta et al., 2005). Though the spirit of *danna-shu* is similar to the tradition of volunteering or charity in European countries, it is more rooted in the neighbourhood context.

In both case studies, key social enterprises provided the opportunity for ordinary people to find, foster and practice their creativity. It was important that the attractiveness and accessibility of social enterprise activities ensured the provision of a more effective chance for ordinary people to apply creativity. This process was created through practical regeneration programmes that were rooted in local communities. Consequently, ordinary people could apply their creativity to urban regeneration, and civic creativity in an individual could be applied to cover the citywide area.

In the perspective of institutional capacity development, it could be perceived from these processes to apply creativity in individuals across the public domain that social enterprises had the 'ability to reflect a new frame of reference' (Barry, 2012). This meant that social enterprise had the potential role to increase the MC in the institutional capacity of the place.

As stated above, in both case studies, social enterprises played a crucial role in urban regeneration by applying various resources from both the top-down and the bottom-up directions. However, many social enterprises did not have a solid business foundation, and thus had to be dependent on public money to maintain their activities. Therefore, the flexibility and sustainability of their activities relied on the bureaucratic subsidy system.

Also, in the UK, though the SRB could mobilise various resources through networks between different actors, due to the inflexibility attached to the use of public money, the government required social enterprises to perform well enough to account for their spending. Consequently, the possibilities for 'creativity' that was difficult to evaluate were reduced, and lack of long-term stability followed.

As stated above, in both case studies, social enterprises played a crucial role in urban regeneration in terms of '(re)creating multi-scalar capacities, infrastructures and connection which allow for the kinds of communication, interaction, and dialogue between social actors at all levels' (Amin et al., 2002, p.49) as a special purpose vehicle. Along with this, social enterprises showed their potential in terms of 'revealing of needs by grass-roots movement through institutional dynamics' (Moulaert, 2000), which was an essential process of social innovation.

## 10.5    Implications for Research and Policy

This section summarises both research and policy implications for future creative local governance, looking first at research issues.

### 10.5.1    *The significance of creativity in relation to urban governance*

> The kind of creativity I have in mind is a creativity which simply refuses to accept that the current way of doing things is necessarily the best way and which breaks free from concepts, structures and ideas that are only there through the process of continuity. (Albrechts, 2005, p.253)

As stated above by Albrechts, the significance of creativity in relation to urban governance is that of releasing people, agencies and place from path-dependent social institutions in order to promote innovation in local society. As in the two case studies in this research, a creative concept with interpretive flexibility and creative practice with collaborative approaches could

mobilise various resources by being released from the conventional manner of urban regeneration. Through the process of sharing a creative concept that is ambiguous between various actors of urban governance, institutional capacity, knowledge resources, relational resources and mobilising capacity of the place were increased.

The trigger of this transformation may be both external and internal forces, such as the firm intentions of the central government and contextualised institution in a place. At the same time, the driving force of transformation oriented towards creative governance is also important. This driving force is based on the recognition of the limitations of the government's governance capacity. Furthermore, this recognition could promote collaboration with various people both within and outside the organisation. Such transformation creates new practical attempts of applying civic creativity, leading to the social innovation of a place.

Another significance of creativity is that the recognition of creativity as a resource enhancing the quality of urban life allows the exploration of flexible scenarios of the future of a place that is currently faced with various problems.

> Stimulates the ability to view problems, situations and challenges in new and different ways and to invent and develop original, imaginative futures in response to these problems, situations and challenges. (Albrechts, 2005, p.249)

In this research, in the comparative analysis between two very different case studies in the UK and Japan, there were similarities of some principles of creative governance. On the other hand, there were diverse practical activities reflecting the social and cultural context of a place in each country. However, in order to apply creativity as a resource of urban regeneration, it was essential to provide opportunities for various people and organisations to discover, foster and practice creativity through collaboration between various actors in urban governance. In other words, establishing a social learning (Healey, 2010) process is key to exploring flexible scenarios towards a better place in future.

### 10.5.2 Development of institutional capacity framework

This research verified the applicability of the institutional capacity framework in a place with a different social and cultural context from the Western one. It applied the institutional capacity framework (Healey, 2002) as an analytical tool to draw out the dynamics of establishing creative local governance in two completely different case studies, but this was useful in developing the theory of the framework. Comparing some of the findings that were described in the previous section, the institutional capacity development framework functioned not only in the Western context, but also in that of Japan (see Baily (2015) for a similar finding).

However, there were some unique dynamics in the creation of new institutional capacity in the Japanese case study. Furthermore, these differences from the Western world could develop the institutional capacity framework particularly in the dynamism of the development of institutional capacity. Institutional capacity was defined by Healey (2002) as follows:

> Our conception of institutional capacity emphasises the way external forces and local traditions mesh together in the flow of knowledge development and circulation, social networks and bonding values and manner in which they are translated into pro-active efforts to organise strategically to shape and change dynamics in which people and firms in place find themselves. (Healey, 2002, p.16)

In this definition, the method of meshing together the external forces and local tradition (internal forces) was emphasised. In the case study of Huddersfield, the dynamics of establishing creative governance could be analysed in exactly this way. The strong policy intention for urban regeneration, with subsidies such as the SRB and UPP as external forces, was the trigger to create new institutional capacity through collaborative methods.

On the other hand, in the case study of Mitaka, though there was no such strong policy intention from the upper level of governance, new institutional capacity was developed through collaborative methods due to the recognition of future issues such as a decline in the population.

Furthermore, in the case of Huddersfield, to adapt strong external forces, a powerful leadership style was employed, centring on two leaders who transformed local governance methods. However, after these two leaders left the council and the period of subsidy from central government ended, the level of 'civic entrepreneurship' (Leadbeater and Goss, 1998) in the city council decreased. On the other hand, the 'creative milieu' (Landry, 2008) of Huddersfield could be sustained by social enterprises that were already established and fostered through implementing urban regeneration programmes under the banner of 'Creative Town Huddersfield'.

In Mitaka, without a specific trigger for urban regeneration, creative governance was formed and sustained by the local tradition of collaborative culture both in the city office and the local community. From the differences in the dynamics of creating institutional capacity between the two case studies, one could suppose that the UK case study was rather externally oriented, while the Japanese case was rather internal force-oriented. There was a different mechanism from the existing institutional capacity development framework. In order to progress the institutional capacity development framework to analyse Healey's notion of 'the dynamic fluidity of evolving relational webs', it could be said that the comparative research between very different contexts was effective. As this research showed through the two case studies, creation of a new institutional capacity of place was valuable for urban regeneration. Also, although the methods of creating institutional capacity were different, reflecting their specific contexts of place, both Huddersfield and Mitaka city meshed external forces and local traditions together through different ways of establishing a collaborative method of local governance, while there was similar 'broad institutional grounding' (Kajer, 2004) constructed by individual collaborative 'episodes' (Healey, 2007) underlying both unique attempts at urban regeneration.

### 10.5.3 Significance of collaborative planning theory and practice in the era of 'after urban regeneration' in the UK and 'after urban renaissance' in Japan

The subject of this research was collaborative action in urban regeneration, which was implemented during the period from the second half of the 1990s to the first half of the 2000s. At that time, both the UK and Japan were faced with changes in policy.

From the historical perspective of urban regeneration of UK, this period was the last phase of the Thatcher administration and the New Labour government promoted urban regeneration through partnership thought and practice. Although there were some critics of partnership strategies, as in Huddersfield, national government subsidies, such as the SRB, promoted the gain in institutional capacity of local governance through the participation of various local actors.

However, the situation surrounding urban regeneration changed in UK as follows:

> … the 2007 sub-national review of regeneration (HM Treasury, 2007) marked a change in direction, proposing a shift of resources into more narrowly focused economic regeneration (DCLG, 2009) (Nathan, 2016, p.64).

Especially in the promotion of community-based activities of urban regeneration through the combination of formal and informal multi-level networks such as in Huddersfield, the change in regeneration policy was a crucial matter due to the vanishing valuable 'external force', financial resources, as a trigger to create a new institutional capacity. Nathan (2016) described this as follows:

> … the neighbourhood-level landscape is dramatically different. Holistic neighbourhood-level regeneration has essentially ceased as a state-led activity. Localism was also intended to involve devolution from the city to the community, though various community 'rights' to own and run local assets enacted in the Localism Act 2011 (DCLG, 2011) and through the 'Big Society' agenda. In practice, this community layer to localism has been underdeveloped and underfunded (Pugalis and

McGuinness, 2012). Monitoring regimes are also minimal, making it hard to assess what activity, if any, is currently taking place. (Nathan, 2016, p. 65)

Furthermore, this transformation was not only related to urban regeneration policy itself, but also to a sense of value or a mindset regarding the public sphere, as follows:

> At minimum, the Brown administration shifted its priorities: even if neighbourhood renewal was not seen as a failure, neighbourhood improvements were seen as simply less relevant compared to urban and regional economic growth. Furthermore, since 2010, Ministers have preferred to rely on 'Big Society' voluntarism to improve community-level outcomes, rather than put resources on the ground. (Nathan, 2016, p. 67)

This points to Huddersfield having to become more like Mitaka, with a greater emphasis on developing institutional capacity locally, being less focused on vertical relations with the central government and with a greater role for social enterprise. Since the environment surrounding the urban regeneration was transformed, as mentioned above, the significance of applying the institutional capacity development framework for current urban regeneration, heavily focused on economic growth, should be considered.

In the case of Huddersfield, in order to develop institutional capacity in a place, the public policy of urban regeneration played a crucial role based on 'subsidiarity' (UN Habitat, 2007). For instance, in the Huddersfield case study, financial resources such as SRB and UPP were mobilised at multiple levels to implement creative regeneration, and the city council, as an actor of local governance and partner of public service provision, spent subsidy money on fostering social enterprise. As a result, in Huddersfield, following the period of subsidy via SRB and UPP, a culture of creative urban regeneration remains and practical activities for regenerating the place are implemented mainly by social enterprise. These social enterprises were developed through rich rational resource centered on the special purpose vehicle, Huddersfield Pride Ltd, mediating between the local community and various administrative agencies.

On the other hand, in Japan in the 1990s, the bubble economy collapsed and property-led regeneration decreased. In addition, in 1995 the great Hanshin Awaji earthquake occurred, and

western Japanese cities, centring on Kobe city, were severely damaged. In the recovery process of these areas, the community sector or citizens' organisations played a crucial role, demonstrating the potential role of these actors in local society, and the Non-profit Organisation Act was established in 1997 as a result. Policy implications for Japan have to be considered about the coming super-ageing society. In 2015, the percentage of the population over the age of 65 is 26.7%. In addition, by 2025, the total population will be less than 120 million people (the current population in 2017 is 126 million); consequently, it is forecasted that 20% of the Japanese population will be at least 75 years old and 30% at least 65. This dramatic shift in the Japanese population must force changes in Japanese society, including the urban governance policy and urban regeneration practice. Current urban regeneration policy is still mainly focused on property-led strategies aiming for the further growth of the nation. The current complex situation of Japanese cities was described by Murayama (2009) in defining 'mature society', referring to Ichikawa's description as follows:

> The cities that aim for high quality of life based on existing stock through a paradigm shift driven by the rise of intellectual standards of independent individuals, even though physical production and people's desires for consumption in society and economy come close to fulfilment, and social vitality and economic growth do not necessarily follow the past rising trend, referring to Ichikawa (1998, p.5).

In actual fact, though, there are several effective urban regeneration strategies and intentions to tackling the problem of aging society. For instance, the 'Community-based Integrated Care System' launched in 2005, aiming to tackle the medical expenses required by aged people. The key principles of this policy are collaboration between various local actors, centring on local government and application to local people's daily problem-solving ability, in other words, 'civic creativity'. However, this system is not integrated into urban regeneration policy, mainly due to the bureaucratic silo and the conventional approach of the government offices, both central and local. In order to promote this care system, the central government launched area-based integrated public funding system similarly to the SRB in the UK. More importantly, it is

needed to develop institutional capacity to apply creativity, both of governance system and local people, through collaborative methods.

## 10.6    Areas for Further Research

There are various aspects of this research which will benefit from being added to in the future.

### 10.6.1    *Further investigation of machizukuri through the theory of collaborative planning*

This research was implemented by obtaining empirical data from two case studies based on decidedly different cultures and histories, i.e. the UK and Japan. In Japan, there has been a unique tradition concerning the methods of improving local society in terms of both the social and physical environments, called *machizukuri*. Some Western scholars such as Andre Sorensen (2002, 2007) and John Friedman (2005) have paid attention to this.

Many Western scholars, including Friedman, could not follow the process and dynamics of *machizukuri*. Therefore, in some literature written by Western scholars, *machizukuri* was translated as 'community development' or 'urban design' and so on. Recently, in some Western articles written by scholars who are familiar with *machizukuri*, there was an acceptable perception of it, as follows:

> … machizukuri processes have been established, in an enormous outpouring of local energy into attempts to achieve more bottom-up input into local place management in which local citizens play an active role for urban liveability and environment sustainability. (Sorensen and Funck, 2007b, p.1)

This description calls attention to the unique dynamics and driving force in terms of the indigenousness of *machizukuri*. In the Japanese case study in this research, the same sort of indigenousness was found in creative activities in the public sphere based on 'collaborative tradition'. Further research in this respect could apply an institutional capacity development framework to more unique Japanese cases, such as urban redevelopment projects carried out by

neighbourhood organisations in collaboration with the public and private sectors. Through additional research on Japanese projects, the transferability of the institutional capacity development framework between Western and Eastern societies could be investigated.

### *10.6.2 Discussion on the potential of 'social learning' for social innovation*

Furthermore, in this research, social enterprises were focused on in terms of the role of the intermediary sector, which promoted the establishment of networks between various local governance actors. Though social enterprises certainly contributed to the establishment of a new institutional capacity, an effective social enterprise such as Huddersfield Pride and MCM was not always established. In order to clarify more versatile dynamics of establishing new institutional capacity, it is required to shed more light on a wider range of actors. For instance, a citizens' college could have the role of providing many people with a chance to learn, which is related to increasing KR via 'openness and social learning' (Barry, 2012).

In particular, 'social learning' (Healey, 2010) could be an important process for building new institutional capacity, as Healey stated as follows:

> … place qualities and ways of expressing these develop richness and relevance through social learning processes, as participants come to understand what is at stake and what futures are emerging. (Healey, 2010, p.38)

This was relevant not only to the discussion of institutional capacity development, but also to that of the 'learning region' (Morgan, 1997) relating to social innovation. The concept of the 'learning region' was researched by many scholars such as Florida (1995); Cooke and Morgan (1998); and the OECD (2001). However, since these research studies mainly focused on economic development of place, in order to discuss social innovation holistically, it should be necessary to consider more social and cultural aspects of the innovation of place. In this sense, it may be relevant how Landry's (2006) notion of 'civic creativity' (2006) can be converted to 'place creativity'.

Furthermore, in the discussion of the learning region, the definition of 'region' is another controversial issue. In order to create a rich discussion about place, including 'region', Healey's notion of the dynamic fluidity of evolving relational webs, which intersects with the 'fixes that develop as certain ways of thinking and doing become consolidated into acceptable practices' (2007, p.15), would provide a new point of view based on the institutional capacity development framework.

*Sample letter to interviewee of the UK case study*

Dear Sir/Madam,

I, Hiroshi SAITO, am a Ph.D. student at the University of Newcastle upon Tyne in town planning. Before coming to the UK, I worked for ten years in architectural design and town planning in Japan.

I am researching particularly the potential role of the self-organised community sector in urban regeneration. As such, I am writing to arrange an appointment with you for an interview about urban regeneration and local economic development in Huddersfield. In particular, I am studying projects which are based on the concept of "Creative Town" and managed by Huddersfield Pride Ltd.

I am studying new thinking in urban regeneration which intends to enable individuals' hidden "Civic Creativity" to unfold and be converted into "Place Creativity" through collaborative strategies. In my research I am examining the potential of the concept of "Creativity" and social enterprises for regenerating urban areas. I am comparing social enterprises which have played important roles in regeneration in both the UK and Japan.

In my understanding, Huddersfield is the one of the most successful creative towns in the UK. Up until now, I have collected information about regeneration in Huddersfield from websites and some articles on particular projects. However, I need to find out how Huddersfield's regeneration has been working in practice. The main aims of this interview research are to investigate the success of the "Creative" regeneration strategies, the respective role of each stakeholder and the networks between actors in the projects.

I believe that the successful case projects will help to generate interesting suggestions and ideas for the benefit of future urban regeneration projects. This could be achieved by studying and analysing Huddersfield projects.

I enclose a list of questions which I would like to cover in the interview. The interview will take about one hour of your time.

I am prepared to be flexible regarding the date of interview to you, but would appreciate it you could manage one of the following days.

**2nd (Thursday), 3rd (Friday) on February**

Please contact me either by email on Hiroshi.Saito@newcastle.ac.uk or by telephone on 0798-155-8354.

Thank you very much for your assistance in my PhD research in anticipation of your acceptance, and I am sorry to give you so much trouble just before the Christmas break.

Yours sincerely,

Hiroshi Saito

Ph.D. student of School of Architecture, Planning and Landscape

University of Newcastle upon Tyne

# APPENDIX B

*Sample letter to interviewee of Japanese case study*

ご担当者様

拝啓　盛夏の候、ますます御健勝のこととお喜び申し上げます。

　突然ご連絡を差し上げる失礼をお許し下さい。私、齋藤博は三鷹市のまちづくり、特に、「ＳＯＨＯ　ＣＩＴＹ三鷹構想」をベースとしたまちづくりについての研究を行っており、誠に恐縮ですが、調査研究の一環として○○様へのインタビューをさせて頂きたく、ご連絡差し上げました。

　私は現在、イギリスの北東部にあるニューカッスル大学（Newcastle University)の建築・都市計画・ランドスケープ学部のＰｈＤ課程に２００４年から３年間の予定で在籍し、都市計画、地域政策の研究を行っております。渡英前は約１０年間、コンサルタントとして、阪神淡路大震災後の復興再開発事業を中心としたまちづくりの仕事に携わっておりました。

　さて、現在、私は、まちづくりの担い手として重要な役割を果たしている日英のソーシャル・エンタープライズ（社会的企業）やコミュニティ・ビジネス、ＮＰＯの比較を通して、「シビック・クリエイティビティ（市民の創造性）」を活かした都市再生のあり方に関する研究を進めています。

　本研究では、個人が潜在的に持っている「シビック・クリエイティビティ」が、ソーシャル・エンタープライズやＳＯＨＯといった新しい社会、経済、生活のあり方を触媒として顕在化され、起業や就業の機会を得、生活の質の向上を図り、引いては、地域における新たな経済活動や地域の創造的な取り組みが生み出される過程に着目しています。

　そして、この研究を通し、地域再生のエネルギーとしての「シビック・クリエイティビティ」の可能性、及び、このエネルギーを解放する触媒としての自己組織化されたコミュニティセクターであるソーシャル・エンタープライズの有効性について論じたいと考えています。

　欧米においては、脱工業化社会の都市像として「クリエイティブ・シティ（創造的都市）」に関する実践・研究が 1990 年代から行われています。特に、地域経済を活性化するための芸術・文化産業の振興という視点で論じられている場合が多く、日本においてもこれらの欧米における経験から、近年、都市再生における文化や芸術の重要性が認識されるようになりました。

　しかしながら、本研究で着目している「シビック・クリエイティビティ」は、芸術や文化等に関する創造性だけではなく、日常生活における地域の課題を解決するために必要なサービスやモノを創造する力も含んでいます。例えば、高齢者や若者の就業支援や、地域ぐるみの福祉等が該当すると考えております。

また、これらのサービスやモノは、行政が提供する公共サービスとしてだけではなく、社会的経済との組み合わせによって、更なる可能性が広がることに着目しています。つまり、「シビック・クリエイティビティ」を活かした都市再生においては、ソーシャル・エンタープライズの果たす役割が大きいと考えています。

　なぜならば、ソーシャル・エンタープライズは、個人の尊重、民主的・自立的な運営、地域との密接な関係、多様な価値観の受容、市場経済では排除される財やサービスの交換機能等の特質を有しているからです。

　研究の基本的な方法として、日英両国の研究対象地域（日本：三鷹市／イギリス：ハダースフィールド）におけるソーシャル・エンタープライズ（コミュニティ・ビジネス、ＮＰＯ）及び、地方自治体や地元組織等に対する聞き取り調査を実施し、対象地域における地域再生のプロセスと、そのプロセスに関わる主体間の関係を分析を行うこととしています。

　この分析を通して、どのようにして、個人の創造性が地域社会の中で活かされる機会を生み、引いては、地域の再生を実現しているのかということを明らかにしようとしています。また、日英の異なる社会的背景に留意しながら、両国にとって同時代的な課題である都市再生に対するアプローチの類似点・相違点の分析を行い、「シビック・クリエイティビティ」を活かした都市再生の多様性を描き出すことを目指しています。

　本研究では、三鷹市の取り組みを、ＳＯＨＯというライフスタイルにより「シビック・クリエイティビティ」を顕在化させ、また、ＮＰＯ等の様々なまちづくりの担い手との連携することにより、地域の活性化を実現している日本における「クリエイティブ・シティ」であると捉えています。また、高齢者の就業や子育て支援、そして、アニメーション産業の活用等の課題への取り組みは、日本の社会文化的な背景を顕著に反映したものだと考えています。

　最後に、インタビューの日時につきましては、誠に勝手ながら下記日程の中からご担当者様のご都合の良い日時をご指定頂ければ幸いです。また、ご提示させて頂いた日程ではご都合がつかない場合には、改めて、日時の設定をさせて頂きたいと考えております。

**８月３日（午後）／８月４日（午前）／８月５日（午後）**

　無理勝手を申し上げ、ご迷惑をお掛けいたしますが、何卒、ご協力を賜りますよう、宜しくお願い申し上げます。

敬具

平成１８年７月１６日

ニューカッスル大学　齋藤　博

# APPENDIX C

*Interview schedule of the UK case study*

<u>The main sections of the interview are as follows:</u>
- The concept of "Creative Town"
- The implementation process of "Creative Huddersfield"
- The roles of social enterprise in the Huddersfield regeneration process
- The evaluation of the Huddersfield experience

<u>More specific questions are follows:</u>
(Concept of "Creativity")
  1 Why did you think the concept of "Creative Town" was important in the regeneration of Huddersfield?
(Organisations)
  2-1 What was the practical purpose Huddersfield Pride Ltd?
  2-2 Who took the lead in setting up Huddersfield Pride Ltd?
  2-3 What were the major advantages of joined-up working with other organisations, e.g. Voluntary Action in Kirklees, The Huddersfield Town Centre Association and University of Huddersfield?
  2-4 Where did the income to implement the aims of Huddersfield Pride Ltd come from?/ How much was it?/How did you get it?
(Practices)
  3-1 How did you discover hidden creativity in individuals and support them to turn it into substantial products or services?
  3-2 How did you mobilise individual creativity to generate collective creativity in order to regenerate Huddersfield?
  3-3 What did you think should be provided as incubator facilities and services in order to convert "Individual Creativity" into "Place Creativity"?
(Roles of social enterprises in urban regeneration)
  4-1 Did the social enterprise strategies work as a crucial interface in order to convert "Individual Creativity" into "Town Creativity"?
  4-2 How did you conceive the potential of social enterprise for regenerating Huddersfield?
  4-3 How did you implement social enterprise strategies in order to realise "Creative Huddersfield"?
  4-4 What are the major differences from Huddersfield Pride Ltd's point of view between social enterprises and the private or public sectors as agents of regeneration for Huddersfield?

(Keeping up "Creativity")

5-1 How have you been maintaining Huddersfield Pride Ltd's activities after the closure of funds such as SRB and UPP?

5-2 How has the "Creative Milieu" been maintained?/How did you prevent creative talent from leaving Huddersfield?/How did you promote the moving in of external creatively talented people?

(Evaluations)

6-1 How did you evaluate the contribution of creative thinking strategies to regenerate Huddersfield?/For whom?

6-2 What was the main contribution of Huddersfield Pride Ltd to realising the "Creative Town" concept?

6-3 What is the main lesson from the Huddersfield case study in order to inspire others?

(Misc.)

7-1 What relations existed between the Creative Town Initiative, Cultural Industries in Kirklees and Huddersfield Pride Ltd? (In particular, resources in order to manage projects)

7-2 In your opinion, which projects have been implemented most successfully?

# APPENDIX D

*Interview schedule of Japanese case study*

1 「ＳＯＨＯ　ＣＩＴＹ　みたか構想」以前（1980 年代後半～1990 年代前半）の三鷹市の状況
- ・　当時の三鷹市の抱えていた課題について
- ・　三鷹市役所の文化（三鷹産業政策研究会、職員提案制度等）について　等

2　三鷹市の「ＳＯＨＯ　ＣＩＴＹ　みたか構想」をベースとした取り組み
- ・　「ＳＯＨＯ　ＣＩＴＹ　みたか構想」に対する認識、及び、推進上の課題について
- ・　㈱まちづくり三鷹の設立について
- ・　ＳＯＨＯパイロットオフィス、産業プラザの設置、運営について
- ・　行政発のビジネスについて　等

3　㈱まちづくり三鷹と他の組織との連携
- ・　まちづくり研究所第３分科会、ＳＯＨＯ　ＣＩＴＹ　みたか推進協議会、みたか市民プラン２１会議等のパートナーシップによる取り組みについて
- ・　三鷹市役所との連携について
- ・　ＮＰＯ、コミュニティ・ビジネス、民間企業との協働について
- ・　東京都や経済産業省、国土交通省等の国の機関との関係について　等

4　三鷹市の「ＳＯＨＯ　ＣＩＴＹ　みたか構想」をベースとした取り組みに対する評価
- ・「ＳＯＨＯ　ＣＩＴＹ　みたか構想」をベースとした取り組みによって得られた成果と課題について　等

5　その他
- ・　ソーシャル・エンタープライズとしての㈱まちづくり三鷹の特質について
- ・　「三鷹ブランド」の形成について　等

# APPENDIX E

*Schematic of SRB1 'Huddersfield Challenge' (1995–1997)*

*Schematic of SRB5 'Platform for Change' (1999–2006)*

Applying SRB5

Central Government Office for Y & H

Yorkshire and Humber Assembly

Kirklees Partnership
- Government Office
- Kirklees Council
- Chamber of Commerce
- Univ. of Huddersfield
- Huddersfield Technical. College
- Calderdale & Kirklees Carer Service
- Voluntary Action Kirklees
  etc.

Providing SRB5

Yorkshire Forward

Yorkshire and Humber Regional Chamber

Huddersfield Pride Ltd

Board of Directors

Local community & local businesses

Kirklees Metropolitan Council

Mid Yorkshire Chamber of Commerce

University of Huddersfield

Huddersfield Technical College

Kirklees Racial Equality Council

Kirklees Council for Voluntary Service

Children and

Womenspace, NCC, Kirklees Refugees and Friends

artiMEDIA

National Children's Centre (NCC)

Showcase

Divert Plus

District Centre Regeneration

Housing and Environment

Healthy Living Initiative

Huddersfield Central and South Primary Care Trust

Community Enterprise

- Communities United Project
- Environmental Alliance Ltd
- Full Body and The Voice Theatre
- Huddersfield Poperetta production
- Suga Brown Ltd
- Timeless Music Project Ltd
  etc.

Executive Team

Executive Director

Programme Manager

Project Office Co-ordinator

Project Officer

Mediaworks

Beaumont Street Studio

Timeless Music Festival

Chocolate Figure Music

*Schematic of UPP 'Creative Town Initiative' (1997–2001)*

Applying UPP (1997)

European Union

Providing UPP Fund

Kirklees Metropolitan
Council

Huddersfield Pride
Ltd

Creative Town
Initiative

Management Committee

Kirklees Metropolitan
Council

Huddersfield Pride
Ltd

Mid Yorkshire Chamber of
Commerce

Calderdale and Kirklees
Training and Enterprise
Council

Yorkshire and Humberside
Arts Board

University of
Huddersfield

Huddersfield
Technical College

Bretton Hall College

COMEDIA

Executive Team

Programme Manager

Project Office Co-ordinator

Hot House Unit

Creative Loft

Kirklees Media Centre (+
Arts Council)

Creative Industries

- The Attik
- Beaumont Street
  Studio
- Chocolate Figure
  Music
- artiMEDIA
- Suga Brown
  Creative Arts Ltd
- Intercomm

The LAB Project

Enter and Return
(+ artiMEDIA)

Sonic Arts Educational
Programme (+ U. York)

Media Business
Development Scheme

Creativity Investment
Scheme (+Business Link)

The Development and
Planning Toolkit (+ BSS)

Innovation Challenge Forum
(+Local Business)

Advisory Forum for
Innovators

Create!

Cultural Economy
Database

Northern Creative
Alliance

Creative City
Handbook

Seminar Programme

Creative City
Conference

Huddersfield Millennium
Challenge

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