4. Location

4.1 Introduction

In this chapter, I discuss the role of urban location by analyzing the tensions between networks of aesthetic production and the various 'creative clusters' that emerge from these networks. Following the main thesis statement, it is argued that we can witness a partial decoupling between the spaces of regulation and the spaces of accumulation, which complicates the implementation and limits the structuring effect of creative industries policies. This decoupling is related to the proliferation of networks of aesthetic production that transcend particular urban spaces, while simultaneously being irreducible to either capitalist accumulation or state regulation.

The outline of the chapter is as follows. First, I give a brief overview of cluster-oriented discourses and cultural policies in London and Berlin. I then present the mapping data on music production in these two cities and identify particular clusters and their dominant aesthetic as well as organizational dimensions. As the data show, the discussed music production networks show clear clustering tendencies (in the sense that we can observe spatial concentrations of music nodes), even though it has been impossible on the basis of these data to gain a better understanding of the actual interactions between these nodes. This is investigated in a more qualitative sense in the section that follows. Structuring my argument around three cluster characteristics as they are discussed in the literature (vertical and horizontal linkages; knowledge and learning; cluster growth and development), and basing my argument on interview as well other empirical data, this section shows the extent to which actual clustering is partial at the most.

4.2 Creative Cluster Policies

The notion of creative clusters — as part of the larger discursive shift towards the creative industries that has taken place since the mid 1990s — has become a popular shorthand for describing the

supposedly new relations between creative production and urban location. In many ways, it is a very insidious shorthand, since its use automatically subsumes all forms of creative production under one singular logic of economic clustering. Hence, the use of this term by policy-makers, journalists and consultants tends to participate in the institutionalization of the discourse on the knowledge-based economy.

Not surprisingly, in London — at the heart of the UK economy and New Labour's creative industries' policies — much emphasis is put on the role of creative clusters. Typical of the UK context (Oakley 2006b), economic development is not only related to support for a diverse cultural sector, but also to the larger goal of social inclusion. Thus, not only did the *London Cultural Capital* report (GLA 2004a) identify a number of cultural areas and clusters with the potential to develop into cultural quarters, it also stated that the creative industries:

> have a well-established reputation for playing a multifaceted role in the regeneration of economies and environments and in supporting strategies for social inclusion (GLA 2004a, 139).

On the basis of this shaky foundation, the Creative London program, established by the London Development Agency in 2004, has identified 10 clusters in London with a high concentration of creative industries.[1] These 'creative hubs' tend to be administered by borough-level and publicly funded economic development agencies who work together with a variety of private actors and whose focus is to offer services and facilities for cultural entrepreneurs. Although most of these hubs are still in the process of implementation, it is somewhat questionable to what extent these economic strategies can contribute to social inclusion. As Panos (2004) has argued, it is likely that this will actually have the effect of deepening social inequality, since the example of Shoreditch — an urban area already transformed into an economically successful cultural quarter — shows that this has had little positive effect on lower-class residents due to escalating property prices and higher costs of living in general.

In the Berlin context, the notion of creative clusters is less explicitly tied to issues of social inclusion, but most certainly to the

1 These creative hubs are located in the north (Barking; Haringey/North London; Kings Cross/Arsenal/Camden; Notting Hill/North Westminster), the south (Brixton/Elephant and Castle; South London/Croydon), the east (City Fringe; Deptford Greenwich/Creekside; Lower Lea Valley) and the west (West London). See: http://www.creativelondon.org.uk/server.php?show=nav.009002; last accessed 23 March 2007).

role of flourishing and diverse music scenes as economically relevant businesses. Thus, in the 2005 Cultural Industry in Berlin (*Kulturwirtschaft in Berlin*) report, the support of urban clusters (*stadträumlicher Cluster*) is explicitly identified as a central field of action; in the report, only the Osthafen is mentioned as an important cluster for the music industry, although it is acknowledged that more spatial clusters would have to be investigated (Projekt Zukunft 2005, 110). Not coincidentally, however, the Osthafen is the area in which MTV and Universal Music and clubs such as Maria am Ostbahnhof and the Arena are based and which has been promoted by a pool of commercial investors interested in the realization of large projects under the title of Media Spree Berlin GmbH.[2] Founded in 2001, Media Spree was converted into a form of 'regional management' in 2004 and involves a co-operation between real estate investors and representatives of the Berlin Senate, adjacent boroughs and the Berlin Chamber of Commerce and Industry (IHK Berlin). This form of public–private partnership involves a public subsidy of €200 000 per year (for the period 2004–07) that is used to increase the brand awareness and to initiate the move of firms into this area. This is complemented by public–private infrastructural investments of tens of millions, 80 per cent of which is paid by public funding.[3] Despite the fact that this area is explicitly promoted as one of the most important clusters for media firms and clubs in Berlin, development has already led to the move of small and low- or no-budget cultural producers away from this area (Bader 2004). Above all, as the empirical mapping data show (see later sections), this so-called cluster is much less important than it is made to seem: in the case of music nodes, only 2.0 per cent are based in this area.

The context in which the cluster vocabulary is used therefore raises serious questions concerning the underlying intentions of the main actors and seems to confirm the suspicion that the discourse of and investment in creative clusters mainly functions as a support mechanism for a boom in real estate markets.[4] It seems to me that

2 See the website of Mediaspree: http://www.mediaspree.de; last accessed 15 March 2007. For more critical work that relates this project to gentrification and social exclusion, see Höpner (2005).

3 See: http://www.mediaspree.de/cms2/fileadmin/bilder/projekte/Abgeordnetenhaus_Kleine_Anfrage.pdf; last accessed 23 March 2007.

4 A suspicion uttered by the organizers of the 2006 MyCreativity conference in Amsterdam: "investment in 'creative clusters' effectively functions to encourage a corresponding boom in adjacent real estate markets. Here lies perhaps the core truth of the creative industries: the creative industries are a service industry, one in which state investment in 'high culture' shifts to

this 'unintended consequence' of the cluster discourse is partly an effect of the economic bias of cluster theory in which the dynamics of clusters are reduced to their economic orientation. This can be shown through an analysis of music clusters in London and Berlin in which I use cluster theory to understand the role of clusters in networked aesthetic production, while simultaneously using the empirical data to question some of the main assumptions of this theory.

4.3 Music Clusters

To start with a caveat: analyzing networked forms of aesthetic production in a comprehensive sense is difficult, since so many of the nodes of these networks are informal, temporally limited and partly hidden from a view interested in identifying general trends and tendencies. The informal and small nature of many of these activities made impossible the use of official statistics and survey data and I had to rely therefore on sources 'closer' to the actual music networks: magazines, mailing-lists, event calendars and websites. Even with these sources, however, problems arise because of the project-based or relatively short-term nature of some of these nodes (Ekstedt *et al.* 1999): specific nodes engage in collaborative projects for a couple of months; certain labels only exist for a brief period of time; and venues are sometimes used only occasionally. These problems are unavoidable when it comes to the mapping of these nodes characterized by a mixture of formal and informal arrangements and one therefore has to accept a certain level of imprecision.

In the case of London, I identified a total of 558 music nodes. Of these, 209 (37.5 per cent) could be categorized as venues, which means that these were locations in which music was played or performed on a more or less regular basis. Of the total nodes, 195 (34.9 per cent) were record-labels, both 'regular' as well as netlabels. The remaining categories were: event organization — 39 (7.0 per cent); store (records, technology) — 31 (5.6 per cent); publication (print or on-line magazines) — 14 (2.5 per cent); booking and/or promotion agency — 18 (3.2 per cent); radio (including on-line streaming) — 8 (1.4 per cent); and distribution — 7 (1.3 per cent). A final category covered those nodes that either did not fit one of these categories (post-production, associations, festivals) or that explicitly encompassed more than one of these functions: 37 nodes (6.6 per cent) belonged to this last hybrid category. Of the total of 558 nodes, 90

a form of welfarism for property developers (http://www.networkcultures.org/mycreativity (15 March 2007).

(16.1 per cent) could not be directly assigned to a postal code. The remaining 468 nodes clearly tend towards spatial concentration in certain areas of the city, although there is still a relatively wide distribution of music nodes throughout London. Music production in London, in other words, does not show unequivocal clustering effects in one or two urban areas, but instead has produced multiple cluster tendencies.

Postal code area W1 in the Westminster borough (see figure 2 for a map of London) has the largest concentration of music production with a total of 62 nodes (11.1 per cent).

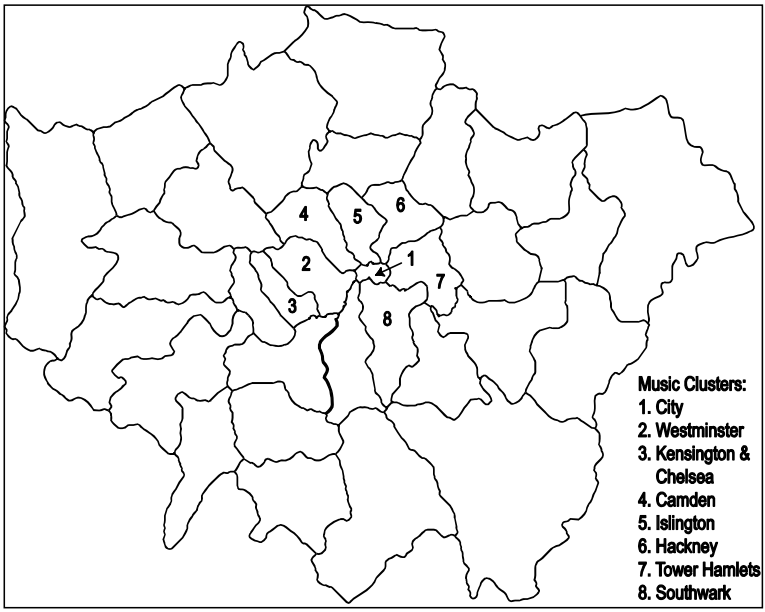

Figure 2: Music Clusters in London

Most of these are located in the Soho area. Soho has a relatively large number of record shops catering to music consumers and the range of genres on offer is very wide. Record labels tend to focus on mainstream genres, although there are some excursions into more 'leftfield' sounds. The clubs and bars largely play established genres. In W1 are also located a number of 'exclusive' nightclubs or bars that serve a more up-market audience. The areas east (WC1) and south-east (WC2) of Soho — geographically within the City of London, Westminster and the southern parts of Camden — also contain a number of nodes, but it is in Clerkenwell (EC1) (also see Evans 2004) and the Bishopsgate and Liverpool Street area (EC2)

that one can find more intense clustering effects. EC1 (covering parts of Islington, Camden and the City) and EC2 (parts of the City and Hackney) contain 26 nodes each (4.7 per cent). In general, the focus in the various venues is more on newer and emerging artists and genres than is the case in W1. There also tends to be a relative concentration of event organizers and agencies in this area and they also co-operate with and organize events in some of the clubs located in this district.

Directly north of EC1 and EC2 is postal code area N1, which comprises 30 nodes (5.4 per cent) in total and covers parts of Hackney, Islington and Camden. One main cluster is directly north of Old Street and is located mainly around Hoxton Square. The musical focus and differentiation are similar to EC1 and EC2. Another area of high spatial concentration of music production is E1, which has a total of 30 nodes (5.4 per cent). This area overlaps with E2 (both are located in Tower Hamlets and Hackney), which has a total of 19 nodes (3.4 per cent). The most intensive clustering takes place in those areas adjacent to EC2. Many of the nodes in this area deal with relatively (compared with the established genres) experimental, new or marginal sounds. All the clusters discussed so far are within the city centre or in directly adjacent areas. The only postal district with a decent-sized cluster that is outside this central area is W10, which has 18 nodes (3.2 per cent) and which covers North Kensington (part of the borough Kensington and Chelsea). Many record labels are located here, although they tend to specialize in well-established genres. It is also an area for long-standing labels and for labels that — from the perspective of the many micro labels active in music production — can be considered as medium-sized to large. W10 also houses a number of distributors, agencies and a handful of venues. Typically, the overwhelming majority of music production takes place north of the Thames. SE1 is the only district south of the Thames with an amount of production similar to the areas discussed so far: 17 nodes in total (3.0 per cent). There are a number of medium-sized or large venues in this area.

In the case of Berlin, I identified a total of 348 music nodes (see figure 3 for a map of Berlin). Of these, 98 (28.2 per cent) were categorized as venues and 136 (39.1 per cent) as record labels. This would mean that Berlin has fewer venues than London (28.2 per cent against 37.5 per cent in London), but approximately 7 per cent more record labels (39.1 per cent against 34.9 per cent). However, the inevitable imprecision in the collection of data makes it impossible to make any assertion purely on the basis of these data. The remaining categories were: event organization — 29 (8.3 per cent); store — 14 (4.0 per cent); publication — 3 (0.9 per cent); agency and/or promotion — 29 (8.3 per cent); radio (including on-line

streaming) — 5 (1.4 per cent); distribution — 6 (1.7 per cent); and various or other — 28 (8.0 per cent).

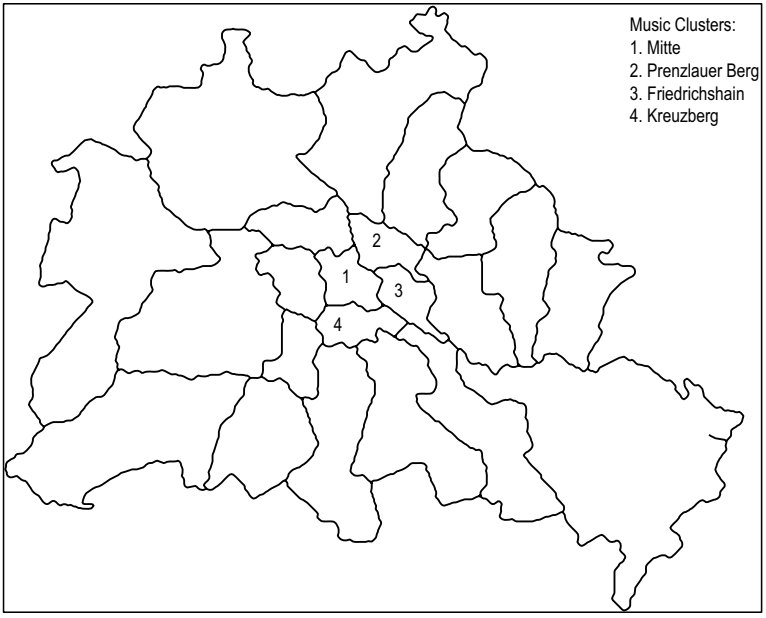

Figure 3: Music Clusters in Berlin

Of the total of 348 nodes, 38 (10.9 per cent) could not be directly assigned to a postal code. The remaining 310 nodes clearly tend towards spatial concentration. Similar to London, Berlin has produced multiple cluster tendencies. The difference between the two cities is that in Berlin all clusters are based in the eastern part of the city — more specifically in Mite, Prenzlauer Berg, Friedrichshain and Kreuzberg — whereas those in London are more equally spread throughout the city. Thus, whereas the 348 music nodes and approximately 3.5 million inhabitants in Berlin roughly equal the 558 nodes and approximately 7.5 million people in London, the spatial concentration of nodes in the eastern part of Berlin is likely to lead to a higher level of *experienced* concentration than is the case in London. This partly explains the popular association in the press of Berlin as *the* city of contemporary music.

The highest number of music nodes is in Mitte in the postal code area 10178, which has a total of 26 nodes (7.5 per cent). Similar to Soho, there is a bias towards consumption at the expense of production: 19 of the 26 nodes are venues. Typical for Berlin, how-

ever, is the fact that, even in this central area of the city, the diversity of music on offer is high and hardly distinguishable from other parts of the city. Of course, there are a number of mainstream venues, but there are also many venues that consciously focus on leftfield sounds and emerging genres. Record labels are similarly diverse. To the north, this cluster connects with clusters in the postal code areas 10119 (Mitte), 10435 (Mitte and Prenzlauer Berg) and 10437 (Prenzlauer Berg) and links Mitte with Prenzlauer Berg. There seems to be an equal mix of categories here. Quite a number of booking agencies and promoters are located in this area, all covering a wide array of artists and music genres. One can also find here record labels releasing various genres. These sounds overlap with what is available in record stores and venues. Also, Ableton — one of the major players on the music software market — is based on the Schönhauser Allee. Geographically relatively separate from Mitte and Prenzlauer Berg is Friedrichshain (particularly the postal code areas 10245 and 10247), which also has clear clustering effects. These areas are also characterized by a balance between production and consumption. Whereas some venues cater to the more mainstream sounds, most other venues and almost all labels focus on newer and emerging genres or well-established subcultural genres. Finally, across the bridge from Friedrichshain is Kreuzberg, another important cluster of music production (mostly within postal code areas 10997 and 10999). In comparison with the other clusters, there are not many music venues here, but this is compensated by the amount and diversity of record labels, distributors, booking and promotion agencies as well as magazines.

4.4 Cluster Exclusions

The data clearly show that music production exhibits clustering tendencies. The question, however, is why. Why does clustering take place and how central is this to the production chains of music? In this section, I want to take a closer look at the actual rationales behind the emergence of these clusters and relate these to the dominant explanatory models in the cluster theory literature in order to highlight the weaknesses of the latter. By doing so, this chapter aims to contribute to the growing literature that critically evaluates the cluster concept through sustained empirical research, in particular in the context of the creative industries (also see Turok 2003). It needs to be emphasized, however, that the cluster concept remains a rather 'chaotic concept' (Martin and Sunley 2003) that is often applied very liberally in theory and practice. In many ways, it seems more useful therefore to understand the debate surrounding

clusters as a 'multiperspectival approach' (Benneworth and Henry 2004) that addresses a number of overlapping themes and that draws on a variety of intellectual traditions, such as: Marshall's (1890) work on specialized industries and the local availability of labor, supporting infrastructure and complementary industries; Porter's influential neo-Marshallian analysis of clusters (1990, 2000); research by the Californian School on industrial districts and transaction costs (Scott 1988; Storper and Scott 1992); research on flexible specialization (Piore and Sabel 1984); and the work by the GREMI group on innovative milieus (Camagni 1991). There is no space here to do justice to the internal tensions between these different strands (but see Gordon and McCann 2000; MacKinnon *et al.* 2002), but one of the most remarkable shifts in the past decade in particular has been an increased acknowledgement of the role played by knowledge and sociocultural processes in shaping the emergence, institutionalization and development of clusters. This has led to three dominant (and interrelated) ways of explaining the position of clusters in (creative) production: an emphasis on the importance of cluster-based vertical and horizontal linkages; the highlighting of the role of clusters in knowledge and learning; and, the interpretation of cluster growth as based on these first two dimensions. In the remainder of this section, I will evaluate these theoretical arguments by relating them to my empirical data on music production.

4.4.1 Vertical and Horizontal Linkages

A central assumption of cluster theory is that clusters are constituted by vertical as well as horizontal linkages between firms or actors (Richardson 1972). The vertical dimension consists of nodes that are functionally dissimilar, but that carry out complementary activities — a situation often described as a production system of input/output relations. The development of a cluster will lead to a process of differentiation, in which suppliers emerge that cater to one particular process within this production system. The relations between these various nodes tend to be based on co-operation and less on competition, since they are not competing for the same customers. On the contrary, it is the interaction between these nodes that leads to an efficient and economically effective cluster. The horizontal dimension of clusters consists of nodes undertaking similar activities and the relation between these nodes is therefore based on competition, since the success of one actor or firm will be at the expense of others. Nodes, therefore, are involved in a continuous monitoring and observing of other horizontally positioned nodes, since their own survival depends on being one step ahead of

the competition. This tends to create a situation in which actors will copy successful competitors, while adding some elements of their own — as a result, a self-reinforcing process of variation is set in motion.

To an extent, this description is clearly applicable to music clusters in London and Berlin. Thus, vertical linkages exist between artists and labels.[5] Sometimes, this is the result of the fact that labels are micro labels run by artists themselves, which means that the vertical linkage is 'internalized'. Most labels, however, tend to be larger and represent not only the label-owner but also a handful of other artists that can be based in the same city. Previous research by Adamek-Schyma and van Heur (2006) has also shown the extent to which vertical linkages between artists and venues exist. In 2004, for example, artists living in Berlin conducted approximately 86 per cent of all the performances that took place in Berlin-based venues. No similar data are available on London, but it seems reasonable to assume that at least the majority of performances in London are conducted by London-based artists.[6] One important note that needs to be added is that it remains unclear the extent to which the artists are actually based within the same clusters as the labels or the venues. Instead of assuming a full spatial convergence between artists, labels and venues, it seems more likely that we are dealing with metropolitan intracluster formations, in which actors are very much aware of 'what is happening' within a number of clusters simultaneously. This already points to the need to attend to the relations between and across scales (as has been pointed out by a number of authors, such as Bunnell and Coe 2001; Wolfe and Gertler 2004) and will be further addressed later. Vertical linkages have also developed between record labels and distributors, radio stations and publications. To a large extent, this has to do with promotional effects as a result of the constant circulation of releases among the various nodes. Thus, record labels send releases to publications such as *De:Bug* and *Groove* in Berlin or *The Wire* and *RWD Magazine* in London. Similar networks have developed between labels and radio stations. At the same time, many of these links are also the result of actors occupying more than one nodal position

5 I excluded artists from the mapping data, since the sheer quantity of artists in London and Berlin would have made the mapping process impractical, but they need to be included here in order to understand their position within and in relation to specific clusters.

6 This seems a reasonable assumption, since touring artists are in many ways only the most visible aspect of contemporary music production. Less visible, but quantitatively more significant, is the mass of artists performing on a regular basis in clubs and bars. Lacking data, however, this impression has to remain speculative.

simultaneously: artists can also be label-owners as well as DJs at clubs and radio stations or working in record stores. More examples of vertical linkages could be discussed (i.e. vertical linkages between shops and distributors, between DJs and radio stations, between booking agencies and artists, or between artists and software companies), but the analysis so far already clearly shows that vertical linkages contribute to the creative ecology of music production, thereby confirming the theoretical assumptions of cluster theory.

Horizontal linkages — connecting similar and therefore (according to cluster theory) competitive nodes — are visible as well within clusters in London and Berlin. Venues and event organizers, for example, tend to be very much aware of the activities of other venues and organizers in the same city and one can therefore observe these nodes copying successful competitors, while adding elements of their own — thereby setting in motion a self reinforcing process of variation and innovation. In that sense, the urban environment very much functions as a field of comparison, enabling actors to position themselves as part of, but simultaneously different from, other actors in the same city. This can be illustrated by referring to an interview I conducted with the owner of the 103Club in Berlin and his comments regarding the position of this club in the Berlin context:

> 103 Club is the only large club that deals with music, which is electronic music, but which is also influenced by hip-hop and less by rock—as is the case with the Rio, for example — and also less by techno. In any case, it deals with hip-hop culture, it plays a lot of maximal music, music that is mixed casually across the genres with hip-hop, punk and electro flowing together, whereas the other large clubs such as Weekend, Watergate and Berghain are very much techno and minimal techno oriented. [...] Our catchphrase is 'Maximal instead of Minimal'. So we do try to open a new door in the Berlin party-landscape (interview, 26 January 2007).

This quote clearly shows the extent to which venues are aware of their horizontal linkages. The owner's description largely deals with the ways in which the booking at the 103Club is characterized by a particular genre orientation, which makes it different from the minimal techno predominance in other Berlin venues — maximal instead of minimal.

Having said all this, it remains unclear the extent to which these vertical and horizontal linkages are *really* constitutive for cluster formation and development, since one can find a whole range of evidence that contradicts this apparent confirmation of cluster theory. The main problem with cluster theory is not that it is wrong in attributing emergent dynamics to clusters, but that its theoretical focus obscures the important role played by multiscalar or trans-

scalar networks of aesthetic production in co-structuring creative clusters. To an extent, I follow here the more recent critique of cluster theory, which argues that clusters are not merely closed phenomena, but link up with firms and actors world-wide through 'global pipelines' (Bathelt *et al.* 2004). My argument, however, goes beyond this rather obvious fact that cluster based actors actually do develop connections with the outside world. As I see it, it is much more important to pay attention to the "internal composition" (O'Connor 2004, 139) of each cluster if we are to understand what is actually happening within it. The dominant strands within the cluster literature, however, tend to assume implicitly that the advantages of spatial proximity are the same for all nodes — irrespective of their position in the production system. Clearly, this is not the case and certain music nodes will rely more on the cluster than others.

Thus, although it might make sense to argue that the horizontal linkages of venues tend to be dominantly cluster-based, it is much more questionable to assume that this is also the case with vertical linkages. Even though the majority of performances are conducted by artists based in the same city as the venue, there needs to be a sensitivity towards the status of these artists. Often, a club night will involve a DJ set or live performance by one or more artists *not* based in the city — but visiting the city as part of a tour — backed up by a handful of DJs and artists who are based in the city. Quantitatively, the 'locals' outnumber the touring artist(s), but qualitatively the latter will play a much more central role within the club night than the former. Related to this, it is not certain at all that the booking agencies, which usually organize the tours, are based in the same city as the venue. On the contrary, chances are high that venues develop vertical linkages with booking agencies based in other global cities as well as medium sized or smaller cities, since these agencies draw upon the resources made available through various global networks of music production and are necessarily a part of these networks.

The assumptions of cluster theory are even more problematic in relation to record labels. Besides connections with distributors, record labels develop their main vertical linkages with their artists. Most labels seem to rely on a considerable contribution by artists based outside the city in which the label is based. With hundreds of labels in each city, this is difficult to prove in any definitive sense, but it can be illustrated with the following example. In Berlin, Adnoiseam — a label and mail-order that is known world-wide for its experimental music — has released around 80 records in its six-

year existence and this includes only one Berlin-based artist.[7] As the label-owner described his position within Berlin:

> I'm not releasing a CD called *Berlin Dance* or whatever, and I don't even ... No I do have a Berlin artist on the label, but he is an American guy. [...] I don't even have a German at Adnoiseam (interview, 26 January 2007).

The case of other important labels might not be as extreme, but neither do they dominantly focus on Berlin-based artists or try to market 'their' Berlin sound. Naturally, the quantity of releases on medium-sized and large labels will mean that they are likely to include a sizeable amount of artists from outside Berlin, but there is no reason to assume that small labels — which are part of the creative atmosphere that is so often celebrated in policy-oriented literature — are in any sense more dependent on cluster-based linkages. A similar situation is visible in the case of London.

Nor are record labels dominantly oriented towards the cluster when it comes to horizontal linkages. According to cluster theory, horizontally linked labels would have to be interpreted as involved in competitive behavior, which would translate into the continuous monitoring and observing of other record labels within the cluster. As a result, one would have to be able to observe a situation in which labels copy other successful cluster-based labels and try to add elements of their own in order to gain a competitive advantage. Is this really what we see happening? I would argue that most record labels — despite the reality of spatial agglomeration — are not so much interested in cluster-based differentiation, but above all in global differentiation, since they are part of global sub-cultures and rely on a globally differentiated market for their products. This differentiation tends not to take place along the lines of geography, but according to genre and aesthetic divisions.

Similarly and finally, booking and promotion agencies as well as distributors are not as dependent on clusters as it might seem when observed through the lens of cluster theory. As already indicated, the vertical linkages they develop with artists and venues (in the case of booking agencies), with labels and record stores (in the case of distributors) or with artists, labels, radio stations and publications (in the case of promotion agencies) tend to take place on a broader scale than the urban — often national, but increasingly macro-regional (European or North American) or global. The horizontal linkages these nodes develop tend to be structured in a similar fashion. Thus, a promotion agency such as Stars and Heroes in Berlin is aware of the activities of similar nodes in Berlin (such as Dense Promotion), but positions itself in a European mar-

7 Data derived from Adnoiseam website, accessed 13 March 2007.

ket in which horizontal comparison takes place on this Europe-wide scale (interview, 20 January 2007).

All in all, it is difficult to find clear-cut evidence that supports the view that these clusters are dominantly characterized by intense vertical and horizontal linkages. Clearly, nodes within the cluster have developed a large variety of connections, but this is more than compensated for by the large number of networked connections between cluster based nodes and nodes outside it. The bias towards cluster formation seems above all to be a result of the dependence of some nodes on physical proximity: venues rely on specialized audiences for their survival and will — in a competitive market — engage in 'horizontal' competition; artists increasingly rely on performances for their income, due to the decline in record sales. Artists, of course, have the opportunity to tour in order to increase the number of venues in which they can perform, but research has shown that performance geographies remain strongly locally and regionally structured: only a small minority of artists will travel the globe; most focus their attention on the regional or local scale (Adamek-Schyma and van Heur 2006). It is likely that this tendency will privilege large metropolitan conglomerations, since it is only within such areas that artists — those at least that are interested in making a living from their music — will have access to an 'internal market' of sufficient size.

4.4.2 Knowledge and Learning

This brings us to a second characteristic of clusters and one that is increasingly theorized within cluster theory: clusters as the spatial prerequisite for the creation of knowledge and learning. This view can be seen as an accompaniment to the older notion of clusters — dating back to the work of Marshall (1890) — according to which firms cluster because this gives them direct access to a dedicated infrastructure and collective resources, a pool of skilled labor and complementary industries providing specialized inputs. The focus on the importance of knowledge — and above all tacit knowledge — in the emergence and reproduction of clusters has been put forward as part of a purported shift towards a knowledge economy and the development and increasing ubiquity of communications technologies. The basic argument runs as follows. In a condition of globality, in which everyone can have access to codified knowledge, the production of new and innovative products or processes is fundamentally dependent on tacit knowledge (Maskell and Malmberg 1999). In contrast to codified knowledge, however, tacit knowledge does not travel as easily, since it cannot be expressed into signs (such as images or text), but is experiential and only

partly conscious. As Gertler (2003, 79) has pointed out, there are two other closely related elements to this argument. One is that this local nature of tacit knowledge makes it 'spatially sticky' (also see Markusen 1996), since the exchange of this knowledge between actors or firms can only take place if they share a common social context, which is largely locally defined. Related to this is the second element, which is the importance of *socially organized* learning processes', since innovation is now increasingly based on the interactions and knowledge flows between firms and other institutions such as research organizations or public agencies. Even though commentators have criticized this local 'bias' of the tacit knowledge literature and have argued that such knowledge can also be transmitted through organizational linkages between distant firms and that, in any case, tacit and codified knowledges need to be seen as intertwined (Allen 2000; Amin and Cohendet 1999; Bathelt *et al.* 2004), the basic argument that clusters are important in knowledge and learning has remained stable.

As other commentators have pointed out, activities within the creative industries, in particular, are constituted by tacit knowledge, learning-by-doing and local skills (Crewe and Beaverstock 1998; Leadbeater and Oakley 1999; Raffo *et al.* 2000). Others have addressed the need to acknowledge the mix of tacit as well as formal knowledge and local as well as global connections in the culture industries (O'Connor 2004). Although not a great deal of emphasis is put in the literature on explaining what constitutes knowledge and learning, in general the argument is that this involves a transmission of technical skills, talented people, entrepreneurial knowledge and information about external market conditions (Wolfe and Gertler 2004, 1076–1077).

Once again, to an extent this theoretical explanation makes absolute sense, but it is haunted by a similar ambivalence to the one described in the case of vertical and horizontal linkages. Clearly, spatial agglomerations of cultural production exist, but if the notion of the cluster as the spatial prerequisite of knowledge and learning is to have any added value, then it should be able to explain the ways in which the cluster — and not another form of spatial organization, such as the network — is the catalyst of knowledge and learning production. The evidence for this, however, is rather meager. As was indicated in the previous section, the assumption that vertical and horizontal linkages are dominantly based within clusters is questionable. If this critique is accepted, then it also becomes problematic simply to assume that tacit knowledge thrives within the creative atmosphere of urban clusters. In order to discuss this in more depth, I will focus here on the trans-

mission of technical knowledge and the acquirement of entrepreneurial skills.

The transmission of technical skills, which is seen as one dimension of knowledge and learning, can hardly be seen to be concentrated within clusters in any straightforward sense. This assumption seems to be a 'leftover' of the founding research on high technology clusters in which technical skills are communicated between research institutes and private firms (Angel 1991; Florida and Kenney 1988; Storper 1992), but is not directly applicable to creative clusters in which technical skills have a crafts-oriented quality and are much less part of complex organizational structures. Although this does not deny the social embeddedness of these technical skills, it does grant a relatively high level of individual autonomy to actors that is not comparable with other industries (but typical for the cultural industries — see Hesmondhalgh 2002; Ryan 1992). This can be highlighted by focusing on the biographies of artists, since this shows the ways in which the acquisition of technical skills is the result of spatially concentrated interaction — has predicted by cluster theory — and also of individual reflexivity and informal networks. As I see it, it is not possible to grant any extraordinary status to clusters in contributing to this acquisition.

To take an example, the October 2005 issue of the London-based music magazine *The Wire* included an overview of minimalist improvisers under the heading of "New London Silence" and used a vocabulary that resonated with the debates surrounding creative clusters. According to the journalist, Mark Wastell's Sound 323 record shop, his labels, concert promotions as well as performances with other artists "have established London as a significant hub in a global conspiracy of purging silences" (Bell 2005, 32). And indeed, the article starts with a description of the Sound 323 record shop and its direct urban environment:

> Bobbing like a cork on the rumbling ocean of traffic that is North London's Archway Road, Sound 323 is a little shop full of records, an oasis of edgy sonic art. [...] Due south, two venues lie within a few metres: the Jacksons Lane Theatre ('North London's busiest arts centre') and newcomer The Red Hedgehog, which an estate agent would describe as full of potential. ... Both venues, as well as the Sound 323 basement, are regularly used by the shop's proprietor, Mark Wastell (Bell 2005, 35).

In a policy-oriented publication, this surely would have been categorized as an emerging creative cluster. Yet it cannot explain the ways in which technical skills are acquired, as becomes clear upon further reading. Instead of concentrating on cluster dynamics, the article directs attention to the musical training of Mark Wastell:

Starting out with no formal musical training, Wastell's road to Improv hell was at first paved with good composers. [...] "Around 1996 I was listening to the chamber string music of Morton Feldman, Helmut Lachenmann, Luigi Nono, Mathias Spahlinger, Giacinto Scelsi and Salvatore Sciarrino. [...] Through these composers I began to understand the capabilities of my own instrument. I began to realise how to truly project my sounds, not with force through propulsion and volume but with careful placement of notes, be they loud or soft" (Bell 2005, 35).

Can one say it was the cluster that enabled Mark Wastell to find his own sound? Or should one argue that global networks of music production 'transmitted' technical skills to Wastell? Clearly, the second answer makes more sense, since all the examples of influential composers provided by Wastell are or were (some have passed away) based outside London: Feldman in the US; Lachenmann and Spahlinger in Germany; Nono, Scelsi and Sciarrino in Italy.[8] This does not mean that clusters play no role whatsoever in contributing to the acquisition of technical skills: Wastell is part of the London Improv scene and he acknowledges the influence of London based Phil Durrant (i.e. a cluster-based horizontal linkage) on his own playing. Yet this is merely one influence amidst many others. Tacit knowledge, for example, is also communicated through touring artists and the article refers a number of times to the impact that touring artists had on developing Wastell's technical skills. Of course, one could still argue — as some of the cluster literature does — that these represent 'global pipelines' opening up the local cluster to new information; however, in situations where the majority of influences are acquired through non-clusterbased actors, I am skeptical if this modification of the cluster concept holds. In any case, the hypostatization of clusters does not seem to contribute to a better understanding of the acquirement of technical skills.

Clusters, however, do seem to play a particularly important role in supporting and promoting entrepreneurial skills, although not directly in the sense presented by cluster theory. Within the cluster literature, the notion of entrepreneurialism tends to refer to an awareness of market conditions and opportunities, personal responsibility, risk taking and a drive to achieve and grow. The background assumption of much of this literature is usually a meritocratic view of society in which achievement and the cultivation of social capital will pay — irrespective of structural inequalities (Somers 2005). Entrepreneurialism itself is not alien to the practices

8 This highlights another interesting weakness of cluster theory. In its attempt to relate spatial agglomerations to processes of innovation, it overlooks the impact time — in this case, the listening to music from earlier periods — can have on innovation.

and strategies of networked forms of aesthetic production, but constitutive of their very existence. Building, supporting and reproducing these networks means continuous work — without the enthusiasm and time investment of thousands of actors, most music networks simply would not exist. This 'weak' version of entrepreneurialism is not limited to clusters, but is part of many forms of social interaction. Many of the actors currently working within so-called creative clusters have been actively involved in making music, organizing club nights or releasing records for years on end (often without payment). Once inside the cluster, however, weak entrepreneurialism can turn into a 'strong' version of entrepreneurialism. As indicated, this is not because the networks of aesthetic production were non-existent before and are now all of a sudden an emergent effect of clusters. Such a view abstracts clusters from the wider political-economic as well as social landscape and, by doing so, pretends (in its theoretical modeling) that clusters are self-generating mechanisms, while ignoring their structuration by wider influences (Wolfe and Gertler 2004, 1079–1080; Bunnell and Coe 2001). Instead, Gertler has shown how cluster dynamics need to be understood not only as an emergent effect of the interaction between firms and actors, but also as an effect of institutional proximity. Actors, in other words:

> operate within a possibility set that is constrained by larger forces—particularly the institutional and regulatory frameworks at the national and regional scales (Gertler 2003, 91).

Such a view potentially offers a more thorough account of tacit knowledge and entrepreneurialism, since it highlights Polanyi's (1944) and the regulation theoretical insight that "markets and the behaviour of economic actors are socially constructed, embedded, and governed" (Gertler 2003, 91). As Gertler puts it:

> such institutional influences are subtle but pervasive: indeed, often so subtle that *firms and individuals are not even conscious* of the impact they exert over their own choices, practices, attitudes, values, and expectations (Gertler 2003, 93; original emphasis).

I would argue that this 'possibility set' and these "institutional influences" need to be understood in relation to the rescaling of state space and the development of new forms of urban governance oriented towards the promotion and regulation of competitive urban spaces (Brenner 2004). Urban institutions, in other words, are actively involved in shaping the conditions in which actors and firms operate. Put in more Althusserian or Foucauldian terms, it can be argued that clusters have a disciplinary function: they produce

forms of subjectification in which actors come to recognize themselves as 'strong' entrepreneurs oriented towards individual achievement, economic growth and competitive advantage (Styhre 2005). It is through the notion of creative clusters, in other words, that networks of aesthetic production are identified by policy-makers (and cluster theorists) in order to regulate. In London, this involves institutions such as the Greater London Authority (GLA), the London Development Agency (LDA) and its Creative London programme, as well as the various borough-level and publicly funded economic development agencies. In Berlin, this involves the Berlin Senate's administration Department of Economy, Technology and Women (Senatsverwaltung für Wirtschaft, Technologie und Frauen) and its Project Future (Projekt Zukunft) as well as the Berlin Chamber of Commerce and Industry (IHK Berlin). This is not to say, of course, that these new modes of social regulation are necessarily successful, since they need to be articulated with a wide range of pre-existing networks of aesthetic production with their own internal dynamics.

4.4.3 Cluster Growth and Development

This brings us to the third aspect of clusters as discussed in the literature. According to cluster theory, cluster growth and development are dependent on the prerequisites discussed earlier: vertical and horizontal linkages as well as knowledge and learning processes. It is acknowledged that "the evolutionary paths for cluster creation are highly variable" (Wolfe and Gertler 2004, 1075) and each analyst will highlight a different mix of elements that determines the success of a cluster, but — once established — cluster development is seen to rely on vertical and horizontal linkages as well as knowledge and learning. Taking this as a starting-point, Maskell has argued that cluster growth is dependent on an increase in the number of nodes through three processes:

> First, already existing firms located elsewhere might be tempted to relocate all or a part of their activities to the cluster because of the real or imagined advantages of getting better access to the local knowledge base or to the suppliers or customers already present.... Second, a dominant position will also attract entrepreneurs with ambitions to start firms in the particular industry.... Third and finally, new firms come into being in the cluster by spin-offs; smaller or larger groups of former employees recognise a potentially profitable business opportunity and decide to exploit it by becoming entrepreneurs themselves (Maskell 2001, 932–933).

It is clear that this description also matches (to an extent) the realities of creative cluster development. Thus, one could argue that one

of the reasons why Berlin has become such a popular location for music production is because the various clusters in the city offer incoming actors access to the local knowledge base as well as local customers and suppliers. I have partly deconstructed this idealization of the local in the previous sections, but it remains true that clusters in Berlin have grown as a result of incoming actors. According to the policy-oriented documents published on Berlin, the creative industries have grown rapidly over the past decade.[9] Although these success stories need to be taken with a grain of salt, they partly overlap with more qualitative impressions on the spatial shift of music networks towards Berlin. Whereas Cologne, Frankfurt and Hamburg used to be important centers for music production (and they still are to a considerable extent), quite a number of actors have moved to Berlin during the past decade. This has been the case for visible 'majors' such as Universal or MTV, and also for many smaller labels. In policy work on London, there is less emphasis on the relocation of creative industries to the city, presumably because London has always played a dominant role within the UK creative industries. More attention is paid to the important role of the creative sector in fuelling the economic growth of London.[10] Within this creative sector, the music industry is not seen to occupy such an extraordinary role as in Berlin, but it is still emphasized that the growth in music is stronger in London than in the UK as a whole.[11]

This brings us to Maskell's second point. Creative clusters have also grown as a result of entrepreneurs moving in to start a firm in the field of music production. In the case of small cultural produc-

9 In a report published by the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung), for example, Berlin is seen to play an increasingly important role for the music industry. Not only does the city contain 7.3 per cent of all employees and 6.2 per cent of all firms (making it the first city before Hamburg and Munich), turnover in 2002 supposedly increased by 18.9 per cent in comparison with 2001 (Mundelius and Hertzsch 2005, 229–230).

10 Thus, London is said to be "the UK's creative capital, with 40 per cent of the jobs in the UK's creative industries, and 29 per cent of jobs in the UK creative sector as a whole" (GLA 2004b, 1). Also: "London's creative sector is a major driver of its growth. It is growing faster than any other major industry except Financial and Business Services, and accounts for between a fifth and a quarter of job growth in London between 1995 and 2001 (GLA 2004b, 1).

11 According to the GLA data, of the total of 650 800 people employed in London's creative sector in 2002, 87 200 of these worked in music and the performing arts. This figure would mean that approximately 30 per cent of all employees in music and the performing arts are based in London (the 2002 UK total is 285 700) (GLA 2004b, 30).

tion such as music, however, there tends to be a temporal disjuncture between the moment of 'moving in' and the actual starting of a firm. This is related to the 'weak' locational factors identified by many authors (for example, Florida's (2002) 'bohemian atmosphere') as constituting an important element of actors' decisions to move to a certain city, but these factors do not directly translate into the starting of a firm. Many actors spend months or even years 'hanging around' in these urban environments and participating in the various networks of music production without turning these activities into a business. Practicing a creative and bohemian lifestyle, after all, has a lot to do with laziness, unfocused attention and free time and not just with following a career plan. As one journalist ironically commented: "The eternal waiting of bohemians almost provokes cowering in bars, promiscuity and drug use" (Waibel 2006). Usually, such a lifestyle is supported by a combination of university studies (and government funding), parental support, unemployment benefits and a range of part-time jobs. It is only after a certain time that some (not all) actors involved in these networks will actually try to develop a form of living that is economically sustainable. This temporal disjuncture needs to be taken into account in research on clustering, since the form and content of most networks of aesthetic production are heavily structured by this investment of free labor.[12]

And finally, Maskell's third point is that cluster growth has to do with spin-offs i.e. with actors discovering a niche to exploit. Both in London and Berlin, this can indeed be observed. Besides the already mentioned examples — such as the 103 Club (playing more hip-hop-oriented electronic music in an environment of minimal techno) — a promotion agency such as Stars and Heroes in Berlin also seems to conform to this logic. The owner had come to Berlin to do an internship at Mute Records Germany. After this, she started work as a PR assistant at the Kitty-Yo label and soon became head of promotion. As became clear during the interview, this discovery of a niche to exploit was an immanent process of talking to other people about possible business ideas, being confronted with structural changes of the music industry and seeing opportunities arise:

> I was lucky in the sense that a friend of mine had started a new distribution firm and he had attracted many good labels [...] He then send a couple of labels in my direction. It all happened very naturally; I talked about what I would like to do and that indeed seemed to be a niche, a sort of specialization, and as a result the word got around relatively swiftly, even beyond Germany all the way to America, within these scenes at least (interview, 20 January 2007).

12 The comments here are too brief, but the issue of labor will be discussed in a bit more depth in chapter six.

Considering these cluster effects (imagined and real), it is maybe not surprising that policy-makers have latched onto the cluster concept as a generally applicable tool for transforming cultural production into an economically successful sector. By assuming, however, that cluster development will more or less equally benefit all nodes within the cluster, they ignore the organizational specificities of networked aesthetic production. In the case of music networks, therefore, it might be productive to entertain the thought that networks do not merely converge in clusters, but that networks also offer an escape from clusters. Networks offer actors the opportunity to continue aesthetic practices that have been made impossible by cluster developments.

The shape of these developing clusters is directly related to the structural power of the current accumulation regime in particular urban spaces. Soho, for example — which was seen as an innovative and creative quarter from at least the 1900s until the 1960s — is now no longer home to small and networked forms of production with low or no levels of return, but is instead dominated by larger capital investment and consumption-oriented cultural environments.[13] Music nodes do exist in this area, but have adapted to their immediate urban context: those nodes based in Soho are mainly those dependent on spatial proximity to customers, other nodes are located in other areas. Thus, the area hosts a relatively large number of record shops with a wide range of music on offer, since this location gives these shops access to London based customers as well as the millions of tourists visiting London. Venues such as clubs and bars are also available in abundance, but these nodes are not involved in aesthetically more experimental sounds and largely cater to mass tourism and the employees from the City's financial district with a standard fare of mainstream house, dance and pop. In contrast to other areas in London, however, hardly any event organizers or actual DJs, musicians and artists are located in Soho, whereas precisely these actors tend to play an important role

13 This is not to say that no aesthetic production takes place any more in these urban areas. In the case of film and television post-production facilities, for example, Soho is still a central area, despite high real estate costs (see Nachum and Keeble 2003). However, despite a similar organizational structure, these facilities are dependent on high levels of investment by or income from capital-intensive companies. Thus, advertising is much more integrated into the capitalist cultural economy than is the case with music networks. It is about time that cluster theory incorporates this more critical dimension in order to be able to distinguish between different kinds of culture industries in a way that goes beyond a mere highlighting of organizational differences. Some of the work done on moral economy offers useful perspectives here (see Banks 2006).

in developing new concepts and in pushing forward new sounds. Cluster theory could benefit here from research on gentrification, since this latter tradition is highly sensitive to the tensions between capital investment and local displacement of alternative social, cultural, ethical and aesthetic imaginaries and practices. It is certainly too easy to argue against any form of commodification, but cluster theory needs to incorporate a concern for a balance between consumption and production that is visible in the gentrification literature (for example, Zukin and Kosta 2004) and which is practiced by the many networks of aesthetic production crisscrossing the city.

The situation is similar and different in Berlin. It is similar, since areas such as Mitte and Prenzlauer Berg are heavily structured by the current accumulation regime and mode of regulation (Holm 2006), leading to an increasing spatial displacement of low-income forms of aesthetic production and a shift towards more consumption-oriented environments. The situation is different, however, because Berlin's relative economic marginality within Germany as well as Europe has meant that there simply is not enough capital available for investment in and radical transformation of urban spaces. As a result, even in central areas such as Mitte and Prenzlauer Berg, there is still space for low-income forms of aesthetic production, which is hardly the case in London. This is visible in the fact that many artists and event organizers are still based in these areas. It is likely, however, that further cluster development in Berlin — under the conditions set by the current accumulation regime and mode of regulation — will lead to a similar spatial distribution of aesthetic production nodes: with developed creative clusters in which nodes dependent on spatial proximity will adapt to the changing urban context and with nodes that are less dependent on spatial proximity circling these urban areas or moving out of the city altogether.

4.5 Conclusion

So what is the role of creative clusters in relation to networks of aesthetic production? As this chapter has tried to show with reference to music production in London and Berlin, clusters are not spatial concentrations of creativity in any straightforward sense. As cluster theory has rightly pointed out, clusters need to be understood as concentrations of nodes that are reliant on spatial proximity. Contra cluster theory, however, it is only a minority of the nodes involved in music production to which this applies. By not highlighting this point, cluster research on the creative indus-

tries ignores the organizational specificities of networks of aesthetic production.

To an important extent, this bias is a result of the rather "selective empirics" at work in many of the writings on creative clusters: although areas of agglomeration are always identified, there is a lack of evidence concerning the quality of linkages and knowledge spillovers (Martin and Sunley 2003, 18-23) in specific sectors of the creative industries. This methodological weakness leads to a whole range of problematic theoretical arguments concerning the supposedly central role of creative clusters in contemporary cultural production. As this chapter has shown, these theoretical problems include: the limited understanding of the differentiated relevance of vertical and horizontal linkages for particular functions within a cultural sector; an insufficient grasp of the logic of knowledge and learning in cultural work (also see Banks 2006); and the downplaying of the often adversarial tensions between cluster regulation, broader spaces of accumulation and network dynamics. The larger argument of this chapter is that this discursive selectivity (Somers 1994) serves obvious strategic functions. It is part of a broader attempt to re-align cultural production with the new knowledge-based regime of accumulation through the selection of particular clusters that can be regulated and governed. The neglect of networks in this "economic imaginary" (Jessop 2004a) is no accident or simply the result of hasty empirical analysis (although that surely plays a role), but an effect of this realignment process. This is because networks of aesthetic production such as music production employ a wide variety of rationalities that can only be reduced to cluster-based economic innovation with great difficulty and simplification — it is 'easier' to simply focus on clusters and hope that policy interventions in this spatially delimited sphere will restructure the existing and emergent networks of cultural production. As Jessop (2004a) has pointed out, this has a "potentially performative impact" (172) in the sense that "economic imaginaries identify, privilege, and seek to stabilize some economic activities from the totality of economic relations and transform them into objects of observation, calculation, and governance" (163). At the same time, I also pointed out that it is by no means certain these regulatory attempts will succeed, since they need to be articulated with a wide range of pre-existent networks of aesthetic production and forms of accumulation that are only partially dependent on cluster-based activities.