
CREATIVE HUBS

Learning from Europe: Lessons for Viet Nam



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EXECUTIVE SUMMARY

1 The creative economy has been a global success story of the twenty-first century. How can this growth be captured and mobilised in Viet Nam? Creative hubs may provide an answer.

2 Creative hubs are a specific form of development at the interface of the field of culture, and the creative economy. There are a variety of creative hubs in the UK and Europe, there is not one dominating model.

3 Learning from the UK and European creative hubs experience is problematic as a key characteristic of hubs is their embedding in the local social, cultural and economic environment. Hubs reflect the creative communities that they are part of.

4 The report offers a perspective based on identification of the functions that creative hubs can play in Viet Nam. The forms that they take can be varied. The most important issue concerns the mobilisation of local creative communities; they are the foundation of hubs.



5 The key lesson drawn is that creative hubs in Viet Nam should be supported by a programme of local capacity building. This process requires the identification of existing local strengths and weaknesses and an analysis of how a hub can aid the process of capacity building.

6 The report highlights several areas where legal definitions and generic policy fail to differentiate the creative industries or creative hubs and hence they can be overlooked, or not well served by policy.

7 A key challenge for creative hubs is to develop trust and understanding between government leaders and local authorities. Learning more about each other's needs and concerns, and having regular meetings and discussions could help to develop the creative hubs and creative economy agenda in Viet Nam.

8 A basic mapping of the creative hubs should be carried out such that hubs, policy makers, politicians and the community can understand what hubs are, and what their contribution to society and economy is. Ideally such a task could be carried out by hubs using a centrally devised template.

OVERVIEW



The brief for this report was to examine the role and contribution of the hubs to the creative economy and policies/government support for the development of hubs illustrated with examples mainly from the UK and Europe.

The approach adopted followed from the brief. The first section of the report situates the role of hubs to the rise of the creative economy. Attention is drawn to the particularity of the creative economy and how it is different from 'culture' and the 'economy'. Some key characteristics of the creative economy are described.

The second section reviews what - in a European sense - hubs are, how they are defined and what function they perform. Hubs are highlighted as the foundation blocks for capacity building in the creative economy

The third section tackles the policy question. The issue of policy transfer is linked to that of knowledge transfer, something that is context dependent, and in which the 'object' transferred itself undergoes transformation: thus producing creativity or innovation. Learning from the experience of Europe, the report stresses the need to develop strategies of local capacity building with creative communities to establish both resources, and weaknesses, as opposed to top-down imposition of a generic form and format of a creative hub. The report suggests that a hubs strategy should be a process of knowledge acquisition and capability building.

This report represents the first part of a heuristic process. Workshops and interviews with hub managers enabled the testing the framework and learning more about local challenges to hub formation.



PART 1

THE FIELD



Internationally, Creative Hubs are a new idea, most being established since the turn of the twenty-first century. Hubs have co-evolved as part of the ecosystem of the newly emergent Creative Economy. The Creative Economy overlaps with, but is not the same as, the field of culture, heritage and tourism; globally, the Creative Economy has notably grown in terms of economic output and employment; this is especially the case for emerging economies. Creative Hubs are part of the social, cultural and economic infrastructure of the Creative Economy; they can play an enabling role. However, the precise nature of this role is various, depending on local circumstances.

The aim of this report is to review and acknowledge the growth and diversity of Creative Hubs in Viet Nam, and to better understand how and why they operate; and what challenges and opportunities they present. We offer a range of experiences from the UK and Europe as to how Creative Hubs have developed, and the forms that they take. On one hand, this can help us to understand what hubs are, and the functions that they can perform. On the other hand, it can show us how different Creative Hubs, and the local context, is in Viet Nam. A stark lesson is immediately obvious, that most Creative Hubs in Europe are supported by public funding; this is not the case in Viet Nam. Thus, we must take care in 'learning lessons', or taking 'best practice' models, from one setting to another.

The study is based upon research visits and interviews with a variety of the hubs, as well as two collective meetings; one organised with hub managers/organisations, the other with a similar group and officials from Government agencies. This report is based on these interviews and discussions as well as the wide range of experience and detail obtained from comprehensive reports on Viet Nam Creative Hubs commissioned by the Ministry of Culture, Sports and Tourism (MoCST), UNESCO, and the British Council carried out by local consultants [1, 2]. These documents provide a necessary 'map of the territory', the scale and scope of the hubs and their sponsors; and, the experiences of those working within them. The aim in the current report is not to replicate those studies,

or to simply propose European models of best practice; rather it is to learn from both experiences and the discussions that they generated.

The aim of this report is to explore how a creative cluster approach could help to mobilise the creative economy in Viet Nam. The approach is to learn from experience, notably in Europe, and thereby avoid some of the pitfalls and build upon the more successful insights. It should be emphasised that what is being offered is not a 'off the shelf' solution, rather it should be seen as a process. This process must be rooted in emergent Vietnamese realities: institutional arrangements, histories and cultures, as well as the state of the emergent creative economy.

As part of this task, it will be necessary to reflect upon the more general social and political perceptions and understandings of the creative economy. This is a fast-changing field, and perceptions tend to at best lag, or be based upon an outdated understanding. This gap in understanding, as well as a gap in credible data and information, has also to be bridged in any successful policy process. Related to the empirical situation, and its reflection in public discourse, is that fact that the government has just initiated *the National Strategy for the Development of Cultural Industries to 2020, vision 2030*. An important challenge, and opportunity, will be to articulate cultural clusters with this strategy, and vice versa. This report seeks to promote this discussion.



CREATIVE HUBS: DEFINITIONS



Creative Hubs have grown from small beginnings to become an international phenomenon for Viet Nam; now is the moment to take stock and take a more strategic view of the future both of Creative Hubs, and their relationship to the Creative Economy. The issue of definition of a Creative Hub is fraught; one can develop taxonomies of international experiences, and those within Viet Nam: indeed, these are mentioned later in the report. However, it is useful to begin with an 'everyday' understanding of what hubs are, and what they do. Simply, we can say that they are "a collection of creative businesses, accommodated in the same building, sharing common resources". A further important assumption, that all hubs are based upon, is that the critical mass so formed will promote innovation and knowledge transfer.

Now the caveats: first, the presence of creative activities differentiates a Creative Hub from any other Hub, and stresses, that they are Creative businesses, that share some common process, skill, or market/audience. Whilst related, we draw a line at 'maker spaces', and generic co-working spaces. The latter, are an example of what is effectively a real estate marketing model, where the objective is to generate a rental return on property. Second, common practices create opportunities (not always achieved) of learning from others, and generating economies of scale, and knowledge transfer, that potentially benefit the hub members, for the provision of common, or collective resources (technologies, services, or space). Third, management, advice and business development expertise can be provided as a support or mentoring service to make sure that lessons are learned. Fourth, that creative businesses tend to be small (sole operator, or 5 or less employees: a micro- enterprise), they operate in very risky markets where fast growth, and periodic

contraction are normal (usually referred to as project-based enterprises). Companies individually, and in groups, often cross-subsidize one another in periods of feast and famine. Creative businesses do not solely operate in the for-, or not-for-profit sectors; the bridge both; or, the cultural and the economic; or, they may engage in informal and community activity as well as (an integral to) their for-profit activities.

This list of caveats, the characteristics of the creative economy, makes an uncomfortable fit with Government industrial or cultural policy, and the analytical categories used by academics. On one hand, it renders some activities 'invisible' as they fall between the statistical or conceptual categories; on the other hand, inappropriate categorisation often subjects some activities to inappropriate legislation or regulation. Policy makers and politicians need to understand these caveats, and their implications, for what otherwise may appear a simple or generic problem of supporting and promoting innovation in industrial, or cultural policy: understanding them is integral to the challenge, and opportunity, of Creative Hubs. The reader should bear this caution in mind when reading the report.

THE RISE OF THE CREATIVE ECONOMY



A significant trend registered at the global scale in the last decade has been the growth of the creative economy. It is not that the creative economy, or growth, did not previously exist; simply that finally international agreement of definitions, and data collection, were established. In this sense 'year zero' was the 2008 publication of the UNCTAD creative economy report [3] which pioneered the measurement of cultural trade globally; and the 2009 UNESCO report [4] which developed both a definition and a framework for cultural statistics on employment. In principle the latter document has enabled nation states to prepare their own measures of employment; the former document uses the existing trade database of UNCTAD.

Aside from establishing a benchmark, the UNCTAD report, and its subsequent 2010 update [5], showed a previously unrecognised upward trend in cultural trade patterns that exceeded those of traditional economic sectors. Moreover, the report highlighted that the nations of the Global South whilst not dominating the absolute volume of cultural trade, far exceeded the rates of growth of those in the Global North.

The question that logically follows for nation states, especially those of such as Viet Nam, is how to participate in this growth, and align local cultural industries to this transformation. The UNESCO special report (2013) [6] established a foundation by laying out policy approaches (and challenges). The overriding message of this report was the need for local capacity building.

In parallel, UNESCO has been pursuing the implementation of the Convention of cultural diversity (2015). The key point about this initiative and its intersection with the Creative Economy process has been the stress the economic, social and cultural values of cultural diversity. It is in this sense that the nations such as Viet Nam have considerable competitive advantage based upon the richness of their cultural inheritances. Clearly, such endowments are not without their threats.

The challenge to politicians, policy makers, practitioners and the general public is to fully grasp what the creative economy is, and what its potential might be. As we will briefly outline the scope is potentially wide, and for many observers, unforeseen. Moreover, a key lesson that experts in the creative economy have learned is that the creative economy is not part of a linear 'next step' of economic development. The creative economy is also transformational, in that it is at the core of the re-configuration of national economies based upon the new hybrid nature of economic development where many of the old definitions and categories have been transcended. As policy makers around the world are finding, this presents a challenge to governance models developed to manage, and suited to, the industrial economies of the twentieth century.

A clarion call of policy makers and politicians has been to grasp the possibilities of innovation and creativity: these are the memes of the twenty-first century. However, researchers are learning quickly that what counted for innovation and creativity in the 'machine age' do not apply in the 'information age'.



THE CHALLENGE OF THE CREATIVE ECONOMY AND ITS RELATION TO CREATIVE HUBS

The creative economy, like all good ideas has equal balance of threat and opportunity. Local policy responses are therefore critical in shaping a desired outcome. As a result of its novelty for many, the creative economy is subject to misunderstanding or misinterpretation. It is important to recognise these challenges, as well as formulating clear responses to them. As creative hubs are part of the creative economy these issues apply to them directly. We can identify four challenges; each has a strong resonance in Viet Nam's creative hubs.

The first challenge relates to the form of the creative economy. Many policy makers assume that extant industrial policy, and or cultural policies, will be sufficient. The lessons that have been learned are that the creative economy does have similarities, but also some critical differences from 'the economy'. Hence, the need to be wary of mapping across extant policies to this new field. Moreover, in traditional fields governance is predominantly by (inherited) objectives and targets, and not process.

Second, the relationship between the creative economy and cultural policy is complex. Much creative economy policy seems to be an outgrowth of tourism and heritage projects [7]. This is valid, but a limited and instrumental conception of what the creative economy offers. Moreover, in such a modality the role of the creative economy in driving consumption (monetising the 'spill-overs' of tourist visits). Sadly, this condemns the creative economy to a dependent role, not the driving role that has been identified as the real potential. Cultural policy traditionally is structured in a welfare economics/market failure model. The assumption is that via grant subvention. The message of the Creative Economy reports is that culture is an economic driver; but one that has a complex relationship with cultural practices.

Third, we can see how these complexities are manifest in the lived realities of the creative economy. Namely that the boundaries between the for profit, and the not-for-profit; between the formal and the informal, are fluid and indistinct. The problem is that most government structures assume such dualisms exist and shape the delivery of policy.



Finally, we can see how this generates a complex 'messiness' about the relationship between the economy, society, and the creative economy. The practices of the creative economy are boundary spanning activities. This makes them difficult to place, conceptually, in the familiar 'boxes' of popular discourse of the economy and culture, and governance. In a traditional welfare economics model of culture, it is a market failure, and only be supported by subsidy. Consequently, a framework of policy making and resources allocation is constructed to justify cultural activities. If culture, or parts of it, make money there is a need for a different approach to governance, and to the rules of justification of cultural value. These issues are difficult enough within government and policy making, but even more tricky in the public realm. Hence, a critical component of any policy making is education and consciousness raising about the nature of the creative economy field.



THE PARTICULARITIES OF THE CREATIVE ECONOMY: ORGANISATION

Much of the above is premised on the argument that the creative economy is not 'just' another dimension of economic life, nor is it a growth of the cultural field: it is both. In practice this means that action and operation, organisation and processes are to some extent novel. Moreover, that there is not just one 'cultural industry', and there are critical differences within the cultural industries (which in effect we might term cultural domains, or cultural forms). Appreciation of the similarities and differences is key to building an effective foundation for policy making.

In summary we can identify three dimensions of 'peculiarity' of the creative economy [8]. First is organisation, generally the firms that comprise the creative economy are 'small', that is micro-sized



(less than 5 persons). Usually the economic definition small in this sense concerns 100-200 persons. Moreover, the 'ecosystem' of the creative economy runs from individuals and freelance workers, through micro-enterprises, to large multi-national enterprises. The cultural sector has, in organisational terms, a 'missing-middle'. This matters because generally in economies the coordination functions of the sector commonly occur in this middle space. In its absence the power balance is radically tipped against the individual.

Second, we need to highlight process in the creative economy; this is characterised by a very fast turnover of ideas and products (and consequently a very high rate of innovation), but at the same time a very high level of risk associated with any single product. Sustaining innovation, and not simply investing on a risky, single, product is a challenge to policy makers and the financial institutions.

The day to day work process and organisation of the sector has adapted to manage such risks, and in many ways that is why it looks 'peculiar' to an outside observer used to single product, low innovation systems (most manufacturing). The project-life limited enterprise is characteristic of the field, this is where individuals form a project/company for the life of a product, pooling unique

skills to achieve an objective. At the end of the project (which may be as short as six months), the project/company is dissolved. Management in such an environment requires unique skills, and it generates precarious employment conditions. Moreover, from the outside it overturns economic logic which suggests that the longevity and permanence of a firm is a 'good thing'. In the creative economy turnover and dissolution is evidence of success.

Third, aside from specialised management techniques to deal with risk and turnover, a parallel and complementary strategy is one of co-location. Co-location facilitates the building of critical mass of producers and consumers, the maintenance of a large labour pool. It may be necessary, but it is not sufficient to produce the 'rocket fuel' of the creative economy: knowledge communities. The absence of firms and organisations maintaining, or creating, a structure of knowledge exchange and practice is both a risk (as it is difficult), but also a strength (if it achieved). Accordingly, the attention of policy makers and practitioners to 'creative clusters' or 'hubs' which seem to offer both a solution to this problem, but also a means of 'holding down the local' in such a global world of flows.

INSTITUTIONAL / STRUCTURAL CHALLENGES IN VIET NAM

All the above-mentioned issues apply to creative businesses operating in creative hubs in Viet Nam. Moreover, due to the local legal framework and extant policy, as well as the current pattern of hub development, there are further points to note. A specific challenge that the creative industries experience is that of a 'missing middle' in the organisational structure of the sector: there tend to be a small number of large companies, and many micro-sized companies; but very few medium and small-sized ones. This creates a weakness of networking and co-ordination; especially for contracting relationships, skill and knowledge exchange. In Europe, this problem is recognised and commonly addressed by developing or supporting 'intermediaries' that is organisations and networks that link together companies and individuals. Commonly, this function is delivered via a cultural industries agency, or a cluster support agency. This function is also present in many creative hubs. It is not a well discussed phenomenon, and is often over-looked in the assumption that co-location will generate such benefits automatically. This is not the case.

A specific challenge that Vietnamese creative industries face is one not generally confronted by European businesses: licencing creative projects, and censorship laws. Businesses commented that the legal framework of cultural and creative businesses can be complex and uncertain. The general point is that there appears to be no clear category for creative businesses (especially those with an experimental, innovative or contemporary fine art focus), rather they must be licenced as creative or cultural projects a category which was initially developed to allow the licencing of politically and culturally sensitive exhibitions and public discussion events. Obtaining such a licence can be uncertain as the decision is subjective, and not always timely. The situation is made more complex by there being a sensitivity about the legal definition of the approval of forms of contemporary art¹ and art practices that are subject to the laws of censorship².



A different dimension to the public acceptability of contemporary art forms regards the state-level honouring, or recognition through the public promotion and government support of awards, of art forms and professional artists. This recognition is important, but it was perceived by some that it was overly conservative, and hence acted as a brake on the consideration and acceptance of novel art practices. Such recognition is given in many areas of craft production. The challenge is to embrace the honouring of the creative industries: such factors have an impact on the development of art practice, and creative hubs.

The challenge for businesses, and cultural practitioners is to obtain more certainty in an already high risk environment. For all practitioners of the cultural industries the world over there is high risk regarding audiences, and whether they will appreciate new and innovative art and cultural forms. One way to improve matters is to develop public discussion of these matters, and to make it a basic element of the education curriculum. Having a further level of uncertainty in the granting of approvals is seen by many as problematic. One aspect of the challenge appears to be regional. Ha Noi, with its experience of numerous festivals and events appears to be more relaxed with permissions; this contrasts with reported experiences in Ho Chi Minh City. The experience of local authorities in dealing with new art forms, and with cultural businesses, has led to greater understanding; however, there is always uncertainty with new innovations. As the cultural and creative field is all about innovation such an environment can be restricting.



¹ Decree no.113/2013/ND-CP, Articles 14 and 15

² Decree no 79/2012/ND-CP and No 15/2016/ND-DP

The nature of the licence for creative projects is clearly tailored to regulate cultural events and performance; however, the extension and innovation of creative industries mean that by being a creative business they may fall into this category. Clearly, the core objective, to control certain aspects of cultural expression is something that is an issue for the state to decide. The point concerns developing greater clarity for creative businesses in a rapidly changing and evolving environment and which laws they will be subject to. We heard of creative businesses choosing to register primarily as 'service' activities (such as a café) to gain a licence (which



they might then have a cultural activity as a minor element, or temporary element). This is neither is the original legal purpose, or is the entrepreneurial objective satisfied; the creative economy is held back.

There are further issues of sensitivity regarding the involvement of non-Vietnamese investors and supporters. Government agencies are concerned about undue external influence or control by those outside of the country. However, this creates a difficulty when foreign 'non-governmental organisations' or private foundations seek to participate in what might be referred to as ideological activities. Although it was reported that permissions were usually granted, the delay and uncertainty of the decision process was disruptive. Again, the challenge for creative businesses is more uncertainty as to the legality of an event or activity; or a decision that minimizes pre-advertising of an event.

This is clearly a political issue that needs wider discussion, but it does hinder the development of creative hubs. Primarily, it is because of the lack of government investment in Viet Nam in hubs. Therefore, this innovative aspect of the creative economy must rely on other means of financial support. One approach is for hubs to develop a relationship with a real estate developer who is seeking to promote a new development, and within which they want a 'cultural' element. However, and the same difficulties are experienced in Europe when this is tried, the ultimate business decision regards the real estate, and not the creative hub. So, this is a precarious mode of funding. Reliance on external investors can create political sensitivities if investors are not well regarded

by the government, or simply put Viet Nam open to investment decisions outside her borders. So, for example, we heard of NGOs who were re-assessing their investment plans which might lead to withdrawal of support for programmes in Viet Nam. Clearly, this makes Viet Nam's creative sector vulnerable to external factors.

Moving on from culturally specific challenges to the creative industries, are a set of what would be more familiar challenges to European creative hubs and creative businesses: issues of tax incentives and investment. Here, there appears to be no specific set of incentives specifically targeted to support or promote creative business as there is in Europe. In the business and economic field examples are incentives for research and innovation, and for investment in new facilities, or in the training of employees³. The consideration of these sort of initiatives, more commonly found in the manufacturing and high-tech sectors of market economies, could be worth exploration to generate investment in the creative industries⁴. Finally, the issue of public-private partnerships is at an early development stage.



Investment relies upon evaluation of the assets of a business and its prospects. The creative economy has some challenges in this respect, and it often relates to intellectual property rights: these are the assets, and the future value. It is an international issue that intellectual property rights (IPR) are not sufficiently protected in the creative industries. Clearly, an operating intellectual property regime that is supported by the government, and has popular support is a foundation. However, for creative businesses the challenge is understanding what IPR means for their activity, and how to licence or copyright their assets. The availability of legal advice and education about the sometimes complex IPR issues in relation to the creative economy are clearly important, and once again, in some European creative hubs such advice is available; elsewhere, specialist IPR advice is becoming available targeted at the creative economy more generally.

³ There is discussion of this in relation to Decision no 1466/QĐ-TTg, but the specification of precise activities in the creative field is unclear.

⁴ There is a system of investment incentives (Article 15) that apply to some specified industries, but not others, under the responsibility of the Ministries of Culture, Sports and Tourism, and Information and Communication.



Another weakness is support for 'collecting societies' to administer the distribution of 'royalties' earned by creative workers. The lack of a reward system, regulation, and public support are essential components of a functioning IPR system. Without such a system, it can be difficult to justify investment in innovation as the future income stream cannot be secured if IPR system are not efficient and functional.

PART 2

CREATIVE HUBS

This section begins with a definition of the creative hub but concludes that the diversity of forms makes it unhelpful as model. The second part explores the issue from a different perspective highlighting instead the possible functions that a hub can perform. The third part argues that local resources and talents in

the creative economy typically need to be mobilised, hubs can perform a critical role in effecting the process of local capacity building. However, as a result, the empirical form of creative hubs is diverse.



DEFINITIONS

There is much confusion as to what hubs are, and what it is hoped that they will achieve, and what role that they actually play. The general idea is that in a fast changing world of new ideas, technology and creativity there is much to be gained by bringing together people and ideas. Accordingly, designating a building to be a creative/innovation/business hub seems a logical next step. However, effective hubs are underpinned by ideas and specific practices. Simply enumerating the physical components and infrastructure is insufficient, as different cultural industries require

various spaces, materials and technologies. Moreover, most successful hubs are places of both production, consumption and networking. Finally, managing the interrelationship of people, activities, and physical resources is an important role, perhaps the most important role in a hub [9].

Summarising these components, the British Council's Creative Hub Toolkit [10] identifies six variants of the hub:

STUDIO Small collective of individuals and/or small businesses, in a co-working space.

CENTRE Large scale building which may have other assets such as a cafe, bar, cinema, maker space, shop, exhibition space.

NETWORK dispersed group of individuals or businesses tends to be sector or place specific.

CLUSTER Co-located creative individuals and businesses in a geographic area.

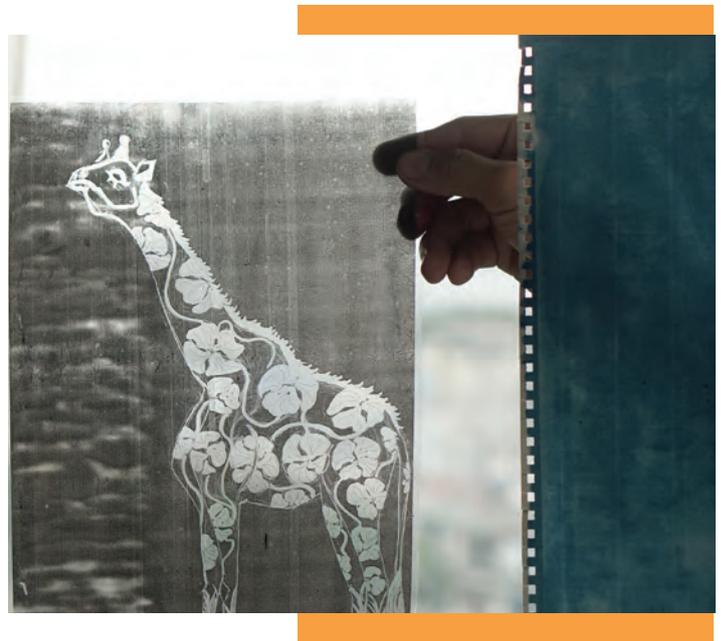
ONLINE PLATFORM Uses only online methods website social media to engage with a dispersed audience.

ALTERNATIVE Focused on experimentation with new communities, sectors and financial models.

At first sight the range of hub types appears to be evidence of confusion; however, closer analysis reveals that hubs are responsive to local differences. Hence, the big question for any particular creative community is 'which type of hub is suitable for us?'. The definitions of hubs are in effect taxonomies of resources. Inevitably, a local needs assessment should be part of the planning process. The more complex and subtle elements of any strategy involve the interaction of people and values.

Regrettably, much of the discussion of hubs is driven by physical infrastructure provision and capital investment. This is an external, or top-down process. Whilst important, hard infrastructure is dependent on longer term revenue investment in soft infrastructure (usually people and knowledge). Research in Europe has further noted that the notion of hubs has been conflated with a number of other ideas such as cultural quarters, cultural clusters and districts. This co-location thinking is founded on the idea that there is a distance decay problem with economic practices, particularly with knowledge diffusion. Hence, proximity leads to retention of knowledge and economic activities, and further economies of scale.

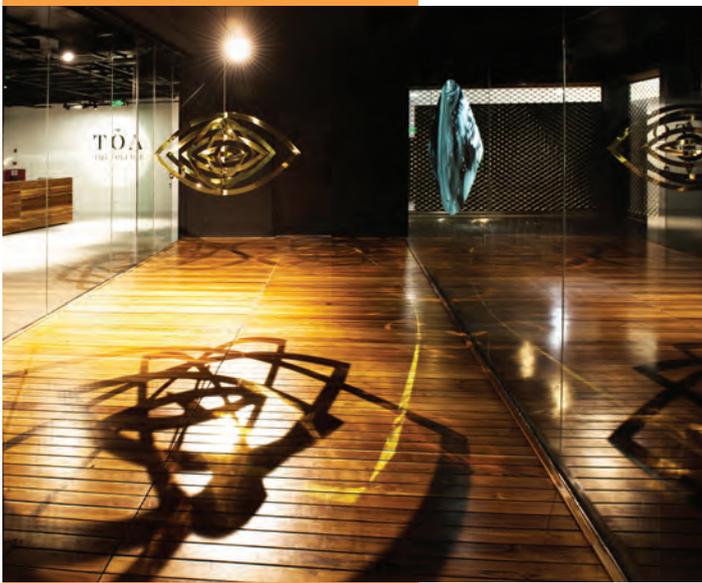
This external, and physical-led, definition of hubs, as well as the notion of how it generates economic and creative activity is limited. The problem is that it is assumed that innovation and knowledge transfer, and creativity, are like the spread of an infectious virus. However, has been the critical development understanding innovation more generally, and particularly of those involved in hub development that ideas don't simply 'infect' those who they touch; to extend the viral analogy, some are resistant, and some 'auto-infect', and others create new mutations. The simple point is that knowledge and creativity is not analogous to a conveyor belt: a linear and additive process. Knowledge and creativity are social processes that occur in networks and communities (often through back and forth interaction), moreover knowledge and creative processes are generative, not simply additive. The hub, network, or ecosystem, that we are discussing is the platform upon which ideas are developed. The platform usually includes a physical space, but the spaces in merely a launch pad. Capturing, consolidating, learning and extending ideas is a social process: what we will refer to as the curation process of the hub is the key. Before we move on to look at hubs more closely, we need to understand why the 'building-based' model has appeared to be most dominant in the European context; and why it is not necessarily part of the lesson to export.





The cities of Europe experienced the sharp end of a massive economic transformation in the late 20th century. This was characterised by a decline in manufacturing activities, and the growth in employment in service based activities. This created turmoil in labour markets, and the social fabric, as unemployment grew. At the same time, sometimes in the same places, new employment growth occurred, but in office, services and financial activities. At the urban level cities were faced with redundant manufacturing premises, and unemployment; in other places new jobs in newly constructed office space. A dual crisis of physical buildings and labour markets not being fit for purpose, and many people and places rendered redundant.

At the same time, albeit not widely recognised at the time, the creative economy was beginning to grow. Some innovative urban authorities did recognise this and sought to match up the redundant physical infrastructure and the new jobs being created, along with the hope that it could stimulate wider regeneration. This was the emergence of so called 'cultural industries quarters'. It explains in part why creative hub debates in Europe are often about buildings, conversion, and cheap spaces.



To an extent the latest iteration of creative hubs (that are commonly confused with or overlap with digital hubs, or fab labs, and maker spaces) has re-enforced an older narrative of the magical powers of 'equipment' and 'technology' that allegedly generate innovation and creative growth by its mere presence. Without doubt, there is now clear evidence that the high tech sector, and the creative economy, is generating economic growth and jobs. What is less clear is exactly how and why, and what role the buildings, labour market skills and proximity themselves play. It is this debate that has generated a new discussion about hubs: what goes on inside hubs, and what does creativity, innovation and knowledge transfer actually look like, how is it facilitated, or indeed blocked. Arguably the rather poor grasp that we have on these questions is perhaps the biggest threat to both the creative and digital economies, and by extension to the rest of the economy.

The message to take away from this section is that the European debates about creative hubs have been embedded in the European economic history and its recent economic crises (which is logical, but we need to appreciate that the message is 'wrapped' in these circumstances). The most visible aspect of the new hub development has been infrastructure based. The visibility of buildings and regeneration has obscured the more intangible transformation of knowledge exchange and creative community building. Work that the British Council commissioned to review the current thinking on hubs [11] stresses this point very clearly and directs us to the need to understand the actual processes of knowledge exchange, the people involved, and their value systems

and aspirations, as well as the means by which their activities can be curated; that is, creatively brought into novel and innovative alignments, to create something more than the sum of the parts. It is for these reasons European models of hubs are not the best place to look for inspiration. Or, rather one has to look in a very closely to learn the lessons that may be transferable, and not simply an artefact of local conditions. It is with this caution, and insight, that we move on to re-examining the potential of hubs that can be transferred.

Quang et als. research [1] uses the British Council schema and applies it to Viet Nam hubs; it is useful to quote in full what they conclude,

“According to the classification of the British Council, with the above study sample, we have two cluster creative hubs, with three experimental hubs, eight centers in the fields of fine arts, event management, contemporary art, cultural tourism,

heritage conservation; Online platform is not selected due to the particular nature of this type, mainly targeting the fields of information technology and communications. This is a community with very high capability of networking due to occupational needs, gathering professional creative hubs. Currently, the policy to build a nation of entrepreneurship and information technology is considered a priority, basically, they do not need the help of policies supporting creativity or business creation as there are always a market their products. This is very different from the creative hubs outside the field of information technology, in particular the hubs aiming towards artistic activities, which have the problems of establishing the market, business capabilities and the support from the state and society.”

This conclusion points us toward the importance of the networking function of creative hubs in Viet Nam.



THE FUNCTION OF HUBS

It can be concluded from the previous section that it is the activities and dynamics of hubs that will yield the most value and insight for policy makers and practitioners seeking to learn lessons from the European experience. In a sense we can enumerate a number of principles that begin to describe the functions of a hub (without reducing it to a building).

First, the hub is a home, a sense of place. It offers creative actors an appropriate physical space to carry out their creative practice (and this is characteristically very varied in size and scale depending on the practitioner; moreover, practitioner needs can vary quickly, growing larger and smaller depending on project). This physical accommodation that is flexible and scalable, and economically viable is a significant challenge to hub managers. On top of this, like all activities, creative businesses need security of tenure, and space availability in the right location. It is worth noting that the policy community have often ignored these needs, allocating space to creative practitioners in marginal and impermanent spaces; or, forcing them to move as rents rise, literally using creatives to do the sweat labour of regeneration, and to reap none of the benefits. It is overall a very strange way to 'support' one of the fastest growing aspects of local economies.

Second, the hub as a peopled and networked space is a very efficient delivery point for collective services, sometimes referred to as real 'services' [12]. On one has these are the services, and administration, that larger economics entities gain from economies of scale; however, it is the disadvantage of micro-enterprises who spend all their time on the new idea. Collective services such as payroll and accounting services, as well as business advice can be efficient, as they can be provided at point of need, but also strategically important. Often collective services can provide access to 'higher grade services' that a single firm

could not normally afford. Collective services can be specialised; payroll services, or training courses, or legal and intellectual property advice can be tailored to the tenants. In fact, this resource becomes a further magnet to creative business to locate in the hub.

Associated with these real services is the role of curation played by the skilled hub managers who are precisely not primarily building managers; they are skilled and trusted intermediaries, and mentors, who are facilitating the interaction of all those in the hub. This is often is manifest as careful management and selection of new tenants, and the management of existing tenants. It can also be expressed as a concern for the development of workshops and training events, the promotion of exhibitions, and audience development, as well as linkages with the local community and out-reach work.

Third, and related to the space of networks as opposed to a group of individual office and rooms, is the promotion of co-learning and sharing of ideas and experiences. The huge social and economic value of sharing is what is at core of the notions of 'open



innovation' systems [13]. These notions are a new idea in the hi-tech economy (as opposed to closes and secretive corporate proprietary systems); however, they are the long standing tradition of those working in arts and culture. In fact, those changes are the very lifeblood of keeping up with and leading the rapid turnover of ideas in the sector. Research indicates that this 'open innovation' or what is commonly known as 'the scene' in the arts and cultural sector is what really drives co-location the need to be 'in the loop' of current ideas and able to mix and match cognate communities of interest. In this sense hubs create their own 'force field' of ideas that attracts others to them.



CHALLENGES TO VIET NAM'S HUB DEVELOPMENT

Previous studies have given us a clear picture of the current nature and distribution of creative hubs in Viet Nam. Truong Uyen Ly's [2, 14] report for the British Council lists 24 Hubs in Viet Nam: 10 each in Ho Chi Minh City and Ha Noi, and others in Hue, Hai Phong and Hoa Binh; the report by Luong Hong Quang et al. [1] lists 13 hubs; other estimates suggest as many as 40 hubs. Ly [14] offers an estimate of the potential scale of the 'start-up community' by estimates drawn from Facebook 'likes'. She estimates that the core community may number 8-10,000; and when one includes that who are connected to these networks as supporters or visitors the number could be increase ten fold. This issue of the precise number of people involved, let alone their economic output, and cultural output is unknown, but it is an issue that need more information. The precise number of hubs depends on the definition adopted. Without doubt the largest and best known

internationally is Ha Noi Creative City. The important point to make is that the extant creative hubs do not fall into an easy classification or taxonomy: diversity is key, in terms of size, formation, objectives and focus. Few of the hubs are 'established', and even the largest ones are undergoing rapid change and transformation. New entrants such as The Factory in Ho Chi Minh City, and the fine art based hubs in Hue illustrate the breadth and nature of change. There is a clear sense of growth and development, and hubs are becoming more popular.

By comparison hubs in Europe tend to be rather more normative; usually state, or partially state-supported old industrial buildings accommodating a group of creative business or artist studios and workshops. The Viet Nam picture is an interesting contrast with little if any role for the state; instead external NGOs, expatriots, and property developers taking

the lead role. In Europe, there is a great concern about the provision of work spaces, and studio spaces for artists and creative businesses; this seems less a priority in Viet Nam. Either spaces were more easily, or cheaply, available; or, the main priority for creative workers was networking and meeting, this is what many hubs provided as a priority. Here, it is important to make some distinctions between co-working spaces that are primarily of business model for property management, and networking hubs where the curation of activities or training is a priority. The distinction between these two categories can be unclear, and change over time.

It is important to note that creative hubs in Viet Nam, as in Europe, encompass a variety of different business models. Specifically, whilst the 'bottom line' is always to make money, or not make a loss the subsidiary aim is often more important.

To promote an art form, to act as a forum for cultural debate and develop future audiences via education, to share skills, to act as a retail platform, to work as a café or restaurant, or as a co-working space, or a platform for start-up businesses. All of this can be found, most notably, Ha Noi Creative City contain these; however, most hubs specialise in one objective (although it may change through time). As noted above, this diversity of focus is in part this is a fast moving and evolving business model; but also in other part it is a reaction to the licencing and regulatory regime in Viet Nam.

For policy makers and politicians, and the public this can be confusing; but this is what is characteristic of the fast-moving creative sector. Indeed, it is one of the challenges that the British Council identifies in its Hubs Report, that is the diversity of objectives and the need to keep focus and control in the management of the hub, and to be able to have a strategy to change the focus over time. One of the points that emerges from the European studies of hubs is that the role of the hub

management team has in successful cases become an important and unique skill set combining artistic, cultural as well as economic and management skills; the ability to liaise with politicians and policy makers, as well as funding agencies and the public. In the UK, hubs have been active for 25 years or more and they have acted as a self-sustaining apprenticeship for hub curators; acquisition of this skill set is likely to be a challenge in Viet Nam as hubs develop. There is, and will be a need, for the training and mentoring of the vital intermediary roles in the creative economy, and the management of hubs.

The big challenge to hubs is their future sustainability and resilience. As noted above, the international funding environment is changing and many NGOs are reducing support due to austerity funding cuts. At the same time the Vietnamese creative economy is rapidly growing and standing on its own feet. The question is whether funding from local investors will make up the short fall, and whether a real estate development model will continue to serve the best interests

of creative practitioners. The obvious potential solution is to make the case for the state to play a role in investing and supporting the creative economy.

However, at present it seems that the licencing and regulatory environment might make this difficult. There is a degree of lack of trust between hubs and regulatory and licencing authorities; creative businesses would most likely be wary of state controlled hubs. The model of arts and cultural funding that developed in the UK and has spread across the world may offer one possibility here. The model is the 'arms-length principle'. Simply this places an institution between the state and the funded agency (hub) to try to avoid direct control of sensitive artistic and cultural decisions. Another similar model is as exists in Viet Nam now, that is the provision of hubs by 'third sector' (not-for-profit) agencies.

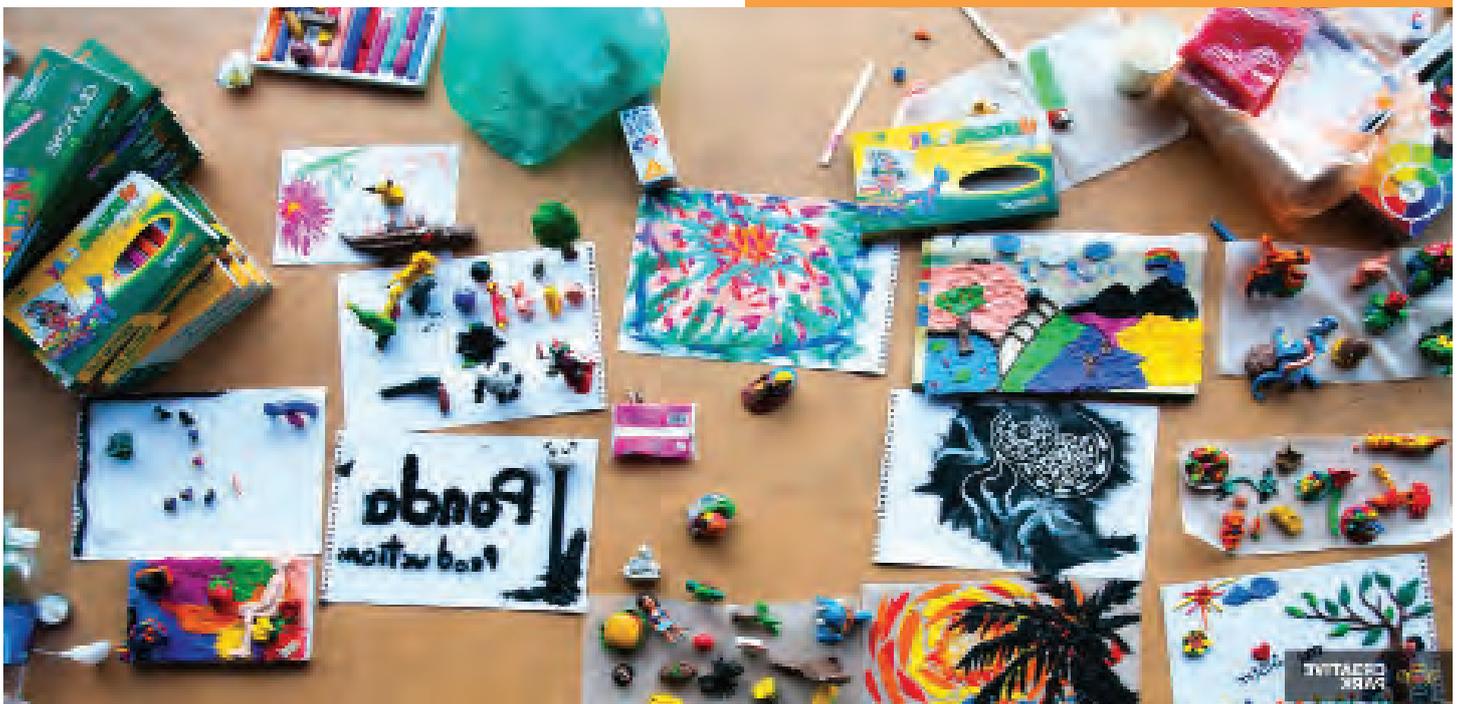
These institutional innovations would take some care to adopt in Viet Nam, as respondents mentioned in our discussions, policy makers were often uncomfortable



with the blurred distinctions between the for-profit and the not-for-profit; between the formal and informal; between the cultural and the economic. Clearly, such issues confused accountability and responsibility and turned into complex debates. As these are precisely the challenges that the creative economy raises, it would seem.

It is these sorts of challenges that have encouraged some of those responsible for managing hubs in Viet Nam to develop an on-going dialogue with policy makers to provide information and education on both sides as to concerns and objectives. However, whilst this is clearly a positive way forward it is a piecemeal approach and needs a more comprehensive revision and review of relevant legislative and licencing regulations. Finally, there remains the bigger dilemma of resolving the balance between the creative economy and the cultural and tourist sector. These have many similarities and overlaps, but they also have critical differences and tensions. Because of history and tradition, the normative view point is shaped by the understanding of traditional culture, and tourist related activities. The newly emergent creative economy is creating the need to reconsider this relationship and to clarify the similarities and differences, as well as the appropriate legislative supports. However, this must be the subject of a wider debate.

A final area of concern for hubs was the external environment; simply their audience. Many of the hubs sought to invite an audience into their hubs, or to build future audiences for their work via education and training. Concern was expressed by some hubs with what was the under development of the audience and market for contemporary fine arts in Viet Nam. There was also concern of a social disconnect between hubs and their communities. In most cases their objective was outreach to the public; ironically,



where the connection sometime broke down was the link with the education system and with universities. Many hubs are engaged in artistic or cultural training and skills development; or simply audience development. However, they struggle to engage universities who in the creative field have a more conservative curriculum and a rather distinctive notion of what counts as art and culture (in part re-enforced by the law). This again, is a sensitive area (and one linked to the issue of 'honouring' above). In this sense the creative economy is running ahead of the education system, and the regulatory and legislative systems. Obviously, this causes conflict and difficulties. In Europe, higher education institutions sometimes see participation or cooperation with creative hubs as an important part of their public role. Again, this is another field for debate that cuts across economic, cultural and education policy.



PART 3: PUTTING CREATIVE HUBS TO WORK, BUILDING LOCAL CREATIVE COMMUNITIES

The previous part of this report has laid out the problems of, and to some extent the obstacles to, policy making and creative practices. It identified several principles and lessons, and a few processes to focus on. However, it also directed us to the need for local solutions that are embedded in the local realities and conditions of property provision, or the artistic practices, and the relationship with cultural producers and consumers or audiences. Moreover, the need to understand how this relates to the actual conditions, needs and tensions between the 'creative economy', and the (not-for-profit) cultural sector, heritage and patrimony, and as well as related areas such as tourism. Developing such knowledge and understanding is the first step of a wider process of local knowledge collection, and analysis, and an attempt to articulate it to the principles outlined above, and the local aspirations.

Broadly, it is this process that we call 'local capacity building'. In a

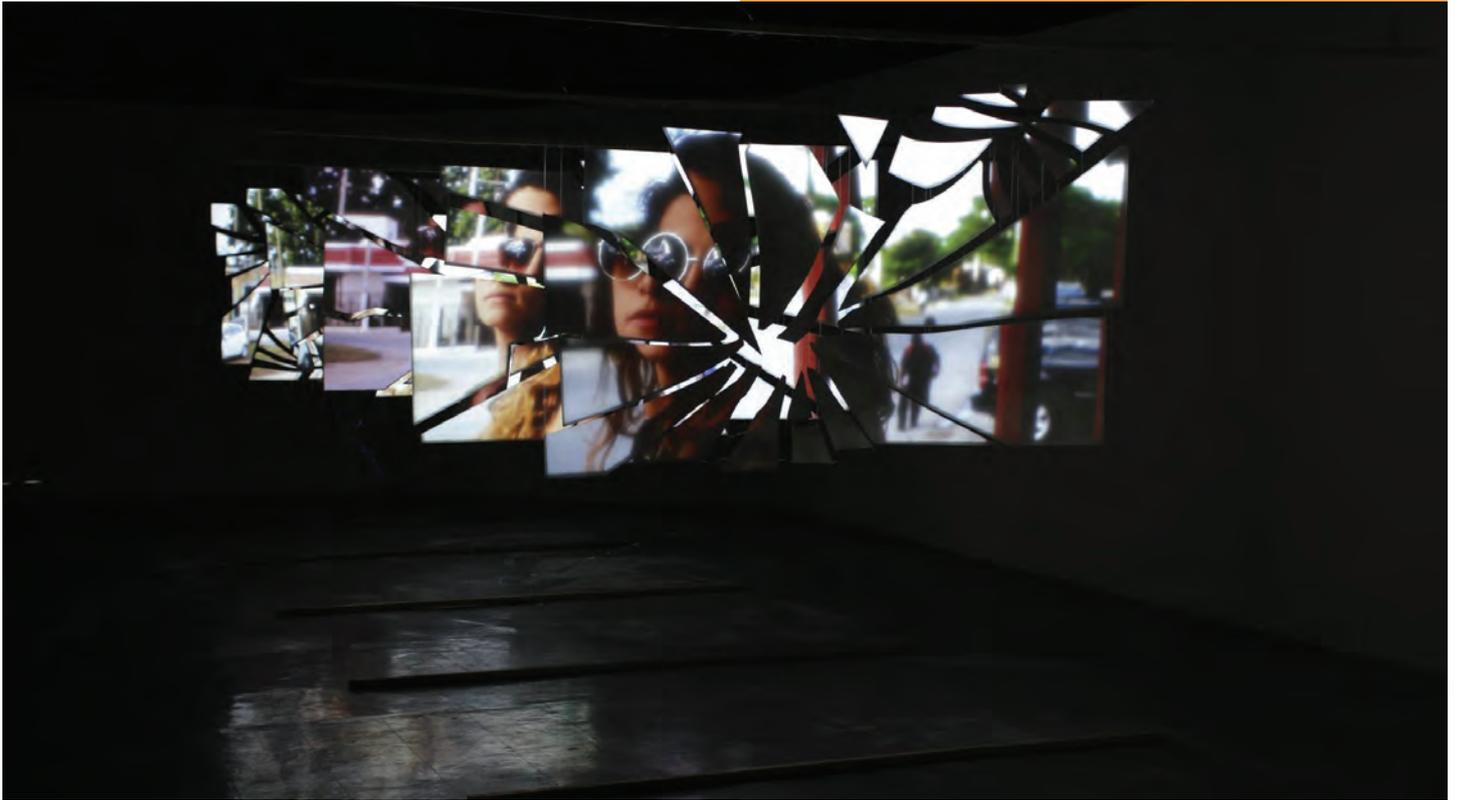
simplistic sense this is interpreted as establishing a hard infrastructure, and trade and legislative foundations for the functioning of a creative economy. However, equally as important is the development of the soft infrastructure of training and education, and of policy and governance capacities. The remainder of this section sketches out these needs, as well as the processes required to identify them (to enact the embedding and adaptation process). It is commonly the case that in European hubs that the newness and rapidity of development of the sector has failed to establish a popular information and data base: this presents a major obstacle to policy development, or more starkly leads to the development of infrastructures (soft and hard) that are not adapted to need. Accordingly, the priority is to address such a gap before it opens.

The first general field of investigation is to identify the creative community/-ies, and their action spaces (from local to global). This involves a process of community identification and building

to recognise a potential group of hub users. It will also identify the different art form, or practice, interests, overlaps, and gaps. Moreover, it can identify the extent of other networks that even extant practitioners draw upon; these are resources that are seldom 'visible' to outsiders.

The second dimension of cultural community mapping concerns the soft infrastructure: training and education, a critical issue in Viet Nam's creative hubs. Again, we will need to distance this provision as one that is externally defined, or limited by the local school or university curricula. It is important to explore with creative practitioners what their training needs are. However, once again, in line with the 'cultural community mapping' process practitioners will need to be brought into dialogue with trainers and mentors. If practice and skills are to be developed, practitioners need to be challenged and guided.

Hence the need for cultural intermediaries, skilled professionals



who can facilitate dialogue between practitioners, and between policy professionals, local publics, and economic actors. Often the resource at stake here is strategic knowledge of the sector, and of audiences and markets. Moreover, it can include questions of access to regional and international markets and networks. Developing the function of a cultural intermediary is one side of the coin, the other is developing and providing individuals who possess these skillsets. These skills parallel, and are often co-terminus with, the hub manager.

A problem identified in Europe has been where trained cultural intermediaries are coming from. Some higher educational training has begun; also, it is based on experience. In Europe, the cultural hub movement has almost 20 years' history. Other countries will face an even steeper hill to climb and a labour market gap to fill, unless training for trainers/mentors is developed. Finally, a very important aspect of this intermediary function is not only the skillset but the sensibility of the individual.

Individuals must gain the trust of practitioners, and of policy makers and the public. This is in part about reputation building, but also about demonstrable experience in both practice and mentoring. It is precisely these issues that underpin the possibility of a sustainable and resilient creative community.

In parallel with cultural intermediaries within the creative economy, there is also a need for policy makers to develop these sector specific knowledges and skills. A common problem in Europe is with policy makers who do not understand creative practice, or the challenges of managing cultural institutions, or again, the complex financing models that are used. As noted at the start of this document policy makers often begin from the position of the generic policies for business development, or of cultural policy, that have previously served them well. The creative economy does not sit easily with either. Aside from the obvious gulf of understanding between parties, and potential mistrust a major stumbling block in Europe has been the question of evaluation.

Evaluation is a key stage of any governance process, and policy development using public monies is a case in point. Accountability, and trust is crucial to smooth operation. However, the strict application of economic return on investment decisions can be damaging to the creative economy as its output is not limited to an economic value, but includes a social and cultural value as well. Moreover, the economic value is often amortised over much longer periods of time than for regular consumer goods. At worst, such standard evaluations are set up to fail the creative economy (due to their limited evaluation criteria).

STRATEGIC CHALLENGES

In summary we can observe that there are a number of key components of community building, and skill and training needs, as well as more fundamental statements of 'values'. Hubs that fail to engage in such processes of internal reflection are weaker and tend to fail. They are unsustainable as they have been established either on this basis of 'false needs', or that the identified needs were too rigid and short term. The establishment of a hub is about establishing the 'platform' and growing an institution; as well as articulating it to wider society, and to policy makers and the extended creative community.

Creative hubs need to find a position within the changing and emerging institutions of government. There is a significant challenge here felt internationally. The problem is that the institutions of government have predominantly been generated in response to the needs of an industrial economy and society; however, these same institutions are having to deal with the challenges of a postindustrial/information/creative economy. In such a world the old 'silos' of policy responsibility are undercut by the fast moving and fluid practice of the knowledge economy. Hubs present one way of governing an otherwise 'unruly' economic sector.

Viet Nam may be in a favourable position being new to the development of creative economy policies, and in the process of innovating broader governance; it does not have the legacy of history that many European nation states have, for good or ill, inherited. It is notable that across the world that governance innovation has been required to 'deal with' the creative economy. Governments in the UK, Australia, Canada and others pioneered the re-configuration of major departments of government to be able to span the concern of the creative economy. This, at least, is an indication of the scale of challenge that the creative economy represents. The UNCTAD reports show the potential benefits that can be reaped. We have pointed to the challenges of the classification of creative and cultural businesses: the fact that they often lie in between cultural and economic regulations.



Beyond the immediate needs of capacity building and development of the creative economy several challenges face the Vietnamese government. These challenges are perhaps focused on the question of where culture is located in the policy arena, and who does it have strategic partnerships with? The starting point of this report was that the interface of culture (tourism and heritage), the creative economy, and the economy is a new space to be explored. The lateral relations developed will need support and development. This task will present immediate challenges for networks and institutions below the national level. Creative economy hubs might be such an institutional innovation that is in an opportunistic position to engage with these issues.



Cutting across this concern about the location of the creative economy and hubs within the architecture of government is a number of other issues that will also need attention. We highlighted the issues of training and education, and how they relate to this new field. Specifically, we have pointed to the need to develop support for the development of cultural intermediaries and hub managers; essential if the creative economy is to thrive.

There are also other tricky issues such as how to manage at the porous interface of the for-, and not-for-profit; and between the formal and the informal economies. As suggested above, these dualisms are 'hard wired' into the architecture and assumptions of government and policy making. Innovation and exploration of ways to 'think across' these boundaries will develop more effective governance of the creative economy, and increasingly the wider economy.

Finally, there is a set of issues surrounding the regulation of content by the government. How far the creative economy remains a 'protected' sector and thus subject to limitations on content and expression is an open question. It will be a difficult issue as culture moves to a more popular expression, and is not solely linked to patrimony, history and the national brand. There is clearly scope for a social discussion about 'value and values', and what role the creative economy, and creative economy policy plays in this.

The approach this report recommends is one of dialogue and learning from practice. Moreover, to use creative hubs as 'laboratories' for capacity building, that may serve as a resource for the creative economy in wider Vietnamese society. That creative hubs could be a useful first place to practically deliver support for the creative economy. This might imply that hubs should be networked so that they can learn from one another, and that this network might be a useful interface with national policy aspirations about the creative economy.

Creative Hubs

Learning from Europe:
Lessons for Viet Nam

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Artwork credits:

Page 12: Nguyen Manh Hung, Living
Together in Paradise, 2009-2011, mixed
media installation.

Page 18: Truc-Anh, The Golden Allegory,
2017, installation.

Page 22: Pablo Mercado, Krapp's Memory,
2015, video installation.

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