Re-scaling Governance in Berlin's Creative Economy

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Abstract
The paper aims at discussing the issue of governance in respect to creative scenes, a central structural element of the creative economy, exemplifying the case of Berlin. Berlin has a fast growing creative industry that has become the object of the city’s development policies and place marketing. The core question is: What are the spatial-organizational driving forces of creativity in Berlin - can they be steered by public administration? I am using Berlin as a reference case to articulate the gap between ‘state-led planning’ on the one hand and the organisational practices of self-governed creative scenes on the other. I attempt to demonstrate why a perspective change in terms of re-scaling is necessary, in order to respond to the particular practices of emerging industries and their societal form ‘scenes’. By re-scaling I mean the conceptualization of governance in different non-hierarchical organisational as well as spatial scales, based on the observation that scenes are considered to be a central element of the functionality of creative industries.

Keywords: Governance, Berlin, Creative Economy, scenes, scale
Governing Creative Industries?

Taking the difficult historical background as a point of departure, Berlin can be considered as a relatively peripheral metropolis, as a politically divided city with parallel institutions till 1990. Subsidized economies on both sides, few manufacturing industries on the western side and less competitive industries on the eastern side, Berlin’s start in the European arena after 1990 has been framed by structural and economic weaknesses, less-service oriented public institutions and public policy, and entrepreneurial mentalities always awaiting federal subsidies (Büttner, Lange, Jähnke & Matthiesen 2004).

Till today, Berlin demonstrates the paradoxical co-presence of cramped knowledge sites, some excellent science clusters, as well as highly attractive cultural scenes, on the one hand and, severe reduction politics within the realm of universities, research and development on the other. This results in a mostly self-encumbered lock-in situation, which progressively endangers any creative steps into a ‘knowledge-based future’ for the metropolitan area as a whole. The transformation into an independent and less-subsidized urban economy has led to stable 18-20 % unemployment rates (McKinsey 2010), growing social segregation, and slow but detectable urban polarization (Häußermann & Kapphan 2002).

The city administration of Berlin defines creative industries as a profit-oriented segment covering all enterprises, entrepreneurs, and self-employed persons producing, marketing, distributing, and trading profit-oriented cultural and symbolic goods (Senatsverwaltung für Wirtschaft 2008) This way, commercial sections of publicly financed cultural institutions such as museum shops are also part of the creative economy's business sector. Creative industries in this understanding include advertising, architecture, the art market & design, film & TV, software & telecommunications, music, the performing arts as well as the publishing & book market.

The report on Creative Industries counts 22 934 creative enterprises, predominantly SMEs, earned over 17,5 billion Euro in total revenue in 2008 (Senatsverwaltung für Wirtschaft 2008: 24). This means companies from Berlin's creative industries make up around 20% of Berlin's gross domestic product. More than 8% of those employees who are required to pay national insurance contributions (excluding freelancers and independent contractors) work in the various submarkets of Berlin's creative economy. With approximately 160 000 employees – including freelancers and independent contractors - creative industries are pertinent to Berlin’s job market. In the last couple of years, the number of employees subject to social insurance contributions is declining, while the number of people working freelance and self-employed is obviously increasing to 39 percent of the creative economy’s working potential.

Creative industries cannot only be defined as branches e.g. of design, architecture, music, fashion etc., but also as distinct ‘markets negotiating symbolic
goods’. Paul Hirsch firstly introduced this perspective. He defined creative industries as ‘producing cultural products that means nonmaterial goods directed at a public of consumers, for whom they generally serve an aesthetic or expressive, rather than a clearly utilitarian function’ (Hirsch 1972: 641). Similarly, DeFillippi, Grabher & Jones (2007) defined ‘cultural economy’ through ‘economic activities in which symbolic and aesthetic attributes are at the very core of value creation’ (DeFillippi, Grabher & Jones 2007: 512). The notion of negotiating symbolic goods addresses not only the tremendous attractiveness of new work in these markets but also the high degree of visibility stretching far beyond its economic potential. ‘Markets negotiating symbolic goods’ though refer to the production and the exchange of relevant cultural symbolic values, defining symbolic goods for identificatory socio-cultural processes at the micro and the macro level. The question how to promote the very special nature of what is considered ‘creative industries’ is of major importance for public administration as well as private companies since few years.

The following paper focuses on one central diagnoses in creative industries: creative scenes play a major role exchanging, evaluating and distributing relevant knowledge in and between creative markets. That allows on the one hand asking for the logics, paradoxes and practices of the functionality of these very informal socio-economic interactions. On the other hand, scene practices will be conceptually linked to a broader understanding of governance as such, as it is exemplified by Kooiman (Kooiman 2003).

I will exemplify these perspectives at the case of Berlin in order to evaluate some connotations of the concept of governance. The paper aims at discussing the issue of governance in respect to creative scenes, a central structural element of the creative economy, mainly neglected when speaking about creative industries as such. Berlin has a fast growing creative industry that has become the object of the city’s development policies and place marketing. The core question is: What are the spatial-organizational driving forces of creativity in Berlin – can they be steered by public administration? I am using Berlin as a reference case to articulate the gap between ‘state-led planning’ on the one hand and the organisational logic of creative scenes on the other. I attempt to demonstrate why fundamental re-scaling is necessary, to respond to that particular logic of emerging industries and their societal form ‘scenes’. By re-scaling I mean the conceptualization of governance in different non-hierarchical organisational as well as spatial scales, based on the observation that scenes are considered to be a central element of the organisational logics of creative industries.

The Plan of the Paper
First the following paper asks for new forms of governance (Section 2) within the framework of creative industries. I will contextualize governance approaches by
focussing on their spatialities. Furthermore, I will use the differentiation of governance (governance, co-governance and hierarchical governance) proposed by Kooiman (2003), in order to open the often-rigid definition of the term governance, as it is presented by political sciences.

Secondly, special emphasis is paid in regard to new geographical scales as well as new institutional settings as a consequence of the distinct formation of markets. Thereby specific professional demands, network behaviour as well as new constellations of creative agents in creative industries play a major role and are discussed on greater length (Chap. 3).

Thirdly, Chapter 4 presents Berlin with central parameters as well as it prepares the application of network governance approaches to the case of Berlin’s creative industries, mainly the field of design production.

Fourthly, empirical sketches, based on various empirical fieldwork and research approaches will be presented and reflected along the proposal presented by Kooimann (2003): (self-governance, co-governance and hierarchical governance). Major emphasis is put on the aspect of self-governance with so-called ‘creative as well as professional scenes’ in creative industries. Principally speaking, I try to vote for an opening of relatively rigid governance approaches. Political sciences tend to apply their concepts mainly on well sorted and well established fields of action and has avoided to apply governance approaches on emerging markets, as it is the case in many sub segments of Berlin’s creative industries (e.g. design or art and music).

This perspective is highly needed because new forms of urban management come to the fore in the field of creative industries: informal alliances between private and public stakeholders, self-organized networks to promote new products in new markets and context-oriented forms such as branding of places, represent new forms of managing the urban. Thereby, cities are the sites of agency for the negotiation of future markets.

As a point of reference I will present three examples from various empirical studies taking place in Berlin since 2004. Based on the very nature of creative industries and especially ‘scenes as embedding ground for doing creative businesses’, I will ask how governance processes and formations are re-scaled in the case of Berlin: 1) the city administration’s limited attempts to govern the creative economy, 2) co-working spaces as a particular form of self-governance in the creative industries and 3) the UNESCO Network of Creative Cities as inter-urban cooperation model.

**Governance**

**Defining Governance the Traditional Way**

Besides the standardized understanding of governance (democracy theory, participation theory etc.), as it is common in political sciences I shall apply a more inte-
A comprehensive perspective that takes into account the specific local circumstances as well as the intrinsic logics of creative industries. First of all, a traditional way of understanding governance concepts and modes has to be formulated: Governance is seen as collective action by private, public, and corporate agents regarding public goods, spatially relevant resources, cultural values, and action resources (Healey 2006; Heinelt 2004). In general, what is meant by the use of the concept ‘governance’ is a mode of decision-making which does not only follow top-down patterns, but that includes these as well as horizontal or bottom-up processes. The groups of players (decision-makers) are usually represented by a triangular scheme, with state, economy, and civil society on its three points forming collaborative strategies by handling unequal spatial resources. This concept allows the examination of collective action as well as the spatial positioning.

Looking closer at the state-led approaches in Berlin, creativity has been a constant ‘message’ in Berlin city marketing since the late 1990s. What professionals see in it, is the possibility of creating a symbolic distance between the Berlin of World War II or the Wall and the ‘New Berlin’ as the campaign of the 1990s was called. Creativity seems a very fertile ground for re-defining a city’s identity, as its connotations are only positive: dynamism, youth, growth, emotions, experiences, fantasy etc. Tourism services in the form of information offices are something very common even in the smallest German town. Active marketing policy, including campaigns of all types, is usually to be found in regions or larger cities. In Berlin it is the private-public-partnership organization called BTM (Berlin Tourismus Marketing) responsible for promoting Berlin as a tourist destination. The main city marketing organization is Berlin Partners, another public-private-partnership, where the city of Berlin, the Chamber of Industry and Commerce, the Berlin state bank, almost 150 mostly medium size companies, but also universities and other educational organizations participate in a broad network of partners. Their scope of action is very wide: it includes promoting Berlin as a business location and a political decision-making centre, as a city of creativity, technology and education, but also assist potential investors and enhance export. Besides these two larger organizations, the administration itself, both at federal, state and municipality level pursue their own city marketing policy, have their own contacts and political agendas. Organizations such as the Berlin Trade Fair Centre, that has their own place marketing, add to the complexity of the picture. Creativity is central on the agenda of all the institutions mentioned above. Through its connotations of young and diverse, creativity suits perfectly well the city that defines itself through the same terms.

From the administrative side, there have been further attempts to identify, support and market the city’s creative potential. The Berlin Senate (local government) and especially the Department of Economy, Technology and Women’s Issues has initiated a project called Projekt Zukunft (German for ‘project future’), aiming at creating networks among media and IT business on the one hand, and at
linking them with science, politics and the administration on the other. Through marketing and information campaigns, public-private-partnerships, publications or events, it promotes economic and cultural innovations. The fields targeted here range from information technology, telecommunications, e-government and up to the cultural economy. As a fully institutionalized administrative body, ‘project future’ distributes financial aid for future-oriented economic fields and their agents. This administrative mode is closely connected to fordistic principles: it redirects money. A closer look demonstrates that the field it is supposed to support represents a rather unspecific portfolio: technology support, marketing, providing information via databases etc.

Initiated by the state-led public administration, the department of economics paved the way for a network called CREATE BERLIN. It is an association of designers and was founded at the beginning of 2006 only a few months after the UNESCO awarded Berlin the title of ‘City of Design’. CREATE BERLIN is an initiative both by and for Berlin Designers. It unites creative minds and design producing talent from agencies, companies and institutions in Fashion Design, Product / Interior Design and New Media / Graphic Design as a network spanning all design disciplines. As ambassador of Berlin Design, CREATE BERLIN presents the creative variety of the Berlin Design Scene and promotes with national and international engagement the economic potential of Berlin's design industry and strengthens Berlin's reputation of a unique and aspiring design metropolis and of ‘City of Design’, as awarded by the UNESCO.

Especially the last example highlights state-led-development approaches that focus on informal, more flexible forms of organization. Especially these intermediary structures see their role as a ‘national’ and ‘international’ promoter of the city’s local “economic potential” and ‘reputation’ – both notions directly linked with the idea of place marketing – thus aspiring at becoming a more recognised prime player in governance structures. Nevertheless, these efforts make it necessary to reconsider the notion of governance as such and especially in the field of creative industries.

Defining Governance for the Creative Industries

Governance strategies in the field of creative industries have to be seen as negotiation-based approaches by new and often less established young agents in city regions. For a traditional understanding of governance (and their apologists) this becomes difficult. Negotiations are necessary in forming alliances and social networks guaranteeing visibility and attention in respect to public administration as well as within the private sector. But how stable are alliances, when do I talk about ‘alliances’ as such and who contribute to an ‘alliance’?

At the same time, formalized and established public-private networks are often critically discussed because of their distant attitude toward these creative agents and their informal networks. On the contrary these newly established networks
within creative industries, being new, often lack evaluation and transparency (Balducci 2004; Kunzmann 2004). The emergence of creative industries as such represents new structural elements, such as a high degree of informality (Neff & Stark 2003). New forms of urban management are needed, in order to cope with these highly instable economies and the individual demands of their proponents: What I see today in many cities are informal alliances between private and public stakeholders, self-organized networks promoting new products in new markets and context-oriented forms such as branding of places, represent new forms of managing the urban. Thereby, cities are the sites of agency for the negotiation of future markets, making it necessary to reconsider its governance.

In addition to the more traditional way of understanding governance, major attention will be raised to understand the institutional set-up and self-understanding within emerging economies, especially in creative industries. I will analyse the novelty of ‘new governance modes’ within the framework of newly established geographic scales. Thereby it will be possible to look closer at socio-spatial relations that are not equally given, but negotiated and debated by different actors, interconnected through multi-scalar power relations that create up/down or inside/outside dichotomies. These relations are constantly questioned, contested and renegotiated – in a rather more antagonistic way than the consensus of governance suggests. These spatial relations are relations of structural power (with subsequent inequalities) and are constantly re-drawn as ‘maps of power’ or ‘power geometries’ (Massey 2004).

Governance refers thus to new relationships between state and society that imply a blurring of traditional boundaries of governmental agency (Jessop 1995; Rhodes 1996; Stoker 1998). Recent definitions of the term governance e.g. by Balducci, Kunzmann & Sartorio focused on the following dimensions, from where to analyse the specific local governance mode and its practices: ‘rationale and initiators; boundaries; legitimization; envisioning; communication and social learning’ (Balducci, Kunzmann & Sartorio 2004: 2-4). Apart from a standardized understanding of governance (democracy theory, participation etc.), like it is common in political sciences this integrative perspective takes into account the specific local circumstances of creative industries. Common context-free definitions popular in political and social sciences are considered less relevant. Based on this premises, steering and organizational modes of creative industries have only recently been analytically related to organizational changes within micro and small enterprises (Grabher 2004; Rae 2004; Neff, Wissinger & Zukin 2005; Wilson & Stokes 2005; Scott 2006; Lange 2007), all taking into account that new combinations of innovative and creative ‘knowledge’ restructures economy, public administration, entrepreneurship and their spatialities.

Stemming on these approaches I will argue that creative industries will be considered as new organizational forms that are modifying and creating new forms of governance arrangements in its institutional as well as scale dimension (Lange &
Kalandides 2008). In the same way, it will be focussed on the way conflicts and power relations between well-established and less established actors interplay. After presenting conceptual prerequisites, three different sketches of new governance modes will be discussed in the case of Berlin. They will be organized along the criteria, introduced by Kooimann (2003): Self-governance (1), co-governance (2) and hierarchical governance (3) will be used to demonstrate different modes of governance in the case of Berlin’s design market (Kooiman 2003).

(1) By self-governance I highlight distinct practices of micro-entrepreneurs to organize themselves in informal innovative and creative milieus.

(2) Co-governance denotes to more institutionalized forms of cooperation in formalized though temporal networks.

(3) Hierarchical governance refers to the traditional forms of top-down practices between state, public administration and private segments of creative industries.

Creative Industries as Emerging Fields in Territorial Perspective

New Agents in Paradoxical Circumstances

The emergence of new economic fields is accompanied by new entrepreneurial agents in the field of creative and culture production (Lange 2005b, a). So-called culturepreneurs, in creative industries might demonstrate suitable context-sensitive efforts to establish new markets and construct new professional fields. By ‘context-sensitive’ I mean approaches that take into account the specificities of place and the particular ways that certain social milieus or economic segments are constituted. Yet, from an analytical perspective, these agents are confronted with structural paradoxes that are inscribed in their entrepreneurial practices (Thelen 2003; Zhang 2004; DeFillippi, Grabher & Jones 2007; Kosmala 2007). As a major focus group of the so-called creative city, they might be seen in the following as representatives of new modes of labour with their adjacent governance practices in the field of creative industries.

When speaking about new modes of labour and the procedural forms of market access by new agents I look at how they are confronted with structural paradoxes of their social and work practices. Very generally speaking, two paradoxes – among others – play a crucial role in the articulation of their work practices: the ‘Globalization Paradox’ and the ‘Identity Paradox’. The first addresses the ambivalence between local-based creativity and transnational networks of production systems as well as localized production networks that are driven by an ethos of creativity and adhere to an ‘artistic mode of production’. The latter, the ‘Identity Paradox’ addresses the ambivalence between individual or collective careers, identities, and reputations. Inventing static concepts of entrepreneurs does not lead further, because mavericks and outsiders as well as independent creative artists play the major role in this market (Steyaert & Katz 2004).
The ‘Globalization Paradox’ addresses the ambivalence of these newly emerged knowledge milieus and their territorial embedding practices. Being able – thanks to airline carriers such as Raynair or Easyjet – to operate worldwide, socio-spatially integrated ‘communities of knowledge’ (Wenger 1999) gained more and more relevance and thus provide the necessary embedding ground for translocal knowledge workers. Based on these substantial paradoxes, different governance modes can be presented, highlighting the degree of irritation, the different interests, and separated logics of action, when promoting creative and knowledge industries and their creative agents: structural paradoxes demonstrate how the institutional set-up ‘creative industries’ is constituted and how difficult it is to invent marketing and place-based strategies to promote creative industries.

Spatialities – Governance of Place

Governance options in the case of creative industries need a conceptualization of space that goes beyond the understanding usual applied by city administration. Creative production not only happens in a particular place, but its players constitute space by various forms of social interaction, which in its turn is constitutive of creative production. Depending on what I am looking for (and partly on the disciplinary focus), I discern at least three approaches to understanding the spatialities of creative industries: Firstly, that cities are the sites of creative production which take place in urban space (cities as sites); secondly that creative players themselves constitute space through their communicative practices (constitution of creative space); and thirdly that creative places are produced and marketed (places as products).

Cities as Sites

The role of special proximity in the creation of urban economic clusters and subsequently the synergy effects it enables, have been a matter of long scientific debate (Amin 2004; Hadjimichalis 2006). Amin and Thrift question the de facto validity of this position, which, in their opinion, views cities as ‘isolated sites’ despite global flows of information, capital and people (Ash Amin & Thrift 2002). How can cities, they argue, be seen as independent entities outside their role as nodal points of international trajectories? Aren’t places always interdependent (Massey 2004) and aren’t business relations across the seas sometimes more important than the ones next door? This understanding of space resolves the globalization paradox, because it conceptualizes the local and the global, not as contradictory, but as mutually constituted.

Proximity alone and always is not enough to explain why places matter. There are particularities in the creative industries that may speak for the importance of place and proximity (Lange 2007). I would argue here that this is inscribed in the particular economic mode of at least three points: scale, hybridity of space-time, informal economic exchange. Creative entrepreneurs very much dependant on
milieu-specific knowledge, which is offered through the particular hybridity of time and space, which Florida calls ‘third places’ (Florida 2002). Semi-public places (cafés, clubs, galleries, etc.) become the privileged spaces of information exchange that may lead to new job offers, participation in projects or financial sources to be tapped. This knowledge exchange is particularly important as micro-entrepreneurs are dependent upon ‘informal’ economic forms for their existence (Hadjimichalis & Vaiou 1990; Vaiou 1997): exchange of services instead of payment, pseudo self-employment instead of steady employment, non-declared home work etc. The identity (individualization/static entrepreneurship) and difference (innovation/standardization) paradoxes describe well the ambiguity of the community.

The Constitution of Creative Space
The re-insertion of space into academic thought through the spatial turn also saw several attempts at a redefinition of the term. A re-conceptualization of space as ‘relative and relational’ allows us to approach places differently, look at the ways they are constituted and contested, their interrelations and finally the many ways they influence the same powers that constitute them.

The way that creative players constitute space (and place imagery) can be found in several discourses, for instance concerning the private/public divide (Bahrdt 1961/2006) or in connection with gentrification. The classical theoretical model of gentrification sees several phases in the process (Smith 1979). According to this, artists, the pioneers of gentrification, move into areas of cheap housing, raise the symbolic value of it, which then is translated into higher land values. These in turn make it impossible for the artists to afford living there, so they make place for higher-income groups – the gentrifiers. The creative industries are thus trapped in the difference paradox: are they supposed to keep their cutting edge and probably not be able to afford the gentrified neighbourhoods or can they standardize their output and become part of the mainstream?

The gentrification model, which has many variations, has been criticized for being normative and for applying the specificities of a particular place (Neil Smith was initially examining Lower East Side in New York, see Smith 2005) to other areas (Kalandides 2007). Research in the Prenzlauer Berg area in Berlin (Bernt 2003; Holm 2006) have produced more ambiguous results, where the pioneer seemed to be the state itself, though its urban renewal policy. The creative industries may have followed instead of having led the way. Whether creative industries are actively used for the ‘upgrading’ of an area – paradoxically finally annihilating themselves – or simply the followers of gentrification processes, it remains a hard task for urban managers to find a balance between urban renewal and displacement. Yet, there can be little doubt that creativity can be used discursively to ‘label’ an area. As part of particular urban governance policies it can be
instrumentalized to symbolically and physically upgrade areas considered ‘problematic’ – or even sell the city itself.

**Places as Products**

That places are seen and treated as products is not a new issue. What has changed though is the degree to which place branding/marketing with its new repertoire of managerial and strategic tools, which draws heavily on the professionalization of private sector experience, has been dominating urban policy around the world in the recent years. In particular for post-industrial places the creative industries have been a fertile branding ground. A fast, definitely oversimplifying look at the whole discourse on creativity may help discern what is at stake here and why creativity is so popular among Berlin marketers.

Firstly, and this is important for city marketers, managers and other urban professionals not only in Berlin, but worldwide, ‘place matters’ – again. Our cities as already mentioned above are not interchangeable, but have particular characteristics that when identified and influenced properly can help them position themselves internationally, create distinctiveness and a competitive advantage in the presumed international competition. Secondly, in a post-industrial western world, knowledge and innovation are recognized as basic growth motors, that may give new chances even to cities with a weak industrial basis, such as Berlin. Thirdly, creativity has strong connotations of a particular (‘artsy’) lifestyle with a subtext of freedom, individuality etc. Space and time become hybrid as work and leisure blend. Berlin’s highly cultural and hedonistic atmosphere seems to sum that up perfectly. Fourth, ‘culturepreneurs’ are ‘flexible’ and ‘entrepreneurial’. They represent a new paradigm of a post-fordist society and are thus excellent for city marketing and in attracting businesses. Berlin has been re-branded from the city of the ‘old’ German protectionism to the city of the new millennium. Finally, diversity and tolerance become economic entities. They are drawn out of a political discourse to become a-politicized and central in attracting a new kind of elite, the ‘creative class’. Berlin as a multicultural and gay-friendly city scores high in both fields.

**New Institutional Settings – The Network Governance Perspective**

**Intersections of Market, Agents, and Networks**

As introduced earlier, one of the key urban, cultural and economic developments in creative and knowledge industries is the emergence of a new hybrid of both cultural and entrepreneurial agents, the so-called culturepreneurs (Lange 2007). For comparable observations see Davies and Ford (Davies & Ford 1998), McRobbie for London (McRobbie 2002), Lange for Berlin (Lange 2005b); Ellmeier for Vienna (Ellmeier 2003). While this new development has led to a
substantial reconsideration of ‘entrepreneurship’ in respect to space on the one hand (Steyaert & Katz 2004), it has also led to a new line of thinking with regard to the notion of economic progress and professionalization within entrepreneurial networks on the other (Rae 2002; Sydow, Lindkvist & Defillippi 2004).

The term culturepreneur is a compound of culture and entrepreneur and was first suggested by Davies and Ford (Davies & Ford 1998: 13), following Pierre Bourdieu’s typological notion of an entrepreneur as someone who embodies various forms of capital (Bourdieu 1986: 241). Davies/Ford (op. cit.) first have characterised this type of people who, in structural terms, are communicative providers of transfer services between the sub-systems ‘business related services’ and ‘creative scene’ and, in doing so, seem to satisfy a necessary demand by operating in flexible social networks. In brief: they form new modes of self-governance.

The formation of the new social networks by new professions demonstrates the unintended rise of distinct segments creative industries – at least from the point of view of the government. This opens the opportunity to examine the nature of its emergence since top-down support initiatives by the state or public administration did not exist between prior to the year 2000. So most of the factual micro-entrepreneurial professions emerged without external support. In this ambiguous situation, the newly invented catchword of a ‘new entrepreneurship’ alludes to individualized marketing strategies, self-promotion and social hardships, but also to skilful alternation between unemployment benefit, temporary jobs, self-employment structures and new temporary network coalitions as practiced by numerous young agents in the field of cultural production. Social capital becomes an existential value for exchanging relevant information. Performing intense ‘multiple and constantly shifting transaction structures in cultural-products industries means that much of the workforce becomes enmeshed in a network of mutually dependent and socially coordinated career paths’ (Scott 2006: 13). It was in 2006, that this work ethos has been celebrated ironically with the term ‘digital bohème’ (Friebe & Lobo 2006)

**Professionalization – Self-governance of Professions**

Creative industries are often based on ‘communities of practice’ (Lave 1991), i.e. groups or networks of professionals who cooperate, exchange views and ideas, and inform each other about trends of professional, political, and practical concern. Though new creative professions lack official associations and formal representatives of their profession, and thus operate mainly in informal networks such as scenes, it is of major importance to reflect on the degree of self-governance, mainly that of their profession. The fate of these interaction and communities of practices is shaped and partly driven by professionalization for the simple reason that they have to survive economically. Thus, professionalization has become a limiting context restriction that can in particular restrict creativity.
Professionalization can be viewed in a narrow and a wider sense (Mieg 2008). Professionalization in the narrow sense denotes the transformation of an occupation into a profession, that is an occupation with certain autonomy in defining and controlling the standards of the work of its members. Professionalization in the wide sense denotes the transition towards paid work that is subject to binding quality standards. In this wide sense, people and activities can be professionalised, gaining in professionalism.

Professionalization is a main subject of the Anglo-American sociology of professions that developed in the beginning of the 20th century. The discussion had long been occupied by the focus on the medical and laws professions and the attempts to define professions in contrast to occupations. Today, this approach is considered as fruitless. At the latest since the work by Freidson (Freidson 2001), research in the sociology of professions turned towards the notion and phenomenon of professionalism. Freidson understands professionalism as a third organizational logic of work besides the market logic and the logic of planning or bureaucratic administration. In contrast to market and planning, professionalism means self-organisation and self-regulation of experts.

The paradoxes of creativity (DeFillippi, Grabher & Jones 2007) – mentioned earlier in this paper – can also be re-considered from the perspective of professionalization research. The so-called difference paradox of ‘crafting or standardizing policies’ relates to the two linked sources of professional competence: on the one hand individual skills and competencies that are – on the other hand – built up and evaluated by the professional community. The distance paradox of ‘whether to couple or decouple routine work’ also refers to a phenomenon that is common in professionalization research: the coupling of private life and profession – simply because of passion for the kind of professional work. Perfect examples are doctors’ families, especially in land doctors. The globalization paradox of ‘whether to reconcile or separate local and global arenas of activity’ and the identity paradox of ‘creating individual or collective identities, reputations and careers’ can be considered as expressions of the fact that individual professionals are members of a potentially global profession. Similarly professional knowledge tends to be shared globally.

In creative industries, professionalization serves several functions (Lange & Mieg 2008): a control function, an evaluation function, and an expert function. The inherent control function of professionalized work currently is one of the main topics of discussion in the sociology of professions (Freidson 2001; Evetts 2003). Professionalized action is generally subject to the self-control of professionals. In professional work, other common forms of organizational or institutionalized control are substituted by self-control. Professional self-control is also at work in organizations: new forms of human resource management even assume self-control from employed professionals. Here organizational control takes on the
form of ‘control at a distance’ (Fournier 1999: 280) – that is internalized self-control.

The second function, evaluation, is closely linked to the first one. If there is today an enduring source of legitimization for professions, then it has to be based on the institutionalized control of evaluation standards for particular professional work. Classical professions (such as the medical profession or sciences) as well as new professions or professional groups (such as in the field of web design or patent auctions) attempt to define standards for professional work in their domain and to establish systems of evaluation that also include standards for professional training. Thus, professions have certain basic, socially accepted monopoles of defining work in their domains. These monopoles are variable and subject to the dynamics of changing jurisdiction in the ‘system of professions’ (Abbott 1988).

The third function, the expert function of professionalized work, plays a decisive role in the domain of creative industries from two perspectives. I see not only an external expert function (towards clients and the public), but also an internal one (in the network). The internal expert function serves to differentiate and legitimate evaluation processes by identifying those professionals who set new quality standards and – equally important – who are renowned trainers or coaches in that particular professional domain. The attribution of the ‘experts’ in the field also determines the direction of ‘collective’ competence development of local creative economies (as professional groups). Though professionalization has to be considered as a process. Professionalization involves the transformation of trust regulation (from trust in single experts to trust in qualifications), the transformation of learning (from erratic individual learning to a more academy-like training) and the transformation of quality control (from individualized trust to quality reflections in globalized professional networks).

**Empirical Sketches – Three Approaches of Berlin’s Attempt Dealing with Creative Industries**

The following sketches follow the terminology of Kooiman (2003), as introduced earlier: hierarchical governance, co-governance and self-governance.

**Hierarchical Governance – Governing Creativity?**

The Berlin administration is constantly involved in the organizational logic of the creative industries, which confront it with several structural difficulties, limitations and thus complex paradoxes. The growing number of creative individuals, the high speed at which creative milieus mutate and their need for autonomous action make it almost impossible to exercise control over them. Administrations mostly operate through a hierarchical understanding of governance, but are often forced to stand back as observers, creating a governance paradox.
Creativity has been a constant ‘message’ in Berlin city marketing since the late 1990s. What professionals see in it, is the possibility to create a symbolic distance between the Berlin of World War II or of the Wall and the ‘New Berlin’ as the campaign of the 1990s was called. Creativity seems a very fertile ground for redefining a city’s identity as its connotations are only positive: dynamism, youth, growth, emotions, experiences, fantasy etc., thus it is often hard to tell what the product of efficient place marketers is. Groups that are targeted through such campaigns are ‘firms, workers and residents’ as Schrock and Markusen put it (Schrock & Markusen 2005: 51). To understand why these groups are targeted and through what institutions that take place, a closer look into Berlin’s particular situation is needed.

From the adminstrational side, there have been serious attempts to identify, support and market the city’s creative potential. The Berlin Senate (local government) and especially the Department of Economy, Technology and Women’s Issues has initiated a project called Projekt Zukunft (=project future), aiming at creating networks among media and IT business on the one hand, and at linking them with science, politics and the administration on the other. Through marketing and information campaigns, public-private-partnerships, publications or events, it promotes economic and cultural innovations.

A closer look demonstrates that the field it is supposed to support represents a rather unspecific portfolio: technology support, marketing, providing information via databases etc. The wide range of support for new technologies highlights paradoxical circumstances. When, in the past, public administration had to support one company with 1000 employees, today, it has to demonstrate responsibility for 1000 companies with one ‘self-employee’. Besides, creative agents mostly represent a generation of 25-40 year olds, often associated with quickly changing trends in style, taste, habitus, location preferences, etc. Seeing it as a typical generational behaviour with high rates of residential mobility, changing workplaces etc, why should an urban administration invest in these fluid, self-seeking, experimental life-worlds? The future orientation of the well formulated and suitable ‘project future’ appears to be caught in the trap of creativity. Distributing money in highly risky, less established and unproved entrepreneurial and creativity-based endeavours of emerging projects leads to constraints especially for young agents. How can a young, aspiring creative entrepreneur convince an administration whose logics of distributing its resources are rooted in the fordistic past?

Co-governance: Co-working Spaces as a new Form of Re-scaling Labour

In recent years a new socio-spatial phenomenon has gained wider international attention in sub-branches of creative industries: so called co-working spaces, most prominently introduced by the betahaus in Berlin. There, highly mobile creative workers have articulated increased need for temporary workspaces while being contracted in project teams (Grabher 2004). Co-working space means renting a
work environment for some days or a few weeks and sharing office spaces with similar workers. To a growing extend this work space is offered by local entrepreneurs providing micro-work space on a contract basis. This (service) opportunity is accompanied by access to local based creative milieus, networks and the distinct local particularities, propelling entrance into creative scenes (Lange 2007). Distinct knowledge resources (local, network, cultural) can be detected in order to understand ‘embeddedness’ as a decisive element for these self-governance modes of work in creative industries.

Described as “a movement to create café-like community/collaboration spaces for developers, writers and independents” (http://blog.coworking.info/), these self-organised social hubs stand for a set of values that are being shared by a growing number of creative individuals in urban settings: They strive for independence in the way they make use of time, space and talent, yet long to be connected to other like-minded people – and not only on a virtual basis but in spaces of everyday physical encounter; they want to break out of the restricted and often solitary working conditions of office spaces or private homes and instead establish models that foster professional activities in a leisure-like atmosphere; they want maximum global flexibility including spending time in other creative cities (where similar co-working spaces exist) without being cut off from the local community sharing their mindset. Co-working spaces reflect the collective-driven, networked approach of the open-source-idea translated into physical space. The creative sharing of space can be seen as an optimistic and self-governed reaction to the often precarious living and working conditions of today’s creative workers, especially in transformative and crisis-driven times. The spaces themselves are often remains of traditional industries breakdown and as such significant carriers of societal transformation (Wellmann 2009).

Self-governance – Self-regulation of Professions

The emergence of so-called ‘culturepreneurship’ is first of all an expression of the overall ‘paradox’ of creativity: traditionally separated societal spheres of culture and economy have only recently been bridged with the presence of creative industries. Furthermore the enormous rise of micro entrepreneurs in Berlin can be seen as a tentative answer to the specific paradoxes of creativity: e.g. how do young entrepreneurs solve the ‘Globalization Paradox’ as well as the ‘Identity Paradox’ when they are confronted to either opt for individual or collective careers, identities and reputations? The key to an answer is the self-governance of culturepreneurs.

Creative industries have only recently been analytically related to organizational changes within micro and small enterprises (Grabher 2004; Rae 2004; Neff, Wissinger & Zukin 2005; Wilson & Stokes 2005; Scott 2006; Lange 2007), all taking into account that new and often ‘paradoxical’ combinations of innovative
and creative ‘knowledge’ are inscribed in the process of restructuring economy, public administration, entrepreneurship and its socialities anew.

An example is the network, Create Berlin, which describes itself as ‘an initiative both by and for Berlin Designers. Create Berlin unites creative professions and design producing talent from agencies, companies and institutions in Fashion Design, Product / Interior Design and New Media / Graphic Design as a network spanning all design disciplines. As ambassador of Berlin Design, Create Berlin presents the creative variety of the Berlin Design Scene and promotes with national and international engagement the economic potential of Berlin's design industry and strengthens Berlin's reputation of a unique and aspiring design metropolis and of ‘City of Design’, as awarded by the UNESCO.

There are several interesting aspects in this self-description: Firstly it focuses on informal, more flexible forms of organization, very much like the players identified in new governance models – also emphasized by the inclusion of both ‘companies’ and ‘institutions’. Secondly, Create Berlin sees its role as a ‘national’ and ‘international’ promoter of the city’s ‘economic potential’ and ‘reputation’ – both notions directly linked with the idea of place marketing – thus aspiring at becoming a prime player in governance structures. And finally, it is recognized here that place-making occurs through ‘energies’ or people’s actions. The birth of Create Berlin can be seen as a reaction of the designer scene to their exclusion from traditional state-regulated forms of power. It is one of the forms of self-organisation mentioned above, to ensure that young, small and marginal businesses are taken seriously as equal players in economic development and city marketing policies.

A central element of the functionality of these forms of self-governance is their reliance on creative scenes as a form of embedding contexts for their entrepreneurial activities. The empirical results highlight agents and their informal institutional frameworks, both of which are confronted by a rise in individual entrepreneurialism, self-realization and socio-economic insecurity. Their applied entrepreneurial strategies display practices as well as knowledge of network sociality (Wittel 2001) seeking to minimize critical and risky existential life situations. Symbolic innovation is carefully distributed in various social contexts, evaluated by colleagues, friends and rivals and suitably adjusted to meet market standards. This evolutionary process by which new agents gradually achieve professional standards, step by step, is marked by the extent to which it is rooted in flexible, creative and sub-cultural milieus (Lange 2008).

Not only do the spatial practices of urban pioneers provide insights into the new urban policies of responding helpfully to analyses of communal culture, but they also allow for what Angela McRobbie named ‘cultural individualisation’ (McRobbie 2005: 81 ff), which means the observation of the playful (self) production and performance tactics of these individuals on the urban stage. On the other hand, the spatial practices and entrepreneurial activities are treated as signif-
icant changes in a reconfiguration of work organization in respect of space and place, and focus on how these subjects operate in precarious existential life situations.

Conclusion

The core question of this paper was: What are the spatial-organizational driving forces of creativity in Berlin and can they be steered by public administration? In more detail: What does this diagnosis mean for our understanding of governance in respect to scale, when most of the dynamics take place in rather informal and quickly changing translocal working environments?

Berlin’s particular position in the context of creative industries can be seen as a direct result both of its own economic/political restructuring of the post-reunification era and as part of a worldwide reorganization of work in symbolic economies. The dynamics of creative industries in Berlin can be best described by their self-governance, including a struggle for new forms of professionalization. It is now widely accepted in the Berlin administration that context-improvement (‘urbanity’, city branding) seems to be the only legitimate form of ‘helping’ creative agents. Visions of ‘potential areas for cultural enterprises to locate’ (e.g. clusters), as described by Ebert & Kunzmann (2007), seem to be detached from the reality of the evolution and ‘paradoxical’ practice of creative industries in Berlin and trapped in traditional forms of economic development derived from the industrialized past.

By referring to the heuristic framework by DeFilippi, Grabher and Jones (2007) and their perspective of paradoxes it was possible to shown that existing governance approaches ignore creative agents rather than consider them for governance options. By emphasising the case of Berlin I demonstrate that creative industries are characterized by growing culturepreneurship, an expression of a new flexible form of work and entrepreneurship, embedded in a distinct urban environment. This is foremost a way of self-governance.

The dynamic pattern I observe in the context of Berlin's creative industries concerns the various modes and importance of self-governance (such as CREATE BERLIN). These modes express the governance of new professional standards targeting creative ‘objects’ that are of a rather different constitution, perpetually changing, continually instable, highly mobile and operating in temporary projects. The type of the ‘culturepreneur’ is one possible answer to this growing hybridization, a flexible and precarious urbanite caught between the paradoxes of different systems: on the one hand a state and administrative body that by and large follows a rather standard approach to organize, plan labour directly on ground within a given territory. On the other hand the reality of a market that is abandoning it and constitutes itself far beyond the administrative borders. Reacting to this discrepancy culturepreneurs create their own relational spaces of interaction where bor-
ders blur: competition and cooperation, exchange and isolation, private and public, work and leisure co-exist and are hard to tell apart. They invent forms or self-organization to gain access to power structures, based on informal conglomerates and extensive networks.

To sum up these empirical sketches: Based on an integrative and relational analytical perspective, the production of space (‘spacing’) allows me to analyse the forms, practices and strategies of appropriating, defining, using, and coding urban space by either creative and knowledge-intensive agents, corporate companies, stakeholders, and public administration. By using the analytical categories of ‘place and space’ from a social constructionist perspective, it is possible on the one hand to understand the performances and social practices that characterize the individual entrepreneurial presence as well as their strategies to control their professional field of action. Furthermore, they demonstrate their perspective on acting on markets, their corporate identity, formulated as a spatially rooted temporal narrative.

On the other, widening the perspective by examining the spatial practices of either new and self-organized intermediaries, or fully-established institutionalized agents such as public administration, matchmaking or misfits constellation can be analysed according to the relevant and used communicative resources, strategies as well as modes of qualification that enables defining, accessing, establishing the ‘markets’ of creative industries.

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The paper aims at discussing the issue of governance in respect to creative scenes, a central structural element of the creative economy, exemplifying the case of Berlin. By re-scaling I mean the conceptualization of governance in different non-hierarchical organisational as well as spatial scales, based on the observation that scenes are considered to be a central element of the functionality of creative industries.

The economy of Berlin is dominated by the service sector, with around 84% of all companies doing business in services. Important economic sectors in Berlin include life sciences, transportation, information and communication technologies, media and music, advertising and design, biotechnology, environmental services, construction, e-commerce, retail, hotel business, and medical engineering.