

# Pro- and Contra-Coalition: Governing the Rise and Fall of Creative Industrial Parks in China

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## Abstract

A great number of creative industrial parks (CIPs) have emerged in the past two decades in China as a critical and popular approach to the adaptive reuse of abandoned industrial land in cities. However, a few vibrant CIPs have been closed in the past few years, and the sites are set to be demolished and redeveloped in a property-led manner, suggesting the fragility of CIPs as a land reuse approach. This article aims to elaborate on the institutional rationale behind such a phenomenon. Cases in Shanghai and Guangzhou are examined and presented. The key arguments include: (a) in the industrial land redevelopment process, public and private actors flexibly establish pro-coalitions and contra-coalitions to foster and close CIPs, with strategies to overcome institutional obstacles and to implement land redevelopment-pursued regulatory plans, respectively; (b) key actors forming the two coalitions overlap, such as the local government and the state-owned enterprise land occupiers, and their positions shift subject to specific circumstances; and (c) the finding of the two coalitions echoes the existing argument that there are forces beyond the growth machine driving China’s urban development and provides further insight into the explicit framework of the dual forces underneath.

## Keywords

creative industrial parks; Guangzhou; industrial land redevelopment; pro- and contra-coalition; Shanghai

## 1. Introduction

In the Chinese context, the term “creative industrial park” (below as “CIP”) involves the adaptive reuse of former industrial buildings for non-manufacturing purposes, marking a shift from “made in China” to “created

in China” (Keane, 2007). Unlike Western clusters with cultural facilities (e.g., Roodhouse, 2006), Chinese industrial land regeneration often prioritizes property development over cultural integration (Wang et al., 2015; Zheng, 2010; Zheng & Chan, 2014). However, despite revenue generation, some parks, like Shanghai’s Red Town, faced closure or demolition despite initial success. Scholars have noted the temporary nature of CIPs and proposed various approaches to elaborate on the space–time dimension of urban restructuring. He (2019) introduced an analytical framework of the spatio-temporal fix to understand the political economy of temporal strategies of CIPs in Shanghai. X. Liu (2017) highlights the contestation of policy mobility in the different phases as actors struggle for space to explain the development and challenges of CIPs as temporary spaces. Li et al. (2018) took the concept of temporary use as a strategy for industrial restructuring and called for policy innovation to overcome the constraints of regulatory institutions for such uses. Indeed, spatial transformation depends largely on policy changes over time and their inherent inconsistencies, as suggested. However, the analysis often focuses on the contentious politics itself, overlooking the dynamics between policy change and internal politics. Taking a step further, this article aims to address the different partnerships behind the mobility of policymaking rooted in the Chinese bureaucratic system.

While the term “CIP” has been widely employed for the adaptive reuse of various types of buildings, the article specifically focuses on the adaptive reuse of old industrial sites established before the economic reform. Prior to China’s late 1970s economic reform, all enterprises were state-owned and managed, with land allocated to them free of charge for an unlimited period. Post-reform, many of these enterprises underwent significant restructuring, mergers, and privatization, though some remained unchanged. Our analysis is based on an empirical study of brownfield regeneration in two cities: Shanghai and Guangzhou. These cities, predominantly occupied by a large number of state-owned enterprises (SOEs), are considered pioneers in developing CIPs in China.

## 2. Methodology

The article is grounded in a quantitative investigation of regeneration projects on old industrial sites in Shanghai and Guangzhou from 2000 to 2020. With the emergence of CIPs, scholars have shown interest in such urban spaces. However, their focus has primarily been on individual cases (He, 2019; Li et al., 2018; X. Liu, 2017; Sun & Chen, 2023; Yin et al., 2015; Zielke & Waibel, 2016). Our quantitative investigation into CIPs’ trajectory over two decades aims to achieve a holistic understanding of the regeneration of industrial sites in terms of scale, location, and timing of regeneration. We have employed a mapping methodology to collect all cases within the defined administrative districts. Four districts in Shanghai and two districts in Guangzhou were selected for the identification of all former industrial sites. The Shanghai Atlas of Aerial Views and Guangzhou Atlas of Aerial Views, both published in 2001, facilitated the identification of the names and boundaries of old industrial sites in the year 2000 in these two cities. The analysis involved examining maps from 2020, including platforms such as Google Earth, Baidu Map, and Gaode Map. This enabled the identification of all regeneration projects by comparing spatial forms between 2001 and 2020. Although the spatial form of adaptive reuse projects remained unchanged, individual cases were identified through the publication of CIP cases on social media platforms such as the website of Shanghai Creative Industrial Parks ([www.shanghaichuangyiyuan.com](http://www.shanghaichuangyiyuan.com)). Fieldwork conducted by the authors in 2019, 2020, and 2022 involved visiting all identified regeneration projects in Shanghai and Guangzhou to examine their regeneration process. Among various types of regeneration projects, mainly including redevelopment and adaptive reuse, over 150 in Shanghai and over 100 in Guangzhou can be identified as adaptive reuse of

existing industrial buildings. Each project was documented, including the name of the factory, spatial form in 2001 and 2020, text descriptions of the regeneration projects, and accompanying photos.

During the field trips, interviews and informal talks were conducted with urban planners, academics, site managers of CIPs, and government officials to gain insights into the governance of regenerating industrial sites. These interviews yielded valuable firsthand knowledge about the actors involved in the regeneration processes. Despite our quantitative investigation revealing a large percentage of adaptive reuse projects for CIPs beyond the demolition and redevelopment approach, it is noteworthy that a few of them have recently been closed. Red Town may be a famous case of a successful CIP being closed, but it is by no means “unique” (He, 2019, p. 317), nor is it the first and last case of a CIP being transformed into commercial space after an interim period of adaptive reuse. Therefore, it is necessary to arrive at a clear and systematic understanding of the urban governance of these temporary spaces. The article examines the trajectory of this type of spatial development and the governance underpinning its development, highlighting the power that opposes its development.

### 3. Conceptual Framework

The literature underscores the role of property-led urban strategies in fostering rapid economic growth (e.g., He & Wu, 2005; Y. Xu, 2017), notably in the revitalization of old residential areas in Chinese cities, where a coalition between the state and the market plays a pivotal role (Y. Liu & Yau, 2020; Wu et al., 2006). While residents are consulted in the redevelopment process, their participation is restricted, limiting their influence (Y. Liu et al., 2017; Zhai & Ng, 2013). Conversely, on industrial land predominantly occupied by SOEs, the relationship dynamics with the state necessitate a reevaluation. The universally ambiguous relationships between SOEs and the state (Rentsch & Finger, 2015) determines that a new conceptual framework, other than the simplified state–market interaction framework, is needed here. The new framework is briefly described as a “local government–SOE land occupier–market” but encompasses intricate interactions among the three actors and their agencies.

#### 3.1. *The Local Government–SOE Land Occupier Tensions*

The primary tension between local governments and SOE land occupiers regarding industrial land reuse and redevelopment stems from overlapping land rights, a result of continuous institutional reforms since the 1980s.

Before the enactment of the 1987 Land Administration Law, which permitted land use right transactions and leasing, urban land in China was predominantly held by state institutions. They effectively acted as land owners with indefinite rights unless otherwise directed by higher authorities (Ho, 2005). Subsequent legislation such as the 1989 Law of the People’s Republic of China on Urban Planning and the 1994 tax reform empowered municipal governments in urban land control and revenue generation through land leasing and development (J. Xu et al., 2009).

This situation poses a dilemma for SOE land occupiers: while they can maintain perpetual land use rights by keeping land use types and structures unchanged, they are typically prohibited from redeveloping or repurposing without municipal government approval (Ho, 2005). Any redevelopment must adhere to the

local government's land acquisition and release procedures, potentially leading to the termination of the SOE's indefinite land use rights (Zhu, 2019).

Another tension arises from the relationship between SOEs and the government bureaucracy. With political statuses equivalent to government officials, SOE leaders possess considerable influence, making it challenging for municipal governments or planning authorities to enforce land use plans or city masterplans involving SOE-occupied land (Cartier & Wu, 2023; Leutert, 2020). Moreover, as SOEs are integrated into the bureaucratic system, their interactions with local government agencies primarily occur within this framework (Leutert & Vortherms, 2021). Ultimately, industrial land reuse or redevelopment hinges on intra-bureaucratic dynamics.

### **3.2. Challenges for Market Players**

Market players face several challenges when attempting to engage in industrial land reuse, particularly as critical operators amid tensions between local governments and SOEs. Their involvement hinges on intra-bureaucratic dynamics. Firstly, accessing opportunities for temporary adaptive land use is hindered by limited information availability compared to formal planning procedures. This necessitates strong personal relationships with government officials and landholders, alongside an understanding of local political dynamics (Smart & Lin, 2007). Consequently, only enterprises closely aligned with the local government or positioned between the market and the local state can access such projects. Secondly, policy risks arise due to the lack of a solid, legitimate basis for temporary land use. Temporary land rights are typically secured through non-statutory means like inter-agency agreements or government announcements, making them vulnerable to reversal (Li et al., 2018). This uncertainty undermines long-term marketing strategies for industrial land reuse, potentially reducing the attractiveness of locations to tenants and weakening operators' ability to secure land rights.

The temporary adaptive reuse of industrial land results from collaboration among various actors, with its termination signaling a breakdown in such collaboration. This analysis delves into the formation of pro- and contra-coalitions, unravelling the complexity behind the rise and fall of creative parks in China. Focusing on Shanghai and Guangzhou, the study explores how the regeneration of industrial sites occupied by SOEs is driven by coalitions between local governments, SOEs, and market actors within existing land and planning frameworks. By examining strategic interactions among local actors, this study sheds light on urban regeneration dynamics.

## **4. Evidence of Temporary Use of Industrial Land**

Before delving into detailed case studies, we will provide an overview of the development trajectory of CIPs in Shanghai and Guangzhou. In the late 1990s, Shanghai witnessed the movement of artists into old industrial sites, reusing spatial and affordable small-scale warehouses along Suzhou Creek for art studios. In the early 2000s, the success of pioneering CIPs, such as M50, Tian Zi Fang, and Bridge Eight, led to a boom in reusing industrial sites for CIPs in Shanghai during that decade. In parallel, Guangzhou's first influential CIP, Xinyi Creative Park, was inaugurated in 2004 and transformed from a machinery manufacturing plant. Adaptive reuse of industrial parks in Guangzhou and Shanghai gained support from the local government,

especially during the preparation for international events such as the 2010 World Expo in Shanghai and the 2010 Asia Games in Guangzhou (Fan et al., 2022).

However, the period from 2010 to 2020 witnessed the disappearance of a few vibrant CIPs, a phenomenon that scholars have understated. Table 1 displays the opening and closing years of CIPs between 2000 and 2020 in Shanghai and Guangzhou, as captured through our mapping research and field research. Additionally, we included Red Town from Changning district in the table, as it is quite well-known and frequently referenced. The duration these parks existed varies from case to case, ranging from a few years to more than one decade.

From the overall number of cases collected in the table, two cases were selected for an in-depth discussion in this article. These two case studies aim to provide further qualitative insights into the governance of CIPs. Specifically, the cases “Red Town” in Shanghai and “Redtory” in Guangzhou are both well-known in their respective cities. They illustrate how state institutions change their positions regarding the destiny of CIPs when conflicts arise over the future land use of the sites on which they are located.

**Table 1.** Trajectory of selected CIPs in Shanghai and Guangzhou, compiled by the authors.

	Address	Opening year	Status by the end of 2020	Redevelopment project
<b>Shanghai</b>				
1	Red Town Creative Park 570 Huaihai West Rd, Changning District	2005	Demolished in 2017 (except for a monument building)	A commerce and office redevelopment project, “Shanghai Rongqiao Center,” starting in 2019
2	Chuangyi Jinshagu Creative Park Zhenbei Rd 988, Putuo District	2007	Closed in 2019	Unclear
3	Jing’an Chuangyi Space Kangding Rd 1147, Jing’an District	2006	Demolished in 2014	Trial Court House of Jing’an Court finished in 2016
4	861 Creative Park Jiangning Rd 861, Jing’an District	2012	Demolished in 2017	Affiliated School of Jing’an Education School finished in 2019
5	M50 West Taopu Creative Park Wuwei Road 18 (Qilianshan Rd), Putuo District	2010	Demolished in 2020	Taopu Smart City
6	Shanghai Xinghuzhong Cultural Creative Park Zhongshan North Road, Hutai Road, Pengyuepu River, and Shengshi Jiayuan North, Putuo District	2015	Demolished in 2019	Unclear
7	Jianqiao 69 Creative Park Tongzhou Rd 69, Hongkou District	2007	Demolished in 2016	A commerce and office redevelopment project, “Shanghai Guohua Financial Center,” starting in 2019

**Table 1. (Cont.)** Trajectory of selected CIPs in Shanghai and Guangzhou, compiled by the authors.

	Address	Opening year	Status by the end of 2020	Redevelopment project	
<b>Guangzhou</b>					
1	Redtory Creative Park	128 Yuancun 4th Cross Rd, Tianhe District	2009	Closed in 2019	Part of a commerce and office redevelopment project "Guangzhou International Financial City"
2	Guangfanglian Industry (Creative) Park	Cunxi Street 2, Tianhe District	2012	Closed in 2016	Part of a commerce and office redevelopment project "Guangzhou International Financial City"
3	Linjiang 507 Creative Park	Linjiang Street 507, Tianhe District	Unclear	Closed in 2019	Part of a commerce and office redevelopment project "Guangzhou International Financial City"
4	No. 10 Creative Industry Association	10 Yuancun 4 <sup>th</sup> Cross Rd, Tianhe District	Unclear	Demolished in 2019	Unclear
5	Xingfang 60 Cultural Creative Industry Park	60 Xianlie East Cross Rd, Tianhe District	Unclear	Demolished in 2013	A commodity housing project, "Shang Yuan Yi Du Hui," finished in 2017; the other creative park with the same name opened at 11 North Ring Rd, Panyu District
6	Nanshi 28 Creative Park	Nanshi Rd 28, Haizhu District	Unclear	Demolished in 2019	Unclear
7	Oriental Red (Dongfanghong) Creative Park	Gongye Middle Street 313, Haizhu District	Unclear	Closed in 2018	Unclear

#### 4.1. Red Town Creative Park in Shanghai: Rise and Fall

The development of Red Town was directly facilitated by the Shanghai Urban Planning and Resource Administration Bureau (SUPLRAB). The predecessor of Red Town, the Shanghai Tenth Steel Plant, later merged into Baosteel Group, was established in 1956 and closed down in 1989. The site remained obsolete and unused for more than a decade before its transformation into a CIP. The reuse of the historical industrial buildings was initiated by artists to establish the Shanghai Sculpture Space, and was favoured by SUPLRAB. From the beginning, the urban planning authority directly supported the restructuring of the park. In 2004, SUPLRAB organized an open bid, inviting private companies to invest in and operate a creative park. Mr. Zheng Peiguang, with experience in heritage conservation projects in Shanghai, was awarded the operating rights for 20 years while renovating buildings and paying a comparatively low rent to Shanghai Tenth Steel Plant (Wang, 2009). Mr. Zheng later established Shanghai Red Town Cultural Development Co. Ltd. to manage the park. In November 2005, Shanghai Sculpture Space was completed and inaugurated, directly curated by SUPLRAB and closely linked to Red Town in publicity events. This indicates a close collaboration between the local government and private investors. Very soon, Red Town made its name in

Shanghai through influential art exhibitions and received several honours, such as being nominated an “Art Demonstration Zone” by the Shanghai Municipal Government.

However, its success as a CIP did not protect it from redevelopment. For the Shanghai Municipal Government and Changning District Government, revenue generated from selling centrally located land (near Huaihai Commercial Street) for high-density commercial and real estate development implied much higher economic profit than revenues from the CIP. Therefore, the district government abandoned the temporary use legally and formally for economic interests. Organized by the Changning District Government, the redevelopment was planned before the contract for the temporary use had ended. In 2012, Changning District Planning Bureau developed a detailed plan for redeveloping Red Town and the surrounding area into a mixed-use space combining commercial, office, and cultural functions, approved by the Shanghai Municipal Government in 2013 (He, 2019). In 2017, Mr. Zheng Peiguang and his team organized a “Farewell Party in the last 24 hours” on 29 June as the last cultural event of the park. To implement the redevelopment plan, Baosteel Group sold the land use rights to the Changning District Government, which could profitably sell it to the bidding winner in 2014 through a bidding process. The new land occupier, Rongqiao Group, is allowed to use the land for commercial-office purposes, legitimized by formal urban planning. In this way, land use is formally converted from industrial to non-industrial use. The trajectory of the rise and fall of Red Town Creative Park is illustrated in Figure 1.

The new complex, known as Rongqiao Center, will consist of an art and culture space of 6,000 m<sup>2</sup>, a shopping space of 50,000 m<sup>2</sup>, an office space of 100,000 m<sup>2</sup>, and a parking lot for 1,000 vehicles (Shanghai Rongqiao Center, 2022). The majority of buildings were demolished to make space for a high-rise and high floor area ratio commercial-office cluster to maximize economic gains under the current institutional framework. The process went smoothly without involving tensions, conflicts, or lawsuits. Google Earth shows that the complex was demolished in 2017, except for the Shanghai Sculpture Space, which was listed as a Shanghai industrial heritage conservation building in 2014. The new construction work started in 2018, and Rongqiao Center is still under construction due to the pandemic, with no prediction as to when it will be completed and open.

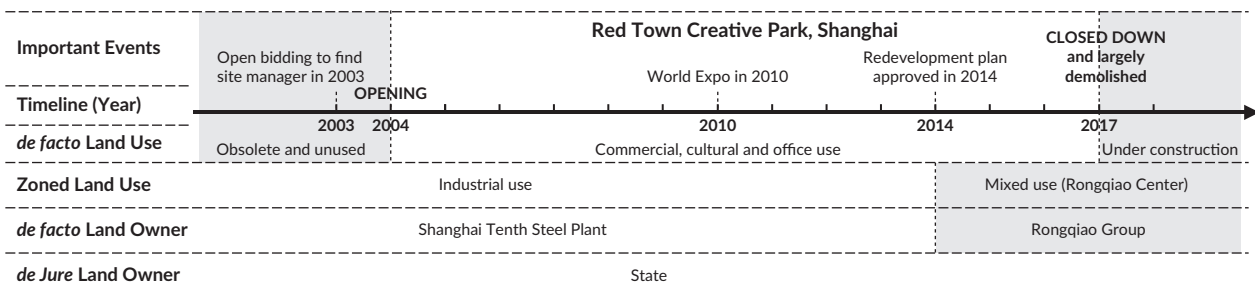


Figure 1. The trajectory of the rise and fall of Red Town Creative Park, illustrated by the authors.

#### 4.2. Redtory Creative Park in Guangzhou: Rise and Fall

Redtory in Guangzhou is as well-known as 798 Art Zone in Beijing and M50 in Shanghai. Unlike Red Town in Shanghai, where SOEs are *de facto* owners of the land, in Redtory, the land was reclaimed by the Guangzhou Municipal Government and represented by the land banking institution, Guangzhou Land Development



Center (GLDC). On November 18, 2008, GLDC commissioned the land occupier, Eagle Coin Food Factory, to manage the land, addressing security and cleaning issues, as agreed in a contract signed by both parties. As the temporary land user, Eagle Coin was allowed to reuse the site at its own cost and benefit, with GLDC reserving the right to terminate the contract by providing Eagle Coin with two months' notice. In 2009, to capitalize on the land and its buildings, Eagle Coin entered a cooperation contract with Jimeizu Interior Design Company (J-company) to jointly invest in the site as a CIP and share the rental income. The contract explicitly stated that both parties knew that the land belonged to the state and that the reuse was temporary. Furthermore, the land had to be returned to the GLDC if a redevelopment project was implemented.

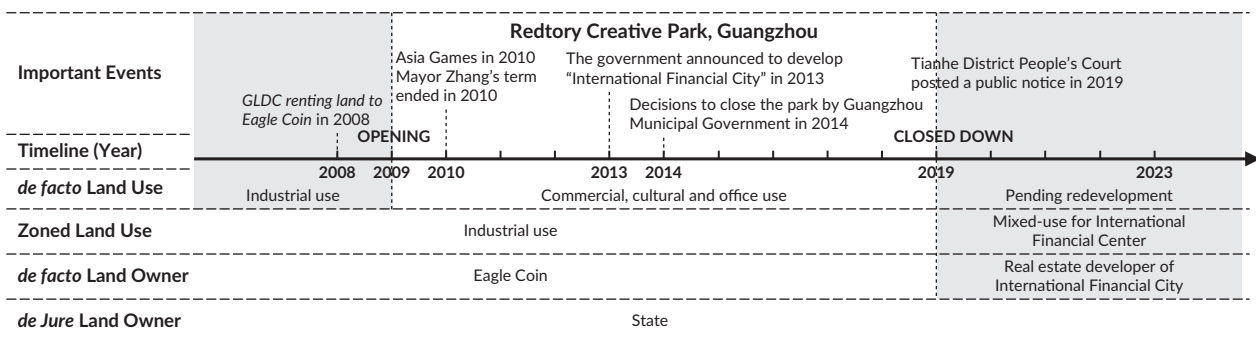
The plan to establish a CIP was grounded in an informal network between the J-company and the city mayor. Following successful lobbying and negotiations between artists, Eagle Coin, Tianhe district, and the then-Guangzhou city mayor, Mr. Zhang Guangning, Redtory was granted protected status for 10 years, starting in 2009 (Zielke & Waibel, 2015). Redtory Creative Park was opened during Guangzhou Asia Games in 2010 (Feng et al., 2019). During the Guangzhou Asia Games in 2010, Guangzhou Municipal Government intended to leverage CIPs for city marketing to the event's visitors (an expert from Guangzhou Urban Planning Institute, interview, November 6, 2019). A public-private coalition, including the artists, the district government, and Mayor Zhang, has been established to develop Redtory Creative Park.

Shortly after the Asia Games and the end of Mayor Zhang's term (in office from 2003–2010), the policy towards Redtory was completely changed. The new Mayor, Chen Jianhua, tended to redevelop the site to offset the expenditures incurred by the Asia Games. Consequently, GLDC intended to terminate the contract with Eagle Coin via an official government letter on 9 June 2010, instructing Eagle Coin to evict tenants and restore the land to its original state while ensuring social stability. This request was reiterated through court judgment and government notices in the subsequent years, available at China Judgements Online (<https://wenshu.court.gov.cn>). In 2013, the government announced plans to demolish the site to develop a more profit-promising "International Financial City," the so-called Wall Street of Guangzhou. The 2014 Mayor's Office Meeting Minutes (No. 100) stated that reserved land, including Redtory, could no longer be temporarily reused for CIPs. Consequently, the activities of the creative park had to be terminated despite its popularity and success.

However, it took another five years to evict tenants and close the park, which is precisely a 10-year history of reusing the site as originally planned. The eviction encountered resistance from sitting tenants and the site management company (C. Xu, 2015). J-company claimed they were obligated to return the site only if land bidding for a redevelopment project was carried out according to formal urban planning. With no existing zoning plan, it was not yet time to return the land (Guangzhou Intermediate People's Court, 2018). Also, J-company insisted that former Mayor Zhang had clearly promised a temporary use of 10 years in the written minutes of a government meeting. After the unsuccessful attempt to evict tenants, the court finally took action to end the disputes between the local government and J-company. On May 21, 2019, Tianhe District People's Court posted a public notice of forced execution, stating that all tenants must move out within one month. Finally, the park announced its closing on November 21, 2019, on its Wechat blog platform. Meanwhile, the redevelopment plan for the park has shifted towards a preservation-oriented approach rather than complete demolition. Driven by one of the most influential local media, *Southern Metropolis Daily*, the public debate promoting Redtory in 2009 and later advocating the conservation of industrial heritage in 2013 has influenced the decision-making process of the state correspondingly (X. Liu,



2017). An industrial heritage conservation plan developed by the Guangzhou Urban Planning and Land Resource Administration Bureau was approved on 22 November 2019, stating that only a part of the site would be demolished, while crucial historical monuments such as the historical rail station of Redtory would be conserved (Guangzhou Municipal Planning and Natural Resources Bureau, 2019). Although the focus is on conserving physical structures rather than activities, it can still be considered an outcome of the phases of temporary use, as the economic and cultural values of the buildings have been recognized through adaptive reuse. As of 2022, Google Earth indicates that the buildings remain undemolished. The trajectory of the rise and fall of Redtory Creative Park is illustrated in Figure 2.



**Figure 2.** The trajectory of the rise and fall of Redtory Creative Park, illustrated by the authors.

## 5. Actors in the Pro- and Contra-Coalitions

The emergence and closure of CIPs reveal the power tension between two different coalitions, one in favour and the other against adaptive reuse. Despite having different aims, the agencies from the public sector behind the coalitions remain the same. The production of CIPs is heavily involved and controlled by state agencies at different levels, thereby referred to as spaces of "controlled creativity" (Zielke & Waibel, 2014). These agencies strategically take different positions to build pro- and contra-coalitions.

### 5.1. Municipal and District Governments

Municipal and district governments, representing the state, adopt various positions towards temporary use in industrial land redevelopment, ranging from acceptance to tolerance and from promotion to demolition. Fan et al. (2022) summarized four types of state strategies towards CIPs in Shanghai: i) the state actively supports CIPs when institutional gaps are successfully closed; ii) the state utilizes CIPs for city marketing; iii) the state tolerates CIPs when it serves economic development; and iv) the state demolishes CIPs according to urban planning. In the case of Red Town in Shanghai, the Changning District Government and Shanghai Municipal Government tolerated its development for temporary use before formal redevelopment was launched in 2017. Then, the state demolishes Red Town for redevelopment projects according to urban planning. In the case of Redtory, the Guangzhou Municipal Government made contradictory decisions towards the regeneration of industrial sites, embracing it before the Asia Games and redeveloping it after the Asia Games.

As an agency of the state, the planning authority aligns with municipal and district government, taking different positions. Positions supporting adaptive reuse can be observed from planning authorities, but we can also

see actions against them within the same institution. In Red Town, SUPLRAB acted as the leading agency and was directly involved in developing and managing the CIP. In the contra-coalition, SUPLRAB facilitated the new redevelopment plan to largely demolish the buildings. Regarded as a heritage conservation project, Red Town was greatly supported by the heritage conservation department of SUPLRAB in the early 2000s (Wang, 2009; Zheng, 2010, p. 158). This support ended when local government officials, who dominate the leasing and development of urban land, decided to redevelop the area into a commercial centre according to urban planning. Although the case of Red Town shows great support from urban planning authorities for its establishment, the planning authorities do not always favour creative space. Developing a CIP may bring legal risks to urban planning officials as land is not planned for CIPs. In Shanghai, opinions against CIPs by urban planning authorities, though not appearing officially, can be heard in informal interviews:

The creative parks are not supported by the planning and land use authorities because they do not follow urban planning. However, the central state has issued policies to support the development of creative parks. We cannot say anything but have to accept. Ultimately, they are to be redeveloped according to the urban plan. (An officer from Shanghai planning authorities, interview, August 23, 2019)

The other officer from the Shanghai planning authorities shared a similar opinion: “We are neither for nor against it” (interview, October 24, 2022). In Shanghai, the leading institution that supports adaptive reuse is the semi-government agency known as the Shanghai Creative Industry Center. Established in 2004, this semi-governmental agency reports to the Shanghai Economic and Information Commission under the Shanghai Municipal Government. In certain instances, the Shanghai Creative Industry Center directly engaged in the investment and management of CIPs with the aim of pursuing economic revenue and functioning as an entrepreneurial entity (Zheng, 2010). Later, in 2010, it was replaced by the Office of the Leading Group for Promoting Cultural and Creative Industries in Shanghai, which holds a higher political position and reports directly to the Shanghai Municipal Government. In Guangzhou, a counterpart organization, known as the Guangzhou Creative Industry Association ([www.cngca.com](http://www.cngca.com)), is actively dedicated to fostering the advancement of CIPs. Such agencies advocate for the development of creative industries, which can be housed in various types of physical structures, not necessarily in the form of adaptive reuse of industrial sites. However, in practice, it is common for formerly abandoned industrial sites to accommodate creative industries due to their central location, low rent, and spatial structure.

## 5.2. The SOE Land Occupier

In both cases, the land occupiers are state enterprises. They enjoy both political power to a certain extent and have entrepreneurial status. Due to their political status, the local government cannot easily reclaim their land. Instead, they can negotiate with the local government on how the land can be redeveloped and how much compensation they can acquire. In the pro-coalition, they build a coalition with site management companies to develop CIPs. Shanghai Tenth Steel Plant from Red Town and Eagle Coin from Redtory rented the idle land they occupied to site management companies and gain direct rental incomes. In the contra-coalition, they transfer land to the local government and, in return, acquire considerable compensation to offset the loss of land. As *de facto* land owners, they wait for opportunities and seek the maximal benefits generated from land.

### 5.3. Private Companies

The private developer functions to extend the government's power in the market in both the pro- and the contra-coalitions. In Red Town, the urban planning authority selected a person to be park manager through public bidding and actively cooperated with him to develop the CIP. However, the site manager was not integrated into the decision-making process on whether or not to develop or demolish such a park, only performing a cultural approach of urban transformation regulated by the state. The decision-making process to determine its development and demolition remains within the state based on a "public-public" partnership between the state and the state enterprise Shanghai Tenth Steel Plant, *de facto* land owner. In Redtory, the development of CIPs was based on the initiative of the private sector with weak support from the government agencies. Only the former city mayor confirmed the support, which subsided with the termination of his office term. The site management company, J-company, could not decide the length of temporary use for CIPs rather than comply with government decisions. Consequently, the district government could finally make decisions to demolish the park.

In the contra-coalition, private companies seek profits generated from the rent gap before and after redevelopment. Before redevelopment, developers pay for the land use rights to the local government for a limited period through a bidding process. After comprehensive redevelopment, developers rent or sell the new space to individual tenants at market price, covering all the costs beforehand and generating lucrative income. They perform urban redevelopment activities regulated by the state and are excluded from the decision-making process on how the land is redeveloped. A "public-public" partnership between the district government, Shanghai Creative Industry Center, and land occupiers to promote creative space was more important than the "public-private" partnership between site managers and the state (Zheng, 2010).

## 6. Pro-Coalition to Foster the Temporary Use

### 6.1. Pro-Coalition Building

To foster the temporary use of underused industrial sites, a pro-coalition is built between the pro-agencies of the local government, the land occupier, and the market player. The coalition actors work together to pursue the adaptive reuse of industrial buildings and seek their economic profits individually (Zheng, 2010). Before initiating a CIP project in Shanghai, stakeholders collaborate and unite to gain approval through a coordination meeting. In this meeting, various government agencies are invited to express their perspectives on the planned CIP. For instance, the fire department must approve that safety considerations are adequately addressed in the reuse projects. The planning authority is also invited to attend the meeting to confirm if the project aligns with formal urban planning; however, their involvement is largely symbolic. The planning authorities are hesitant to adopt opposing stances if all other departments endorse the project (the manager of a site management company, interview, October 20, 2022).

### 6.2. Strategies to Overcome Institutional Constraints to Promote Temporary Use

To achieve temporary use, the "pro-coalition" must develop certain strategies to overcome institutional barriers. Shanghai Economic and Information Commission and its subordinated Shanghai Creative Industry Center managed to develop "three unchanging" strategies to overcome institutional obstacles. Proposed in

2005 in Shanghai, the “three unchanging” policy, i.e., implanting new functions into industrial land without changing building ownership, building structure, and *de jure* land use, attributes a quasi-legal status to creative parks. It simply suggests maintaining the *status quo* of land and buildings and allows for flexibility to control the future disposal of land. The aim was to accept adaptive reuse to bypass approval procedures for three formal issues in statutory plans: ownership, land use, and plot ratio (Y. Xia, interview, April 8, 2020). In Guangzhou, similar strategies have been applied. In the case of Xinyi Creative Park in Guangzhou, the granting of temporary land use from an industrial site to a creative park is based on “four unchanging conditions” regulated in the public–private partnership: layout, building number, building structure, and floor space (Li et al., 2018). Another well-known nationwide policy, withdrawing manufacturing industries in the urban area to give way to tertiary industry (*tuier jinsan*; Li et al., 2018; Zheng, 2010, p. 146), aiming at restructuring industrial land for non-industrial use, is often utilized to argue for the temporary use.

## 7. Contra-Coalition to Terminate the Temporary Use

### 7.1. Contra-Coalition Building

The pro-coalition actively supports the production of temporary space. However, its support is limited in strength and scale. The projects of temporary use depend highly on personalized coordination of key resources and are not completely institutionalized (Zielke & Waibel, 2015). Land-lease permissions granted to private actors for temporary use can be easily withdrawn as the state has the final judgement in any local decision on behalf of formal and legal redevelopment (Zielke & Waibel, 2016). Municipal and district governments, together with their sub-ordinated land agency and urban planning authorities, and the market player can build a contra-coalition and implement the comprehensive redevelopment of the CIPs. Acquiring land transfer fees and representing formal urban planning, public agencies in contra-coalition possess higher administrative sovereignty than public agencies in the pro-coalition. As all urban land belongs to the state, district governments hold the right to employ land acquisition in the name of the state and further to sell land use rights for redevelopment projects. The contra-coalition is often known as the “pro-growth coalition,” identified in the context of property-led redevelopment formed by public and private actors while communities were excluded (Lai, 2010; Yang & Chang, 2007). A “rent gap-seeking regime” was proposed to explain the logic of capital accumulation in the pro-growth redevelopment process (Yang & Chang, 2007). Land conversion through a “pro-growth coalition” can maximize the full potential of land values and bring much larger profits for the district and municipal government than temporary use.

In Shanghai, Red Town is centrally located with high land value, providing a strong reason to be chosen by the “pro-growth coalition” for large redevelopment projects. Given the revenue deficit due to the Asia Games in 2010 in Guangzhou, the municipality was eager to embrace profitable redevelopment projects with higher floor area ratio rather than temporary use, which brought comparably less profit (an expert of Guangzhou Urban Planning Institute, interview, November 6, 2019).

### 7.2. Strategies to Legitimize the Termination of Temporary Use

For the contra-coalition, formal urban planning offers legitimacy to terminate temporary use. As such, temporary use is informal and not regulated in urban planning, so it can be abandoned according to formal planning. Statutory land use plans in China comprise two primary sets of maps: one illustrating existing land

use types and the other depicting planned land use. A CIP is not classified under existing land use categories; the respective sites are typically zoned as “industrial.” Similarly, it is not considered part of planned land use. The areas designated for CIPs are often envisioned for residential or tertiary purposes with significantly higher floor area ratios than the existing urban structures (Zhong, 2010, p. 146). Industrial site transformations are typically conceptualized as redevelopment projects rather than adaptive reuse in the form of CIPs for “non-industrial” purposes, which do not entail fundamental changes to the physical structure. Adaptive reuse involves a temporary or interim utilization of industrial buildings before planned permanent redevelopment takes place. Formal urban planning legitimizes stakeholders to establish a contra-coalition aimed at terminating temporary use.

In Red Town, to legitimize the redevelopment project, the Changning District Government employed the instrument of urban planning and made a detailed plan in 2012, followed by approval by the municipal government in 2013. Reinforced by the new plan, Changning District Government was then able to establish the contra-coalition to undertake the development project. In Redtory, the site management company (J-company) was reluctant to close the park, arguing that the zoning plan was not formally published and the redevelopment project had not been launched. This indicates that stakeholders widely accept that a formal plan published by the local government functions as a legal instrument to terminate the temporary use. The actors and their interaction in the pro- and contra-coalitions are illustrated in Figure 3.

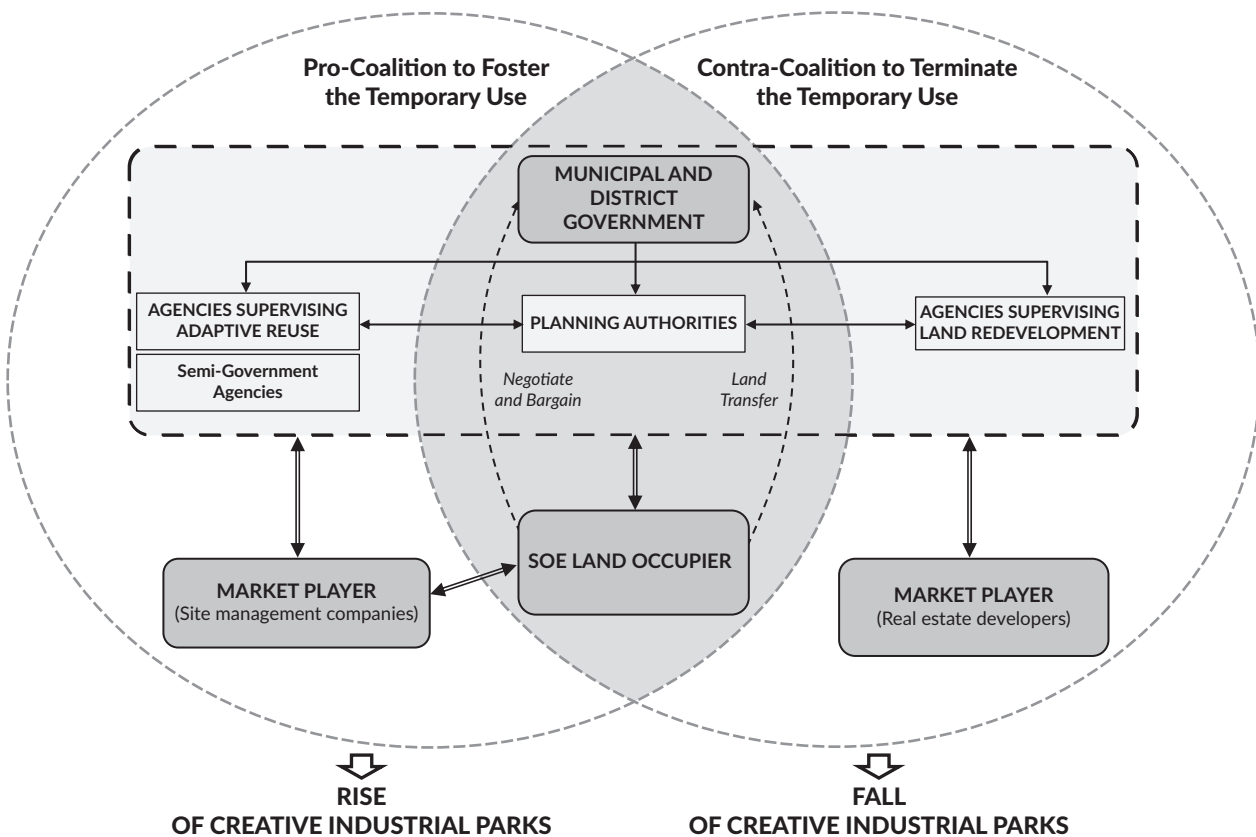


Figure 3. The pro- and contra-coalitions and actors, illustrated by the authors.

## 8. Conclusion

Driven by the urban phenomenon of demolishing creative parks in recent years, this research aims to discover how different actors position themselves and form flexible coalitions to foster and demolish CIPs. The article contributes to the scientific discourse on urban governance of CIPs by demonstrating how space has been produced and transformed through two coalitions, a “pro-coalition” and a “contra-coalition,” each employing different strategies. The “pro-coalition” overcomes institutional obstacles to develop CIPs but is ultimately overruled by a “contra-coalition” to demolish them according to urban planning.

Urban governance in China is characterized by flexibility and resilience, as elaborated by concepts such as “political resilience” and “adaptive governance” (Heilmann, 2018), as well as “resilient governance” (Yao et al., 2020). Subject to changing domestic and international circumstances, a government agency can be part of the “pro-coalition” under certain circumstances and the “contra-coalition” under others. In the creative park development phase, district governments benefit directly from the taxes paid by quarter tenants and cooperate with public and private actors in the pro-coalition. In the demolition and redevelopment phase, district governments benefit from land transfer fees paid by real estate developers who purchase industrial land for property-led redevelopment. District governments tend to do so as land transfer fees have become the major revenue source for local governments since the commodification of land in the 1990s (J. Xu et al., 2009).

The motivation to develop the parks comes from the pro-coalition with the local government, semi-governmental, and non-governmental actors. The development of creative parks results from an emerging pro-coalition intending to mobilize resources and develop strategies to overcome institutional obstacles. The pro-coalition developed quasi-legal instruments, such as the “three unchanging policies” in Shanghai and the “four unchanging conditions” in Guangzhou, to bypass conflicts with the contra-coalition. The contra-coalition, built by the district and municipal governments together with land-related institutions and urban planning authorities, has the final say on the production or demolition of creative space. Although they tolerated and embraced its development in the beginning, they hold the right to make the final decision to demolish it when necessary.

This article’s discussion reflects the tension between cultural-led urban transition and property-led regeneration in industrial heritage sites (Chen, 2023; He, 2019). We reveal the relations between the temporality of CIPs and the coalition of governance underpinning this urban phenomenon. However, compared to what has been observed in European countries where (local) governments have cultural clustering strategies to promote post-industrial urban development, local governments in China tend to make more cautious attempts to support cultural clustering in industrial sites—they temporarily create institutional room for creative industries to reuse the sites with conditions, and see how the CIPs work. Different from the European cases, where multi-sectoral engagement and interactions matter and cause complexities (Morris, 2010), whether a CIP in an industrial site can survive in the long term largely depends on whether the local government believes the socio-economic value of the CIP surpasses that of real estate development in the location. It is the local government alone, instead of multi-sectoral collaboration or partnerships, that makes the decisions to allow the temporary industrial land use as CIPs, as well as to terminate them. The intra-government negotiations and collaborations (or non-collaboration) matter to the decisions, which are affected by the macro-political environment and are significantly influenced by local

political leaders' preferences. Therefore, our examinations of the rise and fall of CIPs in China contribute to the international literature that, in a political environment of fragmented authoritarianism (Brødsgaard, 2017; Mertha, 2009), there are multiple representatives of the state and competing regimes working simultaneously (Gao & Chen, 2020; Hsing, 2006; McGee et al., 2007, p. 14). Unravelling the complexity among local authorities and their interrelations with market players helps to better understand under what conditions the contra-coalition would prevail over the pro-coalition, ultimately initiating the redevelopment of CIPs, and what would not. That is the focus of our future studies. This raises questions about the factors influencing its long-term perspectives and which factors are decisive for its short-term existence. For example, factors such as location (e.g., the central location of Red Town in relation to its commercial value) and timing (e.g., different levels of support before and after mega-events) need to be further elaborated upon in the next steps to identify the specific factors that trigger the formation of these two distinct coalitions.

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### Conflict of Interests

The authors declare no conflict of interests.

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