

From cultural regeneration to creative entrepreneurship: the panacea to economic decline?

**A qualitative research on the perception of creative entrepreneurs
in the Newcastle-Gateshead waterfront area**



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Masterthesis Human Geography

Nijmegen School of Management,

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Colophon

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Figure 1 (front page) Baltic Centre for Contemporary Arts (Source: Author)

PREFACE

This is a research on entrepreneurship in Newcastle-Gateshead waterfront area. The research is the dissertation of the Master Human Geography at the Radboud University Nijmegen. Part of the project is an internship at the Centre for Urban and Regional Development at the Newcastle University. The internship at CURDS has been a very valuable experience to me and has considerably contributed to the process leading to this thesis and further enhanced and developed my knowledge in the field of regional developments studies. Doing research on one of the most important spatial projects in Newcastle-Gateshead of the last couple of decades is very interesting as well as relevant.

Doing research is an iterative process and dependent on many actors, without them this project could not have been brought to a success. Therefore I would like to take this opportunity to thank the people that have contributed greatly to this research. At first many thanks to Dr. Rianne van Melik (supervisor of this thesis): thank you for all your interesting ideas and constructive feedback, I look back with pleasure on our cooperation. Also thanks to Prof. Dr. Arnoud Lagendijk, for bringing me into contact with CURDS as well as for being second supervisor of this thesis. To my supervisor in CURDS Prof. Dr. Danny McKinnon: thank you for your help and comments on my work. Prof. Dr. Andy Pike: thank you for your very interesting and useful seminars.

Furthermore, I am grateful to the ones that have made the internship possible in administrative terms, the international office at the Radboud University as well as the GPS School at Newcastle University, Jenny Dawley in particular. As well as that I am thankful to the Royal Dutch Geography Society (KNAG) and Erasmus Mundus that have contributed greatly to this project in financial terms. I would like to thank everyone in the Geography Office at Newcastle University for welcoming me so warmly. Last but not least I am grateful to all the respondents for sharing their interesting experiences with me, without you this research would not have been possible.

All in all the project has been very valuable to me and I hope reading this thesis will be just as interesting as it was writing it. As well as that I hope it will give you new insights into creative entrepreneurship in the Newcastle-Gateshead waterfront area.

Mathijs Lammers

Nijmegen, June 2015

SUMMARY

This is a research on creative entrepreneurship in the Newcastle-Gateshead waterfront area. Florida (2002) and Pike et al. (2006) argue that our economy shifts into a new stage, moving towards a more reflexive type of capitalism characterised by heightened complexity, uncertainty, risk as well as to a high rapidity of economic, social, political and cultural change. Endogenous growth, fostered through locally embedded entrepreneurship, is argued to become more important in the contemporary economy. Moreover, Florida (2002) argues that creative people, who seek places that are diverse, tolerant and open to new ideas, drive economic growth. The North East is an area that is lacking behind other regions in the United Kingdom, the rate of entrepreneurship the lowest in the country. However, there is a renewed focus on creative industries, which is emphasised by the large-scale cultural developments on the Quayside. Therefore this research seeks to gain insight into creative entrepreneurship in the area in respect to the cultural regeneration, judging on the perception of the creative entrepreneurs.

Cities are argued to be the places where creative outcomes prevail; cultural assets can play a role in the attractiveness of the area (Hubbard, 2006). Cultural regeneration can therefore be an important tool in marketing strategies of the city (Lombarts, 2011). On the other hand, Swijngedouw et al. (2002) and Brenner (2009) reject these disciplinary divisions of technocratic, market driven and market oriented forms of urban knowledge resulting from elitist and fluid governance structures and for example causing gentrifying processes influencing entrepreneurial processes in the area. Also, the economic environment, such as increasing returns and agglomeration effects are considered to be important for entrepreneurship in the area. In this respect, three main assets are distinguished by Power & Scott (2011): the formation of collaborative inter-firm relations in order to mobilise latent synergies, the organisations of highly skilled local labour markets and mobilising the potentiation of local industrial creativity and innovation. The conceptual model is structured according to two dimensions, the physical environment and the economic environment, based on the theoretical framework. The economic dimension is divided into economic circumstances, socio-economic perspectives and institutional perspectives. Ten semi-structured interviews with creative entrepreneurs form the basis of this qualitative case study research. The research period was September 2014 until January 2015.

From this research it can be retrieved that the physical environment is of relevance to entrepreneurship, however the entrepreneurs mostly emphasise on the socio-economic environment. Concerning the physical environment, the Quayside and Ouseburn are regarded as two separate areas. On the Quayside the large-scale regeneration projects took

place, whereas the Ouseburn has retained its relative authenticity. From this research it can be revealed that entrepreneurs in the area do appreciate the developments on the quayside, mainly as it is a positive exposure to clients as well that the cultural amenities are a pleasant environment. Furthermore, the Baltic Centre for Contemporary Arts as well as Sage Gateshead have a great exposure for local artists, as it makes art accessible for a large audience and contributed to Newcastle-Gateshead as a creative and arts city. Furthermore, different projects are initiated because of the comprehensive investments process such as the Baltic Business Park and Northern Design Centre, projects through which creative entrepreneurship is stimulated. However, from this research is can be revealed that creative entrepreneurs especially appreciate the multi-functioned and slightly alternative Ouseburn area. The street arts, pubs that have live music on and strong community feeling are factors that make working in the area to a pleasant experience, this makes the area thriving and interesting. On the other hand, this is critiqued as well by some entrepreneurs as the worn down look and feel of the area can be repellent for clients and visitors to visit the area. Neoliberal perspectives that foster developments in the Ouseburn, in addition to the developments on the Quayside, are argued to reduce the artistic feel of the area and chase out the original people. However by some this process is seen as an opportunity as well to further diversify the area and make it livelier.

The economic environment is mostly referred as being of importance for entrepreneurship in the area, especially the socio-economic perspective. The office spaces in the area are mentioned as an important factor and are an opportunity to be in the proximity of like-minded people. The socio-economic environment can be regarded in the sense of formal as well as informal networking. For some formal networking organisations, such as the Entrepreneurs Forum, which organises networking sessions as well as a peer-to-peer mentoring program, are useful. However, others do not regard this as an added value and prefer the informal networking and community ties in the area. Especially this informal networking is considered being a factor that makes working in the area to a pleasant experience, the pubs are mentioned as the centre where such social structures are formed. Furthermore, it can contribute in a professional sense as well, as there people to help or to answer difficult questions. However, cooperation is not guaranteed, if companies are complementary to each other cooperation might occur. Some argue that the change of the area will reduce this strong identity feeling to the area.

From an institutional perspective entrepreneurs do not value the region as much. Entrepreneurs do not assume to get support from the council. Nonetheless, subsidies can certainly be of importance, especially at the initial start-up phase of the entrepreneurial process, for example to obtain workspace. It is, however, argued that it is important not to be

too strongly dependent on subsidies, because of the societal pressure of subsidy policies. Having a miscellaneous revenue model to ensure the sustainability of the business is therefore of importance to survive as an entrepreneur in the area. The cultural regeneration on the Quayside is critiqued from an institutional perspective, as large-scale institutions receive millions annually, while subsidies for small-scaled institutions are reduced. According to entrepreneurs in the area, especially these small-scaled galleries and institutions are of importance to the local arts scene.

All in all, it may be argued that the physical environment does contribute to a thriving and interesting area and leads to a positive exposure for clients and artist in the area. But, the socio-economic environment seems to be most important for entrepreneurs in the area, especially informal networking, the pubs and a strong community feeling contribute to this. The physical environment enhances the identity of the area as well that it is a positive exposure to the area. It may be concluded from this researched that the process of entrepreneurship is hard to influence. The right circumstances and conditions can be enhanced through governance, for example as mentioned by the developments of shared office space initiatives. These findings can be of importance to policymakers in the area. Furthermore in a theoretical sense this research has contributed to empirical evidence regarding creative entrepreneurship (Florida, 2002) the importance of proximity and face-to-face contacts as discussed by Martin & Simmie (2008) and Storper & Venables (2004) as well as neoliberal perspectives on urban regeneration (Swijngedouw et al. 2002).

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1. INTRODUCTION

1.1 Project base: the shift of the economy in the perspective of North East England

The structure of our economy has changed over the past decades. A shift takes place towards a more reflexive type of capitalism, characterised by heightened complexity, uncertainty, risk, as well as a higher rapidity of economic, social, political and cultural change (Pike, Rodriguez-Pose, Tomaney, 2006). The economic system has become more globalised, knowledge intensive and competitive. Globalisation has led to the suggestion that localities and regions are now in direct competition with each other, which has emphasised the strong differences between central and peripheral areas as the *winners* versus the *losers* of the current economy (Dicken, 2011; Pike et al., 2006). In this sense, one of the major concerns in regional development studies in the United Kingdom is the large difference between central and peripheral regions. Major contradictions can for example be distinguished between the South East of England, including the greater London area compared to the North East of England as well as parts of Wales and Scotland (Huggings & Thompson, 2013). The panacea to this on-going problem in the country is yet to be found, proposed solutions, or the need for solutions whatsoever, has led to a wide ranging discussion, both in a theoretical sense, and on the level of policymaking.

Recently, the North East was compared to Detroit in the Guardian, heading it “*Britain’s Detroit*” (Beckett, 2014). One of the major problems in the region described is the poor labour market. Pike et al. (2014) describe the labour market in the North East to be too thin, as many graduates leave the region. “*The people who stay will end up in non-graduate jobs and local non-graduates will be bumped out the labour market all together*” (Pike 2014: In Beckett, 2014). Average wages in the North East are the lowest in the United Kingdom and the labour market is increasingly de-skilled (*ibid.*). The region has structurally been above unemployment rate averages in the last decade and is among the most deprived areas in the United Kingdom concerning employment scale. The region copes with relatively high levels of unemployment, labour market inactivity and social and economic exclusion (Robson, Parkinson, Boddy, MacLennan, 2000). It may therefore be concluded that the legacy from this industrial decline is still felt today.

The North East used to be known for its strong industrial sector such as coalmining, shipbuilding and other heavy industries. However, economic decline was inevitable when many of these industries closed down. In the 1980's over fifty per cent of the population were employed in heavy industries such as mining, twenty years later just three per cent was employed in this sector (Minton, 2003). The region was not able to cope with the economic

shock of the early 1980's. Martin (2012) agrees and argues that the North East is not as resistant and adaptive enough; mainly the mono-sectorial composition of the economy and the strong path dependency makes the North East vulnerable. However, the proposed change of the economic structure might consequently offer opportunities for Newcastle-Gateshead, an opportunity that the cities seek to seize.

According to Florida (2002) the creative economy is the future perspective: "*Cities with high concentrations of the creative class are more likely to become the economic winners* (Florida, 2002, p.203)". Therefore, a focus is seen in many cities towards creativity, culture and knowledge based industries to foster bottom-up innovative processes. Notions of endogenous, bottom up growth, fostered through small and medium sized corporations is stronger emphasised on in recent years (Dicken, 2007; Pike et al, 2006). Florida (2003) has distinguished the concept the "*creative class*" to emphasise the importance of creative minds to stimulate the regional economy. Among creative industries Florida (2003) distinguishes high-tech, knowledge based and creative content industries, industries in which people need to think creatively and independently. Florida (2002) describes it as follows:

"Regional economic growth is driven by the location choices of creative people—the holders of creative capital—who prefer places that are diverse, tolerant and open to new ideas (Florida, 2002, p. 223)".

Newcastle-Gateshead is a city that invested heavily in its cultural and creative infrastructure. The comprehensive regeneration schemes on the Quayside should emphasise this renewed focus towards culture. The waterfront area in Newcastle-Gateshead used to be the centre of the region's flourishing shipyards and industrial activities. However, the industries either impoverished or moved to the mouth of the River Tyne away from the city. Due to this process the area became an unattractive and unused space in the city. In the 1990's Newcastle city council decided on comprehensive revitalisation programs for the city. The quayside was turned into a vibrant area in the city used for cultural and leisure activities. In cooperation with the council of Gateshead the area faced a new future. Flagship developments such as the Millennium Bridge, the music venue Sage Gateshead and the Baltic Centre for Contemporary Arts have become the eye catchers in this in the region (figure 1.1, figure 1.2). The regeneration has mainly increased the exposure of the city as a creative and cultural city which links into the aim of this regeneration program; to become a world-class city and to undo itself from its negative image (Newcastle-Gateshead, 2009). It is argued that the developments have contributed to the formation of identity in the area as well as to the formation as a space for tourism (Miles, 2005). However, it lacks on insights on creative entrepreneurs in the area that has undergone such large-scale cultural investments.

The investments in the built environment and cultural amenities in the city should redeem a

positive image of the city and subsequently should make the city attractive for young entrepreneurial professionals. Newcastle-Gateshead seeks to follow successes of for example Manchester, which was argued to be the most creative city in the United Kingdom, although being questioned and critiqued by Montgomery (2005). It is however questionable to what extent this process also leads to more economic activity. Nevertheless Newcastle-Gateshead has invested heavily in urban regeneration projects to make both cities more attractive. *"Urban entrepreneurship is all about seeking out and nurturing new energy and ideas capable of generating and sustaining quality of a place, it is this process of entrepreneurship that Newcastle-Gateshead and in particular Gateshead council, have excelled at"* (Minton, 2003, p4). Newcastle-Gateshead aims to develop the creative sector, with cultural and digital industries, for example through new developments as the Northern Design Centre, which is supposed to be the *hub* for creative businesses in the North East, together with a yet to be build conference centre, providing an affordable alternative for businesses compared to for example London. Newcastle is noted as a city that moved successfully from "coal city to culture city", reinforced by creative entrepreneurship in the area (Minton, 2003). However, this way of creating a cultural landscape is critiqued as well, for example by Jane Jacobs who argues against this "*Great Planning Disaster*". For example referring to the unsuccessful Akademgorodok, the unsuccessfully planned science city in Siberia in the 1950's (In Hospers & van Dam, 2005). The theory of Florida is sometimes referred to as a hype, a period of time in which many cities invested in culture and creativity to attract the so-called creative class. However, the cultural regeneration is a long-term project and moves beyond this hype. Therefore, it is relevant to judge these developments in a theoretical as well as in a societal sense, focussing on the perception of these entrepreneurs in the waterfront area in Newcastle-Gateshead.



Figure 1.1 Baltic Centre for Contemporary Arts and Millennium Bridge (Source: Author)



Figure 1.2 Sage Gateshead and Tyne Bridge viewed from the Millennium Bridge (Source: Author)



Figure 1.3 Map of the North East (Source: Onenortheast, 2009)

1.2 Goal of the research, main question and sub questions

Entrepreneurial processes are of importance to foster bottom-up innovative processes that strengthen regional capacities. Especially old industrial region have difficulties to promote such manners of growth. Nevertheless, regions try to distinguish themselves and promote the region in different respects. Newcastle-Gateshead has promoted itself in the recent decade as a city for culture and creativity. It is therefore useful to explore creative entrepreneurship in the area that invested in a large-scale cultural regeneration. The goal of this research is as follows:

"To gain insight into the perceptions of creative entrepreneurship on an area that went through a period of cultural regeneration."

This goal is achieved by doing research in the Newcastle-Gateshead waterfront area. The following main question will contributed to reach the goal and will give guidance to the research:

"To what extent does the cultural regeneration contribute to the perception of creative entrepreneurs, regarding the physical environment and economic environment, in the Newcastle-Gateshead waterfront area?"

This will lead to more extensive information on entrepreneurship in Newcastle-Gateshead's waterfront area, that leads to insights on creative entrepreneurship in areas with a focus on cultural regeneration. To answer the main question, several sub questions are proposed, which will contribute to answering the main question as well as that they will give guidance to the research. The sub questions are based on the literature and are further elaborated in the theoretical framework.

Prior to investigating how creative entrepreneurs perceive the area it is of importance to investigate how the area is conceived as elaborated by Lefebvre (1991) (further developed in 2.2). This should provide a background of the area as well as that it should provide with a framework from an institutional perspective. This question is analysed accordingly to the conceptual model, as presented in figure 2.1 and is answered in chapter 4. The first sub question is as follows:

- *"How is the waterfront area in Newcastle-Gateshead conceived from an institutional perspective?"*

The second part of this research will give an in-depth analysis on how the area is perceived by creative entrepreneurs in the waterfront area in Newcastle-Gateshead. The lived environment is researched in this part, in which two sub questioned are distinguished. At first the perceptions of creative entrepreneurs of the physical environment are further developed. This takes the physical environment of the waterfront area into account of which the Quayside as well as the Ouseburn area are part. In paragraph 5.1 this question is analysed.

- *"How is the physical environment perceived by creative entrepreneurs in the waterfront area in Newcastle-Gateshead?"*

The final sub question composed in this research concerns how creative entrepreneurs perceive the economic environment in area. The economic environment contains several indicators, which are presented in the conceptual model (figure 2.1). The economic environment floats in the broader economic perspective in the area and cannot be seen fully independently from external processes. This is not what this research seeks to aim at, as the waterfront is part of the larger assembly that should not be reduced to the waterfront area. On the basis of this research it is pursued to investigate how the economic environment is perceived by creative entrepreneurs, in relation to the developments in the area. The main findings concerning this sub question are described in paragraph 5.2

- *"How is the economic environment perceived by creative entrepreneurs in the waterfront area in Newcastle-Gateshead?"*

All in all the different sub questions composed should give a comprehensive overview of creative entrepreneurship in the area that will contribute to answer the main question. At first The theoretical framework is gives a background of existing literature that is needed to answer the sub questions. This is followed by the empirical part of the research; the area is analysed concerning how city planners conceive it, followed by how the area is perceived by entrepreneurs. This will make a contribution to gain insights into creative entrepreneurship in an area that went through a period of cultural regeneration. The structure of this research is presented in figure 3.1.

1.3 Relevance

1.3.1 Societal relevance

This research will possibly lead to recommendations to policymakers as well as to chamber of commerce and other institutions working on entrepreneurship in the region. Flagship developments and comprehensive cultural investments programs can lead to political as well as societal unrest. The costs-benefit division is ambiguous, possibly leading to adverse sentiments in society. However, this work does not offer an answer to this issue, rather it seeks to give insights creative entrepreneurship in the area. It will contribute to the knowledge about the region and business activities in the region, in relation to the flagship cultural revitalisation programs. Moreover the experiences in this area can be used to generalise to similar cases as well. These experiences will be of importance for future flagship revitalisation projects aiming on this target group or claiming to attract creative industries. Thus, this research can be of importance for policymakers in Newcastle-Gateshead and can contribute to knowledge base for future developments with a similar outline.

1.3.2 Theoretical relevance

In this part the theoretical relevance is described, to do so first a short introduction on the theoretical discussion, of which this research is part, is introduced. Furthermore it is described how this research will add to the existing theoretical discussion.

One of the most influential thinkers on creative entrepreneurship is Richard Florida. His book “The rise of the creative class” has provoked a wide ranged discussion in the field of regional development. Florida (2002) argues that our economy is evolving and fluctuating into new processes, for example caused by technological changes. Florida (2002) has controversially characterised this shift as the *creative economy*, which implies a new quarterly stage in the economy. The creative class will move to places that are inclusive and diverse in which the values of what we consider to be of importance change, such places are featured by

"individuality, meritocracy, diversity and openness" (Florida, 2002, p.56). Attracting the creative class has become part of policymaking in many American, European and Asian cities. While it is argued that this has effected traditional forms of economic development policies (Donegan, 2008; Peck, 2005). However the assumptions of Florida are widely critiqued, for example by Markussen (2006), arguing that causal mechanisms are not described by Florida whatsoever as he uses vague correlations instead. Furthermore it is argued that there is a lack of empirical evidence for the assumptions made (Donegan et al., 2008). Malanga (2004) argues in this respect that the supposed winners by Florida have chronically underperformed in the past year. Donegan et al. (2008) describe that talent, tolerance and technology are poor predictors for economic growth whatsoever while being prerequisites for economic growth in Florida's work. Nonetheless many cities implement policy measures investing millions in large-scale projects to attract the creative class

This work seeks to add empirical evidence to this discussion, as it is critiqued for lacking on empirical data. Literature on creative entrepreneurship is linked to literature on cultural regeneration in the area. Cultural regeneration can be a tool in marketing strategies of the city to attract different groups to the area, such as creative entrepreneurs (Lombarts, 2011). On the other hand, Swijngedouw et al. (2002) and Brenner (2009) reject these disciplinary divisions of technocratic, market driven and market oriented forms of urban knowledge resulting from elitist and fluid governance structures, which have effects democratic representation of decision-making processes in the city, for example resulting in gentrifying processes. Results from this research will lead to knowledge on creative investments and will contribute to empirical knowledge on creative entrepreneurship in places with cultural investments. It is pursued to find a position in this discussion and to provide expand empirical data, possible adding to the existing theory.

The North East is an interesting case for many research projects as it faces problems characteristic for many old industrial regions. A renewed focus towards the creative economy is seen in the developments in Newcastle-Gateshead's waterfront area. The developments have taken place just over a decade ago, which makes it interesting to do research on this particular case, as the developments are assumingly embedded in society after a decade. Theoretical insights in existing literature on the area are mainly focussed on cultural led regeneration in respect to formation of identity of local people involved. Miles (2005) relates culture and representation of power to identity, as he argues that the iconic projects in Newcastle-Gateshead have led to pride and confidence of its inhabitants, as well as that the flagship sites have significant symbolic as well as material power. Furthermore, the cultural developments can provide with a renewed focus for revitalisation projects, accounting for a symbolic resistance to the homogenisation of globalism (Miles, 2004). According to Miles

(2004) such cultural initiatives can have a fundamental impact on the local people, which can contribute to their collective identity. Bailey, Miles and Stark (2007) lead the success to the attendance and involvement of the local people. People from different social groups gather around the area and sit happily alongside the Baltic, which exceeds every initial visitor target (*Ibid.*). The “*Cultural Investment and Strategy Impact Research*” has the goal to measure cultural values and the attendance among local population, relating these to broader social and economic indicators on a national level. The overall intention of this program of research is therefore to gather a dataset on the impact of the Quayside development on the consumption and production of culture. Furthermore this research program tries collect a full range of data of secondary sources that are quantitatively measured to get effects of the cultural led regeneration in the area (Bailey et al. 2007).

Thus, existing research on the area focuses strongly on identity and involvement of local people in relation to the regeneration process. However this work, relates creative entrepreneurship in the area to the cultural regeneration. The qualitative approach adds to the knowledge on the case as the reasons behind behaviour can be further developed. Taking cultural regeneration from the perspective of creative entrepreneurs, adds to the existing theoretical knowledge on the case, which is mainly focussed on the formation of identity of inhabitants. This project therefore adds on the theoretical and empirical knowledge on the cultural developments.

1.4 Structure of the research

This research will be structured as follows: At first the most important theoretical frameworks will be further developed (chapter 2), which will give a comprehensive and in-depth overview of the theoretical discussions and insights. In this part the target group is further elaborated (2.1) and the conceptual model is presented (2.2), accordingly, the dimensions (2.3, 2.4) are further developed. This is followed by the methodological in chapter 3, in which the methods on which the research is based are further explained. The analysis of this research is structured according to Lefebvre's (1991) conceived and perceived space, which will further developed in the theoretical framework (2.2). At first, in chapter 4, the result of the analysis concerning the conceived space will be analysed. Followed by the results of the research concerning the perceived space in chapter 5. In chapter 6 the main conclusion retrieved from this research will be presented, which entails theoretical and societal recommendations as well as a reflection on the research. In de appendixes additional information can be found which will be referred to in the text. Appendix 1 gives an overview of the respondents spoken to, in appendix 2 the interview guides are presented, appendix 3 contains a list of the atlas.ti

code book and in appendix 4 the letter to the respondents can be read, in appendix 5 a cd-rom containing the atlas.ti documents is added.

2. THEORETICAL FRAMEWORK

In this part the most important concepts retrieved from literature are discussed to give a comprehensive overview of the available literature. Firstly the target group of this thesis is further developed, in this part literature concerning creative entrepreneurship is analysed. In paragraph 2.2 the conceptual model is presented. In the following paragraphs the findings in the conceptual model are elaborated. The physical environment reveals literature on cultural regeneration and neo-liberal urbanism. The economic environment is focused on economic structures concerning creative entrepreneurship in the area.

2.1 The target group of this research: creative entrepreneurs

Entrepreneurs in the creative sector play a central role as target group of this research. Fostering bottom up innovation and creativity is reflected through entrepreneurship. SME's (small and medium-sized enterprises) and the entrepreneurial *buzz* are embedded in regional development studies and are argued to be important to foster innovation and regional growth. The endogenous growth theory is an important concept in explaining these processes (Pike et al., 2006). This theory is focused on innovation, knowledge creation, learning and technological progress in a locally embedded perspective. The theory is based on the idea that regional development should be driven from bottom-up, internal processes of local and regional development contrary to exogenous growth theories. As a local and regional embedded growth is supposed to lead to a more enduring contribution the economy (Tödtling, 2011). Successful economic regions such as Silicon Valley, Third Italy and Baden Württemberg have mostly prevailed through their strong SME base (Hadjimichalis, 2011). The small firms base of the economy and local social structure of the economy became symbols of success of small-scale flexible capitalism. Such an economy is characterised by a bottom-up outlook and a "*highly individualistic entrepreneurial and competitive character*" (Hadjimichalis, 2011). Especially in times of experimentation and new technological evolution, small entrepreneurial firms sprint into existence to exploit them (Scott, 2006).

Creative entrepreneurs are considered to make an important contribution to the regional economy of a locality as argued by Richard Florida. The centre of the Western economies will be, to a larger extent, formed around the creative and knowledge based sector (Florida, 2002). According to Florida (2002) the holders of creativity are the winners in the economy. Comunian (2009) agrees with Florida that creative and cultural industries are associated with positive trends and growth over the last decades. In addition to that innovation and exchange of knowledge have positive effects on sectors outside the creative sector as well (Comunian, 2009). Hubbard (2006) argues that creativeness can be described as the "*raw materials for*

economic activity" and it brings both great artists as well as new technologies to flourish (Hubbard, 2006, p210).

However who exactly belongs to the creative class? This is an ambiguous question and therefore debated on. Florida distinguishes the creative class as "*all people that engage in complex problem solving*" (Florida, 2002). Hubbard refers to creativity as all manners of imaginative and innovative practices that contain many individual skills with an aesthetic as well as symbolic value (Hubbard, 2006, p209). Thus, people that have the ability to think creatively and independently are considered to belong to the creative class. This group consist of people working in science, engineering, architecture, design, education, arts, music, entertainment but also business, finance, health and law (Florida, 2002). This is a comprehensive group, therefore a super creative core is distinguished by Richard Florida (2002). This entails professions like science, engineering, architecture, design, education, arts, music and entertainment.

The work of Florida is controversial, as it for example lack on causal relations as well as on empirical evidence, as argued in paragraph 1.5 (Donegan et al., 2008; Markusen, 2006). However the main criticism is focussed on the definition of the creative class. It is unclear who exactly belongs to the creative class and how the concept is defined. As mentioned, Florida distinguished the *creative class* as well as the *super creative core*, however this definition is quite broad. Markusen (2006) argues that this group is far from homogenous, which makes it hard to conceptualise a common class of interest. Moreover it is argued that talent and skills are not synonymous to higher education (*Ibid*). Apart from the methodological critiques, Florida is also accused of creating a demarcation in society between the *have* and *have nots*, producing enclaves of like-minded people, considered as the creative class (Peck, 2005). Although in later work Florida acknowledges that the creative class is the privileged minority (Clifton, 2010).

Barnes, Waitt, Gill & Gisbon (2006) elaborate that the strong focus on entrepreneurialism in combination with image, creativity and competitiveness are the buzzwords of policymakers, presented as the key and hope for future development. They critique on neoliberal perspectives on role of the government in entrepreneurial policies, rather than entrepreneurship itself. Entrepreneurial governance, in which government policies shifts from acting as a regulator towards a consummate agent, emphasising and encouraging capitalist ideologies in which the private sector is seen as solutions for social problems (Barnes et al., 2006; Smith, 2002). It is a capitalist rather than a social production, which is strived by via private involvements (Smith, 2002). As well as that notions of entrepreneurialism fail to under scribe the identity of people in a historical perspective. For example, in old industrial regions

different social groups are marginalised, as the working class is strongly embedded in these regions (*Ibid.*).

Despite critiques, creative entrepreneurialism can make a contribution to the regional development of place. Specifically focussing on the innovative notions that can enhance through entrepreneurialism as well as that the concept of human capital, which is widely accepted in the literature (Kuptsch, Pang, 2006). In this research the narrower definition on creative entrepreneurship is taken, which entails the *super creative core* as Florida puts it. This will form the core of the target group, which for example entails people working in arts related businesses but also in design, video and digital related industries. These professions are in many ways interlinked, but are not fully homogenous. The homogeneity of the case is in this sense an ontological discussion, without any clear guidelines (Gerring, 2007). In this research these entrepreneurs are however expected to give a comprehensive perspective on entrepreneurship in the area. It will therefore be interesting to see how the target group will perceive the area on several factors, these factors are elaborated in the following paragraph, in which the conceptual model is presented.

2.2 Conceptual model: The dimensions developed

In the previous paragraph the concept of creative entrepreneurship has been developed. The explanation of the conceptual model is discussed in the following part. An in-depth review of the literature available on the dimension will be presented in paragraph 2.3 and 2.4. The conceptual model is presented in figure 2.1. In this part the dimensions presented are discussed and in the following paragraph the dimensions are elaborated in-depth. Also, the distinction between the conceived and perceived space is discussed in this part.

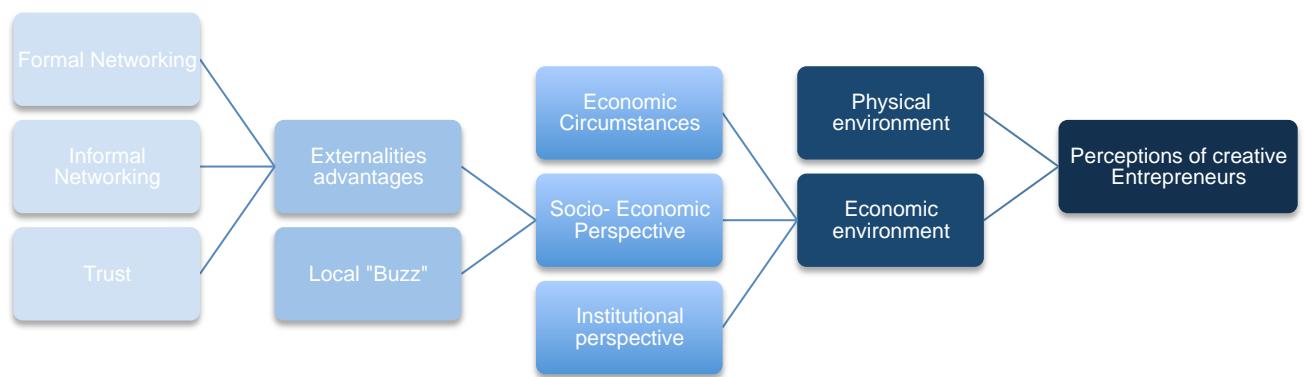


Figure 2.1 Conceptual Model (Source: Author)

Physical environment

The first dimension that is distinguished in this research and that is expected to be of influence on the experience of creative entrepreneurs in the waterfront area is the physical environment. The cultural regeneration is expected to play a role for creative entrepreneurship in the area. Florida (2002) argues that creative people seek places reflecting their creativity and in which they can fully expose their creative assets. A creative *mood* or *buzz* is of importance in this sense, although being ambiguous to define. Jane Jacobs (In Hospers & van Dalm, 2005) argues that the built environment can contribute to urban creativity; cities are the places where creative outcomes prevail (Hubbard, 2006). The living environment and cultural assets plays a role in the attractiveness in the region. Martin & Simmie (2008) agree and comment that successful cities have an extensive array on wide ranging cultural activities and social and cultural embeddedness. This helps to differentiate different national models of capitalism, as well as that it contributes to the quality of life (Ibid.) Moreover, Deas & Giordano (2001) claim that the physical environment, which they define as available premises and infrastructure, is off importance for the formation of small firms. Additionally, Benneworth & Hospers (2008) have distinguished three perspectives, which are important to the knowledge-based economy in old industrial regions, these are hardware, software and mindware. Hardware entails for example factors such as the physical environment, but also labour market. Mindware is distinguished by Benneworth & Hospers (2008) as the way in which the region is perceived from the inside as well as how the region is looked at from the outside. People and entrepreneurs are not fully informed about a region and have therefore an opinion or image about the place; this spatial cognition is influenced by different factors, for example by the exposure of a creative city due to the cultural investments. The physical environment can in this respect play a significant role in the image of the area and in the exposure of the area.

Economic environment

The second dimension is the economic environment, which is divided into economic circumstances, the socio-economic environment and the institutional environment. Deas & Giordano (2001) distinguish ***economic circumstances*** and characterise it as sectorial structure in the region as well as skill-base in the area, which can contribute the formation of firm based outcomes. This will entail how entrepreneurs experience the entrepreneurial climate in the area, which is especially interesting as the North East is an old industrial region, which will be elaborated in paragraph 2.4.1.

The ***socio-economic perspective*** is based on inter firm relations and the connections and linkages between local policy makers, higher education institutions and other training and

research organisations. Martin & Simmie (2008) elaborate that geographical proximity, the formation of cluster and increasing returns, are factors of importance. These are taken into account in the socio-economic environment. Furthermore, Deas & Giordano (2001) argue that the social environment entails the extent of social inclusion or exclusion and the existence of a supportive milieu for the firm. It can be retrieved that the relation to connected business and industries and the relation to external institutions, such as knowledge institutions, can be of importance. These can lead mutual interacting and reinforcing processes that can foster economic activity.

Benneworth & Hospers (2008) distinguish the importance of software, which is the institutional set up of the area or described as they way in which people interact and behave. A distinction is made between three factors: *formal networking*, this is a structured and organised type of networking in which for example networking events play a role. *Informal networking* is a factor in which face-to-face contacts play a role. The last factor distinguished is *trust*, as trust is considered as an important factor in doing business and cooperating with other business (Maskell, 2001; Storper & Venables, 2004). Besides this, the *local buzz* is a factor in the socio-economic environment. This is enhanced through cross-fertilisation between sectors in specialised places, making the place open to new ideas and learning (Storper & Venables, 2004). Young entrepreneurial people seek to go to thriving places that are open and diverse and the local buzz can therefore make a contribution to how entrepreneurs experience the area (Florida, 2002; Vanalo, 2008).

The **institutional perspective** is understood as government agencies that contribute to entrepreneurship in the area. Deas & Giordano (2001) distinguish the institutional environment to contribute to firm based outcomes in the sense different agencies, institutions and initiative which have a volume of resources at their disposal. The institutional perspective can contribute to the economic environment of entrepreneurs in this sense for example through policy measures as subsidies as well as to create the right conditions for entrepreneurship and providing in housing. This entails all government related agencies; more on this can be read in 4.2.3.

Concluding remarks and conceived versus perceived space

All in all, several factors are considered to be of importance for creative entrepreneurs in this research. These are the physical as well as the economic environment, the latter consisting of economic circumstances, socio-economic perspective and institutional perspective. It is important to note however that this list is not exhaustive and can be argued and debated on. As argued in chapter 3, the interviews of this research are semi-structured which leaves room for input of entrepreneurs. Therefore, it is possible that new factors are distinguished,

judging on the experiences of entrepreneurs. In the following paragraphs the different dimensions will be discussed in-depth. In the analysis distinction is made between the conceived space and the perceived space, according to the work of Lefebvre (1991). The factors above are analysed according to the conceived space as well as to the perceived space. Before moving to the in-depth discussion on the physical and economic environment first a short introduction of Lefebvre's (1991) works is presented.

There is a possible discrepancy between the conceived and the perceived space as presented by Lefebvre (1991). Space is fluid and influenced through different processes interacting in space. Space often has a notion of malleability, created or formed through policymaking. In this research a division is made between the conceived space and the perceived space, as argued by Lefebvre (1991). Lefebvre (1991) argues that the social and political state forces seek to master processes in space, however the spatial reality is uncontrollably. Therefore, Lefebvre distinguishes the conceived, perceived and lived space. The conceived space entails the conceptualised space, the space of scientists, planners, urbanists and technocratic sub-divers (Lefebvre, 1991). This space comprises various signs of jargon and codifications and is conceived and abstracts since it subsumes ideology and knowledge within its practice (Merrifield, 1993, p523). Furthermore, Brenner comments that the conceived space entails political practises and institutional arrangements as well as political imaginaries, in which the everyday life, capital accumulation and state action unfold (Brenner & Elden, 2009). On the other hand, the perceived space embodies close associations with the daily and urban reality (Lefebvre, 1991). This is the directly lived and everyday life and experienced by the inhabitants and users of the space. This is the space in which the imagined, or conceived space intervenes and which is codified and rationalised (Merrifield, 1993, p523). Lefebvre (1991) argues that this perceived and conceived realms should be interconnected. But, these spaces are never stable and exhibit historical qualities, attributes and interconnections (Merrifield, 1993). However under capitalist influences the primacy is given to the conceived space, while the social space and the everyday life is downplayed, space should be seen as the site of on-going social interactions and production, rather than a product (*Ibid.*).

2.3 Physical environment

Cities play an important role as the centres of cultural as well as economic activity (Hubbard, 2006). As we have seen cities are the brooding places for creativity, innovation and imagination (Swyngedouw et al., 2002). Cities are in many ways the places that are diverse, open and tolerant. Policymakers try their best to enhance this and to promote the city as an economic landscape, for example through large-scale urban development structures. A

stronger focus on neoliberal policies in such large-scale flagship developments merits attention in particular. These culture-led developments are a tool to reduce the deficits of these places, attributed due to deindustrialisation and global outsourcing (Power, Scott, 2011). Policymakers try to make these kinds of adjustments built environment with the goal of attracting economy activity.

Neoliberal urbanism is the concept used to describe the progressive privatisation of the public space and public realm, in which the focus lays principally on profit making structures (Gonzales, 2011). Ironically, most of these projects are initiated by the state (Swyngedouw et al, 2012). Gonzales (2011) argues that these neoliberal policies are carried out by the state in different ways; private-public partnerships, deregulation of planning policies, privatisation of housing and real estate market and liberalisation of rent control, mega-urban projects, gentrification, urban surveillance, as well as city marketing and branding. One or a combination of factors can be identified in most cities, for example mega-urban projects financed by large-scale investments group and private equity (Gonzales, 2011). Such flagship revitalisation developments are mainly developed as a marshalling point for further investments as well as a marketing tool for a locality or city, but also to improve liveability and exploit a stronger entrepreneurial basis for the city (Smyth, 1994).

Policymakers consider the built infrastructure as an important factor to improve the quality of the region. The competitiveness discourse and aim to scale up to international hierarchies of cities is an inexorable fact (Gonzales, 2011; Swyngedouw et al. 2002). Significant and high profile developments can play an influential and catalytic role in urban regeneration, justified with the perspective on economic success (Smyth, 1994, P4). Many policymakers see urban regeneration in this sense as a panacea to combined problems of unemployment, urban decay, deflated property values and poor city image (Doucet, 2007). Moreover process of regeneration can have an important role in diversification of the city and the economy. Liveable cities with high-quality infrastructure, green spaces, inner-city residential areas and public projects, contribute to economic success and attract foreign investors as well as highly qualified professionals and tourists (OECD, 2009). This promotion of high profile prestige property developments is a key component in local economic development strategies, as the city constantly needs to enhance its attractiveness as a place for economic activity and inward investments (Loftman and Nevin, 1995). Flagship urban regeneration is therefore popular among policy makers and seen in many cities throughout Europe.

Flagship developments, alongside improvements of cultural assets of a place with museums and cultural activities and events, to expose the city are part of marketing strategies of cities (Lombarts, 2011). Image is of importance in the way a region is perceived from the outside or

by the people in the region itself (Benneworth & Honders, 2008). This image can contribute to the attractiveness of the area for people and business. Although, it should be noted, that the focus in such marketing strategies preferable lies on retaining inhabitant and companies, rather than attracting them (Gijzen, Smulders, 2011). Places with a positive image attract more firms and people than areas with a negative image (Benneworth & Honders, 2008). A positive internal perception helps to support constructive interactions but is also a condition for ambitions of regional mobilisation (*Ibid.*) This image is about the impression people have of a certain object and represent a simplification of a larger number associations and pieces of information connected with a place (Gertner & Kohler, 2004). For example the work of Florida (2002) has provoked a stronger focus on cultural amenities as catalyst of the regional economy in which the formation of a positive image plays a significant role. The leisure factor is beneficial for inhabitants as well as companies (Lombarts, 2011).

These kinds of revitalisation projects are also critiqued, although having a presumed positive effect on the economic activity and inward investments in the area. Flagship regeneration started of as postmodern tradition that was initiated in the United States in the 1960's. The underlying tendency of neoliberal policies and ideologies are deregulation, private investment, privatisation, consumption and capital accumulation (Smyth, 1994; Loftman & Nevin, 1995; OECD, 2009). This strong focus on neoclassical tradition and the economic landscapes has provoked criticism. Brenner (2009) is strongly opposed to the neoclassical approach with his work on the critical economy. Rejecting disciplinary divisions of technocratic, market driven and market oriented forms of urban knowledge. Another more democratic, socially just and sustainable form of urbanisation is possible according to Brenner (2009). His critique is mainly focussed towards power relations, inequality, injustice and exploitation that underpin capitalist social formations. Moreover, homogenisation of places and the weakened global distinctiveness creates the existence of *non-place places* or *pseudo places* in which economic power is predominant. These are not seen as attractive spaces to foster bottom-up innovation, creativity and entrepreneurship (Zukin, 1991, p20; Miles, 2004). Vanalo (2008) agrees and argues that the construction of desirable environments, echoing the images of Florida's creative city, is a "*banal elitist selective policy*" for example expressed in large-scale real estate projects and gentrification. Creating an attractive physical environment is often accompanied by sizable state-led investments, while the effects are controversial. Nonetheless a tendency is visible that such policy measures to promote the city play a extensive role in policymaking today.

Swyngedouw et al. (2002) agrees with Brenner's critique as they claim that large-scale urban projects emanate from elitist and fluid governance structures, which possible influence the

democratic representation of decision-making processes (Swyngedouw et al. 2002). Globalisation and liberalisation have articulated the relationship between large-scale urban developments and political, social and economic power relations in the city in which local democratic participation is not respected (Swyngedouw et al. 2002). Large multinational firms profit from these forms of governance as they have the capacity to influence and participate in the decision-making processes, while interests of small entrepreneurial companies and inhabitants are not respected, possibly leading to opposition from these actors. It is therefore argued that participation of different parties in the process and the local people is of undoubted importance to make a project a success (Smyth, 1994; Power, Scott, 2011). City planning is a process in which different actors should be involved.

Flagship developments can have far reaching effects for the local people in such areas. As they are forced away from the area, due to higher rents and a change in the social and economic structures. The process of gentrification happens through investments in formerly decayed areas. Commercial interest rise and the popularity of a neighbourhood leads to spiralling property prices. Most large-scale urban projects have therefore considerable effect on the socio-economic structure of the area and lead to a polarisation in society through the replacement of low-income housing (Swyngedouw et al, 2002). Moreover Florida argues that the *creative class* seek for a built environment and general climate, which is authentic and active to fosters creativeness. According to Florida (2002) the creative class tends to move to places that are inclusive and diverse. Openness to diversity of all kinds offers the opportunity to validate their identities as a creative class (Florida, 2003). The creative class is known for seeking places that stimulate their creative equity and are open and diverse and often a little edgy. Moreover the housing and office or workspace prices should be reasonable, as mainly start-up companies do often not have the financial capacity to settle in the urban core where housing prices tend to be relatively high.

The idea of Urban Village links closely to Florida's perception of the creative milieu and has gained prominence in the urban regeneration since the 1980's. The urban village is as a rather loosely defined concept assembled from "*the desire to produce distinctive mixed-use neighbourhood units that are well designed and sustainable*" and "*to generate community commitment, involvement and a sense of place*" (Pollard, 2004, p184). The urban village concept is based on the notion of nostalgia to the ideal community space (Barnes et al., 2006). Consequently Pollard (2004) describes the tensions that such institutional perspectives can cause. Highlighting the fear of displacement of local entrepreneurs as well as the contradictory agendas that compete for space in the area, reflecting the undemocratic exclusionary geographies created in many cities (Pollard, 2004). Barnes et al. (2006) agree

to the observations of Pollard (2004) and claim that new urban governance of image, creativity and competitiveness, as well as entrepreneurial policies, have replaced the focus of city councils from helping city residents to place making and marketing the city. This is mainly used in economically, social and culturally uncertain places. Barnes et al. (2006) argues that the concept strongly focussed on the middle class professional group, while other social groups are marginalised. Thus, the institutionally led urban village may not be the panacea for urban decline.

All in all, the physical environment and the effects of large-scale revitalisation projects can be argued and debated on. Policymakers consider infrastructure and the built environment as an important factor to improve the quality of the region, as well as having possible positive effects on the economic activity and inward investments in the area. But, these kinds of revitalisation projects are also widely critiqued. For example in the sense of profit making structures and the democratic deficit in these projects as flagship developments can have far reaching effects for the local people and social structures within such areas. The physical environment is however not only factor that is distinguished in this research in the next section literature on the economic environment in reviewed.

2.4 Economic environment

The economic environment consists of three parts; first the economic circumstances and the influence of these processes on entrepreneurship in the creative sector on this. In the second paragraph literature on socio-economic environment is reviewed and thirdly the institutional perspectives will be elaborated.

2.4.1 Economic circumstances

Entrepreneurialism is to a large extent a geographically embedded process that can vary greatly between different geographical boundaries. Self-employment can for example offer opportunities in regions with a slack labour market where opportunities with existing employers are limited (Pike et al., 2006). However pioneering entrepreneurs depend on critical incubation processes, which are more likely to occur in core areas as they offer an environment with a higher rete of supported and related industries (Scott, 2006). Therefore, prosperous, core, densely populated regions have a stronger base for entrepreneurship as they offer more opportunities on a diverse goods and service market, as well as on a wider range of supporting and related industries (Pike et al., 2006). Moreover, entrepreneurship is often deeply routed and shaped in the regional context and through historical structures. The historical dominance of large industrial firms in old industrial regions is institutionalised and restrains entrepreneurship, as people tend to be used to being employed rather than being

the employee (Pike et al., 2006). Furthermore Keeble (1996) argues that peripheral regions, with small markets, limited numbers of businesses and networking opportunities and a mono-sectorial lay out of the economy, are hostile places for entrepreneurship. On other hand, peripheral regions are beneficial for entrepreneurship. For example in the sense of low housing prices, the large amount of available premises and the presumed moderate competition (*Ibid.*). Moreover, the environmental constraints possibly stimulate pro-active entrepreneurial behaviour (Keeble, 1996). Therefore if a firm survives in a peripheral environment its success will be more likely.

Digitalisation might diminish the centre-peripheral divide in the future. The market, especially in the digital sector, has become global and customers from all over the world have access to services of businesses. In this sense, it is widely recognised that technological changes have reduced many of the traditional location factors and restraints (Porter, 2000). However, the geographical location will remain of importance in the future as well as it does today, despite the fact that companies become to a larger extent footloose. The role of regions has not yet diminished, as companies still settle closely together and cluster, as will be elaborated in paragraph 2.4.2.1. It may even be argued that globalisation is actually increasing the importance of regional distinctiveness. Martin & Sunley (2009) argue in this sense that regional economies instead of the national economies are the salient foci of wealth creation and world trade. Competition between places will to a larger extent shift from the national level towards a regional level.

Innovation through bottom up processes becomes more evident in policymaking as part of regional development strategies. As opposed to the exogenous growth mechanisms being dependent on foreign direct investments, making regions vulnerable for the vicissitudes of large multinational firms (Pike et al., 2006). Therefore, a strong tendency towards small-scaled regional embedded growth through innovation has developed in recent years. Innovation is explained as the creation and diffusion of new ways of doing that are useful for a production process, specific product, or society as a whole (Huizigh, 2011; Dicken, 2007). It is explained as the shift from "*a set of assets based on primary products exploited by unskilled labour*", to "*a set of assets based on knowledge exploited by skilled labour* (Amsden in Pike et al, 2006 P. 97)". Innovation is nurtured by human capital, which is the value that a person represents. It are the capacities and abilities a person has, to generate knowledge that leads to greater productivity and innovative and learning processes (Donegan et al., 2008). Such skilled professionals are therefore of importance to the regional economy to foster bottom-up innovation (Kuptsch & Pang, 2006). Learning is a central theme in innovation studies and is understood as the individual art of organisational capabilities (Pike

et al., 2006). The process of learning happens very much through absorbing knowledge from better skilled contacts; therefore the social element in learning is considered as important factor (Storper & Venables, 2004). The importance of innovation and learning can be seen in a wider perspective as it does not need to be merely economic or technology related. Innovations and learning can also exists through intervention on social and human level (Mouleart & Mehmood, 2011).

Innovation can be of influence and of importance to all aspects of society. Innovation relates closely to other actors such as capital, labour and the state. It should therefore be seen as an actor in a larger whole, in which different separate coexisting entities create an environment that can enhance economic prosperity. Dicken (2007) argues that this is a reason why innovation and technology developments differ very much from region to region as it is influenced by social, cultural, political, legal and educational and economic institutions. The local innovative milieu consist very much on interdependences between different actors as well as path dependencies within a region (Dicken, 2011). Moreover Dicken argues that innovation is also strongly an entrepreneurial process, highlighting the importance of entrepreneurship in a region.

To foster this innovation attracting and retaining a highly scaled work force is of importance. Deas and Giordano (2001) argue that as well the quality as the quantity of the labour market has influence on the attractiveness of the area for firms. Brain drain, the process in which highly skilled talents migrate from a region can therefore has a disturbing effect on the local economy. Mainly highly skilled young professional tend to move easily between different places and are mobile (Kuptsch, Pang, 2006). Brain drain can cause self-reinforcing downward spiral, it can be harmful to the development of a region if young professionals leave the area (Wills, et al. 2011). All in all, it is important that young professional entrepreneurial people, that foster innovative and learning process, are maintained in the region and that they have a positive influence on the innovative milieu in the area.

2.4.2 Socio-economic environment

2.4.2.1 Externalities advantages

Clusters are based on the notion of externalities and positive spillovers that occur when activities are connected to one another. A cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementariness (Porter, 2000). It is the concentration and combination of different actors in the area from knowledge institution to rivals and customers, in which the sum is greater than the different separate parts, whereas independent firms faces higher costs an retrains (Porter, 2000). Clusters tend to grow through processes of

cumulative, self-reinforcing developments (Dicken, 2007). But these networks do get to a larger extent multi-layered across different geographical scales and are therefore more complex (Dicken, 2007). These externalities also influence localised innovation networks, in which spatial proximity facilitates the generation of externalities and learning process (Vale, 2011). The sectorial structure is of importance as a diverse industrial structure and strong mix of different actors of different sizes can be of advantage (Deas, Giordano, 2001; Devereux et al. 2007). This is true for inter sectorial as well as cross-sectorial relation within a network.

According to Power & Scott (2011) three main assets are crucial to make optimal use of increasing returns and agglomeration effects; the formation of collaborative inter firm relations in order to mobilise latent synergies, the organisations of highly skilled local labour markets and mobilising the potential of local industrial creativity and innovation. Additionally, Martin & Simmie (2008) argue that externalities advantages are based on a pool of an educated labour market, knowledge spillovers and technological transfers as well as a strong base of supporting and related services. Porter (2000) argues, in his diamond model, for the interchange between demand conditions, factor conditions, firm strategy structure and rivalry and related and supporting industries, with government and chance as external factors. Thus, it is highlighted that not merely relations to related industries, but also relations external institution can contribute to economic growth, such as the government as well as for example knowledge institutions such as universities.

Social cohesion and trust are important factors in externalities advantage. Therefore, Deas and Giordano (2001) distinguish social capital as an important factor in the socio-economic environment. A strong social environment is considered to have an important effect for entrepreneurship in the area as an entrepreneur is far from a lone operator, but rather works in a larger social context and network. This clustering of like-minded people can create a critical mass of cultural entrepreneurship (Hubbard, 2010; Meester, 2004). Creativity is not an individual process but rather entails organisation and interaction between different actors (Florida, 2002). An entrepreneur is a social agent within a larger system of social networks as well as social capital. This is organised by a set of commercial linkages as well as social interactions, through which critical information flows advantaging to the ones involved (Scott, 2006). These advantages can permeate to society as well, in this sense it can have a broader societal impact. In this respect, social enterprises have the ability to pursue a broader societal impact through their broad social, economic as well as environmental aims (Pike et al., 2006).

Co-localised firms will benefit from a general climate of understanding and trust which helps to reduce malfeasance. As well as that they assure reliable information, to cause agreements to be honoured and to place negotiators on the same wavelength (Maskell, 2001). Face-to-Face contacts are especially important to reduce uncertainties (Storper & Venables, 2004). Therefore, geographical proximity and face-to-face contacts will remain of importance. The importance of face-to-face contacts is especially evident and recognised in areas with many creative activities as these are places in which information is imperfect and rapidly changing (Storper & Venables, 2004). Deal making, evaluation and relationship adjustments are heavily dependent on face-to-face contacts. It is sometimes argued that digital media make face-to-face contacts superfluous. However, it is difficult to create trust through digital media. Face-to-face contacts enable expressions of socio-emotional context, presumably being of equal importance to the message itself (Bathelt, 2011). For example, looking to the many business trips made around the world, while interactive media like Skype enable to communicate people between large distances. It can therefore be argued that face-to-face contacts are and will remain of viable importance to our economy. Although knowledge-based firms are considered to become to a larger extent footloose, social embeddedness in a local context is still evident. These interdependencies are driven by social interaction and face-to-face contacts that bind these kind of localised agglomerations (Dicken, 2011).

2.4.2.2 Local buzz

A firm is strongly influenced by the environment in which it operates, as well as that it is influenced by external factors. Different studies show that actions of organisation can be seen as function of the spatial environment (Hoogstra & Van Dijk, 2002; Oerlemans, Meeus, Boekema, 2001). The firm is not an isolated agent for local innovation it is rather an element within the local industrial environment. Major components of innovative behaviour are the historical evolution and characteristics of a particular area, with its social and economic organisations, its collective behaviour and its degree of consensus or conflict that characterises the local society and economy (Andaylot & Keeble, in Keeble, 1988). This process is mainly distinguishable in cities with high levels of connections between different actors. In the literature they are also referred to as “buzz” cities, generating increasing returns for the ones involved (Storper & Venables, 2004).

Cities are the places where creativity meets and merges leading to innovative outcomes. The city is a place of diversity, knowledge and learning, this diversity in cosmopolitan places leads to creativity (Storper & Venables, 2004; Pike et al. 2006). These *buzz* cities that are “*the places to be*”; in an environment where people are highly motivated, knowledge is shared and critical problems in our economy are solved (Hubbard, 2006). Buzz cities grow from sectors like creative cultural functions, finance and business services, science and

technology and power and influence such as government agencies (Storper & Venables, 2004). This cross-fertilisation between sectors in specialised places makes the place open to new ideas and learning (Ibid.).

Vanalo (2008) proposes different factors that represent a thriving city, such as people meeting each other, multi-ethnicity and tolerance, nightlife and young trendy people, public spaces, opportunities for high quality education, events and the “buzz” (Vanalo, 2008). Images of the urban milieu and urban spaces such as crowded squares and cultural events help to promote these images of the city (Vanalo, 2008). However Verheul & Van Twist (2011) claim that such factors are rather factors that should exist instead of factors that should be created, as it is ambiguous to achieve this through policymaking. However, the conditions and circumstances could be facilitated. The local buzz is a concept that is hard to operationalise, it is a concept that should be identified by the people living and working in the area, but can in this sense contribute to a positive experience of entrepreneurs in the area.

2.4.3 Institutional perspective

The Institutional environment can be understood as different agencies, institutions and initiatives in the city or region stimulating entrepreneurship in the area. The integration of policies measures in places and agglomeration economies can make a contribution to economic growth perspectives (OECD, 2009). The role of the government concerning location choices is wide ranged. First of all governments contribute to macroeconomic and political stability in a country (Porter, 2000). In recent years, a trend is visible in which the role of the local government has become more extensive and influential and decisive at a regional scale (Ibid). For example financial incentives, marketing strategies and adjustments to the physical environment, like infrastructure or government related policies, can contribute to positive business environment. Assistance and incentives to entrepreneurs can in this sense lead to a stronger entrepreneurial base in the area.

Porter (2000) argues that clusters represent a forum in which new types of dialogue between companies, government agencies and institutions such as schools universities and public utilities take place. Moreover institutions as trading associations can be of importance for firms in a region to develop the communication and representation of firms (Ibid.). Firms benefit from interaction between institutions, to provide the infrastructure and adequate environment to sustain collective learning processes (Vale, 2011). Although entrepreneurship is a process that should be initiated by entrepreneurs, the efficiency and quality of general-purpose inputs by the government supports business life in the region it is of importance (Porter, 2000). In this sense, entrepreneurship can be encouraged or supported through policy measures. Capital is one of the most important factors for start-up businesses and is

essential in the start-up phase, for example to obtain a premise (Pike et al., 2006). Moreover, the role of a government as facilitator of *soft* aspects is also highlighted in literature. For example, investments in cultural amenities can contribute to a higher quality of urban life and as well as that it increases tourism in the area. Furthermore places with a high cultural variety are more likely to accept new ideas that contribute to innovation (Martin & Simmie, 2008). A creative buzz or atmosphere cannot be fully initiated by government agencies; however contributing to a vibrant cultural sector can be of importance in this sense (Florida, 2002). This viewpoint is however critiqued, as it would encourage a shift from traditional roles of the government such as schooling (Peck, 2005). Government agencies can make a contribution to entrepreneurship, if different factors are effectively combined.

Thus, the institutional environment can be beneficial for entrepreneurship in the area. But on the other hand it can also slow down or impede developments. This can happen for example through Institutional lock-ins, which mainly visible in old industrial regions. The institutional set-up of these regions used to work fine in the economic heydays but have turned into a restraining factor to economic restructuring nowadays. Three major types of institutional lock in are distinguished by Benneworth & Hospers (2008) which are: functional lock-ins, in which the inter-firm relations are argued to be too rigid; cognitive lock-ins, which entails homogenisation of world views; and political lock-ins which implies too thorough relationships between public and private sector, which hampers economic restructuring and can have an inhibitory effect on the development of a region. But entrepreneurship is not only hampered through lock-ins, as also government policies in general can inflict with the interest of firms. Therefore Porter (2000) argues that all government regulations that inflict with or create inefficiencies for firms should be reduced to a minimum. In addition to that, Devereaux et al. (2007) researched the government incentives for firms and conclude that it has minor positive effect on the attractiveness. However, proximity to similar firms and foreign direct investment do show results (*Ibid.*). In the end market forces will determine if firms will succeed rather than government decisions (Porter, 2000).

2.6 Conclusion

In this chapter the most important theoretical structures are presented. At first in paragraph 2.1 the theoretical discussion concerning the target group is described. In paragraph 2.2 the conceptual model is presented, which forms the basis of this research. From the conceptual model it can be retrieved that the physical and economic environment are the two dimensions researched. The economic environment is divided into economic circumstance, socio-economic environment and the institutional environment. The physical environment can have influence on the creativity in a place and the living environment and cultural assets

play a role in the attractiveness of an area. However, neo-liberal perspectives on regeneration processes can negatively influence the interest of small-scaled entrepreneurs as a shift in political, social and economic power relations change the structure of such areas. Also the economic environment plays a role in this sense to foster an innovative environment. The socio-economic environment is important in the formation of clusters and cooperation between companies, this is formed through different factors as presented in this chapter. Finally the institutional perspective can influence entrepreneurship through policy measures and incentives. However in the end market forces will determine if a firm succeeds rather than government decisions. The following of the research is based on the finding in the literature and the research is structured and analysed accordingly. The structure of the interview guide (appendix 3) as well as the analysis is based on the dimensions and perspectives distinguished. All in all, a comprehensive overview of the most important theoretical perspectives is presented in this theoretical framework.

3. METHODOLOGY

This is a case study to the Newcastle-Gateshead waterfront area, which has been conducted using qualitative methods. The main source of information is gathered by doing fieldwork consisting of interviews with entrepreneurs, besides that policy papers are analysed. Part of the research is an internship of 5 months at the Centre of Urban and Regional Development at Newcastle University. This will lead to a better understanding in the broader context of regional development as well as a better understanding in the case by the expertise available in the research centre. In this chapter, the methodological perspective of the research is further developed. This chapter consists of four parts, first the case is elaborated, secondly case study research is further explained, thirdly the methods for data gathering are developed and lastly the respondents are described.

3.1 The case

The Newcastle-Gateshead waterfront area is an interesting case. As recently large-scale regeneration has taken place in the area, which has changed the area considerable. The North East is an interesting area to do research on, as it is an old industrial region that has lost much of its economic potential when the coalmines closed down and heavy industries moved from the region. The region did not recover from this crisis, a problem distinguished in many old industrial regions, such as the North West of England and parts of Wales. Therefore Newcastle-Gateshead is a useful case as the effects in the region were extreme and the effects of the crises are still felt today. The North East dangles at the bottom of economic performance rankings and chronically underperforms compared to other regions. Moreover the economic and geographical division of economic strengths within the United Kingdom gives an interesting perspective to the case, as the centre and peripheral (South-North) divide in the country is problematic. The large-scale investments in cultural amenities and the cultural and creative sector in general are interesting in this respect, as it is to be seen what the effects are on the region in the long term.

Newcastle-Gateshead is not the unique as a city that has invested heavily in large-scale flagship cultural developments. Also cities like Manchester and Birmingham seized the opportunity of large-scale regeneration as a stimulator for new economic opportunities. These cities have however developed a stronger exposure than Newcastle-Gateshead has developed. Some consider Manchester as the creative capital of the United Kingdom, as for example the BBC moved to the city. Also outside the United Kingdom similar cases are distinguished. Bilbao is a remarkable example and famous for the developments involving the Guggenheim museum. However, Newcastle-Gateshead is among the most striking

examples of an old industrial region with a renewed focus on cultural sector. Therefore this makes this case in specific very interesting to do research on. Doing interviews with entrepreneurs gives an image on their perspective of the area. The developments are rather recent with the major investments being completed from the year 2000 onwards. Furthermore along the new developments also old industrial heritage can be found. The dynamic and interplay between the areas in the waterfront area, with large-scale development versus stronger locally embedded developments make this area very interesting. The developments take place on the two different councils, which make the developments possible more complex in the institutional context, but offer opportunities for improved cooperation between the municipalities as well.

The scale of the economic discrepancy between the regions in comparison to other region in the county in combination with the scale of the cultural investments make this case interesting to do research on. Flyvbjerg (2006) argues in this respect that atypical or extreme cases often reveal more information, as they activate more actors. Clarifying the deeper causes is often more important and more interesting than identifying symptoms and frequencies. Choosing the representatives well can augment the validity of the research (Flyvbjerg, 2006). It is expected that this case is illustrative to other similar cases, although it must be noted that every case is different and has its specific conditions. In chapter 4 more information on the case “Newcastle-Gateshead waterfront area” can be found.

3.2 Why case study research?

In this research qualitative research methods are used to obtain information, which are useful to gather in-depth information on a certain phenomenon. Qualitative methods are essentially descriptive and inferential and therefore sometimes referred to as *soft* (Gillham, 2000). Different approaches of qualitative research can be distinguished. Creswell (2013) distinguishes five approaches for qualitative research, namely narrative research, grounded theory, ethnography, phenomenological research and case study research. For this research the case study method is chosen, in which an in-depth description and analysis of a case or multiple cases are developed, it must be noted however that different analytical methods can be used as part of the case study research as well. The main aim of this research is to get an in-depth understanding of the case investigated. This is a single instrumental case study, as only one issue or concern is researched on (Creswell, 2013). Nonetheless different kinds of data are used, a literature review, interviews as well as policy documents on the developments in the area. In this case the main data source are entrepreneurs in the creative sector in Newcastle-Gateshead.

One of the major critiques on case study research is the lack of generalising capacity of the method. The external validity is a concern when doing case study research, as a limited number of cases are involved in the research (Gerring, 2007). This has led to a wide ranged theoretical discussion whether the qualitative methods have the same objective value as quantitative methods. Flyvbjerg (2006) argues in this respect that this is untrue and debunks the critiques that that a single case cannot provide reliable information in a broader perspective (Flyvbjerg, 2006). However a case should be carefully selected to improve the generalisability of the case.

Despite critiques, case study research suits this research best as it is attempted to get an in-depth understanding of the area. A case study is in this respect a commonly used research strategy to obtain this (Verschuren & Doorewaard, 2007). In a case study the researcher tries to gain an in-depth and integral insight into one or more objects or processes at a certain time period and in a spatially limited area (*Ibid.*). Furthermore, the research will entail a limited amount of research objects. Gerring (2007) argues that it is preferred to have in-depth knowledge on one case rather than floating knowledge among a larger population. A case study is a holistic method, in which the researcher tries to get an integral view of the research object and to get a comprehensive image of the subject (Verschuren & Doorewaard, 2007). Gerring (2007) elaborates that a case study research has gained influence in recent decades through the epistemological shift which has made the case study more attractive to researchers following the realist approach in which causal relations and mechanism are valued again (Gerring, 2007, p5). Case study research offers a more variegated set of tools to capture the complexity of social behaviour. In-depth refers in this respect to detailed, richness, completeness, wholeness and the degree of variance in an outcome. During interviews people can give a great diversity of information and it is possible to get to know the *why* and *how* behind behaviour. An important factor in this sense is that the researcher attempts to approach the case objectively.

In this research a single case is researched, as it is preferred to have detailed knowledge about one case rather than more general knowledge on several cases. On the other hand, a comparison with another similar case, such as Manchester or Birmingham would have been interesting; it places the results into perspective. However in this research is chosen to research a single case for several reasons. First of all, different phenomena can be identified in every single case and every case has got its individual characteristics. This makes doing a comparison an ambiguous task. Furthermore, a comparison is time consuming, as the fieldwork should be done thoroughly in two different cases. Moreover, in a comparative research, the target group needs to be more homogeneous, to give a comprehensive overview between the cases (Gerring, 2007). As this research has a static time limit it is

chosen to conduct a single cased case study, as well as to have a better understanding of the single case. Gerring argues in this respect: "*Knowing less about more, or more about less*" (Gerring, 2007, p49). Nonetheless for future research it might be interesting to put the case into perspective.

3.3 Data gathering, respondents and analysis

This type of research is focused on in-depth information, which can for example be gathered through face-to-face interviews. Furthermore policy documents will be studied as well as newspaper articles retrieved from the library, which will create a background of the case. However, interviews are the main data source and are an effective tool to gain information, although being time consuming. One of the strength of face-to-face interviews is namely the richness of the communication that is possible (Gillham, 2000). To give the interviews guidance interview guides have been used (see appendix 3). The interviews are semi-structured which entails a mixture of open and closed questions and it gives space to interpretations during the interview. However the interview is not completely open and the factors proposed to be most important, judging from the literature review, are taken into account in the interview guide. Semi- structured interviews leave space for interviewees to ventilate their own thoughts. Keeping an open mind without prejudice or pre judgements is of the highest importance in this respect, as a basic limitation of human cognition is that we feel impelled to understand knowledge in a way that we already know or used before (Gillham, 2000).

The primary focus of this research lies on interviews with entrepreneurs in the knowledge-based and creative sector. In paragraph 2.2 the target group of this research is explained more thoroughly. The main aim was to speak to creative entrepreneurs that work in different environments within the waterfront area, such as the Northern Design Centre, the Toffee factory and other studios or office space within the area. The homogeneousness of the respondents in this respect is an ontological discussion, there are no clear guidelines, but it is rather imposed on the views of the researcher (Gerring, 2007). The research is conducted on location in the working environment of the respondent. The respondents are strategically chosen instead of random sampling, as used for example in surveys. The main reason for using this method is that random sampling would reduce the number of possible respondents significantly. The respondents interviewed are small-scaled creative entrepreneurs: they are freelancers, work together with a partner, or have a small number of employees.

The entrepreneurs were reached through different methods. First of all the Newcastle-Gateshead initiative has a list of companies connected to the initiative published on their website. Secondly, my details and information letter were spread around the Northern Design

Centre and Toffee Factory (appendix 4). Information was gathered about the entrepreneurs working in the buildings, which helped to get into contact with people. Furthermore, recommendations of people talked to led me to creative entrepreneurs in the area, the so-called snowballing method. Contacting the respondents went through e-mail, phone as well as going by physically, or a combination of these methods. Nonetheless it turned out that it was a challenge to speak to entrepreneurs in the area. Entrepreneurs are not very accessible as they are often busy with their own work and it is hard to convince them of the use of cooperating in such a research. Over 70 companies were contacted; the non-response was over 85%, which is rather high for a qualitative study. In total ten interviews were taken, in which different perspectives were taken into account. Two interviews were held in the Toffee Factory (digital and design) and one in the Northern Design Centre (digital and design). But also other initiatives are taken into account, for example with the founder of Mushroom Works (arts and design) and 4 respondents talked to were part of other initiatives (more on the different initiatives can be read in 4.4.1). One interview was held with a representative of the Entrepreneurs Forum, who could provide me with a lot of information on entrepreneurship in the area (more on the Entrepreneurs Forum can be read in 4.4.2). Furthermore an interview was held with a representative of Ouseburn futures (4.4.3) which gave insight on entrepreneurship in the area, as well with stronger emphasise on the institutional perspectives in the area, as he worked in the area for many years. To keep the research structured the respondents are marked with a letter from A to J. More information on the individual respondents can be seen in appendix 1.

Just as important as gathering data, is analysing the gathered data. First impressions as well as final compilations are valued in this case study research. Also patterns recognised in the data are important in qualitative research (Cousin, 2006). These are analysed by the use of verbal transcription that give a clear overview of the information. The essence of analysing is to identify substantive statements (Gillham, 2000). The use of coding involves aggregating the text into small categories of information (Creswell, 2013). A theme is in this respect a family of codes that belongs together, which make it possible to interpret and make sense of the data gathered (*ibid.*). The highlighted categorised statements will in the end form a list with categories and statements (Gillham, 2000). To analyse the data the computer program Atlas.ti was used, which enables a researcher to organise the text and makes it easy to map the results. Atlas.ti is a very useful program, which helps to structure text. It gives the possibility to code, structure and compare parts of the text (Creswell, 2013). In appendix 3 a list of the codes used in Atlas.ti can be found. The research is analysed according to Lefebvre's (1991) conceived and perceived space, as elaborated in paragraph 2.2. The

structure within these two parts is according to the conceptual model, presented in paragraph 2.2.

3.5 Research Strategy

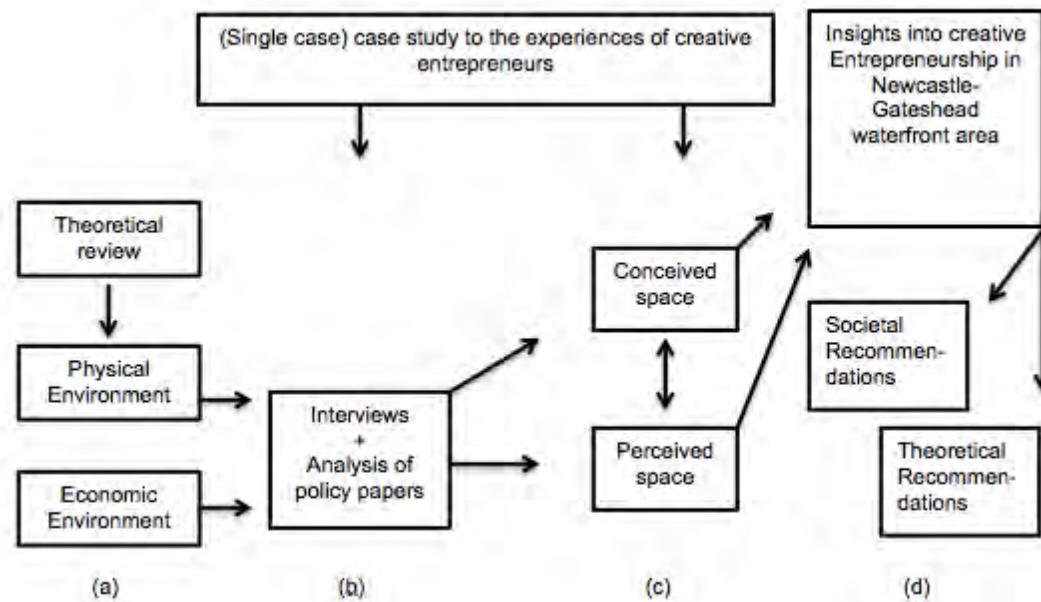


Figure 3.1: Research strategy (Source Author)

The figure 3.1 the research strategy is outlined, this research consists of four stages that are elaborated below. This should give a comprehensive image of how the research is structured and how the goals of this research are pursued.

(a) At first a literature study is done to retrieve the most important concepts and theories. This has led to the conceptual model, which is based on the theoretical review. The two dimensions, on the basis of which this research are structured, are presented accordingly. This is the theoretic part of the research.

(b) In second part of this research the empirical data is gathered in the field. These consist of interviews in the area as well as the analysis of policy papers. The empirical part of the research is structured according to the findings in the theoretical part of the research (part a). The empirical part of the research is focussed on the case Newcastle-Gateshead waterfront area.

(c) The third part of this research is the part in which the data area analysed. This part is divided into two parts, structured according to the theory of Lefebvre (1991). The conceived space gives insights on how the area is conceived by policymakers, retrieved from policy documents. The second part of the analysis is the perceived space and gives insights in how

the area is perceived by creative entrepreneurs, retrieved from ten in-depth face-to-face interviews.

(d) The final part of this research are the insights in creative entrepreneurship in the Newcastle-Gateshead waterfront area which is retrieved from the analysis in part (c). This will lead to recommendations to policymakers as well as well as to recommendations in a theoretical sense.

3.6 Conclusion

In this chapter the methodological background of the research is described. At first the case, Newcastle-Gateshead's waterfront area has been elaborated. Followed by the explanation for case study research, which has been discussed following the argumentation of Creswell (2013), Verschuren & Doorewaard (2007), Flyvbjerg, 2006 and Gerring (2007). Accordingly, the process of data gathering and analysis was described. This research is a case study research; the empirical framework is formed by interviews as well as policy documents. The respondents in this research are creative entrepreneurs. The analysis of this research consists of two parts: the conceived space and the perceived space, which is distinguished on the basis of the Lefebvre's work "*the production of space*". The interviews are analysed with the help of the computer program Atlas.ti. Lastly, the research strategy is presented in this methodological chapter.

4. ANALYSIS: THE CONCEIVED SPACE

This part of the analysis reveals how the area is conceived from an institutional perspective. The next part of the analysis (chapter 5) gives the perspectives on how entrepreneurs perceive the area. At first an introduction on the waterfront area is given, followed by a description of respectively the Quayside and the Ouseburn. In paragraph 4.2 the economic environment is described, at first a background of entrepreneurship is given, followed by a perspectives on the socio-economic environment and lastly the institutional environment is elaborated. This part of the analysis does not reveal how entrepreneurs experience the area; it rather gives insight into the area and how the area is conceived by policymakers.

4.1 Introducing the waterfront area

The history of the waterfront area dates back to the Roman period. In these times the River Tyne formed a strategic barrier and defence mechanism. The area remained of importance throughout history especially due to its favourable location on the River Tyne and the North Sea. Therefore, Newcastle upon Tyne became the regional capital and a prominent port city (O'Brein, 1997). The importance became especially evident during industrial revolution; the North East became the centre for coalmining in the United Kingdom. The Quayside was heart of the city for trade and the space represented the successes of the city. The construction of the Tyne Bridge, built in 1928, is in this sense the symbol for the heydays of the waterfront area as well as the region as a whole, representing the prodigious engineering power of the city (O'Brein, 1997). Many industries were related to shipbuilding and harbour activities and included soap making, brewing, brush making and metal forging. The space was not merely an industrial area as it was the centre for social life as well, with many pubs and meeting places (O'Brein, 1997). However, the use of the Quayside declined simultaneously to the decline of the coal production. In the 1960s the harbour activities were largely moved to the river mouth, leading large-scale decline of the area, the place became an unsafe and unattractive space in the city.

To make the area an attractive place again and to restore importance of the area for the city, the councils of Newcastle upon Tyne and Gateshead decided on extensive revitalisation project, which went hand in hand with comprehensive investments. The area consists of two administrative areas: Newcastle upon Tyne and Gateshead. The waterfront links up both cities and has contributed to a better cooperation between both cities (paragraph 4.4.3). The area was to become the centre of Newcastle-Gateshead's creative and cultural heart and the flagship allure of the place would function as a marketing tool for the region. Subsequently, the revitalisation has provoked debate and discussion among citizens of the cities as well as

policymakers. Still today the developments are debated on, for example in regards to the subsidies to the cultural centres. In figure 4.4 it is visible that the area has been part of a regional discussion since the 1990 accordingly, representing the societal impact that the developments have caused over the past decade.

Nevertheless, as Hubbard (2006) describes places are fluid, hybrid and in many ways highly complex and places change and develop and are influenced by different multi-layered processes. Evidently the area is still developing, the Quayside has developed into a modern and quirky area, however the Ouseburn Valley, situated next to the Quayside is still quite underdeveloped. The Ouseburn Valley is a mixed used area alongside the River Ouseburn. The place has an industrial past just as the Quayside, however many of the old warehouses area still intact. Therefore the area forms an interesting contradiction to the Quayside. The area is a place for creative businesses and creativity. The areas are further described in paragraph 4.2, in which the physical environment is further developed. Accordingly the economic environment will developed with the socio-economic as well as institutional perspectives. Figure 4.1 shows a map of the area in which the two areas are loosely defined, as the area is not territorially defined.

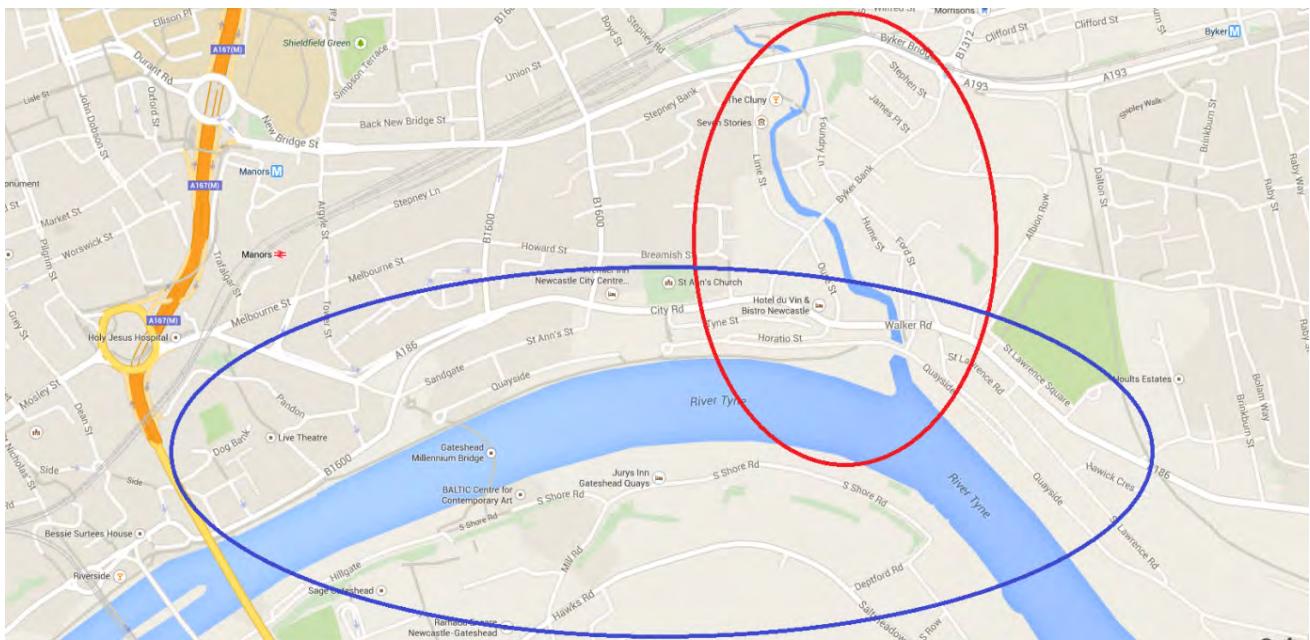


Figure 4.1 Map of Newcastle-Gateshead waterfront area (Blue: Quayside, Red: Ouseburn, Own adaptation. Source: Google Maps, 2015)

4.2 Physical environment

4.2.1 Quayside

In the 1960's the first plans for improvement were unveiled as the Quayside was an unattractive place in those times (Morgan, 2009). However improvement to the area did not bring the expected results as large unattractive office spaces were erected. The architecture, typical for seventies, created unfilled and unwanted office space instead (Morgan, 2009). However in 1991 it was decided to invest new capital in the area. In 1995 the Gateshead side of the Quayside was involved in the project as well (Morgan, 2009). In this period the flagship development as we now know it were planned. The Millennium Bridge was opened in 2001 and has become the symbol for the development on the Quayside and won worldwide awards for its design (figure 4.2). The innovative structure of the bridge is meant to symbolise the cities capabilities. The bridge even appeared on a one-pound coin showing the impact on local society as well as on the exposure of the project (Gateshead WWW, n.d.)

Subsequently, the Baltic Centre for Contemporary Arts was opened in 2002 being one of the largest spaces for contemporary arts in Europe by then (Hinstone, 2006). The Baltic is housed in a former grain warehouse that connotes to the industrial heritage of the area. The Baltic was a challenging and expensive building to redevelop as it was designed to house grain silos (Morgan, 2009). The building was first sold in 1986 and moved from investor to investor without having a clear vision with the object. Finally, Gateshead Council proposed on a cultural function for the building. Another major eye catcher in the area is the Sage Gateshead (figure 4.3), which was opened in 2004 and is the regional centre for music as well as having educational purposes (Hinstone, 2006). The institution, with its dominating design, supports the developments of evening events in the area (Morgan, 2009).



Figure 4.2 Quayside viewed from Baltic Centre of Contemporary Arts (source: Author)



Figure 4.3 The Sage Gateshead (Source: Author)

The Baltic was refurbished at a cost of 45,7 million and the Millennium Bridge was constructed at a cost of over 70 million pounds (Gateshead WWW, n.d.). In total over 200 million is invested in the area in the past decade to create a “*world class cultural capital*” (O’Brein, 1997). In a policy paper on Newcastle-Gateshead the area is marked as follows, sketching the importance of the area:

“This area is the jewel in our crown. The bridges across the Tyne make this one of the most recognisable places in the UK and it is a real attractor for visitors, as a business location for culture and for living (Gateshead council, 2011).”

The rich historical heritage of the Quayside and its historic buildings and patterns are integrated into the design of the area (O’Brein, 1997). Furthermore the promenade is extended to enhance the link to the water and to offer opportunities for leisure activities with bars, restaurant and retail, which makes the area to an attractive place (Miles, 2004). According to councils of Newcastle and Gateshead they have successfully created a “buzz” in the city due to the redevelopments. Furthermore it is argued that Newcastle is an important example of a city that moved from a “*coal city to culture city*” (Minton, 2003).

Developing an area is far from a linear process as many actors are involved, combining public and private interest can be ambivalent (Morgan, 2009). Moreover, the macroeconomic situations have influenced the project as more plans were initially proposed (Morgan 2009). Because of a lack of market demand a large-scale commercial scheme, with cinema and leisure activities was abandoned. The area was appointed for residential purposes instead (Morgan, 2009). On the other hand, there are opportunities to further develop the area, for example further downstream. The redevelopment of the quayside is in this sense an ongoing process. The constructions of a “*new international conference and exhibition centre*”, “*new homes*”, “*a wide range of new employment opportunities*” and “*new hotels and attractions to support Newcastle-Gateshead’s tourist industry*” are the main aims in this respect (Gateshead Council, 2010A). The main aims are according to Gateshead Council are described as follows:

“Gateshead Quays will be a place of international standing, providing a legacy that the people of Newcastle-Gateshead will be proud of and that will benefit all of those visiting, living and working there. New developments are, and will continue to be, exemplars of high quality design and regeneration. It will be distinctive, inclusive, accessible, attractive and useful. The area will provide for business and family-friendly activities structured around human scale built form and unique public spaces (lanes, stairs, streets and squares) creating a strong sense of place as part of a vibrant waterside community. The area will create essential links, drawing together Gateshead’s cultural and business quarters, its town centre and Newcastle Quayside, becoming an integral part of all of those places, whilst retaining its own unique identity (Gateshead Council, 2010 A)”.

Gateshead Council focuses on economic investments: a conference centre, new business opportunities and a stronger tourist industry. According to the OECD (2009) such processes

of investments in regeneration processes and economic programs can lead to economic success in the sense of attracting foreign investors as well as highly qualified professionals and tourists. However Vanalo (2008) argues that such policy measure as “*banal elitist selective policies*”, leading to a stronger economic landscape (Swyngedouw et al., 2002). According to them the focus of such plans should lie stronger in locally embedded small-scaled projects in which the local people area the centre of developments. It is however to be seen how these plans will develop, especially since the economic crises has jeopardised much of the planned developments.

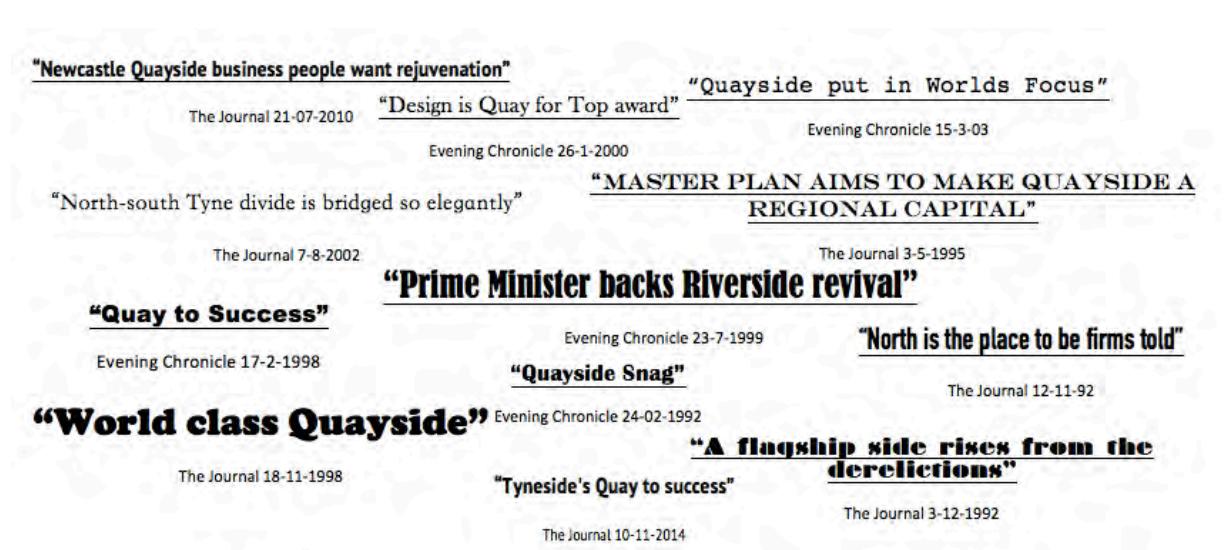


Figure 4.4 Newspaper headings from 1990's onwards, Newspaper headings retrieved from Newcastle City Library (Source: Author)

4.2.2 Ouseburn

The waterfront entails the Quayside as well as the Ouseburn Valley, along the small river the Ouseburn. The Ouseburn is considered as an *urban village* and a place where the industrial heritage is preserved (figure 4.6, figure 4.7). The area is mainly known for its cultural industries that are present in the area. The Quayside and the Ouseburn have shared a large part of their history, however the industrial decline in the area has led the areas to move in different directions. The Quayside has been redeveloped and has been the stage of large-scale development agencies, while the Ouseburn has remained relatively authentic in which heritage is better preserved. The Ouseburn is especially known as a creative area with slightly alternative outlook, different kinds of craftsmanship are found in the area. An information guide on the area likes to put it as follows:

“One thing which makes the Ouseburn Valley so unique is not simply the variety of creative endeavour, but rather the density. If the walls were transparent you would see all manner of people plying their trade, be it designers, photographers, architects, jewellery makers or musicians (Blazey & Conrad, n.d.)

Contrary to the Quayside, the Ouseburn has not been developed extensively. However this does not imply that Newcastle Council does not have future perspectives on the area. The area is recognised as a creative area with a lot of small-scaled entrepreneurship, over 2/3 of the businesses in the area had 1-5 employees (Newcastle Council, 2003). Newcastle Council tries to enhance this and in specific tries to develop the idea of an “*urban village*”. In the regeneration program of 2003 the area is described as follows:

“The area’s striking townscape, heritage, business and cultural uses that are interspersed with vacant and underused sites and buildings present one of the few opportunities in the city for satisfying demand for housing and business development opportunities in the form of a sustainable “urban village”. (Newcastle Council, 2003)

The regeneration plan is specifically aimed at developing an urban village that “*offers everything people need*”, in which “*Life takes place around the clock*” and in which “*no groups should be excluded*” (Newcastle Council, 2003). An important concept in developing this urban village is for example the “*one roof concept*”, in which different functions, such as living and working, are combined in one building (*Ibid*). The main aim is to further develop a mixture of functions in the area, for example focused on dwelling developments, as the area was (and still is) mainly a space of workplaces rather than a place to live. Pollard (2004) describes the urban village as the desire to produce distinctive mixed-use neighbourhood units that are well-designed and sustainable, with community commitment, involvement and a sense of place (Pollard, p184).

Other examples of developments concerning urban villages are for example the Jewellery Quarter in Birmingham and Shoreditch in London. In a succeeding policy document, published nine years later in 2012, Newcastle Council is happy to compare itself to such examples. However, as opposed to the plans of 2003 very little dwelling facilities are developed, as well as that the idealism in vocabulary has significantly reduced (Newcastle Council & Ouseburn Futures, 2012). Mainly the crisis, which started in 2008, is a cause of many premises to remain vacant. Nonetheless it is still an ambition of the council to develop the urban village and the area is to contribute significantly to the council’s residency targets. As planning permission has been granted for 11 unimplemented housing schemes in the Ouseburn, totalling over 500 dwellings together with 2000 students’ beds (Newcastle Council & Ouseburn Futures 2012). Ouseburn Trust (2014) distinguishes over ten projects that are developed in the upcoming years worth over 100 million of investments, which many entail residential and student accommodation. Different student blocks are planned, providing in hundreds of students beds. Figure 4.5 shows an artist’s impression of one of the developments in the area, involving 76 apartments.



Figure 4.5 Impression of the “Malings”, the 76 houses are currently under construction, the Toffee Factory is located in the background (Source: Ouseburn Futures, 2014)

Ironically gentrification is identified as one of the threats of the area. Swyngedouw et al. (2002) argues that most gentrification projects are state-led. For example through public-private partnerships, deregulation of planning policies and privatisation of real estate market projects (Gonzales, 2011). Such developments are identified in the Ouseburn, which could lead to change in the structure of the area, with a stronger emphasise on residential purposes. However the council recognises the importance of local interaction towards the plan and the possible democratic deficit of such state implied policy measures. Therefore a pro-active encouragement of local groups to influence and comment on the planning applications as well as a bilateral discussion can provide with a stronger engagement of the local people in the proposed plans (Newcastle Council, 2012).



Figure 4.6 Pub the Ship Inn in the Ouseburn (Source: Author)



Figure 4.7 Refurbished industrial warehouses (Source: Author)

4.4 Economic environment

4.4.1 Entrepreneurship

According to Gateshead Council (2010b) the area should be attractive for all kinds of businesses ranging from small start-ups to international headquarters. The area should become, among other things, global, creative and sustainable, as described in the vision for 2030 (Gateshead Council, 2010b). Increasing learning opportunities, working in partnerships with knowledge institutions as well as improving long-term employment in the region are some of the most important pillars that the council has distinguished. The council focuses on outstanding schools that cooperate with other institutions and businesses. This can for example be developed through apprenticeships with corporations, to attract and retain young talented people (*Ibid.*). The waterfront area is strongly focused on entrepreneurship, over two third of the workforce in the area consist of entrepreneurs and business with one to five employees. A mixture of micro businesses is importance to the identity of the place as discussed in a policy document of Newcastle Council (2012). Different kind of companies work closely together in the area, next to digital, art and design related businesses, there are also car related and scrap metal businesses. The mixed structure of the area pursued to be preserved. However some companies had to be relocated to other areas if they caused problems or if they were located on a sensitive location (Newcastle Council, 2012).

Recent years have been challenging for entrepreneurs, taking the macroeconomic perspective into account. Figure 4.9 shows that the North East lacks behind to other region in the United Kingdom in terms of entrepreneurship. In the North East the business rates is the lowest in the United Kingdom: 701 businesses per 10.000 people. However, the growth of business rate is the second highest in the country and entrepreneurship in the area is developing (respondent I). Figures from the Entrepreneurs Forum show that entrepreneurial companies are better able to cope with the challenging economic circumstances of the last few years. Respondent I argues that entrepreneurial companies in the region grew over ten times faster than non-entrepreneurial companies in the last two years.

Entrepreneurs in the waterfront area have a focus on the digital industries, design and arts. In the area there are different initiatives in which several entrepreneurs work together in a shared office space. These initiatives are important in this research and therefore the most important are listed below. The initiatives are presented on a map in figure 4.8.

Northern Design Centre: The Northern Design Centre is an office building especially meant for companies that are active in the creative and digital sector and has an event space, where meetings can be held and events can be organised. The business location is located

right next to the then Baltic Centre for Contemporary Arts on the Quayside, it is described as follows: "*Gateshead Quays and Baltic Business Quarter is a significant new mixed-use development including an international conference and exhibition centre* (Forbes, Woolston, 2012)". The building was opened in 2012 and has a modern and quirky design. The project has been awarded with European funding from the European Regional Development Fund. Respondent G works in the Northern Design Centre.

Toffee Factory: The Toffee Factory is a refurbished office space for digital and creative businesses. The space is located in a refurbished warehouse and opened in 2011. The space is owned by Newcastle City council, but managed by creative space management. The Toffee Factory has event spaces, which internal as well as external companies can use. A striking fact is that entrepreneurs had to pitch to be able to get an office space in the building, to guarantee the creative and entrepreneurial background of the companies. Respondents B and E work in the Toffee Factory

Hoults Yard: Hoults Yard is an initiative located in refurbished warehouses where different entrepreneurial professional can rent office space. Different events take place annually on site in which everyone is welcome to participate. Currently Hoults Yard is expanding considerably, so the area offers more space for entrepreneurs in the future.

Studio spaces such as Mushroom works, Foundry Lane Studios, 36 Lime Street, New Bridge Street: There are different studios in the area where creative entrepreneurs and artist can rent space and work. For example Foundry lane studios, 36 Lime Street and Mushroom Works, which have mix used between different professions. Respondent A is the founder of the toffee Factory and respondent F works in the New Bridge Street.

Ouseburn Farm: The Ouseburn Farm is small farm in the middle of the Ouseburn. It is a place where people and children can come and see animals and learn more about the farm. Therefore, it is an important community space within the area. Besides that there are several small office spaces, respondent D occupies one of them.

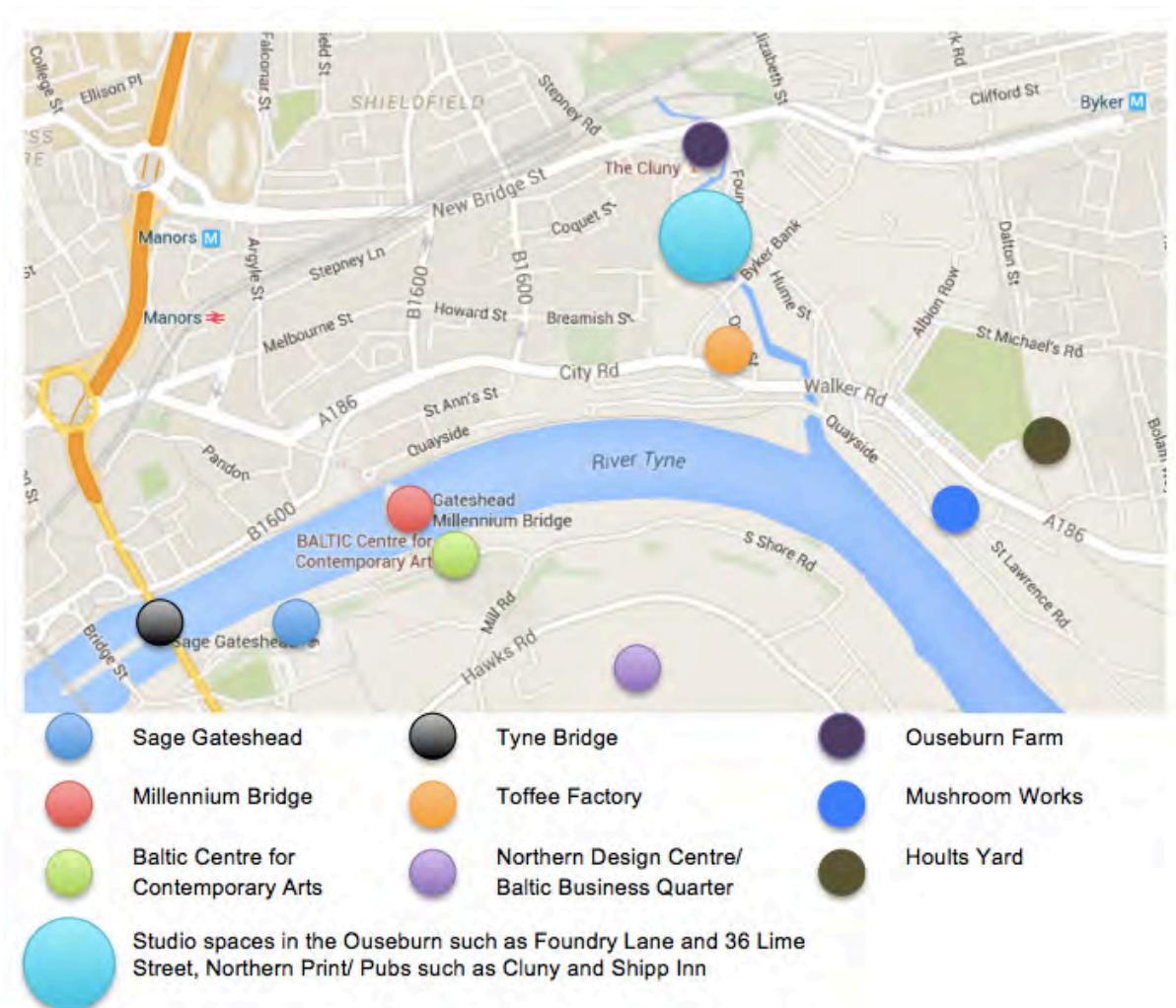


Figure 4.8 Map of the area showing relevant places (Own adaptation. Source: Google Maps, 2015)

4.4.2 Socio-economic perspective

Networking in a formal as well as in informal setting is an important part in the socio-economic environment. There are organisations in the area that seek to foster these networking possibilities. Networking events are for example organised in the events spaces of the Northern Design Centre and Toffee Factory. The main actor in the socio-economic perspective is the Entrepreneurs Forum. The Entrepreneurs Forum is an organisation that can be regarded as a meeting point for entrepreneurs in the area; it is an organisation that acknowledges the importance of cooperation for small businesses. The Entrepreneurs Forum is a self-sustained organisation. Their main objective is to provide a dynamic entrepreneurial environment that helps entrepreneurs and business leaders to be inspired and to create connections and to share knowledge, which eventually leads to business growth (Entrepreneursforum WWW, nd.). Entrepreneurs can come together with like-minded people to share experiences, transfer knowledge and meet new people during networking sessions. One of the most important programs of the Entrepreneurs Forum is peer-to-peer mentoring, in which an entrepreneur gets assigned a more experienced colleague to give

support and help if needed. Furthermore the organisation organises events, such as speed dating. The Entrepreneurs Forum has got 300 members and allows businesses that are over two years old, to assure the sustainability of the organisation. Additionally the Entrepreneurs Forum takes surveys among its members which to monitor concerns ad needs of entrepreneurs in the region. Such an organisation is quite unique in the United Kingdom and is based on a successful example in Scotland. Besides this there are also programs to improve integration between knowledge institutes and business life in the area, as outlined by Gateshead Council (2010b). Such linkages are to be further improved in the future. The innovative and knowledge based campus on the Baltic Business campus is an example of a project to stimulate this integration. Gateshead College as well as the Northumbria University are located close to the Northern Design Centre.

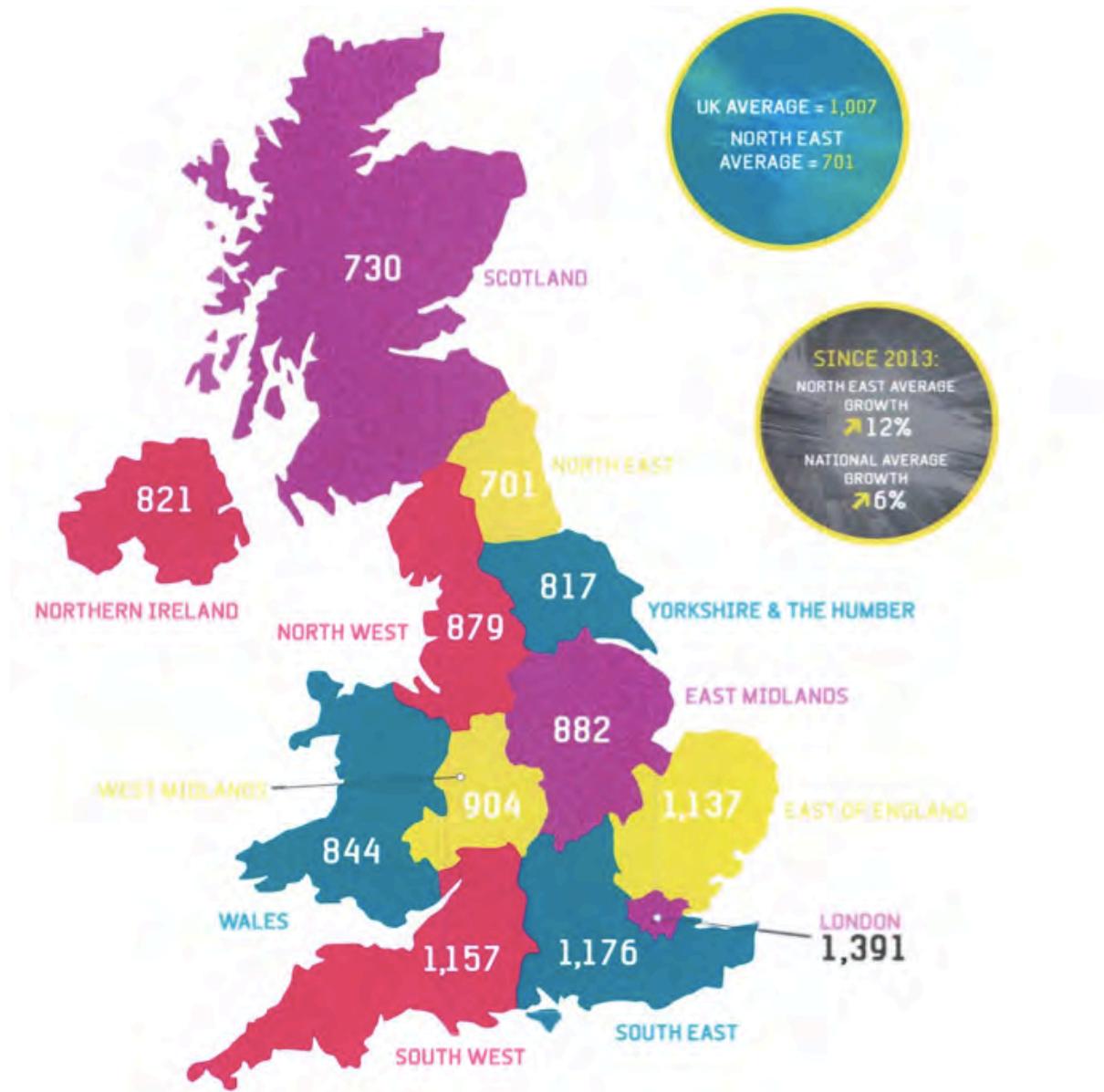


Figure 4.9 Number of businesses in the UK private sector per 10,000 adults in 2014 (Entrepreneurs Forum, 2014)

4.4.3 Institutional background

In this part the institutional background is described, which entails the cooperation between the councils of Newcastle upon Tyne and Gateshead, as well as that several governmental organisation that are important to this research are outlined. The waterfront is an area on the border of two administrative areas. Therefore, Newcastle upon Tyne and Gateshead have distinguished an urban core, to set out common ambitions of the both cities (Gateshead council, Newcastle Council, 2011). This strengthens the position of both cities and ensures competitive advantages (Pasquinelli, 2014). The cooperation was initiated in 2000, to ensure that the new cultural led regeneration programs of both cities were combined and to jointly promote the area. Mainly taking the bid for European Cultural Capital of 2008 into account, which was eventually lost to Liverpool. The joint bid enabled the area more resources and body to pursue in the aim (Pasquinelli, 2014). According to the Newcastle-Gateshead initiative the cooperation enables them to maximise place potential and economic impact (Newcastle Partnership & Gateshead Strategic Partnership, 2009). Although Newcastle-Gateshead lost the bid, the Newcastle-Gateshead initiative was successful in its purposes and was therefore continued (Pasquinelli, 2014). Together the two councils have proposed a vision for 2030, the main goals are to grow the knowledge economy, to regenerate the urban core, to champion sustainable urbanism, to develop skills and to attract talent (Newcastle Partnership & Gateshead Strategic Partnership, 2009). Furthermore the initiative serves as a branding method for the area, this does not merely entail attracting tourist and economic activity, but is also a method to bring together different stakeholders and to create a common vision (Pasquinelli, 2014). The involvement and participation of different stakeholders is of important, to shift from top-down approaches to a focus on bottom-up perspectives (Minton, 2003). The Quayside has in this sense has been an important spill in linking up the both cities stronger together.

However Newcastle-Gateshead initiative faced difficulties, as the two cities have distinctive economic structures (Pasquinelli, 2014). The brand did not develop a sense of emotional attachment and loyalty in local communities (*Ibid.*). Therefore the initiative is mainly active on an institutional level and has not yet entered the realm of identification or emotional tights of its inhabitants. Subsequently, Minton (2003) describes that the two councils used to have an ambivalent past concerning the integration of policy making. Gateshead is described as a stable organised municipality, whereas Newcastle is known for its politically unstable structure. Historically Newcastle has been the most important city in the area overshadowing the other places around the city, which has caused rivalry between the different areas (Minton, 2003). However the Quayside is in this sense a key and an opportunity to the future for more extensive collaboration (*Ibid.*). Gateshead has been the leading actor and the

driving force in the process of the regeneration (Minton, 2003). Gateshead has earned in this sense nation wide credibility for its successful projects using funds from for example the National Lottery (Morgan, 2009).

Competition between the two cities is still evident, for example in realising office spaces. Nevertheless, the cooperation between the two cities has considerably improved. Thus after years of antagonism the Quayside has contributed to a stronger and better integration of both cities. In a stronger competing market it is important to stand strong and work together rather than competing on a regional scale. The cities need to combine their strength in the competitive world of today; both cities are individually too small (respondent I). To give a short overview of the main actors in the area with regards to the institutional background in the area, the most important organisation concerning this research are shortly introduced below:

One North East: One North East used to be the development agency of the North East and tried to stabilise the economic gap that existed between the region and the rest of the county. According to figures of the One North East, the organisation invested over £2,7 billion into the economy creating of the North East and created 160.000 jobs and 19.000 businesses as well as that they contributed to regeneration programs (One North East, 2012). The regional development agency was, although its presumed successes, abolished in 2012 after cutback of the national government. Nonetheless, the organisation has had quite some impact on the region and is therefore clarified in this part.

Invest in Newcastle-Gateshead: The Newcastle-Gateshead was set up by the Newcastle-Gateshead initiative and promotes business life in the area, in this way there is a single actor communicating with potential investors. The main goal of the organisation is to promote the area and to give advice on a whole range of matters that can be of importance to investors. The initiative has decided on seven key sectors that are supposed to be of importance to invest Newcastle-Gateshead. Newcastle Gateshead aims mainly on the bigger players, as the organisation does not have the capacity to focus on small-scaled companies as well.

Ouseburn Trust/ Ouseburn Futures: The Ouseburn Trust is an organisation that aims to enhance and preserve the Ouseburn Valley and to strengthen the community feeling in the Ouseburn, as well as that the organisation aims to attract visitors. The three main objectives are creating a vibrant and diverse, sustainable future, supporting the physical, social, economic environment for its communities and promoting and preserving its rich heritage (Ouseburntrust www, n.d.). Ouseburn futures is an voluntary organisation that aims to enhance creative entrepreneurship and seeks to improve the area through different projects. (Ousburnfutures www, n.d.)

Arts Council: Arts council is an organisation that develops and invests in artistic and cultural experiences in England. This entails a range of different kind of fields moving from theatre to digital arts. Arts Council is a public organisation and funded by the national government and the National Lottery, in the upcoming years (2015-2018) Arts Council will invest 1.1 billion from the national government, together with 700 million of the National Lottery (Arts Council www, n.d.). Therefore Arts Council can contribute significantly to supporting entrepreneurial artists.

4.5 Conclusion

In this chapter the analysis of the conceived space is presented. The history of the waterfront area is further described; moving from a decayed and unused area to a flagship cultural area. A distinction is made in this respect between the Quayside and the Ouseburn, the physical environment between two areas are regarded to differ significantly. The Quayside is the area where the large-scale developments took place, while the Ouseburn has remained relatively more of its authenticity and is regarded as an urban village by policymakers. Consequently entrepreneurship in the area is further developed, the rate of entrepreneurship per head in the North East is the lowest in the country. Nevertheless different initiatives take place to encourage entrepreneurship in the area and to create conditions for entrepreneurship in the area, for example in the different shared office and workspaces in the area, where entrepreneurs can work together in each other's proximity. Consequently the socio-economic environment is described on, which is for example fostered by the Entrepreneurs Forum. Lastly the institutional background has been presented as well as that the most important institutional organisations are distinguished.

5. ANALYSIS: THE PERCEIVED SPACE

In this part of the analysis the perceived space is presented, this entails how creative entrepreneurs perceive the area. At first the physical environment is analysed followed by the economic environment consisting of the economic circumstances, socio-economic perspective and the institutional perspective. The respondents are introduced here shortly, in appendix 1 a list of the respondents can be found. In this research the letters A to H refer to the respondents interviewed. A refers to the founder of Mushroom Works (arts and design). Two interviews were held in the Toffee Factory (digital and design) (B, E) and one in the Northern Design Centre (digital and design) (G). Respondent D works at an office in the Ouseburn Farm (arts and Communication). F works in new bridge studio (arts and design) and H (digital and design) and C (arts and design) work in the Ouseburn as well. I is a representative of the Entrepreneurs Forum (Northern Design Centre) and J is a representative of Ouseburn Futures. First of all the perceptions of the physical environment are analysed.

5.1 Physical environment

In this part the physical environment of the Quayside is analysed, this is the area where the large-scale cultural regeneration took place, such as the Baltic Centre for Contemporary Arts and the Sage Gateshead as outlined in paragraph 4.2. In the following paragraph (5.1.2) the perceptions on the Ouseburn area are further developed. The two parts are analysed separately to structure the text, but the waterfront is considered as one case in this research, as both areas are strongly interlinked and connected.

5.1.1 Quayside

Retrieved from the literature and policy documents cultural regeneration projects, like on the Quayside, can contribute to attract foreign investors, highly qualified professionals and tourists. It enhances the attractiveness as a place for economic activity and inward investments (Loftman & Nevin, 1995; OECD, 2009). Especially the cultural focus of the investments contributes to economic development (Florida, 2002). Therefore the area is expected to have become more attractive in economic terms as well. However, from this analysis it can be retrieved that the area is critiqued as well by creative entrepreneurs. Nevertheless, the positive comments on the regeneration will be brought forward first, as positive effects of the developments are expressed (A, C, B, D, H). It has mainly added to the cultural scene in Newcastle-Gateshead. Moreover, the area is pleasant place to visit (L, A).

“The Sage, the Baltic, Angel of the North, things that you see all the time and that is really nice, these are places that you are proud of and really want to show people.” (H)

Respondent A opened Mushroom Works around a decade ago and has refurbished several other decayed premises in the past years such as Brick Works, making an important contribution to availability of studios spaces in the area. Respondent A manages these studios as well as being a creative entrepreneur in furniture making. He argues the following about Newcastle-Gateshead:

"I came back to Newcastle because the things that were happening here, like music centres and new art galleries and bridges all those sort things, so from the outside looking in seemed like a really thriving creative place and there was lots of buoyancy in the creative industry in the North East." (A)

Following the argument of A the city has got a positive exposure for the creative scene. The Baltic Centre for Contemporary Arts together with the bridges are eye catchers in the city. The area can have advantages on a professional level in relation to clients as well. Respondent B, who owns a digital design company and has his office in the Toffee Factory, claims that it is a positive place and is useful for PR, it gives the place profile (A, B). People have positive connotations to the area and it works positively on a business card or websites "*It says something to someone who does not know who you are*" (B). Having such a "*nice, modern and quirky*" (B) area right next to you is very nice thing. Respondent G, who works in the Northern Design Centre for Design Network North, agrees to respondent B that the area is positive place for doing business. He argues that it is worth paying higher rent to work in environment close to the Quayside, where things are "*happening*", it is a positive environment for the design sector (G).

"Being able to say we are based in the Northern Design Centre, this kind of high profile quite prestige building, bringing clients here or when clients see on the website where we are based, it makes, it gives a bit more presence." (G)

On the other hand some entrepreneurs doubt on the value of the large-scale developments for smaller scaled studios and art related companies is. Respondent C, director of Northern Print in the Ouseburn, argues that small-scaled cultural developments are more beneficial for the local arts scene in comparison to the Quayside developments. She argues that it lacks connection between the art forms and the environment in the area; the tendency towards "*big and shiny*" buildings is too strong (C). Respondent F on the other hand argues that the developments have been positive for local artists as it gives local artist an "*amazing platform*". Furthermore, respondent D questions if the investments in the area are backed by the local people, this argument is further developed in 5.2.3.1. The comment of respondent B shows the two sided perspective entrepreneurs have on the area:

"Well they have added to it, yes the Baltic and the Sage and the whole quayside makes it a pleasant place to be, personally I mean yeah I visit the Baltic quite often, I am practicing artist so I probably would you know and some people love it, some people hate it, but I think

it is amazing to have it on the doorstep because it is an international gallery and a fair bit of money into the presenting show, by very high level artist. The Sage as well of course is, is great for music. I think it is good that they are there however, there are also a lot of smaller galleries that are a lot of less high profile, but which are probably more plumbbed into the local artist seen, there are better places in that respect than the Baltic." (B)

Doucet (2007) proposed that urban regeneration is a combined panacea for urban decay, deflated property values and poor city image. Judging on these arguments it may be argued that the area is indeed promoter for the area in a creative and cultural sense. Moreover other developments are implemented as well since the cultural developments (I). The formerly unused space behind the Baltic is turned into the *Baltic Business Quarter*, a business area focussed on creative businesses with office spaces such as the Northern Design Centre. However, especially such new initiatives are critiqued, it is for example argued that the developments are focussed too strongly on attracting *high-end* companies that are able to pay the relatively high rents (A). The Northern Design Centre is argued to be corporate and anonymous and focussed on attracting affiliates of larger companies instead of that it promotes local initiatives (J, A). It is therefore questionable to what extent fostering and attracting local entrepreneurs is a goal of such initiatives.

"It is three times the costs of this place, the only creative bit about it is the multinational, the graphic designers who work in London, they come and live up here because it is cheap but they sell all their work in London, where they can make money of rich people." (A)

However respondents I and G, who work in the Northern Design Centre, disagree, as also local start-ups and learning processes are supported in the Northern Design Centre. The Northumbria University is located in the building, since they started a project to familiarise students with entrepreneurship, as well as many local creative and digital industries. This project is elaborated in paragraph 5.2.2.3. Strikingly, this project was initiated because of the vacant offices in the building, contrary to for example the Toffee Factory, which was filled within three months. Moreover attracting affiliates of large companies is not a negative process in itself, as it contributes to the entrepreneurial diversity of the area as well as to the creative industries in the area (G).

5.1.2 Ouseburn

The Ouseburn and the Quayside are closely linked together however differences can be identified between the areas. Whereas the Quayside has been regenerated the Ouseburn sustained more of its original heritage, such as refurbished warehouses. This more alternative and slightly edgy feeling to the place combined the industrial heritage are perceived positively by the respondents (B, A, D, C, E). The place has a kind of *villagy* feeling and the fact that it is a bit away from the city centre contributes to this (J, B). Therefore, people are fond to keep the area that way and to preserve its uniqueness and to

keep it distinguishable from other parts of the city (A). The physical environment belongs in this sense to the identity of the area. This makes the area attractive and existing and exposes it as an artistic place. *"I think it is like the hip place to be to be honest. Yeah it is like a cool address isn't it."* (D)

The Ouseburn has a very industrial feel, with many former warehouses, that are nowadays used as artistic studios or work places. The place has a messy impression and not is in particular well kept (J, C, figure 5.1). Different companies work along side each other, from a scrap metal yard, to a stable and from digital design companies to jewellery makers. Also new projects such as the Toffee Factory (4.4.1) are integrated in this style and are designed in original way. Respondent E has the following comment on doing business in the Toffee Factory:

"The benefit of being here is the really lovely and nicely designed building, so a positive place to live and work. It is like we live here, it is just nicely designed and it just feels quite positive when you walk in here in the morning." (E)

The physical environment makes a contribution to the way entrepreneurs identify with the area in the sense that it exudes a spirit of creativity (A, E, D). Cheap available premises, studio and office place have contributed to the development of the area (A). Many old warehouses and building used to be in a deprived condition, but turned out to be perfect for many artistic professionals that were in need of cheap space (A, C). Furthermore more space will be available in the near future, since there are new developments along Hoult's Yard (4.4.1).



Figure 5.1: The River Ouseburn (the messy impression of the area is part of its identity)

However the cutting edge and worn down feeling of the area has also got its reverse side. Some parts look so bad that entrepreneurs do not dare to take their clients down the road anymore (J, C). In this sense finding the right balance is of importance, as the area is negatively affected if entrepreneurs vacate the place because of the physical environment.

However it is also negative for possible visitors of the area: if people do not feel comfortable, they are not likely to explore the area (C). The same is true for the street art, which is very much appreciated by many and gives the area an artistic look and feel. On the other hand it can have a deterrent effect on people (C).

In addition to that, the physical accessibility can be further improved as well, as many streets are not very well kept. The area is very hilly and the steep slopes make it challenging to wander the street, especially with wheelchairs or strollers (C, J). Respondent B adds that the area is a bit away from the city centre and might be a slightly off peoples comfort zone (B). It feels like a different area and mentally it tends to feel quite far for people (C). But on the other hand this can be experienced positively as the area tries to distinguish itself consciously from the city centre and develop a distinctive identity (A).

Accordingly, the Ouseburn differentiates itself from the Quayside as well. The Quayside is been very much policy-led developed, whereas the Ouseburn has followed a more gradual path of development, which makes the area exiting (A, D). Respondent J, who works for Ouseburn futures and is involved in both areas for many decades, describes the difference between the Quayside and Ouseburn as follows:

“The juxtaposition of swanky new offices next to car repair places, a scrapyard here, the contrast is one of the attractive things about the place, whereas the Baltic Business Park is all swanky new stuff and quite boring really, whereas here there is something of interest all the time.” (J)

However the Ouseburn area might be stronger developed in the future as well as, as described in paragraph 4.2.2, many companies and people want to be related to the Quayside environment and want to work in a *creative* and *cool* environment. Among some entrepreneurs in the area a fear exists of the developments around the Quayside will develop further into the Ouseburn replacing the original atmosphere (B, A). The area used to be very undeveloped and is developed quite a bit now, *“of course people would like to keep it the way as it was, because you can possibly chase out the people who made the original atmosphere, these are the artists and musicians”* (B). Respondent A, who is strongly embedded in the area and who has contributed to the development of collective studio spaces considers it as follows:

“I think if you talk about know it is damaged, the amount of crap flats they put around here, it is like gentrification, the artists move in here and make it cool and trendy and people want to move in here, so they make one and two bedroom flats. Well that is crap, because who lives in one or two bed room flats: student and it is totally transit population, nobody loves this place and lives in this place, apart from the people who always did. But now we have visitors every 6-8 months, we do not actually give that much of a shit in my opinion.” (A)

The quayside itself, excluded the Baltic Business Quarter, has become very much the space of law firms since the Law Court moved back to the Quayside. The area used to be the place where young motived people could start an initiative without to much hassle, but has nowadays moved stronger towards an economic landscape, with a large expensive hotel on the Quayside, Starbuck Coffee stores as well as new Tesco stores, “*selling crap sandwiches to students*” (A). Figure 5.2 represents this shift towards a controlled space with CCTV detecting irregularities, to maintain the area is it was conceived.



Figure 5.2: CCTV on the Quayside

“I can understand with cut backs and that sort of thing, but I think it is damaging, because it is all relying on the private sector now you know, yeah there is no opportunity for young lads like me, like I was, you know to get a few grant to refurbish it and what it means is that opportunities are taken up by the big boys, it is not independent anymore, like the developers who build all those shit houses here in the Ouseburn, they are just brick boxes and they are just tiny.” (A)

Many entrepreneurs work in the area for many years and are strongly connected to the place and embedded in the community. Respondent A expresses his fear for the effects on the public realm as these developments leave a possible shortage of community based space in the area, such as little parks, shops and other places where people can meet. Respondent B agrees and expresses this as follows:

“The general feel of the place kind of maybe loses it charm and certainly for the creative people. Well as it is on the moment the balance is still fine ehm obviously there is going be a whole lot of residential places and that is going to change the feel of the place and it will change the pressure on the pubs, the Cluny and Tyne pub and so forth.” (B)

This anxiety is acknowledged in the literature, Swyngedouw (2002) has argued that such developments have influence on the “*political, social and economic power relations, in which democratic participation is not respected*”. Local entrepreneurs have limited influence on the developments and have the perception that they see as it comes (A, B). Moreover Brenner (2009) claims that the developments are non-sustainable, respondents C and D agree and

argue that the developments on the Quayside are too heavily reliant on subsidies which effects its sustainability for the future. Respondent J argues that the budget cuts have far reaching effects to economic development and regeneration programs, leading to more private sector interference, more in this can be read in 5.2.3 (J).

“The more gentrified the area gets, creative business get priced out. It is double the price here than we were paying in Gateshead.” (D)

It is argued that such regeneration processes and private investments are based on capitalist rather than social structures (Smith, 2002). However such private initiatives do not have merely negative effects on the area as they support positive developments that foster entrepreneurship in the area. The Toffee Factory is developed through a public-private partnership and an important example of an initiative that supports locally embedded entrepreneurship. Companies were selected on the base of pitch before being allowed to settle in the Toffee Factory, to ensure that the premise would become a hub for creative entrepreneurship. Furthermore, it is also argued that such new initiatives as well as new dwelling initiatives can positively contribute to the diversification of the area (D). A better mix between living and working units can possibly make the area more lively, for example at night (E). However it must be noted that it is important that the new developments are in line with the existing identity of the area:

“I mean that building over there has been refurbished so well, do you know what I mean. I do not know if you have seen it before, but it is like totally in line with how it was before”. (D)

All in all the Ouseburn will change in the upcoming decades, this offers new opportunities but is seen as a threat to others. It is to be seen whether or not the Ouseburn will remain its own identity or that the identities of the Quayside and the Ouseburn will move closer together. It is however of importance to creative entrepreneurship that the area remains its artistic feel to attract stay attractive for young start-up entrepreneurs.

5.2 Economic environment

5.2.1 Economic circumstances

As seen previously entrepreneurship in the North East is underdeveloped in comparison to other regions in the United Kingdom (figure 4.9). Nevertheless, there are opportunities in the area as the entrepreneurs spoken to are, without exception, positive about doing business in the region. The available premises in the area are relatively cheap and the internet has improved connectivity considerably (A, B). Respondent I, who works for the Entrepreneurs Forum, argues in this respect that the North East has always been an innovative place (I).

“The North East is the region that pioneered during the industrial revolution with its large coal supplies, coal could be transported efficiently via rail with steam engine locomotives” (I). Respondent G on the other hand argues that the mind-set for design and creativity in the area has yet to be further developed. The region should focus more on quality and design to make a difference, which should be reached through innovation. The larger companies often focus too much on quick, efficient and cheap while that is not always considered the best way to go (G). Accordingly Pike et al. (2006) has argued that old industrial regions have a strong focus on large-scale employers and lack entrepreneurialism. Moreover they reason in favour of a strong focus on innovation and learning process in accordance with respondent I.

“It takes a while before the people that were employed in heavy industry think in an entrepreneurial and enterprising way, it is just not in line with their family, their education and their expectations I suppose.” (I)

People from the North East tend to have inferiority complex and tend to think they are less good or not able to compete with other regions in the country. Respondent G argues that the perception of people in the region itself is not good, many people think they are not “good enough”, “on the fringes”, “too far from London”, “however we are perfectly fine to compete with London.” (G)

The region used to be heavily dependent on large-scale companies and the coalmining industries. In recent decade the region has emphasized on growth from R&D as well (Duke, Hassink, Powell, Puukka, 2006). Respondent I argues in this respect that entrepreneurs are better able to cope with the effects of a recessions. Figures from the Entrepreneurs Forum prove that entrepreneurs are better able to cope with adversity in comparison to large companies (I). To come up with innovative ideas helps entrepreneurs to adapt to unforeseen situations (I). Respondent B agrees and claims that being relatively small and sticking to the core business keeps a business flexible and lowers overhead costs (B). Entrepreneurs have the right mind-set to face challenging circumstances, to find new opportunities and to differentiate themselves, while others are consolidating (I). Therefore entrepreneurial companies are growing in the area (I).

On the other hand, respondent I argues that the perception of people is problematic: people tend to remember the North East as the coalmining area, while the region lacks image on doing business. Newcastle has a strong image on other areas, for example concerning sports; people know it as a sports mad place in which Newcastle United plays an evidential role. So the city certainly has exposure, however it lacks Newcastle on image or perception on doing business (I). Manchester can function as a model in this sense, a city that has become an important hub for creative industries, with a stronger profile nationally for doing business, something that Newcastle should develop (B). The BBC for example moved

recently to Manchester such institutions can functions as incubators for other creative businesses.

5.2.2 Socio-economic environment

5.2.2.1 Related businesses and formal networking

Valé (2011) argues that knowledge accumulation is an important feature in innovation processes, which can become a self-reinforcing process through different actors (Dicken, 2007). Some of those are to mobilise latent synergies, knowledge transfers, inter-firm relations in combination with a highly skilled labour market (Martin & Simmie, 2008; Porter, 2000; Power & Scott, 2011). One factor in the waterfront area that is striking in this respect is the large amount of shared studio and office space. This gives companies the opportunity to work together with like-minded people from closely related sectors. It is therefore of importance to create such a platform to develop a collaborative environment, so things might happen (I). As A (Mushroom Works) states "*I knew I wanted to be surrounded by other creative people*". Such an environment of a creative community can in turn also attract new creative people that want to be part of the developments. A comments: "*If the place is known as a creative place other people will come to the area, with lots of people an lots of stuff to do*" (A). Respondent G agrees and argues: "*There is a lot of corporation and there is a lot of sharing between businesses in the area*". Judging from these statements it may be concluded that working closely together with other companies is pleasant rather than that it leads to hostilities. Respondent B (Toffee Factory) comments in this sense "*Obviously you are working alongside some companies that might be in competition with you, but the reality is you never really go head to head with those people, there is a certain amount of synergy*".

Different projects show that a collaborative workplace reduces risks and helps the businesses grow, especially for start up companies that are not fully capable to cope everything for themselves. It helps if you can share the rent for example and it is also enjoyable to work with like-minded people (A). This happens for example in the Toffee Factory and Northern Design Centre "*It is a physical place where it happens*" (G). But there are many other similar initiatives in the area, like the Foundry Lane studios, 36 Lime Street and the Schoolhouse. "*So whenever you go to these studios, you will find they all have a really different feel. Which is good because they all offer something different*" (H). Different workspaces have different identities and contribute in their own way to business life in the area. Such office spaces in the area are popular, the Toffee Factory filled up within three months, which is exceptional, owing to the fact that economic conditions are currently challenging (J).

The possibility of making contacts is helpful for small-scaled entrepreneurs, mainly on a professional level, to help the business grow. This is further enhanced through different kinds of events and organisations that attempt to fuel inter firm relations, which contribute to profiling the area for businesses outside the area (E, G, I). This is for example developed by the office spaces that organise different kind of (network) events, like the event spaces in the Toffee Factory and the Northern Design Centre. Workshops and trainings are useful for entrepreneurs, but they are also a stimulus for external people to visit the building and to get in touch with people working in the office (E). Respondent G, who works in the Northern Design centre, agrees and argues that it is a good thing to work in such a collaborative environment:

“Having them all in one place together is good because we can collaborate and share ideas but then we also have a conference space here that we use for various events and all of our monthly events here, so we are bringing people from across the region to this place.” (G)

Bringing people together is an important goal of the events organised. It is important for entrepreneurs to know who else works in their proximity and to learn about the benefits of working together. The Entrepreneurs Forum (paragraph 4.4.2) also contributes to this, by organising network events and programs such as peer-to-peer mentoring, so that entrepreneurs can share experiences and learn from one another (I). Furthermore, such events help to expose the area to external entrepreneurs, which is useful to promote the area (G). In this sense, such events create conditions and circumstances that foster knowledge spillovers, as proposed by Marin & Simmie (2008). However respondent B has a different perspective on the networking opportunities in the area. He argues that is it is difficult to find exactly the right kind of network organisation; *“it is often too broad or too narrow and too specific (B)”*. Therefore B does not link up with such organisations.

Respondent I argues that developing a strong network in the area is relatively easy as the business community in the North East is rather small. In this respect it, is much easier to develop a network if you meet people regularly (I). On the other hand, respondent G argues that the awareness of the different entrepreneurs and companies active in the region should be further improved. Many entrepreneurs are not aware of other entrepreneurs that are working in the North East, it is a shame that people work with companies from other parts of the country while they have a business close by that is just as capable to do the job. However, the strong identity and connectedness to the area motivates to collaborate with people from the area, *“I experience that people are very open and happy to collaborate”* (G).

The main advantage of being in each other proximity is that it reduces retrans and costs of doing business (Porter, 2000). Respondent I puts forward a striking example that is in consultation with this theory. *“Taking the train to London with three people costs up to a 1000*

pounds. As an entrepreneur this is quite an investments especially if it is not completely sure what the profits will be (I)". Working in the same office space reduces such restraints and leads more easily to professional cooperation. Respondent E (Toffee Factory) for example argues, "*Some company might design something for another company for free and than they do the PR for them*". On the other hand, it is ambiguous to measure how regular cooperation between companies in offices such as the Toffee Factory and the Northern Design Centre are. Cooperation and synergies in these different work environments are therefore not to be taken for granted. It is too superficial to assume that placing entrepreneurs in a combined office space implies cooperation between them. Entrepreneurship and creating links is in this sense not a process to be governed, but *it* should rather *happen* (J). However working closely together certainly reduces restraints, as respondent B argues that it is an advantage to have the opportunity to work together.

"So there is a certain amount of synergy there, we have used the building as a model in things that we have done as well, even today actually, I was away on location yesterday but ehm I was talking to people who have just moved in two doors down here and ehm and they were looking for a tender or something so there is potential that we might work together with them as well. So yeah obviously we are not going to work with another company that is doing exactly what we are doing of course, but for us the best way of doing it to not try to pouch anyone else's business we try, say we can fulfil a particular function for business that might be bigger than us, say like cool blue, they got lots of designers etc. You are not going go to them and say we do some design work for you that is not going to happen but perhaps they do not have anyone who makes video or photography so that is sort of the thinking." (B)

Strikingly, this process seems to be very locally and mainly within the walls of the building. For example relations between the Toffee Factory and the Northern Design Centre do not seem to be apparent, although being in each others proximity. Why such cooperation between office spaces exists or not is not evident. It might have something to do with the nature and background of the places. It can therefore be concluded that the formation relations are a very delicate matter, which are ambiguous to define unilaterally. Respondent E (Toffee Factory) describes the relation as follows:

"I do not know anything that they do that we have ever been able to come to, I have never heard of anything, maybe they do, I do not know why, it is funny. I gradually have closer links with people on this side of the river, there is a lot of people renting here and linking people up in the Ouseburn valley or along Hoult's Yard, we have contacts there, I do not know what it is." (E)

5.2.2.2 Informal networking, community ties and trust

As described in paragraph 5.2.2.1 shared workspace can be beneficial in a professional sense. However as observed during the interviews there might be a very important conditions to this professional cooperation, which are informal networking and community ties. Respondent C comments on this: "*We are trying to find the common areas here in stead of the differences*". Working together in an office space, rather than at home is mainly

pleasant due to the strong community factor, which moves beyond professional activities (F). Working together in a community with like-minded people makes it a pleasant and it can foster and enhance ties on a professional level as well. In an informal atmosphere people feel comfortable and it is for example easier to ask difficult questions to someone else (A):

“You know there is always someone outside smoking, there is always someone to go to the pub with and always someone to ask a difficult question to.” (A)

Different actors play a role in the community feeling in the area such as the pubs in the area. The pubs such as the Cluny, the Ship Inn and the Tyne Bar foster local engagement and contribute to a pleasant working environment (A, B, D, E, H, J). It is about this sense of place and to be in a place where people have the potential to be creative (J). However, the pubs also contribute in an artistic sense to the area, as often live music is played and the venue space of the Cluny gives stage to new talent.

“Because it is a really nice and friendly community going on around here with lots pubs and cafes and there is quite a lot of interaction between them.” (E)

The social life distinguishes the area from other areas in the city, it feels as a different area and it has a different atmosphere (B, E). This does not need to imply that there are no pubs in other parts of city, or that they do not have social ties there. However it does imply that the people in the area itself find the area attractive in the sense of the strong community feeling. Entrepreneurs feel happy about working in the area, which is an added value to entrepreneurship in the area.

“I think not being in the city centre is quite a nice thing, but you can walk to town quite easily, the community on the doorstep, it is the pubs and the cafes, the social life if you want.” (E)

In the previous section (5.2.2.1) it was argued that different workspaces and studios try to enhance the community feeling by organising events and networking sessions as well, such as the Toffee Factory and Northern Design Centre (E, G, I). However respondent J argues that the informal meetings might be just as important as formal networking sessions. Respondent B agrees with this argument and comments that a network is something that rather builds up over time than via such events.

“That is where ideas come from, sitting in a pub, being introduced to some other guy, having a couple of pints and then something happens ehm rather than sitting in an organised networking session, where you are sort of forced into these kind of speed dating organised kind of thing you know.” (J)

These arguments brought forward are very personal as one person might have benefits from networking events, while prefers a more informal setting. Therefore it is not argued here that one argument prevails over the other, both factors, can contribute to a thriving business life

in the area. There should in this sense be a balanced offer of networking events and space that enhances community ties, such as pubs and other meeting places.

The same can be put forward in respect to creating trust between business partners. Maskell (2001) and Storper & Venables (2004) argue that trust helps to reduce malfeasance, assure reliable information, cause agreements to be honoured and places negotiators on the same wavelength, in which especially face-to-face contacts tend to be important to overcome difficulties in uncertain environments. Especially entrepreneurs are not capable to do everything themselves and outsourcing is very important. It is seen that creating such relations takes time and it is therefore easier to work together with people that an entrepreneurs knows. Entrepreneurs often face similar issues, so they usually understand each other quite well (I). Respondent J describes this as follows:

"A lot of work space is eh shared here, if you put all these business together and then they will be talking over a coffee and come up with an idea and they will jointly get some contract, but I think the reverse is also, you know people, people have an idea for a money making, you do not tell other people because they will possible pinch your idea, so there is a delicate bounce of creating and building up trust between people." (J)

However, it is also argued that the community ties can be further strengthened in the area. Respondent D agrees and argues that it is important for the area to attract young people to the area. To bring people in touch with arts and culture, but also to make the area more interesting and to get different groups into the area and make the place more diverse. More residential places in the area could make a contribution to this and possible makes the area livelier at night (E). In this sense, the interest of different companies and organisations in the area are different, some places are dependent on visitor numbers, such as the Seven Stories, Biscuit Factory, the Baltic and the Sage while creative businesses are more focussed on themselves as they do not need visitors to survive, However:

"There is still a need for the valley to work better together ehm I think from a artist point of view there is a lot of interesting places for people to visit but the kind of joint up experience is not quite there, that would be great to that over the past couple of years." (D)

Respondent D argues that the area should diversify and attracts new people. This can for example be enhanced through events such as the Ouseburn Festival in which different studio spaces open up to public, such events can attract the critical mass that is needed (D, C). Also on the Quayside there are several events that attract more people to the area.

"I think the Ouseburn just needs to, it needs to diversity as well, Byker (deprived neighbourhood) is just up there and the farm as being trying to get Byker kids to come down here and they have been working with them, but I do not think it really worked so yeah it is a real struggle." (D)

In this sense, there is a delicate balance between community feelings and diversification. Attracting new people will for example put pressure on the pubs as respondent B comments:

"It will change the pressure on the pubs, the Cluny and Tyne Pub and so forth, I am sure they are not going to complain about it, because there will be more people around but it will probably change the whole atmosphere". B

5.2.2.3 Relation to external institutions

Besides inter-firm relation also relation with institutions such as the Baltic and the Sage and schools and universities can contribute positively to entrepreneurship in the area. Respondent B argues that is positively to have the Baltic and Sage in proximity as they contribute to the creative vibe in the area (B). Respondent F, who is an artist in a studio space, has experiences with artist exposing their work in the gallery: *"it draws a larger arts audience from outside the region to Newcastle-Gateshead"*. The Baltic and Sage have exposure to the rest of the country and can in this sense make a contribution. It is of tremendous importance for the creative sector that people recognise the area, Newcastle has become known as creative city (G, H). Nevertheless, the Baltic focuses on more renowned artists and they do not engage with the place as much. Therefore, respondent F argues *"for me the interesting thing is when artist come and reflect and engage with the people in the North East and I think there is a lot to be done with that"*. Locally and community embedded studios and galleries and the local arts representation might be more important for artists and creative people in this sense. So the developments have contributed to entrepreneurship in the area, however it is questionable to what extent the Baltic is of direct advantage to the local creative sector. The indirect effects are therefore possibly greater than the direct effects of the developments.

As argued an educated labour market, knowledge spillovers and technological transfers, a strong base of supporting and related services are factors to amplify externalities advantages (Martin & Simmie, 2008). Knowledge institutions such as universities can play a considerable role in the transfer of knowledge and innovation processes as well that knowledge institutions contributes to a strong base of labour market. There are several universities and colleges in Newcastle-Gateshead, which are ranked high in international context, such as Newcastle University and Durham University, Northumbria University, but also Newcastle College and Gateshead College play a role in linking education to business life. The latter has for example opened up a campus next to the Baltic Business Quarter. The Northern Design Centre is involved in this process; the office space has reserved places for students of Northumbria University. Involving students in entrepreneurship and *"learning by doing"* are the main aims of this project which is very positively experienced by respondent G.

Integrating entrepreneurship in the curriculum as well as closing the gap between education and society is one of the main goals of this. The cultural regeneration helped inspire new initiatives in the area in this sense, such as the cooperation between the Northumbria University and the Northern Design Centre (I). Respondent F, who is more involved in the art scene, working in studio space argues the following on links with schools:

"They are not like official links but ehm a lot of students from both Northumbria, Newcastle University and Newcastle college actually as well, who are on the fine art program do volunteer here, Newcastle University recommends us to students, so there are some links and ehm we do some tutorials on the university as well." (F)

The universities contribute the exposure of the knowledge-based economy as well, which attracts young professionals to the area (G). Respondent I (Entrepreneurs Forum) adds that the main challenge for entrepreneurs in the area is to find qualified staff, which is retrieved from figures from a survey of the Entrepreneurs Forum among entrepreneurs in the area. Thus, a challenge for the future is keep young talented people in the region (I). Ironically it may be concluded that young talented leave the region, while at the same time companies in the region face difficulties with finding skilled staff, a discrepancy between demand and supply can be identified in this sense.

5.2.2.4 Societal organisations and local buzz

It is argued that not merely pubs and shared workspaces enhance the community feeling but also numerous societal organisation that work in the area foster local entrepreneurship. As well that they can contribute to attract more local people to the area and make the area livelier (B).

"More community based organisation are as important as, if not more important to the valley itself or to the feeling of an artistic community, I do not know if straight forward artistic design would value that so much ehm but as I say historically the Ouseburn valley has been about artist really first and that drew the whole design and cultural and creative thing to It, and musicians." (B)

Examples of these are Stepney bank stables; which helps children who live in challenging circumstances to improve their confidence, Seven Stories; which is the national children book museum and the Ouseburn Farm; which is a small farm in the middle of the Ouseburn. Such organisations help to bring a larger audience to the area, which can be useful to for studios in the area to attract a larger audience and to bring people in touch with creative industries. The Ouseburn Farm rents out small business units as well; in this way different functions are combined in the building.

"There are a lot of other businesses here, especially the farm, there is a lot of different people who use the farm so it is like a community space, so that is why we moved here." (D)

Organisation that try to engage with people from all part in society to the area, are important to the area. Respondent H, who started an organisation that works on digital design projects with people with autism:

"We are still in the early stages but what we are trying to get them (youngsters with autism) to a point where they become employable or ideally they develop their own enterprises so they become there own employer." (H)

This cross-fertilisation between sectors in specialised places and people makes the place open to new ideas and learning (Storper, Venables, 2004). Hubbard (2006) describes this as a buzz city, which is "*the place to be*". This is an environment where people are highly motivated, knowledge is shared and critical problems in our economy are solved. However, this *buzz* is not easily to measure or merely dependent on the actual or amount of social interactions. It is more something that is there, something that should exist and that should be recognised by people living, working or visiting the area. It is also about identifying yourself to the area and feeling pleasant in the environment. In this sense the outlook of the area and the atmosphere that makes the place also contribute to the buzz. If the atmosphere is right that makes it nicer to be there, the pubs and for example live music definitely make a contribution to this. But also the mix of different companies and uses of the space will make a contribution to this.

"I do not know how much the business here interact with one other. But is a really vibrant place, you know all the pubs have like music on. Also it might be a little bit like run down as well, well not run down (laughing) but you know you got the scrap metal yard and stuff like that. You know it still feels a little bit industrial I think that adds something." (D)

People are very positive about the pubs in the area and about working in the area with a strong community sense. People tend to be positive especially to the kind of vibe in the area. So in this sense a buzz can be identified. People talk very positively about the area and the kind of creative vibe that is evident in the area. This is mainly in the area and is not researched how this is considered from the outside looking in.

5.2.3 Institutional environment

5.2.3.1 Entrepreneurship

From the literature it can be retrieved that the institutional environment can make a contribution to entrepreneurship in the area. For instance, by providing the right infrastructure and adequate environment to sustain collective learning processes (Vale, 2011). Moreover capital is one of the most important factors for start-up business and is critical starting point, for example to obtain a workspace (Pike et al., 2006). However during the empirical fieldwork the role of the government turned out to be marginal. The entrepreneurs interviewed did not have much interest in the institutional environment. Support from government agencies in the

area for entrepreneurs is fairly limited and Newcastle council itself has been severely hit by the economic crises. In the past there used to be a lot of opportunities for start-ups to get funding. For example as argued by respondent A, who started the studio space Mushroom Works about a decade ago:

"There used to be lots of funding talking about that: city council, arts council, regional development agency, all these places talking about creating new jobs for creative people and all these sort of things." (A)

However recent cuts from government agencies have effects on a national, regional and local scale. For example Newcastle city council has been hit severely by the economic crises and Newcastle has downsized its economic development extensively:

"The local authority has been squeezed dramatically, Newcastle Council at one stage had an economic development department of maybe 200 people doing all sort of things and now there is three strategy people and there are three local economic development officers covering the whole city, so that is six or seven people in economic development in Newcastle it is absolutely mad." (J)

Budget cuts have accounted for 151 million in recent years, the number of jobs at the city council has been reduced with 1500 and the arts budget is cut with 100 per cent as well as that many facilities such as libraries and swimming pools are being closed down (Good, 2015). In this respect it is not surprising that many entrepreneurs do not have a high expectation of government support. Respondent E, argues on the relation to the Toffee Factory and the council:

"I mean in Newcastle Council there is quite a lot of changing personal, so there are quite some people who have worked on the project already. Yeah in that sense you do not get the continuity, but that is because of the recession." (E)

Nonetheless, support for start-up businesses can be very important as respondents A argues. Support from government agencies in combination with the possibilities to lend capital from the bank has made the Mushroom Works possible (A). 12 people were provided with a workspace through these investments and similar projects have followed accordingly. Support of the council is marginal and therefore such initiatives for young people have become very difficult nowadays (A).

"The council itself they organise ehm they have organised things, actually within this building I think, what was the last thing, ehm they have organised an event where you could talk to one of the development officers and see what is appropriate for your business but we have not taken that up really ehm. So I do not feel like there is a massive amount of help for us really, which is very obvious particularly at the moment in these hostile times." (B)

Rules and regulations toward housing have disputing effects on the market. The economic crises that started 2008 offered opportunities for cheap workspace, as many vacant office blocks are available for rent to creative entrepreneurs due to tax constructions (F, works in a

such a workspace). Downside of such developments is that these are often temporarily and have a disrupting effect on the real estate market (A). The cheap office space is a threat to the developments in the Ouseburn and Quayside that try to enhance creative entrepreneurship in a long-term perspective. It can therefore be argued that different projects evolving from the economic recession are two sided and have positive effect in the sense that vacancy of buildings is reduced and entrepreneurs have the possibility to rent for attractive prices, on the other hand it has disrupting effects on the established real estate market.

"There is no sustainability in that place at all and that makes me very angry. As far as I am concerned I am here for the long haul, I am making this place for a living and Mushroom Works is important for the Ouseburn Valley and we are going to be here for the long term you know what I mean, we have not got the threat of a landlord saying "I have made my money I am off living in Spain on a boat" you know what I mean." (A)

As seen in paragraph 4.4.3 different organisations contribute to the business life in the area for example the Invest in Newcastle-Gateshead program as part of the Newcastle-Gateshead initiative. The organisation seeks to attract investors to the region and tries to combine different initiatives so that they are centrally organised to prevent different actors of working alongside each other. The Newcastle-Gateshead initiates works to expose to area better to the outside and try to bring investments to the area especially because Newcastle and Gateshead have known antagonism in the past. Nevertheless, for many small-scaled entrepreneurs such organisations are not in particular useful, as companies have to pay to be part of the initiative, which is often expensive or not considered useful enough. Entrepreneurs tend to be not really interested in this kind of initiatives (C). There are also other options to promote events or the business more cost efficient and easier. Mainly through social media it is easy to reach a large group of people with relatively small resources. Entrepreneurs will always try to find the largest output with as little resources as possible (E). Furthermore, different organisations such as Ouseburn Futures are active in the area to improve the area (paragraph 4.4.3). The comment of respondent C draws how entrepreneurs look to this kind of organisations.

"I do not really understand how it works -- I think the thing is that Ouseburn has a lot of different working groups and meeting groups that, probably all well intentioned but I am not sure if it kind of make things happen." (C)

5.2.3.2 Cultural policies

The role of a government as facilitator of soft aspects is also highlighted in literature (Florida, 2002). Investments in cultural amenities can be of importance; cultural proximity and cultural activities contribute to a higher quality of urban life and tourism. Moreover places with a high cultural variety are more likely to accept new ideas that contribute to innovation (Martin &

Simmie, 2008). Initially when starting this research the hypotheses was that entrepreneurs would be positive about the cultural policies in the area, with the large-scale investments on the quayside and the construction of the Baltic Centre for Contemporary Arts and the Sage Gateshead. Having said that, the Baltic and Sage have positively affected arts and cultures in the area with their exposure for the sector in the area well as being incubators other initiatives in the area, for example the new *creative business quarter* in Gateshead as elaborated in paragraph 5.5.1. However the experiences of entrepreneurs concerning cultural policies and the investments on the quayside are not merely positive and are critiqued as well (A, C, D). The Baltic and Sage receive millions of subsidies annually, while the benefits for local entrepreneurs are not supported as extensively. Small-scaled studio space and locally embedded galleries are more accessible for young entrepreneurial artists (B). The Baltic and Sage are aimed at established artist, while upcoming artist do not have the opportunity to expose there. Many smaller initiatives do not get the funding they need and locally embedded studio that stimulates local entrepreneurship, have difficulties to survive (C).

“But I was like, yeah but I only want thirty grant. Compared what is invested in the Baltic about twenty million pound by now or so.” (A, about opening Mushroom Works)

The Baltic and Sage receive millions annually, while others are shortened on their subsidies. Respondent C argues that nobody wants to see these flagship developments fail and therefore they will be supported in the future as they are today: *“I think there is a very curious lack of planning in what is being build and the future revenue you need”* (C). Respondent C therefore questions the sustainability of these developments:

“Big shiny building for music, big shiny building for arts, big shiny building for dance, big shiny building for children literature, it lacks flows between them I think it is really interesting how many years time imagining looking in the paper and looking back on that period of lottery funding that essentially funded the building and a lot of these venues, while there is not really the revenue to support them anymore.” (C)

Additionally it is argued that the North East in general receives less support form the national government than other regions do. The spending of the arts council per head in the North East is the lowest in the country, while most of the money flows to London (D). Arts council itself provided £9,64 per head in the North East compared to £21,90 per head in London and lottery funding amounted for £4,45 in the North East compared to £12,07 in London (Walker, 2014). Moreover less sponsorship is available in the North East than in London for cultural projects. It must be noted though that some entrepreneurs do not find the *“massive amount of paper work (B)”* that goes hand in hand with grant applications, worth the benefits (A, B).

Respondent C comments: "*I just keep my head down and do what I need to do*". However for the promotion of the cultural sector in general in the area arrears to other regions.

"You look at those organisations that are reliant on funding and as soon as the art councils sais "sorry we are going to half your funding", half of the amount of money, the outcome is that it is game over, they have not got money and they have to close down. So we are not funded we are standing on our own two feet, completely independent we can do whatever the hell we like and that is the best way." (A)

Nonetheless, support can be very important and might cause the critical passing point for investments to be made, which is especially necessary during the start up process (C). It should be thought of whether large-scale subsidies and funding are still justified. Over 80% of the inhabitants of Gateshead thought that the Baltic and Sage should not receive the current amount of subsidies (D).

"The only way that people are going to keep there money is that communities really want them to be there." (D)

Ironically, it is also argued that the region has been too reliant on subsidies in the past. Respondent I argues that people tend to be more focussed when they invest their own private money: *"What is the value you are adding, where you getting your return and how is it going to help you, as you still need to achieve the same goals"* (I). All in all, it may be concluded that is of importance to reduce the reliance on public money, especially in the current political climate (D).

The *creative city* is sometimes referred to as a hype. This tendency is recognised, although the large-scale cultural investments are long term and therefore move beyond this hype. Respondent C argues in this sense that Newcastle seeks to be a city for science now, but in fact is a city for arts and culture (C). In this regard it is interesting how the city will develop in the future. One thing that might be in this sense of importance is to have a structural focus in which direction the city moves.

"I think ehm as a city and a region there is a lot of investments in regenerating to art and culture and I think that has come to an end now, now the wants to become a city for science you know, but it is not a city for science it is a city for arts." (C)

5.3 Conclusion

All in all, it is seen that the entrepreneurs are rather positive about the physical environment. The Quayside has led to a strong exposure of the area in respect to creative and cultural businesses. However the large-scale investments are also criticised, mainly as some argue that the investments would have contributed better to the local artist scene and if locally embedded studio and gallery space were supported as well. The Ouseburn is this respect

better valued, as it remained its authenticity and the area “breathes creativity”. However gentrification is a threat to the area, the entrepreneurs spoken to working in the Ouseburn, would like to retain the area as it is today. Although some argue that new developments can have positive effects as well, for example to diversify the area.

However, from this analysis it can be retrieved that the socio-economic environment is the most important factor for entrepreneurs in the area. Strong community ties and informal networking contribute to a pleasant working environment. For example the pubs are named as a factor that really contribute to a thriving area. A strong community sense has also implications on a professional level as cooperation seems to be more likely with people that are in close proximity. For example the shared office and studio space are relevant in this sense. Companies have the possibility to cooperate with each other, which might lead to costs reductions for the actors involved. Furthermore the events spaces offer networking opportunities, for example organised by Entrepreneurs Forum.

Entrepreneurs do not have expectations of the local government, mainly because of the extensive budget cuts in recent years. It is in this sense important not to be dependent on subsidies or funding as the political and societal climate towards culture has changed in recent years. However the city of Newcastle should embrace that it is a city for arts and culture and the creative industries, as they have initiated over a decade ago with the cultural investments on the quayside. It will therefore be interesting to see how arts and culture will develop in the area in the future.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

This is a research on creative entrepreneurship in the waterfront area in Newcastle-Gateshead. The United Kingdom is a country known for its large centre-periphery divide, as the North East lags behind other regions in the country in economic terms. However Florida (2002) argues that our economy is shifting into a new, quarterly sector, in which the creative economy is gaining importance. Although this assumption is widely critiqued, for example by Peck (2005), Markussen (2003) and Malanga (2004), the economic structure of the economy is evidently changing. Pike et al. (2006) argue that a shift takes place towards a more reflexive capitalism characterised by heightened complexity, uncertainty, risk and a higher rapidity of economic, social, political and cultural change. The economic system has become more globalised knowledge intensive, competitive and digitisation and ICT affects the way the economy functions (Dicken, 2007). This changing perspective on the economy offers opportunities as well as threats to regions like the North East. The region lacked resilience to return to growth after the closure of coalmines and manufacturing industries, this legacy of the 70's is still felt today. However, municipalities have invested heavily in regeneration programs to turn deprived areas into flourishing neighbourhoods again. The largest and most comprehensive being the cultural regeneration of Newcastle-Gateshead waterfront area, with flagship projects as the Baltic Centre for Contemporary Arts and the Sage Gateshead. In this research these developments considered in perspective of creative Entrepreneurship, of which the importance is argued by for example Florida (2002) and Hadjimichalis (2011). The main question in this research is:

"To what extent does the cultural regeneration contribute to the perception of creative entrepreneurs, regarding the physical environment and economic environment, in the Newcastle-Gateshead waterfront area?"

This research is structured along two dimensions; the physical environment and the economic environment, which are operationalised according to Deas & Giordano (2001), Martin & Simmie (2008), Florida (2002) and Benneworth & Hespers (2008). The physical environment is divided into the experiences of creative entrepreneurs of the Quayside area and the Ouseburn area. As within the area differences between these two spaces are distinguished. As retrieved from the fieldwork both areas have different characteristics, although having a shared identity. The economic environment consists of economic circumstances, socio-economic perspectives and institutional perspectives. Economic processes in waterfront area cannot be seen independently from the city of Newcastle-Gateshead, the North East and to some extent national and global processes. Nevertheless,

the area can still be considered as self-contained case for this research as the area differentiates itself through its strong focus on cultural sector, with the Sage, the Baltic and the many studio and offices spaces in the Ouseburn. Ten interviews were held in the area and information is retrieved from policy documents.

Physical environment

The hypothesis of this research was that cultural regeneration would contribute substantively to the perceptions of entrepreneurs in the area. From this research it may be concluded that developments on the Quayside are positive for the exposure of Newcastle-Gateshead as creative cities. It is a positive environment to do business and the physical environment is a tool in the relation to clients; people like to be connected to the area. On the other hand, the developments are critiqued because of the large-scale investments that went hand in hand with the developments. The costs of the cultural institutions were high and on top of that the institutions receive millions of subsidies annually, while the direct benefits for local entrepreneurs are not evident to everyone. Subsequently to the cultural regeneration office spaces for entrepreneurs were developed in the area, which foster creative entrepreneurship. Thus, the developments are two sided, but have certainly contributed to the area as a creative space. However the phenomenon identified by Florida (2002), in which the creative class tends to move to places that are inclusive and diverse to validate their identities as the creative class, can be recognised in the Ouseburn rather than on the Quayside.

The Ouseburn is an area that retained more of its industrial heritage and followed a stronger gradual path of development in comparison to the Quayside. Entrepreneurs have the feeling that they have contributed to the development of the Ouseburn and that it is *their* area, which they can identify with and which reflects their creativeness. Entrepreneurs like the diversity and slightly alternative atmosphere in the area, which is reflected in the physical environment. But, mainly the entrepreneurs that are strongly embedded in the area mention anxiety for transformations and argue that this will replace the creative buzz in the area. Brenner (2009), Pollard (2003), Swyngedouw et al. (2002) and Vanalo (2008) strongly critique this focus on policy planned development structures, focussed on private interference and profit-making structures as well as the urban desire to create distinctive and mixed used neighbourhoods. On the other hand, some entrepreneurs see it also as an opportunity diversify the neighbourhood and make it livelier with a variation of living and working. All in all, the physical environment on the quayside is appreciated as is a positive exposure to the outside and helps to communicate Newcastle-Gateshead as a creative city. However, the slightly more *edgy* atmosphere in the Ouseburn that has developed more

gradually and in which many old warehouses are preserved, is the place where the creative outcomes can better prevail. Both the Quayside and the Ouseburn, that have a distinctive identity, might be favourable to the area as being complementary to each other.

Economic environment

The constructions of office spaces, such as Northern Design Centre and the Toffee Factory, followed subsequently to the cultural regeneration. From this research it can be retrieved that working in the proximity of other entrepreneurs is the most important factor for entrepreneurs. This is in line with literature review in which the importance of mobilising latent synergies, knowledge transfers, inter firm relations in combination with a highly skilled labour market, is outlined (Martin & Simmie, 2008; Porter, 2000; Power & Scott, 2011). In this sense this is a main strength of the area, as it offers a lot of workspace for small companies in shared buildings, together with other companies in similar sectors. The initiatives of shared studio and office space, such as the Toffee Factory and the Northern Design Centre, are therefore of importance to create the conditions and the fundaments for such relations. This is enhanced through organisations as the Entrepreneurs Forum, which tries to foster entrepreneurship by facilitating networking events and mentoring programs. From the literature review it can be retrieved that relation to knowledge institutions can contribute to innovation and learning processes (Porter, 2000). However, the entrepreneurs spoken do not have extensive links to the numerous knowledge institutions in the area. Nevertheless, there are projects to enhance such relations for example between Northumbria University and Northern Design Centre.

Structured and formal relations between different institutions in the area are relevant to entrepreneurs. However, informal relations seem to be the most essential factor to contribute to entrepreneurialism in the area. It is enjoyable to work in a social and friendly environment, which can also lead to a professional level of cooperation. This is not solely attained through professional networking but rather due to informal interactions and community feeling. Different spaces such as the pubs play a role in the formation of a collaborative identity to the space, which contributes to the strong community feeling and plays a significant role in the social interconnectedness in the area. This makes it to a thriving and interesting area of which people would like to be part. However, established network ties can also cause restraints as well as mentioned by Benneworth & Hospers (2008), this is however not identified in the area as entrepreneurs mentioned that they would welcome new initiatives and people to the area.

The OECD (2009) and Vale (2011) argued that policy measures could contribute to entrepreneurship in different ways, for example through facilitating learning processes or financial support. However entrepreneurs do not seem to be concerned in the institutional environment too much. Moreover, being dependent on subsidies is not a sustainable way of doing business as a consequence of the societal pressure on subsidies to arts and culture. It is therefore mentioned that it is of importance not to rely on subsidies too much because of the rapidly changing policy measures. Also, the distribution of subsidies is critiqued as large-scale institutions such as the Baltic, receive millions annually. Subsidies on small-scaled initiatives are reduced, while often these are strongly embedded in the local environment. Nonetheless, the council can certainly play a role in the area. For instance to create the right conditions and circumstances for entrepreneurship, an example of such an initiatives is the Toffee Factory.

Conceived versus perceived

A distinction is made between the conceived and the perceived space as proposed by Lefebvre (1991). Lefebvre (1991) claims that the social and political state forces seek to master processes in space. However, the spatial reality is uncontrollably, the perceived space embodies in this respect close associations with the daily and urban reality. During the fieldwork it became clear that, as described in policy papers, the area has become an interesting and cultural place. Nonetheless, the (student) housing scheme as conceived in development papers, planned mainly in the Ouseburn, is widely critiqued by creative entrepreneurs. This state-led form of gentrification is argued to change the area and replace the creative buzz. It will eventually chase out the people that have always lived and worked in the area and that made the uniqueness place to what it is. It is also mentioned that creative entrepreneurs are not interested in all the new quirky staff as planned in the Baltic Business Quarter but prefer the more locally embedded approach in old industrial buildings. This is emphasised as the Toffee Factory was filled within three months, while the Northern Design Centre has difficulties to find tenants. In this sense, a discrepancy between the conceived and perceived is identified and mainly the future developments and building schemes in the area play a role in this.

Dimensions in perspective

Initially, this research was focussed specifically on the flagship cultural regeneration. However, a broader perspective was taken, more factors were taken into account to determine the relative value of the revitalisation. During the semi-structured interviews there was room for input of the entrepreneur. But, during this research the focus turned out to be strongly on the socio-economic factors. In this sense no additional factors are distinguished

in this research, compared to factors discussed in the theoretical framework. The conclusions from this research should be considered in the perspective of small-creative entrepreneurs, who work as freelancers, together with a partner or with a small number of employees. For this group the socio-economic environment is probably quite important as they are depended on others to sustain and develop their business. It may therefore be argued that the size of the businesses makes a contribution to explain the conclusions.

General conclusions

All in all, it can be concluded that entrepreneurs perceive the area quite positively in the sense of cultural regeneration. The cultural-led regeneration program has according to the entrepreneurs improved the exposure of the area. The direct effects for creative entrepreneurs are however marginal. Nevertheless the developments have led to developments that can foster entrepreneurship, such as the developments of shared office space in the area. Furthermore, a strong community feeling is important for entrepreneurship in the area, as it contributes to a pleasant work environment. This kind of informal networking possibilities are however ambiguous to govern.

"From cultural regeneration to creative entrepreneurship, the panacea to economic decline?" In this research is argued that creative entrepreneurship can contribute to the development of an area. The cultural regeneration has as well contributed to the exposure of the creative city and the creative sector in Newcastle-Gateshead, may it be via processes that followed as a consequence of the cultural regeneration. The cultural regeneration offered tools to provide a positive landscape to creative entrepreneurship. However, from this research it may be argued that a bottom-up locally embedded approach to creative entrepreneurship might be the paradigm to approach creative entrepreneurship. Mainly the socio-economic environment fosters creative entrepreneurship, which is ambiguous to govern through policymaking.

6.2 Recommendations

6.2.1 Societal recommendations

In this part the societal recommendations are discussed, which can for example be interesting for policymakers and for organisations such as the chamber of commerce and the Entrepreneurs Forum. The physical environment is only of marginal importance to entrepreneurs, it can however contribute to the identity of an area. The Quayside and the Ouseburn attract different kind of companies; the two areas can in that sense be considered to be complementary to each other as both offer a different environment for different kind of companies. A threat to the area is in this sense that the Ouseburn would become much alike

to the overdeveloped Quayside. The council should therefore be aware that the Ouseburn is not developed too extensively over the upcoming years. A democratic process towards the developments is for this reason of importance. The area is very distinctive in Newcastle-Gateshead and it would be damaging if the area is marginalised because of extensive developments in the area. Start-up entrepreneurs should have the opportunity to initiate new projects in the place. The fact that both areas offer different markets to companies can contribute to the diversity of the area and the interplay between the areas; this should be preserved for the future.

Secondly, it can be retrieved from this research that the initiatives in which different companies work in the same building are very successful, taking the example of the Toffee Factory. Entrepreneurs appreciate working in combined office, which has a slightly informal character and an authentic and well-designed look. Furthermore, the events space can enhance cooperation between entrepreneurs. Flows, or cooperation, between office and studio space can however be improved. For example the Toffee Factory and Northern Design Centre focus on quite similar target groups, but they compete with each other rather than that they cooperate. Cooperation could therefore have beneficial effects to further enhance the entrepreneurial community in the area.

It may be concluded from this research that entrepreneurship especially benefits from informal networking and community ties, for example formed in the local pubs. It is questionable to what extent such a community is to be formed or governed or that it is rather a bottom-up process. Nevertheless, conditions and circumstances can be created in which such an entrepreneurial climate can flourish, for example by ensuring sufficient available cheap and sustainable accommodation. An area needs time to develop itself and the opportunities for this should be embraced.

6.2.2 Theoretical recommendations

The theoretical recommendations will provide a review of the conclusion to the main theoretical insights and suggestions for further research are given. In a theoretical sense this research has added to the knowledge on the case of flagship cultural regeneration. It positioned it into the theoretical debate on creative entrepreneurship and has provided empirical proof and data. Miles (2004) and Bailey et al. (2007) have argued that the regeneration project in Newcastle-Gateshead has led to a stronger formation identity and community involvement in the area. This thesis has deepened these insights in respects to creative entrepreneurialism. The cultural regeneration does not merely contribute to formation of identity and tourism but also makes a contribution to entrepreneurship in the area. As argued in this thesis mainly in the exposure of the area as a creative space is

positive and it has been a starting point for other developments. The developments therefore have mainly indirect effects.

Furthermore, the role of creative entrepreneurship is exposed in the literature as well as regional embedded endogenous growth theories (Florida, 2002; Tödtling, 2011). Florida (2002) argued that creative entrepreneurs seek places that offer characteristics, which provide opportunities to expose their creativeness. This research provides with empirical foundations for these assumptions. The physical outlook of the area is of importance, as contributes to the identity of the area. However, the socio-economic perspective is in particular mentioned as important, as described by for example Martin & Simmie (2008). The office spaces and pubs foster the face-to-face contacts, a concept mentioned by Storper & Venables (2004). Entrepreneurs are embedded in the area and it makes it a pleasant environment to work in. The research provides with empirical context in this sense.

This research has given insights into entrepreneurship in this specific area. It would be an added value to put the results into perspective with other cases such as Manchester or Birmingham. These cities have also invested in flagship urban regeneration projects. This could place the results into perspective and enhance the internal validity of the outcomes of this research. The findings in this research have mainly made a contribution to map the perceptions of small-scaled entrepreneurs, freelancers or entrepreneurs with a limited number of employees. For this group the socio-economic environment and the shared office and studio space were very important. However, for larger companies these factors are possibly different. Therefore it would add an interesting dimension to investigate what their perspective on the cultural regeneration is and if these differ from small-scaled entrepreneurs. Furthermore, it would be interesting to see if entrepreneurs in other sectors have the same perspective on the flagship cultural regeneration. Are the results bound to the specific groups or are entrepreneurs in other sectors, such as science related businesses, also influenced by the cultural regeneration? These are factors that are not taken into account in this research, but are interesting for future research on cultural regeneration. Lastly, a repetitive research a decade from now would be relevant. This could lead to further insight and empirical prove in the concept creativeness. Also, this enables to measure how the concept develops over time and to reflect on the theoretical framework presented in this project.

6.3 Reflection

All in all, this has been a very interesting research projects, which has resulted in relevant observations. Nevertheless, some critical perspectives on the research are highlighted. At first the non-response of the respondents was rather high. Although this research has

provided with an in-depth view on entrepreneurship in the area, it would have been interesting to get some perspectives from entrepreneurs working in several other workspaces. This could provide with insights from entrepreneurs that work for example in 36 Lime Street or Hoult's Yard. The high non-response could be a sign that the method in which the entrepreneurs were approached was not effective. Therefore for future research the methods to approach creative entrepreneurs should be reconsidered. It should be noted however, that entrepreneurs are a relatively difficult target group in research projects. Another inadequacy of this kind of research is that all the interviewees spoken to are predominantly positive about the area, as they work and live in the area. Therefore judging from this research it is not possible to take a stance from a perspective of people who have chosen to leave the area.

All in all, the process of doing this research was a very valuable experience. Especially doing research in an area that I was unfamiliar with is an extra value. This contributes to the objectivity of the researcher, having an open-minded view on the case without being biased and having perspectives on the case beforehand. On the other hand, it is a restraining factor as well. Having to familiarise with the area and the target group is quite time consuming, but has certainly added to the learning process of doing this research. This has resulted in an interesting research project in which I learned about the area and in which I widened my view in regional development studies in general. In this research a comprehensive insight into creative entrepreneurship in the Newcastle-Gateshead waterfront area is given. The cultural regeneration has added to entrepreneurship in different respects as described in this thesis. However the project is also critiqued, as creative entrepreneurs prefer bottom-up locally embedded development structures. But the cultural regeneration is certainly positive for the exposure of the area for creative entrepreneurship and has led to other development that foster creative entrepreneurship.

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APPENDICES

Appendix 1: Respondents

Respondent A: Nick James, 4-12-14

Nick James is the founder of Mushroom Works, a studio space that opened a decade ago. The building offers 12 spaces where different kinds of creative entrepreneurs work together, who have professions ranging from furniture making to jewellery making. Following the success of Mushroom Works another studio space in the Ouseburn was opened; Brick Works. Later also Kingsland Church studios in Byker and Brighton Road studios in Gateshead were opened. Nick James has therefore contributed to the developments of a creative Ouseburn and offers opportunities to creative minds. However first and far most he is a creative entrepreneur himself in furniture making.

Respondent B: Neil Armstrong, 23-1-15

Neil Armstrong was the first one to start a computer graphic company in Newcastle in 1987. For many years he worked on TV animation as well as on TV graphics. In 1987 the whole commercial activities with computer graphics were just starting. Together with his partner he owns the company 55Creatives, offering a complete range of design and media capabilities. 55 Creatives is located in the Toffee Factory since several years, but he has been working in the area for many years.

Respondent C: Anna Wilkinson, 16-12-14

Anna Wilkinson is the director of Northern Print, which is a print making studio that started twenty years ago. They were initially located at North Tyne Mouth and they moved to the Ouseburn about eight years ago. The community factor for Northern Print is very important, they try to involve as many people as possible into printmaking, for example by running classes and courses, as well for children as for adults as well as that they have a gallery and work space. Northern Print is a private organisation but received annual support from government agencies.

Respondent D: Katy Vanden, 23-1-15

Katy Vanden works at Cap-A-Pie, which is a professional theatre making company that tries to foster learning through a democratic and creative process. The company has a strong focus towards the link between knowledge institutes and creativeness and has connection to Newcastle University.

Respondent E: Sharon Thomas, 7-1-15

Sharon Thomas works at the Creative Spaces in the Toffee Factory and has worked in the area for many years. Furthermore she contributes to the different events that are organised in the building, as well that she has many contacts in the area with other creative businesses.

Respondent F: Rebacca Huggan, 22-1-15

Rebecca works in new bridge street studios. She works in the organisation of the studio and is a entrepreneurial artists herself. The New Bridge studio is a studio slightly on the edge of the Ouseburn/Quayside. Different meetings of artists are organised in the studio space, to involve as many people as possible. The studio space is used in an old office block; the studio spaces might therefore be removed if another purpose is found for the building.

Respondent G: Terry Mc Stea, 11-12-14

Terry McStea works at Design Network North, which is a company that helps entrepreneurs to grow their business and apply appropriate design practice. It is a private company that is design and marketing related. The company is based in the Northern Design Centre in Gateshead, which is according to the Design Network North "*the focal point for design*".

Respondent H: Richard Lamb, 4-12-14

Richard Lamb works as director of a company that is inspired to support children with learning disabilities and autisms, focusing on the technological, digital design and gaming field. The company has a strong societal focus, to prepare people with autism for the 'real' labour market, ideally they develop their own enterprise. Being in the centre of the region is important, so that the people can get used to having other people around them.

Respondent I: Steve Gibson 11-12-14

Steve Gibson works for the Entrepreneurs Forum, which is a networking organisation for entrepreneurs in Newcastle-Gateshead. The Entrepreneurs Forum is quite unique in the UK and tries to foster entrepreneurship in the area though networking and peer-to-peer mentoring sessions.

Respondent J: Dale Bolland, 15-12-14

Dale Bolland works for Ouseburn Futures, he is involved in the area since 1988 and has many years of experience in the area. The organisations works at the development for the area with different sub groups, such as development of the arts and creative industries, business, environment, planning and development, use of the river and events. Next to these

different projects Dale Bolland has many contact at the City Council as he has worked together with the council for many years.

Appendix 2: Interview guide

Appendix 2a Interview guide Entrepreneurs Newcastle-Gateshead

- Introducing research
- May I record this research?
- Do you want to be anonymised?
- Structure of the interview/Length

- **At first can you tell me something more about yourself, your work and the project you are involved in (e.g. Toffee Factory/NDC)?**
 - Why are you located here?
 - What is the area like?

- **Could you tell me something how you experience the urban landscapes for your firm?**
 - Could you tell me something about the revitalisation program and the role and effects of your company of this?
 - What is your perspective on the further developments in the area for your business?

- **Could you tell me something about the social interactions with other firms and institutions in the area?**
 - Who do you interact with?
 - Do you have links with firms elsewhere?

- **Could you tell me something about local government policies in the area for your firm?**
 - Which programs/ projects have been useful for you?
 - Involvement in the marketing campaign of Newcastle-Gateshead?
 - What is your opinion in the investments and focus on cultural investments for your firm?

- **Could you tell me something about the image of the area for your firm?**
 - How do you consider the role of the developments on the waterfront on this image?
 - What is the importance of the image?
 - To what extent have marketing strategies played a role in this?

- **I'll finish with some concluding questions**
 - Can you maybe tell me something about of the economic conditions in the area for doing business (Newcastle-Gateshead)?
 - Have you missed anything the previous about your settlement in Newcastle Gateshead or anything else to share?
 - Do you maybe have information on other entrepreneurs/ firms that would be interested to participate in the research?

 - Concluding
 - Do you want to keep informed on the progress of the research?

Appendix 2b Interview guide Institutional Perspective (policy makers)

- Introducing research
 - May I record this research?
 - Do you want to be anonymised?
 - Structure of the interview/Length
-
- **Could you tell me something more about yourself and the organisation you work for**
 - Your role in this?
 - What is the role of the organisation for entrepreneurs?
 - What is the role of the organisation in the development?
-
- **Could you tell me something about the regeneration of the quayside?**
 - What was the role of your organisation?
 - In the light of entrepreneurship and business life?
 - Could you tell me something more on the relation between the quayside and the Ouseburn?
-
- **Could you tell me something about the key initiatives that have contributed to the urban economy in relation to the regeneration program?**
-
- **Could you tell me something about marketing strategies as part of the regeneration developments?**
 - Which actors are involved?
 - How is this used, what are the target groups?
-
- **Could you tell me something about funding for the projects, taking account the cuts in recent years?**
 - Did the city deal projects contribute?
-
- **Could you tell me something about business life and mainly the creative and knowledge based industry in the area?**
 - Most important areas?
 - Developments?
 - Weaknesses/Strengths?
 - North East in comparison?
-
- **Could you tell me something about the different agencies that work for business and entrepreneurship in the area?**
 - Which parties are involved?
 - Strengths/ Weaknesses?
-
- **Could you shed your light on the role of the government and the local authority in relation to entrepreneurship?**
 - What is the role of the Newcastle-Gateshead initiative?
 - What are other actors?
 - What are key projects?
-
- **Could you tell me something about social interactions between entrepreneurs in the area?**
-
- **Could you tell me something about the role of the broader economic context for entrepreneurship in the region?**
 - Can you shed your light on the role of the crises

- **Conclusion**
- How do you think entrepreneurship will develop in the upcoming years?
- Do you have anything to add to the previous?
- Do you maybe have information on other entrepreneurs/firms that would be interested to join the research?
- Concluding
- Do you want to keep informed on the progress of the research?

Appendix 3: Codes Atlas.ti

The interviews are analysed with the computer program Atlas.ti that enables a researcher to analyse research structured and schematically. This research is structured according to the conceptual model, presented in chapter 2. The codes used in this research are presented below:

- General Remarks
 - General introduction
 - Recommendations research/respondents
- Physical
 - Quayside
 - Ouseburn
 - Neoliberal urbanism/ gentrification
 - Available premises
 - Infrastructure/ connectivity
 - General living environment
- Economic
 - Economic circumstances
 - Agglomeration advantages
 - Economic crises/ resilience
 - Innovation
 - Digitalisation
- Social
 - Community Ties
 - Local buzz
 - Local- national relations
 - Networking
- Institutional
 - Cultural Policies
 - Institutional Lock-ins
 - Rules and regulations
 - Support from government agencies
 - Other kinds of support
- Image
 - Image Waterfront
 - Image North East
 - Marketing Strategies

Appendix 4: Letter to Respondents

Radboud Universiteit Nijmegen



Research: Entrepreneurship in the knowledge based and creative sector in the Quayside area Newcastle-Gateshead

Nijmegen School of Management (Radboud University), Section Geography, Planning and Environment (Netherlands)

Newcastle University, Centre for Urban and Regional Development (United Kingdom)

Newcastle Upon Tyne, September 2014

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Background: The Cultural Investments on the Quayside

Newcastle is the economic as well as the cultural heart of the North East and known for its rich industrial past. The Quayside used to be the place that represented the flourishing industrial period of the region, as it was the centre for manufacturing and trade. However the area decayed simultaneously to the industrial decline, becoming an unattractive and unused area. Jointly Newcastle-Gateshead decided on a successful regeneration of the area, with the Gateshead Millennium Bridge, the Baltic and Sage Gateshead. It is shown that the regeneration has positive influence the local identity of the inhabitants of the area, as mainly the cultural dimension and amenities attract people from different social background gathering together in the area. However it is of importance to take the revitalisation project in a broader perspective, mainly in an economic context. Therefore this research will take the regeneration in perspective to entrepreneurship.

What is the target group of the research?

The knowledge-based sector is considered to be of great importance to the regional economy. The core of our modern economy is to a growing extent focused on innovation and knowledge based industries. Attracting such companies is vital to the regional economy of an area, especially for a region like the North East, which is suffering from brain drain and lacking on job opportunities. Creating a positive environment for entrepreneurship is therefore of importance. This research examines the business climate of the area for entrepreneurs in the creative and knowledge based industries judging on the experiences of this group. This will be realized by having in-depth interviews with entrepreneurs about their experiences in the area of Newcastle-Gateshead. The goal of the in-depth interviews is to further develop insights on the experiences of being located in Newcastle-Gateshead.

Why is this research relevant for you?

This research could give you new insights into the business climate of the area and the role of the urban regeneration in this. Leading to information that can be used in policymaking as well as in the scientific context. Results from the research can lead to recommendations to the local government and agencies on business life in the area.

How can you contribute to this research?

In this research we are looking for entrepreneurs to have in-depth interviews with. The interviews will take approximately 30 minutes but is largely dependent on the length of the answers of the interviewee. Therefore we kindly ask you to participate in the research or to help us to get in touch with people in the target group. The research is carried out in the period from September 2014 until January 2015. Thank you very much for your help.

Kind Regards,

Mathijs Lammers

Appendix 5: Cd-rom

Cd-rom containing:

- Digital version of thesis
- Atlas.ti analysis

