Urban regeneration: from the arts ‘feel good’ factor to the cultural economy. A case study of Hoxton, London

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Abstract
This paper contributes to debates about the trajectories of post-industrial urban economies in the global ‘North’. Specifically, it seeks to critically examine the role of culture in the continued development, or regeneration, of ‘post-industrial’ cities. The paper is critical on two points of the existing literature. First, it is critical of instrumental conceptions of culture with regard to urban regeneration. Second, it is critical of the adequacy of the conceptual framework of ‘post-industrial city’ (and the ‘service sector’) as an adequate basis for the understanding and explanation of the rise of the cultural industries in cities. The paper is based upon a case study of the transformation of a classic, and in policy debates a seminal, ‘cultural quarter’; Hoxton Square, North London. Hoxton, and many areas like it, are commonly presented as derelict parts of cities, which many claim have, though a magical injection of culture, been transformed into dynamic destinations. The paper suggests a more complex and multi-faceted causality based upon a robust concept of the cultural industries qua industry rather than as consumption.

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‘Here lives a population as dull and unimaginative as its long grey miles of dingy brick’ (Jack London, 1905)

Introduction

This paper contributes to debates about the trajectories of post-industrial urban economies in the global ‘North’. Specifically, it seeks to critically examine the role of culture in the continued development, or regeneration, of ‘post-industrial’ cities. The paper is critical on two points of the existing literature. First, it is critical of instrumental conceptions of culture with regard to urban regeneration. Second, it is critical of the adequacy of the conceptual framework of ‘post-industrial city’ (and the ‘service sector’) as an adequate basis for the understanding and explanation of the rise of the cultural industries in cities. The paper is based upon a case study of the transformation of a classic, and in policy debates a seminal, ‘cultural quarter’: Hoxton Square, North London. Hoxton, and many areas like it, are commonly presented as derelict parts of cities, which many claim have though a ‘magical’ injection of culture, been transformed into dynamic destinations. The paper suggests a more complex and multi-faceted causality based upon a robust concept of the cultural industries qua industry rather than as consumption.

Cities of the global ‘North’ have experienced a dramatic shift away from their economic base in manufacturing and distribution to service orientated activities, notably banking, finance and insurance, and management consultancies. The fact that manufacturing jobs have declined, and moved away, has led to a relative and then absolute domination of service activities. However, it has also led to unemployment and migration of former manufacturing workers, and in-migration, or inward commuting, of service sector workers. For example, London lost as many jobs to manufacturing as it gained in financial services in the 1980s (Pratt, 1994). As a consequence one built environment generally has been replaced by another more suited to these new activities. However, such a transformation seldom occurs in the same location and hence leads to both new building and dereliction (Pratt and Ball, 1993). However, such transitions are seldom easy or smooth; economic, social and cultural communities are disrupted and transformed in the process creating a new permutation of advantaged and disadvantaged. A number of very interesting transformations have been occurring in some cities where cultural industries have occupied and re-used old industrial premises (Hutton, 2000; Hutton, 2004; O’Connor et al., 2000); it is this issue, and in particular the activities that drive this desire for location in the city, that this paper will examine.
In policy terms, urban agencies have increasingly focused on the attraction of inward investment; the terms of such a competitive strategy have been cheap land, or employees, and advertising (Short and Kim, 1998) commonly based upon desirable attributes (commonly represented by ‘Quality of Life’ indicators). The latest theme of such regeneration has been ‘culture’, this has two dimensions: the first concerns the construction of mainly high culture facilities to make a city ‘attractive’ or simply ‘well known’ (Bianchini and Parkinson, 1993; Paddison, 1993); the second concerns what has been termed the ‘experience economy’ where visitors and investors are drawn into unique place-based experiences either of a heritage or retail variety (Harvey, 1989; Pine II and Gilmore, 1999). This latter dimension has been elaborated upon by Florida in his discussion of the ‘environments’ (physical and institutional) that attract the ‘creative class’ (Florida, 2004). A further debate is that of ‘cultural clusters’, whilst there is much confusion within this debate much of it focuses on consumption practices (Mommaas, 2004); the dimension of the productive and economic potential of culture has received less attention from academics and policy makers (Scott, 2000). This paper argues that this line of debate offers considerable insight into contemporary (cultural) urban regeneration.

Specifically, this paper challenges the consumption characterisation of culture: the notion that culture cannot be planned, and, the instrumental role assigned culture. In its place it underlines a production focus for culture, the potential for cultural strategy, and the possibility of developing culture on its own terms. Before exploring this debate and a case study this paper reviews some of what might be regarded as unsound foundations commonly used for understanding the role of the cultural economy in urban areas.

**Some shaky foundations of the urban cultural economy**

In this section I want to briefly review and set up for examination six thematic arguments that are commonly deployed to account for the role of culture in urban regeneration. It is not the aim of this paper to offer an extensive review of the literature in this field, that would take a whole paper itself, the aim here is simply to identify the key parameters of argumentation to contextualise the empirical part of the paper. These notions are commonly implicated in debates about the emergence of post-industrial cities. I will to argue that these arguments are neither internally coherent with relationship to culture, nor, that they are mutually in compatible. Whilst one may describe a city as ‘post-industrial’ if the employment of manufacturing is significantly less, and declining, compared to services, I take issue with the very conceptual division of manufacture and services upon which this debates is founded. In this sense the term ‘neo-industrial’ is perhaps more accurate; that is in the sense of project intensive organisational forms (Ekstedt, 1999), but also, in terms of a hybrid service and manufacture activity (Walker, 1985).

It is difficult to evaluate actually existing ‘cultural’ policies adequately as in most cases they neither have singular nor coherent objectives in relation to either cultural
production or to cultural excellence. For example, the dominant mode in which they have been developed in the UK has been as a means of facilitating social inclusion, alongside a traditional core provision of a proscribed public supported culture. There are some exceptions at the urban level in terms of developing cultural economic sector policies. As I will note, Hoxton offers a typical experience in that what public investment has occurred there, and has benefited cultural production, has either been serendipitous. The discussion in this paper suggests that culture does play a role, and could play an even bigger one, in regeneration if it was addressed properly.

In short, I want to counter the laissez-faire and a-causal notion of cultural regeneration that can best characterised as ‘light the blue touch paper and retire’. The problem, for the cultural industries, is that they briefly ‘shine and burn’. Out of the ashes arises residential development with precious little redistribution, or spread effect, and little space or opportunity for cultural producers. In fact, as this paper will show, the common result is the expulsion of the cultural industries from such locales. I would argue that cities are wasting what are currently one of the most dynamic industries as ‘starter fuel’ for property development and residential expansion when the cultural industries could be used to develop more substantial economic and cultural agendas.

A second theme, that is part and parcel of regeneration debates, concerns gentrification. The dominant accounts of gentrification point to a combination of a ‘rent-gap’ thesis and a cultural particularity (Lees, 2000, 2003); as well as embeddedness in temporal and institutional specificities such as tenure patterns and the age of the built environment. Gentrification debates have almost exclusively been concerned with residential-to-residential conversion of property. However, a characteristic of regeneration is the shift between commercial uses, and a shift from commercial to residential usage (the exception is Zukin, 1982). One objective of this paper is to highlight the process of industrial gentrification: either industrial-to-industrial uses, or industrial-to-residential uses.

Third, there are a set of debates that stress the role of the representation of cities and the way that this links into place-based competition for inward investment (Hall and Hubbard, 1998; Kearns and Philo, 1993). Notions of ‘culture’ have been figured in these debates in two ways: first, as material and immaterial heritage uniquely linked to place, this allows cities to develop their own unique selling position; second, through the creation of new infrastructures, or new practices, that are become associated with a place and hence a create a unique experience. Moreover, there are various ways of simply talking up cities via quality of life indicators (Rogerson, 1999). I will offer a contrary perspective here, first of culture as production rather than ornament, and second the far more subtle ways that city spaces can be ‘spun’ in the media.

Fourth, and related, are debates about the Creative Class. Critically, Florida’s (2002) notion is based upon the idea of cultural practices and environments being ‘honey pots’ that attract mobile labour, in particular educated mobile labour that will be attractive to high-tech industries. So, at base, Florida’s debate is one of supporting
cultural consumption (Peck, 2005; Pratt, 2008). This paper highlights the role of cultural production as well as cultural consumption. In this case the default assumption of consumption driven development is challenged and replaced by a cultural production basis.

Fifth, the global cities literature has discussed the role of the rise of advanced producer services (APS). Here the argument is that such services are internationally orientated and act as basing points for a global economy, and hence a generator of international resource flows to the city and region. However, as Sassen (2001) acknowledges, even APS is too coarse an analytical frame. There are subtle differences within the APS. Moreover, the majority of the literature on APS overlooks the cultural industries altogether. Where they are considered the cultural industries (or more usually advertising) is seen as derived demand from headquarters functions (Beaverstock et al., 2000; Gordon and McCann, 2000). There is an expectation in the literature that the growth of new media will be related to the FIRE industries and their international business; hence, a location of the city fringe might be expected. However, as evidenced by London (GLA_Economics, 2004), the cultural industries do play both a significant economic and structural role in the urban economy; the question is do the cultural industries behave in the same way as the APS? (for a more extensive discussion of this issue see Pratt, 2007).

Sixth, the concept of business clusters has been discussed alongside the idea of cultural clusters. Mommaas (2004) notes that there is much confusion over the use of the term cultural cluster in the policy domain, however, the term predominantly refers to public subsidized, consumption and art/heritage based initiatives. Alongside this is an argument from an economic and management position, characterised by the work of Porter (1995), that explores the economic dimensions clustering. However, the question of causality is unclear (Martin and Sunley, 2003). Traditional approaches are based on the minimisation of transactions costs (Scott, 2000), however, empirical research in both advertising, film and television, computer games and new media indicates that the role of social-economic interactions around and across, as well as within firms is more important that traded cost interactions or savings (Gornostaeva and Pratt, 2006; Grabher, 2001a; Grabher, 2001b, 2002a, b, 2004; Pratt, 2000, 2002, 2006). Before proceeding to test these six hypotheses, the next section of the paper provides a contextual background for the case study of Hoxton.

The case study: Hoxton

Methodologies

The case study presented here is based on research supported by a number of funding sources, fieldwork strategies and secondary research. In terms of fieldwork six strategies were used: first, participant observation; the author has made regular visits to the area over a period of ten years. Second, interviews with key protagonists; the
author has directed three projects by students as part of the Programme MSc Cities, Space and Society, these projects included interviews with artists, estate agents, property developers, residents and industrialists in the locale (Burwood, 2001; Da Silva, 2001; Graham, 2001; Ince, 2001). Third, two graduate dissertations written on the locale that also included interviews with key protagonists, and new media companies (Harris, 2001; O'Sullivan, 2002). Fourth, interviews with members of the Hackney Planning Department, Rennaisai regeneration agency, and City Fringe Partnership. Fifth, interviews with the Lux new media centre (Pratt and Gill, 2000). Sixth, interviews with new media workers in Hoxton\textsuperscript{i iv}. Such an approach was necessary given the timescale covered and the range of topics. In addition to the usual academic sources, news media and consultancy reports were searched for background information and representational data. The detailed methodologies for each strategy are to be found in the original reports and references cited above.

\textbf{Location/Context}

Hoxton is located in East Inner London, directly north of the financial centre, ‘the City’, close to Liverpool Street railway station and the Broadgate redevelopment. The area is part of what is termed the ‘City Fringe’, significantly the City Fringe Partnership agency seeks to promote development in the economically depressed area around the eastern and northern borders of the City. The ‘City Fringe’ comprises of a number of local boroughs and wards, and is overlain with a pepper pot of spatial initiatives for regeneration and amelioration of social exclusion. The area ranges from Clerkenwell in the North via Hoxton to Brick Lane in the East.

The area commonly referred to as Hoxton is technically Shoreditch; Hoxton proper, with its famous market, lies north of Hoxton Square, which is itself north of Old Street. South Shoreditch lies south of Old Street/Hoxton Square. It is also known under other names: ‘SoSho’ to estate agents, or the Shoreditch triangle (bounded by Old Street, Great Eastern Street and Shoreditch High Street). The ‘Hoxton’ of new media and art fame lies within the space bounded by Hoxton Square north of Old Street, and the Shoreditch triangle south of Old Street. This area is located within a complex administrative map albeit just within the borough of Hackney; however, the eastern side of Shoreditch High Street is Tower Hamlets, West of Old Street is Islington, South of the Shoreditch Triangle is the City. The Shoreditch Triangle has an urban footprint of less than 100 sq.m.

Hoxton has always been ‘on the edge’. Its early good fortune was to be outside the regulatory control of The City which led to the location of various ‘undesirable’ activities (social, economic and environmental) being located there: from noxious manufacturing, to illegal trading and prostitution. As with all such locations Hoxton has always been in the shadow of the City, historically is has been an area of significant social deprivation.
The emblematic core of the area is Hoxton Square, a formal city square surrounding a patch of grass and bordered by London Plane Trees. Large Victorian warehouses and former showrooms on major roads dominate the south of the area, with very small alleys/roads containing workshops at the rear. North of Old Street there is a cross section of the history of house building in London; from the square through large scale Peabody housing blocks, to GLC and local authority housing blocks from virtually every building period in the last century.

<insert map 1 here: source (Hutton, 2006)>

**History**

Hoxton’s history is an example of the consequences of unconstrained growth and rapid urbanisation. The massive nineteenth century Imperial expansion of the City generated manufacture and trade commonly located in the workshops of Hoxton; it was a massive employment generator, attractor of migrants and subject to severe overcrowding and unsanitary conditions. The area performs badly in Booth’s classic survey of the London poor, a graphic illustration can be found in Jack London’s (1905) more colourful reportage:

“No more dreary spectacle can be found on this earth than the whole of the "awful East," with its Whitechapel, Hoxton, Spitalfields, Bethnal Green, and Wapping to the East India Docks. The colour of life is grey and drab. Everything is helpless, hopeless, unrelieved, and dirty. Bath tubs are a thing totally unknown, as mythical as the ambrosia of the gods. The people themselves are dirty, while any attempt at cleanliness becomes howling farce, when it is not pitiful and tragic. Strange, vagrant odours come drifting along the greasy wind, and the rain, when it falls, is more like grease than water from heaven. The very cobblestones are scummed with grease.

Here lives a population as dull and unimaginative as its long grey miles of dingy brick. Religion has virtually passed it by, and a gross and stupid materialism reigns, fatal alike to the things of the spirit and the finer instincts of life.”

If Jack London is to be believed, then this is an inauspicious foundation for what has been claimed to be one of the most creative places in the world! The area was bombed heavily in the Second World War and fell further into decline. It was literally the home of London’s black/informal market, and the site of the 1960s violent gangland turf wars of the Krays and the Richardsons. The re-development of Broad Street and Liverpool Street stations in the 1980s (what was termed Broadgate) undermined potential overspill from the City’s economic activity; more generally the massive rout of London manufacturing was exemplified with the collapse of the furniture and
textile industries that had been a staple in this area (Graham and Spence, 1995; Hall, 1962).

In just a decade Hoxton achieved almost mythical status as a cultural ‘hot spot’; and, arguably, it fizzled out even more quickly. The schematic history is that in the early 1990s members of what were to become known as the Young British Artists (YBA) set up studio and living space in and around Hoxton. This social network extended into a number of art forms, including music as innovators in post-House and Jungle, and Brit Pop lived and performed. The area had already been home to studios and offices of punk music labels (for example Stiff records). The big draw was cheap and large studio space close to London: this ‘arts’ community entertained and socialised in its own spaces. Later, Bars and clubs opened; for example, a famous and pioneering gay club, the London Apprentice (later ‘333’), was on the corner of Hoxton Square. The YBA’s socialised in the Bricklayers Arms on Charlotte Street. The Lux cinema, an arts cinema and the home of the London Film and Video Workshop, took space in Hoxton square and it became a social and artistic hub.

Hoxton was crowned one of the ‘coolest places on the planet’ by Time Magazine (1996), and it was linked to the notion of ‘Cool Britannia’ a theme exploited by the incoming Labour administration in 1997. A new wave of migrants arrived in Hoxton in the late 1990s as it became the epicentre of the new media industry in the UK. In 2000, Chris Smith, the first secretary of state of the new Department of Culture, Media and Sport who championed the creative industries, launched the ‘Year of the Artist’ in Hoxton Square. By this time prices had risen and the last artists were leaving for cheaper space further East, and their spaces were fast being converted into residential lofts; the same fortune quickly beset new media in the crash years (2000-1). Hoxton became very trendy, with its own style crusaders and ‘cultural wannabes’. Shortly afterwards, the Lux cinema closed because its Arts Council funding was not renewed.

By this time the party was over and Hoxton became a byword for ‘naff’; it had its own hair style ‘a Hoxton Fin’, and its unique character was captured in the TV character if ‘Nathan Barley’, and the magazine ‘Shoreditch Twat’vii. Increasingly, new-build simulacrum lofts and restaurants replaced the old built fabric. Beyond the cruel twists of fashion new media and some cutting edge advertising still exists along side an increasingly upmarket and residential consumption space that increasingly serves as a ‘pied a terre’ for the City. North of the square, Hoxton proper is as poor as it ever was and the jobs that used to provide a livelihood, and a reason to go south of the square, were gone for good.

Despite the attempts of numerous regeneration schemes little has lifted the fortunes of Hoxton; and, despite the massive cultural boost, even today it is still one of the poorest wards in London: 11th out of 624 (GLA, 2005). This fact may seem surprising given that Hoxton is known the world over as both a by-word for ‘cool’ and is commonly cited as a paradigmatic example of culture-led regeneration. The remainder
of this paper seeks to explain what happened in order to help to understand why the ‘regeneration’ of Hoxton has, at best, been partial.

**Six themes of interpretation**

In this section of the paper I want to reflect back on the initial hypotheses and to evaluate as to what extent they have explanatory purchase on Hoxton’s development. Whilst the existence of cheap rents (early in the period under study) and proximity to the City are suggestive, they do not explain why Hoxton has turned out as it has (there are many other ‘cheap’ areas close by), nor do they explain how and why development followed the course it did; and, a topic I will return to in the conclusion, if there is any indication that such a process might be repeatable elsewhere.

**Cultural and planning policy**

Hoxton has not been the subject of a cultural strategy, nor a cultural planning policy; what development that has occurred has been generally ad hoc and uncoordinated. This in itself is not a dismissal of policy per se; rather, it is to point out that public policy has seldom engaged with commercial cultural production, let alone a hybrid of commercial and public initiatives. Much of Hoxton’s development pre-dates the creative industries initiative of the Labour government, and, Hoxton was not part of the GLC’s cultural industries initiative that inspired much of the cultural and creative industries policies that followed in the UK and elsewhere. Hoxton does appear in the GLC’s industrial strategy, but under the section on the declining furniture industry (Best, 1990).

As was common at the time, the only area of policy that had an impact on the nascent cultural cluster was planning policy. Planning and regeneration thus provides the focus, culture is almost entirely overlooked. Shoreditch is located in Hackney, and historically this area has been viewed in a hopeful light as a strategic bridge between the City and the poorer North London hinterland. A core argument behind the industrial land use zoning that continued until the late 1980s was the fear that industrial users would be out-bid by office users if strict land use zoning policies were relaxed. However, the industrial decline of the late 1970s and early 1980s saw 3,000 jobs lost in South Shoreditch (78-83). The planning liberalisation represented by the 1987 Use Classes Order did not bring immediate change, or the predicted office takeover. Some land assembly was proposed, but little real change occurred. However, the general liberalisation of planning clearly facilitated the cultural changes afoot, as they were mixed and not industrial uses.

As if the complex local administrative boundaries (see Maps 1 and 2) were not complex enough, the slew of initiatives that constitute urban regeneration policies further muddle the situation. As we can see from map the area falls within: European Urban Area, New Deal for Shoreditch, EU (European Union) Objective 2 business
opportunity area, Haggerston SRB (Single Regeneration Budget); and City Challenge; and laying within City Fringe.

Regeneration funding began to be targeted on the area in the early 1990s (1992 City Challenge £37.2m), the objective to create a Dalston Corridor; the Old Street Gateway was to be the ‘entrance’. This money, plus the later Objective 2 ERDF (European Regional Development Fund) status, and Lottery funding, released resources for institutions to refurbish buildings in the area (for example the Blue Lux, English National Opera, and Circus Space); however, these projects were generally focused on institutions and on providing training or exhibition resources in the area targeted at the wider city rather than as a response to demand from local residents.

**Gentrification**

The practice of property development is in essence simple: buy cheap and sell expensive. However, the problem is the risk, and cost, of money borrowed in the interim. The classic ‘rent-gap’ theory of gentrification expresses a version of this whereby landlords minimise their risks of investment by delaying refurbishment as long as possible, then catching a rising market. However, whilst the economic processes are similar, gentrification theory is based upon residential markets. Zukin’s (1982) research on the Soho (New York) loft market is a lone exception, and tellingly, outlines a subtler story about the interface of economy and culture, and pointed to the importance of ‘taste’ of the residential incomers, and the impact on non-residential users.

Whilst there has been a cultural turn in the gentrification literature it fails to engage with Zukin’s point (which she states as an afterthought in the preface to the British edition of her book) that the creation of a habitus sustained by working artists is the key attractor and differentiator in loft developments. A closer reading of Zukin (1982) does suggest that that habitus is perhaps sometimes better considered as a driver of change (as cheap property can be found in many places)\(^viii\). It would require a more extensive paper on this point alone to do this justice, suffice to say here the manipulation of taste and the exploitation or marketing of styles is the key skill of estate agents and property developers. Moreover, there are a number of points of confluence and conflict of interest between the various agencies involved. The next part of this section takes this point a step further and looks at wider media representations in ‘talking up’ the area. Before this, I will describe the processes as they occurred in Hoxton.

An element that reduced the risk for developers and enabled the informal mixed use activity was the reform of the Use Classes Order (UCO). Essentially this relaxed restrictions of permitted use of buildings and in effect facilitate what had previously been planned and zoned as light manufacturing to be in actual fact mixed use, artist
studios and eventually plain residential. In a remarkable rear guard action to avoid what was feared to be mass demolition of Shoreditch the planning authority declared the whole a Conservation Area in 1986. However, the impact of laissez-faire regulation did not happen (in the way expected); for example, Hackney had hoped to sell off a corner of Hoxton Square in the late 1980s, but the market slumped. In retrospect Hackney were completely wrong footed by what happened in Hoxton. Planning policy was focused on the Dalston corridor, linking with the City and hoping to draw economic development north. Although Hoxton was not really the focus of this initiative, zoning did create access to grant funding.

In Hoxton it was not estate agents that created the market, rather an ex-Royal College of Arts sculptor, David Nicholson\textsuperscript{ix}. In Zukin’s terms Nicholson understood and promoted the habitus of the artist. His company Glasshouse Investments bought studio space in the early 1990s in Charlotte St, then Hoxton Square and Coronet Street\textsuperscript{x}. Glasshouse worked with Hackney and the British Film Institute to leverage public sector funding for the Lux cinema that, later, was to become a magnet for cultural entrepreneurs in the locale. At this time it was an extremely risky venture, but like other property entrepreneurs, he targeted artists\textsuperscript{xii}. As one estate agent commented at the time regarding the potential for the market in the area,

\textit{“Nobody wanted to be here, there was...drugs, it had a real bad reputation...shootings, and...a few crimes happening there on a regular basis”} (Harris, 2001)

Glasshouse sponsored Compston’s Factual Nonsense (see below) to use Hoxton Square for the Fete worse than Death 2 (1994), Nicholson clearly saw a way of drumming up business amongst artists for his lofts. The baton was passed to Sterling Ackroyd for The Hanging Picnic (1995). The estate agents Sterling Ackroyd have played a dominant role in the property market in Shoreditch in the late 1990s, moved to a new office in the triangle in 1998. Without a doubt the property developers eventually successfully leveraged both Compstons’ and the YBA cultural assets.

Whilst Compston was a pioneer he was not the first to get into property; the prize for that goes to SPACE. Initially set up in London by the artist Bridget Riley in 1968, SPACE, like ACME\textsuperscript{xii}, specialised in short life buildings that are let out to artists. SPACE later developed a larger a portfolio of East End properties for artists studio space, first in houses and then in factory blocks (Green, 1999, 2001): it opened an office on the corner of Hoxton Square in 1990. Another group of residents, the main residents in the Shoreditch triangle, were the small manufacturers (making buttons and engaged in specialised tailoring ). In contradistinction to residential gentrification theory, the proprietors of these businesses were not in the least upset to be moving on. First, the premises were too cramped for modern transport; second, the property values had risen such that the buildings were worth more than the businesses. Some of the proprieties had been letting out vacant space to artists at this time; so, this was a natural transition to either sell up, or to relocate to outer London (Burwood, 2001). Those that sold up were often
relieved to go, as button production, for example, had become significantly cheaper in China.

Thus, the narrative of ‘commercial or industrial gentrification’ may not be one of forcing out, but willing flight; clearly there are still conflicts of interest between artists and property developers and the tensions between use value and exchange value. These conflicts were further exacerbated by a relaxation of planning controls. Whilst Hackney’s strategy was at the time to retain light industry for the area, the visionaries were SPACE and organisations like them who sought to secure owner occupation for artist, so that they had a sustainable future (Clark, 2001). In the face of laissez-faire UCO, only a not-for-profit developer like SPACE could intervene; in retrospect a new raft of (different) planning control might have conceivably slowed the artistic and new media rout and in so doing held on to production activities in the area. The case of the Lux exemplifies this issue; it was closed down due to rising rents. If public funding agencies had secured ownership of the property there is a good chance it would still be active.

Representation

Perhaps the defining moment for both ‘Cool Britannia’, Creative Britain, and Hoxton was an article that appeared in the November 4th 1996 issue of the US periodical Time Magazine that sought to ‘dip into the creative melting pot that was Britain’. As others have noted, a major spur to this activity was economic decline and the withdrawal of public sector funding for the arts (McRobbie, 1999). Punk was one expression, one that was echoed across the arts, but critically and unwittingly funded by the new ‘Enterprise Allowance’ that sought to make Britain a country of entrepreneurs. The Enterprise Allowance effectively gave young people a wage whilst they set up a business or self-employment. Various cultural entrepreneurs seized the opportunity leading to a huge upsurge in DIY (Do it yourself) culture.

Within weeks the notion of ‘Cool Britannia’ had been coined and traded on by British newspapers. The incoming New Labour government, just six months later, sought to further exploit this notion for publicity value and popularity (Pratt, 2005). The well publicised receptions at No10 Downing Street for pop stars and artists (Harris, 2003), the establishment of a ‘Department of Fun’ (DCMS), and the commissioning of reports on the economic contribution of the creative industries set the ‘mood music’ (DCMS, 1998). The Brit Art and Brit Pop phenomena linked to a new projection of national self-confidence were crowned by the plans for the Tate Modern Art Gallery (Leonard, 1997). One of the engine rooms of this process was Hoxton. Time Out’s 1999 ‘hip 100, favourite faces and places’ ranked Hoxton No2, after fashion model Kate Moss (Graham, 2001). The Guardian’s A-Z of contemporary art simply had Hoxton as the ‘H’ entry. By 2000 insiders would say that it was all over; symbolically in June that year the New Yorker magazine called Hoxton the ‘chicest place in the inhabited universe’; the Hackney Gazette’s take on this was that it was ‘So hip it hurts’(Hagger, 2000).
As noted above, it was not long before the backlash began; in true Hoxton style much song and dance was made of it. A film, *Low lifes and High Heels* (2001), the *Shoreditch Twat* magazine, and Chris Morris’s satirical TV series *Nathan Barley* (where ‘Shoreditch twat’ migrated into ‘Hoxton twat’), all sought to point a (knowing) finger at what the *Shoreditch Twat* called the ‘Marylebone tunnellers’. The ‘tunnellers’ were what was seen as the invasion of ‘trustafarians’ and their like into the area as the artists and new media moved out; these incomers are characterised as frauds, liking to pontificate on the basis of no knowledge, and less sense, on all things cultural and digital (Harris, 2001).

This has led some to comment on the ‘cultural ambulance chasers’ in the same vein as gentrifiers. But, the point is that it is a process that can be enabled or constrained (if it is understood); different actors gain advantage at different stages. The argument of this paper is that if the process had been comprehended, then perhaps a more socially inclusive strategy might have been devised.

The problem for policy makers, even if they understand the process, is that the cycle happens so quickly and that the key generative agents do not have time to establish themselves (artists or new media producers in this case). What wins out is money, which as we can see is increasingly focused on consumption and hence, to an extent, parasitic of the new creativity that has characterised Hoxton. What is critical here is that some parts of the Hoxton area have improved economically, however there is a population deprived of work on its doorstep that has received little or no benefit from this development at all (Da Silva, 2001). Indeed, what jobs the ‘new’ Hoxton had provided were lost to the ‘old’ community as the new good jobs went to those who already had money and opportunity for the most part, and invariably these workers came from outside the area.

### Creative class

Florida’s (2002) notion of the creative class is of a group attracted to a place by its consumption characteristics; it is this group that, in turn, attracts hi-tech employers. Does this help us to understand Hoxton? Superficially, it does. However, as already noted the instrumental and consumption focus of Florida’s argument misses a number of important processes related to production (see further discussion in Pratt, 2008).

One way or another Hoxton has always been a liminal space. From the prostitution, drinking and the establishment of England’s first Theatre, Hoxton has always been in the ‘entertainment industry’. What Hoxton had to offer was space and grime, and little regulation. At it turned out, this was precisely what the market wanted. In the recent period we can track the arrival of a number of punk music independent labels and studios in the 1980s. The early the influx of artists into Hoxton in the early 1990s was more significant. This was not in itself new, artists had since the late 1960s been colonising east London (Green, 2001); significantly, Hoxton attracted a number of
artists who later became known as the YBA and attracted considerable critical and commercial success (Graham, 2001; Harris, 2001). The artists used the streets for experimental shows; they lived there, as did a number of the new Brit pop artists such as Jarvis Cocker of the band Pulp. In addition, fashion designers such as Alexander McQueen also had a studio here. The Blue Note (jazz) club was closed, but re-opened as the post-House, Blu Bar. Interestingly, the owner used to work for Stiff records, this became a venue for emergent Jungle artists such as Goldie.

This is not quite the ‘squeaky clean’ Florida version of the new consumption playground of the creative class. We can highlight a long duree of marginal and semi-legal activities with little surveillance. Moreover, the critical contrast with the Florida model is that the creatives in Hoxton were producers and ‘real artists’ rather than consumers grazing on the latest trends in their lunch hours or weekends. Hoxton’s rise as a cultural powerhouse was in its phase as a producer rather than as a consumer.

The buzz attracted galleries and dealers in much the same way as it had done in New York’s SoHo (Zukin, 1982). Hot on the heels of the YBAs were the new media companies who sought a fusion of art and technology, along with an atmosphere of libertarian politics (New Media Knowledge, 1999). The presence of artists who courted ‘stardom’ along with Brit Pop, which sought to create a ‘sixties’ feel to London life, inevitably also drew in parties, bars and restaurants. Before long Hoxton was the place to be, and to be seen. The opening of the prestigious White Cube Gallery 2 cemented this reputation as new art space and the centre of cool[vii]. By this time property prices had exhausted the pockets of artists and as well as new media companies (who were suffering from a partial market restructuring post -2000). The final artists moved out of Hoxton Square in 2001 along with the last of the light manufacturing activities that had survived the 1970s (Burwood, 2001; Graham, 2001). The symbolic transition was the closure of the Lux cinema.

The Lux was a gallery and studio opened in 1997 that also was a home to the London Film and Video Cooperative (LFVC), and a Cinema. The cinema showed a very left-field rage of art cinema and talks; the LFVC ran a number of innovative new media training projects that yielded world-beating techniques and artists. The gallery served as showcase and the coffee bar a focus. On many occasions the gallery spilled out into the square with visual projections on buildings and installations in the park; a perfect expression of modernism. The Lux was a leased building, and funded - in part - however, the Arts Council and the Film Council withdrew key funding in 2001 and the Lux was forced to close. This unwitting act helped to unravel cultural production in Hoxton and prepared the way for its new role as an antiseptic consumption space.

The majority of the properties in the Square were converted into residential, or rebuilt as residential, accommodation, and new were restaurants opened up.

Global cities and APS
If we assume that new media is an advanced producer service then we would expect it to be engaged in a large proportion of international trade, and to have little linkage with local firms. The interviews that we have carried out suggest that whilst there is an international presence, trade is mainly national; this is echoed by the structure of both the new media and advertising industries. However, it might be that financial institutions were outsourcing new media and thus trade would be expected to be spatially tightly-focused. This hypothesis has been suggested to explain the growth of new media in Hoxton and the wider City Fringe (Gordon and McCann, 2000), contra the partial survey of O’Sullivan (2002), there is little evidence to support this; our survey generated quite the opposite perspective: new media companies in Hoxton have little or no connection with the City in terms of their business activities. It is true to say that whilst physically close they operate in quite different social and economic worlds (this argument is developed in detail in Pratt, 2007).

Thus, whilst we could continue to debate the definition of APS and the role of new media (where it is an exception), it certainly does not fit the expected norm of an APS through a linkage to the financial services. Instead, the linkage is with film, TV and advertising. Moreover, the local networks of operatives and principals seems critical to the sustenance of an elite ‘reputation economy’ based upon face to face interactions and long term work associations. The relationship between new media and the City, and that of APS and the cultural sector more generally, is an important sub-theme here. We have examined this in more detail elsewhere (Pratt, 2007). In summary, artists’ production networks and new media production networks where not focused on the City but on the wider British art scene, music, animation, film, TV and the advertising industry. As prices rose, artistic and new media producers were forced out and replaced by consumer residents, many of who worked in the City (in this sense an archetypical ‘Florida’ creative class). This is when Hoxton’s fortunes began to decline.

Clusters

Without doubt the art galleries and bars of Hoxton have become a consumption cluster; the question is, has this delivered the regeneration effect, or killed it off? The positive expectation of business clusters in the city has been based upon the potential minimization of transfer costs. On one hand, in respect to the movement of goods, this is a minor factor in respect to new and old media, on the other hand, with regard to labour markets and labour pooling, as well as knowledge and reputation (Grabher, 2001a; Pratt, 2006) localised social and economic effects may be amplified.

It is this complex web of social and economic networks that seems to offer the most convincing account of Hoxton’s development. The social networks that embedded Hoxton in London and beyond, and became embedded in Hoxton, were not self-generated but migrated towards it. Perhaps the two most influential institutions were the Royal College of Art (RCA) and Goldsmiths College, neither of which is close to Hoxton (Harris, 2001). However, the artists from these institutions were looking for studio space, and a place to live. Goldsmiths is easily accessible via the East London
line; and, access to Kensington (RCA) is easy from the City. However, commuting was not the issue, a studio and a critical community was. For these artists a key gallery was the Whitechapel, which was close by, where Nicholas Serota, the future Tate Modern curator, was located. However, in that part of East London a whole network of ‘art factories’ had sprung up (Green, 2001). Artists were seeking to support themselves and at an early stage in their careers where experimentalism is all. The YBAs in particular experienced a career more like pop music stars being championed, and bought, by dealers and collectors such as Charles Saatchi.

A key personality was Joshua Compston who opened his Factual Nonsense gallery – the first in Hoxton - in Charlotte Street in 1992. Compston organised a number of street fairs entitled A fete worse than death, that populated both Charlotte Street and Hoxton Square with art (Harris, 2001). Critically, Compston sought to ‘exploit and eventually explode the gap between art, advertising and entertainment, high street retailing and real estate development’ (Stallabrass, 1999 page 185). Compston died in 1996, symbolically marking the beginning of the end of Hoxton idealism.

Interestingly, several of the new media people that we spoke to also had a history in the RCA. This was the case of one of the founders of what became a hugely successful, perhaps at the time the UK’s premier new media company in the country: DeepEnd. DeepEnd had a complex and flat organisational structure and spawned a number of project groups: DeepGroups. In 2000 the company failed; however, a large number of the key players in new media, especially those link to advertising, can trace a history to either DeepEnd, or Hoxton. By the early 2000’s Hoxton had moved from a sign of the ‘edgiest’, ‘inventive’ and ‘creative’, to a ‘bunch of posers’, New media companies suggested that to locate there was to undermine business confidence (such was the hype circulating about the new media crash). Alongside DeepEnd there were a number of other key innovators in the London new media scene, many of which took a less commercial and more ‘art’ related route such as Soda and MetaMute.

The development of new media was both a London and a local phenomena, the development of which drew in filmmakers and artists. The first phase of new media activity was characterised by a large number of innovative companies that had a social and sometimes activist agenda as well as a financial one. These companies developed as a social network sharing resources as well as competing for work first in web design, and later on the fringes of advertising. After the market crash of 2000, many companies fragmented but re-emerged in different forms; notably more closely allied to, or as subsidiaries of, advertisers. The second wave of new media growth has been more closely associated with advertising and in part this has drawn the centre of gravity to Clerkenwell. In addition a second wave of more financially orientated companies has developed. The advertising industry, even the on-line advertising industry, is almost exclusively nationally based in their operations and contracts (although they may be involved in an international network) (Pratt, 2006).
Discussion

Some big claims have been made for the role of culture in relation to urban regeneration, likewise there is a growing expectation that the cultural economy may play a critical role in the urban economy. The elision of these two aspirations is understandable, but risky. In this paper we have sought to take a cautious and critical approach to assumptions and hypotheses about the role of culture in cities. We have argued that such a sceptical approach is all the more justified as cultural strategies are the current ‘flavour of the moment’ the world over. Clearly, given the expectations loaded on culture and the cultural economy it is important that we fully comprehend and understand the processes involved, and what, if anything, can be done to shape them. The suggestion is that we do not understand what is going on so far, and that standardised explanations of agglomeration or place marketing miss the point. This paper is a challenge to such accounts.

This paper has sought to find a fine balance between providing empirical detail and generalisation. The paper has highlighted the need to consider cultural production as well as consumption; and, the specific role that cultural production may play at some times in particular urban settings. Rather than falling back on the simple dualism of production and consumption the paper does point to the re-cursive formation of both in situ; a notion that habitus captures. Whereas habitus is commonly used to refer to residential gentrification, here we noted that it had the potential to provide insight into cultural production.

Richard Florida’s (2002) book has perhaps extended the life of place competition strategies. It is important to point out that whatever other benefits such strategies have, they are based upon an instrumental use of culture, and on consumption strategies alone. As such, logically, it would be inappropriate to expect regeneration of production as a result. As Mommaas (2004) points out, the field of cultural clusters is already confused. Florida’s notion confuses it more; however, as with cultural clusters, creative cities /classes either function as competition strategies based upon the promotion of elite, consumption, or heritage sites, or both.

To take another tack on the creative class debate, the failure to adequately analyse class micro-structuration is gap in Florida’s work. As noted in this paper the subtle differentiation of cool/not cool, and authentic/fraud is a fine line, one that is further intensified by the distinction between production and consumption. The point being that it is very difficult to unproblematically identify a single ‘creative class’ when such social and cultural ‘trench warfare’ is going on; again, it is a theme that should be acknowledged and explored in future work on such clusters.

Positioned against these popular conceptions and the strategies derived from them are a new set of policies that are often confused with them, but which draw upon a different logic: those based upon cultural production. Just as cultural consumption is growing, so is cultural production; in fact it is one of the growth areas of the economy (DCMS, 1998). The question is, how is such growth harnessed for, and
accommodated in, the city? This paper represents an attempt to engage in this debate for the position of understanding the processes. In this sense it may act as a call for a reconsideration of culture and its productive, as well as consumptive, modes of analysis and policy consideration.

The main conclusion from this paper is that in the case of Hoxton neither existing policies, nor explanations, have generated very satisfactory explanation of practice, or guidance for action. In fact, our analysis has pointed to examples of a number of ways in which – if it had been understood at the time – cultural production might have been assisted. The paper reviewed six key arguments that were put forward to ‘explain’ the growth of the cultural economy in cities. When tested against the available evidence from Hoxton, much of what is argued in these accounts is found wanting. The laissez-faire, ‘do nothing’, approach is not credible as there are clearly so many institutional factors at play; moreover, the expected multiplier or spill over effects simply did not materialise. The gentrification approach was found to be partial, especially as most scholarship has focused on residential, not industrial, gentrification. The findings here were suggestive of the fact that industrial gentrification may have a different set of dynamics; however, we found some concurrence with Zukin’s (1982) argument about the role of habitus, artists and developers.

Third, the role of representation was noted as extremely significant in Hoxton, in fact it might be argued that Hoxton was a place marketer’s dream. The analysis shows that despite international publicity marketing does not sustain development, especially when that development is rooted in consumption. Moreover, the Hoxton case also revealed the two edged sword that publicity is, and evidence of a ‘backlash’ that adversely affected the area. The paper did examine whether a ‘creative class’ (in Florida’s terms) could account for Hoxton’s rise in fortunes. Again, the empirical evidence did not sustain the idea; in fact, what emerged was that the social production networks of artists and new media workers was critical. Finally, the argument that cultural industries, as a sub-section of the APS, were dependent upon the financial services of the City was noted; interviewees were able to give such a notion little support.

Where does this leave us? Clearly, representations of cities are important, however the literature seldom looks at the downside, the backlash, or the resistance to such strategies. In the Hoxton case, the mix was particularly complex. This was exacerbated by the fact that the representation, and the struggles over it, were an epiphenomena of a range of other conflicts between production and consumption, originality and ‘fraudulence’. This case study has opened up a number of conceptual assumptions about the relationship between culture and cities, it has highlighted that cultural production may play a generative role, also that there is a complex process of industrial gentrification that would repay further examination.

Clearly, this paper is only an exploratory account of these issues; it is not a result that can be simply generalised. It may be that Hoxton is a one off, although there do seem to be a number of similar quarters in cities around the world (see for example Lloyd
Rather than caliming exceptionalism, or a new model, the point that has been made is the need to pay more attention to the complex processes of cultural production in cities; and, to the social networks that sustain them. Furthermore, more exploration of the potential role that policy makers might play in shaping these industries is needed. However, as noted above, simple identification of the industries and activities is a first priority, quickly followed by the need for a deeper understanding of the operation of the cultural industries. Associated with this, the paper has highlighted the value of taking a longer term examination of culture in cities; it is evident that the roots of Hoxton run deep in history, and far across London. Above all this study has highlighted the need to attend to the complexities of socio-economic-cultural action: in and across firms, between formal and informal activities, between art and commerce, and between public and private sectors. Further research on these topics, grounded in empirical studies, is urgently required if we are to fully understand the emergent neo-industrial city.
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Maps

Map 1 (after Hutton 2006)
Map 2:

Key
• Pink: Hackney
• Red: Islington
• Light pink: Tower Hamlets
  • Purple: City of London

• Blue hatch: European Urban Area
• Green Hatch: Haggerston SRB
• Yellow broken line: New deal for Shoreditch
• Orange Line: European Objective 2 Business Opportunity Area, City Challenge

Endnotes
For example, the Northern Quarter, Manchester, the Lace Market, Nottingham, the Jewellery Quarter, Birmingham, and The Lanes, Brighton.

The classic dichotomy in arts policy is between inclusion and excellence. The cultural policy dilemma is between cultural excellence and profit. These do not have to be dualisms, but they commonly are.


E-society project: e-clusters in an e-society? Ref: RES 314-25-005

An early form of voluntary social housing financed by the Peabody Trust.

Notorious ‘gangland’ bosses.

The fact that these minor inflections of irony and culture were projected onto a national and international stage is evidence of the ‘reach’ of the cultural transformation (and backlash) that was represented by Hoxton.

Clearly, there is scope to focus a research project entirely on the mobilisation of habitus as Zukin suggests. However, that might be a fruitful focus for future researchers with more substantial resources to support an extensive ethnographic research programme.

This section draws upon empirical material from Harris (2001)

Other development companies later became involved, for example, The Manhattan Loft Company.

For example, the Custard Factory in Birmingham, or the Truman Brewery in Brick Lane, London.

A similar agency set up later.

Although not part of the main narrative in this paper, there is clearly a need for more research into the phenomenon of industrial gentrification.

The term ‘twat’ is an obscene term of abuse but used to indicate dismissivness and disdain for the victim. The reference to Marylebone (a rich, trendy and exclusive shopping area of North London) is that the rich youth are accused of ‘slumming it’ in Hoxton, gaining access to Hoxton through money not artistic merit.

‘Trustafarians’: Upper middle class people who do not have to work for a living, being supported by parental trust funds, so that they can ‘dabble’ in culture. The claim is that it was money not talent that enabled the art practice; and, for the critics, it was also the lack of authenticity of their work and action (a strangely Adorno-like statement for such post-modern times!) that led to them being subjected to derision. It is also a claim that this group were ‘fellow travellers’ rather than ‘originals’ (the local term is ‘cultural, ambulance chasers’; echoing the critique of some legal professionals who prey on the small claims of the poor, who are also termed ambulance chasers).
See previous endnote.

The opening was a major media and (film and music) star-studded event.