

**CONTRIBUTIONS OF VISUAL ARTS SECTOR  
TOWARDS URBAN REGENERATION  
IN PENANG ISLAND**

by

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**Thesis submitted in fulfilment of the requirements  
for the Degree of  
Doctor of Philosophy**

**August 2019**

## ACKNOWLEDGEMENT

Flipping through the pages of this thesis makes me recall all the sweets and bitters that I have went through along the whole journey of my research. That makes me treasure each moment of this long but meaningful learning process. It is totally worthy as another stage of academic achievement as well as personal development. Besides growing elder in age, I have grown more mature in thinking and reasoning along with my PhD study.

The completion of this thesis will never be achieved if without the constructive guidance from my two respectful supervisors, and the kind support by each individual that I have met and approached during the data collection process of this research. First of all, I owe my gratitude to Associate Professor Dr Khoo Suet Leng who has been patiently guiding me through every phase of my research. Her critical but constructive comments on my writing and analytical perspectives had helped me a lot in polishing my writing and analytical skills in research. Based on her expertise in the area of city planning and practical experience in research on ‘creative city’, she liberally shared her knowledge and thoughts with me. That enables me to build up my extensive literature review towards establishing the substantial groundwork or foundation for my research. Her emphasis on the relevance and connections between research findings and literature has effectively guided me through critical relational thinking and reasoning towards presenting my findings and concluding my research. Besides, I am equally indebted to Associate Professor Dr Nurwati binti Badarulzaman as my secondary supervisor who has been always helpful and friendly approachable for consultation at all times whenever

I have doubts and queries about my research. With her life experience, she has been always considerately guiding and motivating me through working out a balance between studies and families. Her continuous moral support has always motivated me to proceed further towards the completion without giving up.

Next, a special thanks that I would like to extend to the government of Malaysia for granting me a scholarship under the program of MyBrain – MyPhD, which had covered the expenses of my study during the beginning three years. Without forgetting, I am greatly thankful to my family members who are always understanding and supportive with my ambition. I am never able to express my gratitude in words for that. Also, I am thankful to my little prince and princess at home for their love and understanding on me, as a busy mother for the past six years.

Last but not least, I would like to thank all my respondents who had been generously sharing their points of view and inputs of constructive feedback on my enquiries during the data collection process for the research. My sincere appreciation goes to each of the key stakeholders including individuals as well as organisations who had been supportive in assisting me to build up my contacts with other relevant stakeholders in Penang's visual arts ecosystem. Also, importantly, thank my own self for persistently working through towards the completion despite the challenges encountered along this long journey of research.

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# **SUMBANGAN SEKTOR SENI VISUAL TERHADAP PEMBANGUNAN SEMULA BANDAR DI PULAU PINANG**

## **ABSTRAK**

Peralihan ekonomi global ke arah fasa pasca perindustrian telah membawa kepada satu tren baru dalam pertumbuhan semula bandar. Bandar kini sedang meneroka strategi untuk mempromosikan pembangunan semula tempatan ke arah kemampanan. Selari dengan peralihan ini, ekonomi berpusatkan kreativiti dan berpusatkan budaya semakin menjadi fokus pada peringkat global, terutamanya selepas konsep 'Bandar Kreatif' menjadi semakin popular. Dengan mengiktirafkan 'seni kreatif' sebagai kunci utama bagi perkembangan industri kreatif atau industri budaya, kebanyakan bandar mulai mengadopsi ataupun mengadaptasi amalan strategi seni. Menurut sorotan karya, pasaran seni yang giat bersama dengan inisiatif seni yang aktif bagi tujuan 'place-making' dapat membantu menghidupkan semula kegiatan kemasyarakatan dan membangun semula daya persaingan ekonomi dalam sesebuah bandar. Walau bagaimanapun, para pengkritik juga menyerlahkan impak negatif yang tidak diingini seperti gentrifikasi, anjakan dan kehilangan keaslian setempat disebabkan oleh pelaksanaan strategi kreatif atau seni yang aktif di sesebuah bandar. Di Pulau Pinang, selepas penyenaian George Town sebagai Bandar Warisan Dunia UNESCO pada tahun 2008, aset seni dan budaya tempatan semakin memperolehi kedudukan yang sah dalam proses pembentukan dasar tempatan ke arah membangunkan Pulau Pinang menjadi sebuah bandar kreatif. Strategi kreatif atau seni boleh membantu mengekalkan daya persaingan Pulau Pinang dengan mengekalkan dan menarik bakat kreatif untuk menyokong pembangunan masa depan. Ini dapat dicapai dengan adanya perancangan

dan pelaksanaan yang wajar. Penyelidikan ini memberi tumpuan kepada sektor seni visual yang merupakan satu kajian kes sektoral yang tergolong di bawah industri seni atau industri kreatif. Ia mengkaji sumbangan sektor seni visual ke arah pembangunan semula bandar di Pulau Pinang dengan menganalisis persepsi pihak berkepentingan (iaitu pengeluar, pemasar, pengguna, dan penyokong). Dengan menggunakan pendekatan penyelidikan gabungan yang melibatkan kaedah triangulasi penemuan daripada analisis kuantitatif serta kualitatif bagi data primer dan data sekunder yang dikumpulkan dari pelbagai sumber, keputusan penyelidikan menunjukkan bahawa sumbangan sektor seni visual Pulau Pinang lebih ketara dari segi memberikan manfaat ekonomi sampingan (*spin-off*) melalui aktiviti seni yang dinamiknyanya. Di sebaliknya, ia kurang bersumbangan dari segi menjana pendapatan secara langsung kepada pengeluar dan pemasarnya. Lebih banyak usaha diperlukan untuk menggalakkan penghargaan seni tempatan demi meningkatkan permintaan karya seni di dalam pasaran. Penyelidikan ini menyimpulkan bahawa perlu wujudnya kerjasama yang berkesan dalam kalangan pihak berkepentingan demi mencapai misi bersama untuk memajukan sektor seni visual di Pulau Pinang sebagai satu industri kreatif yang berpotensi. Selanjutnya, ia dapat memberikan inspirasi kreativiti dan inovasi tempatan demi menjadikan Pulau Pinang sebuah bandar kreatif untuk tujuan pembangunan semula.

# **CONTRIBUTIONS OF VISUAL ARTS SECTOR TOWARDS URBAN REGENERATION IN PENANG ISLAND**

## **ABSTRACT**

The transition of the global economy towards the post-industrialization phase has led to a new trend of urban regeneration. Cities are now exploring strategies to promote place regeneration towards sustainability. Parallel to this, a creativity-centred and cultural-centred economy is increasingly a global focus, especially after the popularisation of the ‘Creative City’ concept. Recognising ‘creative arts’ as one of the keystones of creative or cultural industries, cities began to adopt or adapt art strategy. According to the literature, vibrant art market and active art initiatives for creative place-making could help to revitalise societal vibrancy and regenerate economic competitiveness of a city. Nevertheless, critiques also highlighted undesirable consequences such as gentrification, displacement and loss of local authenticity due to the active implementation of creative or art strategy in a city. In Penang, since George Town’s listing as a UNESCO World Heritage City in 2008, the local arts and cultural assets increasingly gained a legitimate stake in local policy-making towards developing Penang Island into a creative city. Creative or art strategy could help to sustain Penang’s competitiveness by retaining and attracting creative talents towards supporting its future development. This is achievable with careful planning and implementation. This research examined visual arts as a sectoral case study subsumed under the art or creative industries. This study investigated the contribution of the visual arts sector towards urban regeneration in Penang Island by analysing the stakeholders’ perceptions (i.e. the producers, the marketers, the consumers, and the supporters). Using mixed research

methods by triangulating the findings from both quantitative and qualitative analysis on primary as well as secondary data collected from multiple sources, the study revealed that visual arts sector in Penang Island contributed more significantly in generating economic spin-off through its vibrant art activities instead of generating direct income to its producers and marketers. More efforts are required to promote local art appreciation towards increasing demand for artworks in the market. This research concluded that there is a need for effective stakeholders' collaboration in order to achieve shared missions to develop visual arts sector in Penang Island as a potential creative industry. This will eventually help to inspire local creativity and innovation towards making Penang Island a creative city for urban regeneration.

## CHAPTER 1 INTRODUCTION

### 1.1 Background of Study

Due to the evolution of global economic development, cities around the world are now striving to deal with the shift of market demand that mainly caused by the changing lifestyle of people. This shift can be linked to the changing socio-economic paradigms, from agricultural-based to industrial-based and then to knowledge-based (Florida and Tinagli, 2004; see also Durmaz, 2012). The knowledge-based economy also referred to as new economy leads to the knowledge-based urban development with human capital as the engine of economic and social growth (Yigitcanlar, Velibeyoglu & Baum, 2008; Durmaz, 2012). Hence, human intelligence, knowledge, imagination, creativity and innovation are the key driving forces in this new economy age (Landry, 2000; Durmaz, 2012). Today, competition among cities, especially among the developing cities, has become more intensified due to the globalisation effect. In order to grow towards sustainability, cities compete to perform and position themselves at the global platform. Worldwide policy makers and urban planners are seeking for new economic catalyst and viable strategies to regenerate local economies.

Parallel to global shifts toward the people-centred or creativity-centred economy, scholars started to look into and introduce the relevant theoretical or conceptual underpinnings focusing on human's creativity. For instance, Landry (2000) introduced the concept of 'creative city'. Next, Florida (2002) inaugurated the concept of 'creative capital' that emphasises the agglomeration of the 'creative class' that consisting those working in 'creative industries' such as in the fields of architecture, art, design and

media. Both Landry and Florida assert that competition among cities in attracting creative capital is depending on the 'liveability' of a city. It is about its ability to grow, to retain and to deliver quality livings, and eventually building up a sense of community through engagements in creative activities within the city (Florida, 2004 & 2008; Landry, 2006 & 2012a, b). Being a subdivision of creative economy, 'cultural economy' or 'cultural industries' was interchanged with the term 'creative industries' by policy makers (Throsby, 2010). Since art is part and parcel of cultural expressions, art strategy has slowly gained its legitimate stake in policy-making for the development of a creative city. An influential model of concentric circles by Throsby (2008) has identified 'creative arts' (including literature, music, performing arts and visual arts) as the keystone of creative or cultural industries. Art strategy has been widely adopted as a solution for declining industrial cities in Europe, the United States and Australia (Landry, 2000, 2005; Throsby, 2001; O'Connor, 2005; Florida, 2005). The relevant case studies showed that art performs as a driver for economic regeneration and places revitalisation through creative place-making (Shaw, 1999; Throsby, 2008; Pratt, 2009; Markusen & Gadwa, 2009). Furthermore, art also contributes towards social development by rebuilding resilient and inclusive communities through art engagement (Stanziola, 1999; Guetzkow, 2002; Reeves, 2002; Markusen & King, 2003; Arts Victoria, 2008).

Penang, as the second largest conurbation in Malaysia, has faced intense competition to sustain its global positioning. With the emerging new growth cities like Hanoi, Chennai, Guangzhou and Shenzhen, the primary engines growth of manufacturing and tourism in Penang has been decelerating (Kharas, Zeufack and Majeed, 2010). Furthermore, Penang faced issues of human capital retention, especially

the talented youth as many of the best Penang's graduates look for job opportunities elsewhere. Therefore, Penang requires a new regeneration strategy to revitalise its cities, its people, and its economy through a multidimensional approach, in order to reposition Penang amidst the new global trends. Developing the cities, people and economy in tandem could lead to a sustainable, inclusive and rapid development that benefits not just Penang and its environs in the Northern Corridor, but the nation as a whole (Kharas et al., 2010).

Following George Town's listing as a UNESCO World Heritage Site for its prominent value of cultural diversity and living heritage in the year of 2008, the local art and cultural elements began to capture international attention. The stakeholders including the government, non-government organisations (NGOs) and other private sectors working in partnership to nurture the development of local art, cultural and creative economy in Penang. Penang state government has continuously invested financial resources (Lim, 2014, 2015; Invest-in-Penang Berhad, 2014) to support and initiate art and cultural festivals and events in Penang. That boosted the local tourism industry and generated spin-off economic dividends. Through active public engagement in art activities, it also helps to build a sense of belonging and cohesion among local communities. Leveraging the vibrant arts scene in Penang, particularly in Penang Island today, it is the right time to reveal and further develop the potential of local art sectors as a new economic catalyst to build up Penang's creative capital and the city's livability. Hoping that will eventually help to retain and attract the local and global creative talents towards elevating the local creative capacity. The adoption of art strategy in making Penang Island a creative city is in line with the national aim in developing creative



economy. Malaysia's government has been putting efforts to promote, support and facilitate the development of creative industries in the country. For instance, My Creative Ventures Sdn. Bhd.<sup>1</sup> was launched by the Prime Minister in the year 2012, with the allocation of RM200 millions from the 2012 Budget (Ahmad, 2012). Also, the government has initiated the National Creative Industry Grant under the Tenth Malaysia Plan (2011- 2015).

The governments of Australia, United States of America and United Kingdom, which had long acknowledged the power of arts and culture in urban development, have put visual arts as one of their focus of national investment (Alter, 2010; Reeves, 2002; Markusen & King, 2003; Australia Council for the Arts, 2009; Arts Council England, 2013). Also, other countries like Japan, Singapore, Korea, Taiwan, China, Thailand, Vietnam and Indonesia are found actively promoting local visual arts through various art fairs, festivals and events on local, regional, national and international scales. In Malaysia, the development of visual arts originated since the 18<sup>th</sup> century. It was actually started in Penang which was once the main hub for visual arts activities where the international artists and the local pioneers in fine arts clustered (Chew, 1996; Tan, 1996 & 1998; Jamal, 1996; Ooi, 2002). However, along with the process of developing the state's economy, the visual arts sector has never been a focus of the public as well as the private sectors. That scenario has changed after the launching of George Town Festival<sup>2</sup> (GTF) in 2010. The festival has spurred the growth of local art sectors including the

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<sup>1</sup> **My Creative Ventures Sdn. Bhd.** is a government investment arm launched in September 2012 by the Prime Minister, aims to spur Malaysia's creative industry via strategic and innovative funding through debt or equity investments in Malaysian creative companies (MyCreative Ventures Sdn.Bhd. website, [www.mycreative.com.my](http://www.mycreative.com.my))

<sup>2</sup> **George Town Festival** is a month-long celebration of arts, culture and heritage in Penang that funded by the state government to celebrate the anniversary of George Town's World Heritage Inscription (<https://georgetownfestival.com>)

visual arts sector in Penang Island. Furthermore, Penang's street art and public art movement that started since 2009 in the island has not only attracted an influx of visitors but also drawn in many local and international visual artists. These initiatives and activities have progressively entailed the flourishing of visual arts sector in Penang Island. In order to further facilitate the development of Penang's art, the state government's project of developing Penang Arts District aims to consolidate Penang's dispersed art scene and establish Penang as Southeast Asia's regional art centre (Tan, 2017). Looking at the vibrant visual arts<sup>3</sup> scene in Penang Island, this research takes visual arts sector for a case study.

## **1.2 Statement of Problem**

Penang Island is a small island city with its physical constraint for future development due to its scarcity of land and limited spaces available, therefore the viability of the concept of creative city becomes a possible option for urban regeneration towards the sustainable development for Penang Island. The development of the creative economy in Penang Island as a new catalyst in supporting its other main industrial development contribute towards attracting and retaining the clustering of creative talents in Penang Island. Subsequently, this further nurtures the local creative capital and the liveability of Penang Island city. Consequently, this strategy will address the issues of skills migration and brain drain happening in Penang (Kharas, Zeufack and Majeed, 2010).

The initiative to develop creative economy in Malaysia was first noticed during the period of 2008 – 2009 when the first baseline study of Malaysia's creative industries

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<sup>3</sup> Visual arts refers to fine arts objects that consisting of drawings, paintings, sculptures, crafts and photographs (McCarthy, Ondaatje, Brooks & Szanto, 2005; Markusen & Gadwa, 2010)

was conducted and the National Creative Industry Policy (DKIN) was enacted. Due to the broad scope of classification for creative industries, the available baseline findings are insufficient to reflect insights of each specific field or sector. There is still dire need to explore the potential of different creative industries in order to support the actual planning, implementation as well as management of creative industries, focusing on the local contexts and grounding from the ecosystem of the individual sector. Therefore, in-depth case studies on different sectors under the creative industry are necessary to fill the research gap. The findings from the sectorial case studies could contribute towards the formulation of relevant strategies in order to drive the individual sector. That eventually helps to identify the interconnected relationship or dependency of the related creative sectors towards integration for the planning of overarching creative policy.

The potential of the visual arts sector that used to be neglected, especially in underdeveloped and developing countries has recently been spotted and promoted in Asia. Some relate that to the influence by the sudden surge of China's art industry, which has somehow diverted the attention on the Asian art market and sparked the interest in collecting Asian arts (Chng, 2014; Pownall, 2017; Hanson & Duray, 2017). Being an artist, art collector, promoter and also the president of the Penang Art Society (focusing on fine arts), Chng (2014) addressed that the lacking of support and funding from the government is one of the factors that repress the development and flourish of the art industry in a country. While the internal stakeholders (i.e. the visual arts-related institutions, art societies or associations) are striving to promote the growth of the visual arts sector in the country, the continuous support from other external stakeholders is crucial. In particular, Chng (2014) stressed the role of Malaysia's government in

supporting the promotion of Malaysian art locally and internationally through art exhibitions and events in order to sustain Malaysia's art market.

In the wake of investigating the contribution of visual arts sector in Penang Island towards developing or regenerating local economy from the stakeholders' perspectives, this research looks into the existing performances and challenges encountered by the stakeholders involved, including the producers (i.e. the visual artists), the marketers (i.e. art gallerists, art auctioneers/ art curators/managers/agents and others), the consumers (i.e. the art collectors, art appreciators and others) and the supporters (i.e. art associations/societies, government institutions and other relevant organisations). The definition and grouping of the stakeholders are based on the relevant theories about 'stakeholders' as discussed in section 2.7. This study analyses the generation of direct and indirect economic dividends from the sector. Also, it investigates the impacts entailed from the growth of the sector. Based on the findings, this study discusses the practicality of the adoption of art strategy in the local context. Overall, this research attempts to study the readiness and potential of visual arts sector in Penang Island under the classification as a creative industry. The researcher looks into the readiness and forwardness of the people (i.e. the stakeholders involved), the economy (i.e. the local visual arts market, including art collections, art appreciation and learning) and the city (i.e. the local art scene and the supporting infrastructures) in driving the growth of this sector. Furthermore, this research examines the effectiveness of the partnership between the stakeholders, both from the public and private sectors in initiating, implementing, managing and facilitating the overall operation of the visual

arts sector's ecosystem in Penang Island. Specifically, this research attempts to answer the research questions as stated in the following section.

### **1.3 Research Questions**

Based on the concerns as aforementioned in the statement of problem, this research aims to answer the primary question as follows.

#### Primary Research Question:

- How does the visual arts sector contribute towards urban regeneration in Penang Island?

In order to answer the primary research questions, the research posted another three secondary questions that need to be pre-clarified.

#### Secondary Research Questions:

1. What is the profile of the existing ecosystem for the visual arts sector in Penang Island?
2. What are the stakeholders' perceptions of the existing performances and challenges for the visual arts sector in Penang Island?
3. How effective is the partnership between stakeholders from the public and private sectors in driving the visual arts sector in Penang Island?

## **1.4 Research Objectives**

This research aims to explore the potential of visual arts sector under its classification as a creative industry in Penang Island based on the stakeholders' perspective. This could be achieved by studying how it contributes towards local economic regeneration based on the stakeholders' perspective. In specific, the primary research objective is to investigate the contribution of visual arts sector towards urban regeneration in Penang Island. In order to ascertain the contribution of the sector, the research attempts to accomplish the following research objectives.

1. To examine the profile of existing ecosystem<sup>4</sup> for the visual arts sector in Penang Island.
2. To analyse the stakeholders' perceptions on the performances and challenges for visual arts sector in Penang Island.
3. To evaluate the effectiveness of the partnership between stakeholders from the public and private sectors in driving the local visual arts sector in Penang Island.

## **1.5 Research Scope**

This section depicts the scope of the research. The research design is framed in accordance with this established scope.

This research explores the creative city-making theories and concepts (i.e. creative place-making and creative economy/industries), focusing on 'culture-centric' orientation (Smith & Warfield, 2008). Particularly, the scope of the study is on the visual

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<sup>4</sup> Ecosystem refers to the interconnection and network of actors/ individuals that being contextually classified based on their roles or characteristics in which they shared a core or nucleus of a sector of work (Robinson, 2010; Bellavance, 2011; Hernandez, 2015).

arts sector, which is classified as one of the core creative/cultural industries (Throsby, 2008). The study aims to investigate the contribution of the visual arts sector in urban regeneration.

The research study area is Penang Island (Figure 1.1), where the development of visual arts in Malaysia originated (Chew, 1996; Tan, 1996 & 1998; Jamal, 1996). Today, Penang Island, in particularly the inner city of George Town, offers a vibrant art scene showcasing the local arts and cultural elements. Visual arts exhibitions, festivals, events and activities are found clustered within the island where its artistic resonance started dispersing to other areas in Penang as well as to other cities within Malaysia. The fame of Penang's street art is one of the significant examples.

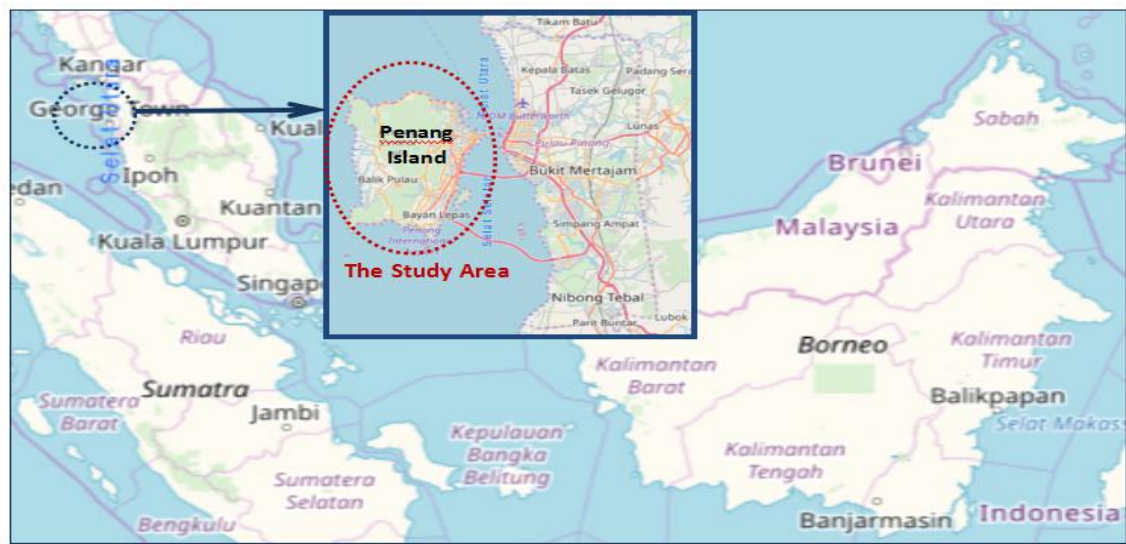


Figure 1.1: Location Map of the Study Area - Penang Island  
(Source: Penang Geographic Information System, PEGIS website, 2019)

For the purpose of this research, visual arts sector is specifically referring to the field of fine arts. The scope of the study covers both the fine artworks seen in the exhibitions as well as in the public places. Understanding from the perspective of the four main target groups of stakeholders (i.e. the producer, the marketer, the consumer

and the supporter), the study focuses on the existing performance and challenge of the sector, based on its operational ecosystem in Penang.

The study investigates both the direct and indirect economic dividends contributed from the development of the visual arts sector in Penang Island. As for the indicators of economic growth, this study looks into the economic benefits of income generation (the contribution to government through taxes, increase artists' or stakeholders' income, and multiplier effects on other industries); job opportunities creation (for artists and other related fields); enhanced quality of living (city's living environment) and human capital development towards better living capability for urban regeneration.

## **1.6 Research Significance**

Working in line with the local government's effort in driving Penang towards the making as a creative city or branding as an art city, this research serves its purpose as a sectoral case study. It is important to have a series of specific case studies from different sectors of the creative industries in order to analyse the actual potential of each sector based on the different ecosystem of each sector. Therefore, this research is timely to scrutinise the potential or contribution of the visual arts sector in developing Penang's economy towards sustainability.

In order to investigate its contribution, this study looks into the profile of the existing ecosystem of the sector, so that to unveil the performances and challenges encountered by the stakeholders. The profile of the ecosystem is vital as a baseline reference for overview understanding of the existing operation as well as the



development of visual arts sector in Penang Island. In view of the dearth of research in this area and looking at its significance for the urban regeneration process in Penang Island by attracting the agglomeration of creative talents including the artists, art lovers as well as art entrepreneurs, through art initiatives, this research attempts to fill the research gap.

This research will contribute as an informative reference for future research in relation to ‘Creative City’, ‘Creative Economy’ and ‘Creative Place-making’, particularly in the visual arts sector, in the context of other cities within Malaysia. Besides, the research findings provide practical implications that are necessary to understand the application and relevance of the related theories (i.e. creative city theories, and place-making theories) and the development strategies (i.e. the creative strategy, the art and cultural strategy). Also, the information about the stakeholders’ performance and challenge from this study will be some helpful inputs to the state government as well as the private sectors. These inputs help the state government in planning guidelines and strategies to manage, facilitate and support the development of the visual arts sector. In addition, these inputs provide some general insights for the private investors or entrepreneurs who are interested in investing in arts and cultural sectors.

## **1.7 Operational Definitions**

This subsection operationally defines the key terms that are used in this research. The definitions are derived from the respective literature that explains the terms (which are

discussed in detail in Chapter 2). The followings state the definitions of the key terms that are adapted to conform to the scope of this study.

“**Creative City**” is referred as a place with the strong flourishing of arts and culture; creative and diverse expressions; inclusiveness; artistry and imagination (AuthentiCity, 2008; Smith & Warfield, 2008). Its creativity is linked to identity, rights, beliefs and community well-being (Smith and Warfield, 2008). This study focuses on the process of creating an attractive sensory cityscape through imagination and thinking in the arts (Landry, 2012).

“**Creative Industries**” in general are classified into different groups based on domains, ranging from arts, culture, copyright, creative production as well as research and development (R&D) (UNDP & UNESCO,2013; CNSLC, 2012). For the scope of this study, it focuses on creative industries that grouped under the domain of the arts.

“**Place-making**” is a process of creating or improving the quality of places within a neighbourhood, community or region, that people want to live, work, play and learn in (Wyckoff, 2014). Being the focus of this research, “**Creative Place-making**” is a process works to institutionalise arts, culture and creative thinking in shaping all aspects of the built environment, including its physical and social character (Markusen & Gadwa, 2010).

“**Visual Arts**”, for this research scope, refers to the art forms, limited to fine arts in drawing, painting, printmaking, photographs, sculptures and crafts. Those arts are created from a suitable medium, technique, process, or technology in a tangible form that appeals to the visual senses (McCarthy, Ondaatje, Brooks & Szántó, 2005; Laws of

Malaysia, 2011). Thus, “**Visual Artists**” in this study is referring to the artists who practising and produce the above-mentioned fine arts forms. “**Visual Arts Market**” refers to fine arts market that involves commercial activities where works or products of fine arts are being traded (bought and sold).

“**Public Art**” is defined based on the local definition by the Public Art Review Panel (PARP) (a special arts committee that set up by Penang’s state government to manage and overlook the creative artworks in the public domain, within the George Town World Heritage Site) (GTWHI, n.d.). “Public Art” refers to art in the form of fine arts that being planned and executed with the intention of being staged in the physical public domain where the public is accessible (GTWHI, n.d.).

“**Stakeholders**” in a process are actors (persons or organisations) with a vested interest in policy that being promoted, who can usually be categorised as legislators/governors; public; labour; commercial/private for-profit; non-profit; civil society and users/consumers (Schmeer, 1999). For this research, “Stakeholders” refers to the four main groups of players who shared a vested interest in the development of visual arts sector in Penang. They are the producers (visual artists and talents); the consumers (art collectors, appreciators and learners); the marketers (art gallerists, curators, agents and related business enterprises); and the supporters (supporting organisations including government institutions, art associations/ societies and private sectors).

“**Ecosystem**” refers to the interconnection and network of actors/ individuals who are contextually classified based on their individual roles or characteristics but among all they shared a core or nucleus of a sector of work (Robinson, 2010; Bellavance,

2011; Hernandez, 2015). “**Visual Arts Ecosystem**” refers to the network of the four main groups of stakeholders (i.e. the producers, the consumers, the marketers and the supporters) who are working together in driving the sector of visual arts.

## **1.8 Organisation of Thesis Chapters**

This section depicts the overall organisation of the thesis. The thesis is structured into six chapters. As an introduction to the research, this **first chapter** addresses the problem statement and specifies the research questions and objectives. It also explicates the research significance, scope of the study and operational definitions of key terms applied.

**Chapter 2** depicts a review of relevant literature in the area of this research. It reviews the concepts as well as the theoretical underpinnings of this study. This chapter concludes by outlining the conceptual and theoretical frameworks for the research.

Subsequently, **Chapter 3** outlines the research methodology and explains the approaches being adopted in this study. It narrates the procedures involved in research design, sampling techniques, data collection and data analysis methods applied. It then explains the limitations and constraints encountered.

In **Chapter 4**, an overview of the development of Malaysia’s visual arts sector is presented. This chapter begins with a definition of ‘visual arts’ in the Malaysian context and followed by an overview of the history and development of Malaysia’s visual arts. It then includes sections that briefly depict the visual arts education and the visual arts (fine arts) market in Malaysia.

Next, **Chapter 5** presents the research findings and discusses the results of the study by sections in answering each research question. Each section ends with a summary of analysis and discussion towards answering the respective research questions.

Lastly, **Chapter 6** sums up the overall study. It begins with a summary of key findings in answering the research questions. It then followed by an account of the researcher's recommendations and the research implications. Finally, this chapter clarifies the limitation of the research and suggests the platforms for future research.

## **CHAPTER 2 – LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviews the literature on relevant concepts and theories pertaining to the areas and scope of this research. It depicts a critical review of the published discourses and findings from relevant researches and studies. In the beginning, it conceptualises globalisation and cities development. Next, based on the current developmental trend, it looks into concepts related to the city's competitiveness and sustainability. These beginning parts specify the related theories that have relevantly led towards the change or trend of the current cities development directions/ focuses/ needs, in which cities started to look into the concept of creative city as an urban regeneration strategy. The subsequent sections focuses on the concept and relevant discourses about creative city. It then followed by an account of urban regeneration, underscoring the art strategy with supporting case studies of the art-led regeneration initiatives in other cities. After reviewing the international literature, this chapter proceeds to overview the adoption of the concept of creative city in Malaysia with a focus discussion about local efforts in making Penang a creative city. Understanding the correlation between the underpinning concepts, theories as well as the interdependent variables or subjects, this chapter concludes with conceptual and theoretical frameworks for the study.

### **2.2 Globalisation and Cities Development**

Today, globalisation has closely connected different parts of the world. In the globalised world, distance has become less of a barrier that limits the transactions or movements of

money, ideas, goods or people from one place to another (Dicken, 2007). Conceptually, ‘globalisation’ implies the processes of global transformation which are generally operating in a multi-layered way, covering of economics, politics, culture as well as the environment, across the international boundaries (Held, McGrew, Goldblatt & Perraton, 1999; Newman & Thornley, 2000). Any event, issue or decision has happened in one city/region on the world will bring significance for the locals as well as communities in the distant regions of the globe. This global phenomenon happened due to the increasing interconnectedness of cities and regions of the world under the cutting-edge development of technology in telecommunications and air transport (Castell, 1996 & 1997; Held et al, 1999; Robinson, 2007) as well as the rise of network society in the late 20<sup>th</sup> century after the processes of ‘informationalism’ (the development of new information technology) and the ‘new economy’ (the new system of ‘information capitalism’) (Castell, 1996 & 1997).

The rise of a global network society rapidly propagates the process and impact of globalisation in worldwide cities. Knox (1998, see Newman & Thornley, 2000) described the ‘world city formation’ as ‘the urbanisation of global restructuring’. This has generated pressures on cities in relation to the planning and management of the social and physical structures as well as the politics of economic positioning (Newman & Thornley, 2000). Towards sustainability, greater challenges lie in the need to integrate local/city economies with the global force or competition, and at the same time, to ensure a solid relationship with its local society and its inherent interests (Borja & Castells, 1997; Newman & Thornley, 2000). McMichael (1996) explained that under this internationalisation drive, national economies have now opened up to global free

market and started focusing on international market instead of the local and national market. Local businesses and industries become increasingly globalised and liberalised, aiming to compete and sustain at the international platform. However, such global pressure in gaining international financial solvency has its costs and undesired consequences such as socioeconomic polarisation, compromising the security of the domestic societies and local production, also threatening of the sustainability of local resources (McMichael, 1996). Besides, some scholars have also negatively related globalisation with the expanding worldwide inequalities, new modes of exploitation and domination, displacement, marginalisation and ecological holocaust (Robinson, 2007).

Overall, globalisation and connectivity reshape the models of production, the modes of exchange, consumption and distribution (Stohl, 2005). Castells (1996) believed that due to that reason, reinterpretation on the links between culture, technology and economy has emerged. Globalisation promoted cross-cultural exchanges among different cities/regions around the world. The means of producing, circulating and exchanging cultural products or processes have been rapidly expanding as well as widely expanded through the advanced new media technologies and today's information revolution (Hall, 1997). Zolberg and Cherbo (1997) described that movement of local value of culture, arts, creativity and innovation has become rather globalised since 20<sup>th</sup> century. He mentioned some examples of art and cultural forms or genres (i.e. hip hop, pop art, jazz, the tango, bossa nova, the modern dance and etc.) that have evolved beyond their roots and become internationally accepted. Similarly, in Malaysia, we see some of our local traditional arts such as *batik*, *wau*, *wayang kulit*, and various local multi-cultural festivals or celebrations have attracted the worldwide audience and market.



However, according to Isar and Anheier (2010), globalisation, on one hand, enhanced the global interaction and understanding between global cultures, but, on the other hand, it challenged the upholding of cultural diversity and preservation of local cultural identity among global cities. Appadurai (1997) stressed on the tension between cultural homogenisation and cultural heterogenisation as the central problem of globalisation.

Looking at the globalised new economic trend, this research looks into the potential of creative arts sector in Penang as a new economic driver to compete among the global cities towards sustainability. Although globalisation brings in intensive competition among cities/regions, it makes artistic works of different peoples, nations and places more accessible to others in the world (Cherbo & Vogel, 2010). This promotes cross-fertilisation of creative expressions and facilitates the formation of creative unions or hybrid of artistic expressions, both locally as well as internationally. Subsequently, this multiplies possible career paths for global artists and creative talents (Cherbo and Vogel, 2010).

Before looking into the creative and arts sectors as the new economic drivers for urban development or regeneration, the next section depicts the existing challenges encountered by cities towards competitiveness and sustainability. Subsequently, the following section discusses further about urban regeneration and identifies some relevant contemporary concepts and strategies for urban regeneration.

### **2.3 City's Competitiveness and Sustainability**

Globalisation has created new opportunities for global cities in development. Positively, the increasing interconnectedness and interdependency between developed countries and

developing countries have enabled developing countries to tap on the world trade market towards enhancing the local growth and solving the poverty problems in the countries (Thirlwall, 2003; Hamdi, 2013). However, negatively, it has also intensified competition among cities. Developing cities are now facing the greater challenge to perform towards sustainability since they need to compete, not only with their counterparts but also with the developed cities.

According to Todaro and Smith (2011), development is a multidimensional process that involves the growth and reorganisation of the entire economic and social systems. They referred measurement of development based on five main criteria: i) monetary or economic growth of a population; ii) change of social system, including reduction of inequality and eradication of poverty; iii) improved capability to function; iv) growth of national income and v) level of happiness or satisfaction of living. Therefore, the development or competitiveness of a city or a nation should have considered both the economic as well as the social or human development perspectives. Based on Foa's (2011) 'spheres of development' (refer to Figure 2.1), which he interpreted as the preconditions for sustainable achievements in development, after the measurement of the economic growth as the first core, next, the human development and followed by the social development should have taken care of. Individuals shift to focus on the social aspect, attempt to empower themselves through norms, networks and civic commitments that enable inclusion and social accountability after they have accumulated material resources (i.e. income as an economic asset) and non-material resources (i.e. literacy, physical health, education and skills as human assets). Ultimately,

social development translates individual economic and human assets into personal welfare (Foa, 2011).

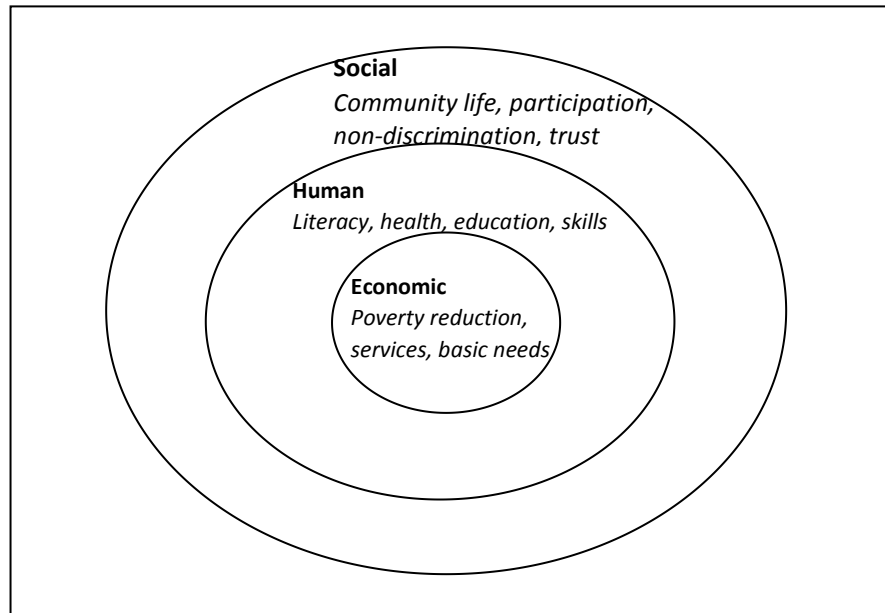


Figure 2.1 Spheres of Development (*Source: Foa, 2011*)

For the international comparison of economic performances, aggregate measures of Gross National Income (GNI) and Gross Domestic Product (GDP) are both widely accepted as indicators of a country's overall economic size and power by summarizing the relative economic well-being of the specific nation (Lim, 1991). Based on the World Bank's data, the World GDP Ranking 2017 ranks Malaysia as 38<sup>th</sup> (recorded total GDP in current prices of USD 314.5 billion) among 192 countries (*World GDP Ranking 2017, 2018*). Comparing with the neighbouring countries such as Indonesia (ranked 16<sup>th</sup>) and Thailand (ranked 26<sup>th</sup>), Malaysia's economic development needs improvement to sustain to compete in the worldwide market.

In terms of the measurement of national socioeconomic development, Human Development Index (HDI) is applied as a composite statistic index for measuring the

performance of the three indicators (i.e. life expectancy, educational attainment (knowledge) and standard of living) that directly enhance human capabilities (UNDP, 2011). Using HDI, countries are ranked into low, medium, high and very high human development nations (UNDP, 2011; Todaro & Smith, 2011:48). Under people-centred development, HDI assesses the richness of human lives, people's choices and chances to engage fully in society (UNDP, 2015). According to the Human Development Report 2016, Malaysia is ranked at 59<sup>th</sup> and classified as a nation with high human development. This ranking is far behind if compared to some other Asian countries such as Singapore (5<sup>th</sup>), Hong Kong (12<sup>th</sup>), Japan (17<sup>th</sup>) and Korea (18<sup>th</sup>, 0.891) which are classified as nations with very high human development (UNDP, 2016).

Towards sustainable development, global cities compete to deal with the shift of economic stage, which has entered into the era of post-industrialisation and the rise of the new economy or more specifically the knowledge economy. After years of competing over economic performances, measured by jobs opportunities, rising incomes, number of corporate headquarters, or the extent of high-tech industries, cities have now shifted their focus on quality daily life (Florida & Small, 2016). Cities started to compete to stand out to attract talents and workforce; to attract investments and to foster a business-friendly environment towards becoming a preferred destination that offers a better quality of living. Florida and Small (2016) highlighted that world municipalities have started investing on place-making for quality-of-place through developing better parks, bike lanes, arts and cultural venues, all to help to draw and retain talents or highly-skilled knowledge workers back to the city towards building economically

stronger communities. Overall, economic, human, as well as social development, are in fact interconnected and functionally interdependent.

Exploring the perspective of developing the quality of place towards city's competitiveness, this research looks into the contribution of the visual arts sector in regenerating local economy through capitalising arts and creativity to revitalise local society and attract creative talents. Eventually that helps building the local competency against post-industrialism towards sustainability. Overall, based on the 2017 IMD World Competitiveness Yearbook<sup>5</sup> Ranking, Malaysia scored lower rank (24<sup>th</sup>) if compared to the previous year (ranked 19<sup>th</sup> in 2016) (IMD World Competitiveness Center, 2017). Thus, in order to develop higher competency of the nation, Malaysia and its cities are required to rethink on practical policies and strategies to help its people dealing with the development challenges.

### **2.3.1 Sustainable Development**

Sustainable development, which is becoming a complex and multidimensional issue (Ciegis, Ramanauskiene & Martinkus, 2009), was first discussed during the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro, Brazil in 1992. After this conference, Rio Principles and Agenda 21 were adopted among the participating countries (Keating, 1992 & 1993) where 27 fundamental principles were agreed internationally due to the interest of all to the integrity of the global sustainable development system.

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<sup>5</sup> **IMD World Competitiveness Yearbook** is recognised as the leading annual report on the competitiveness of worldwide nations, published by IMD World Competitiveness Center (a top-ranked global business school in Switzerland and Singapore) since 1989 (ICEG European Center & IMD World Competitiveness Center, 2016)