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Pop-up Polanyi: Cultural entrepreneurs and the 'vacancy fix'

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ABSTRACT

Gentrification as an urban strategy pivots upon the dual mediation of the city as a site for aesthetic consumption and pleasure, and as a space of potential ground rent. The recent rise of urban regeneration programs that assist small scale cultural entrepreneurs into disused commercial property – 'pop-up shops' – is one example of the convergence of the urban cultural economy and gentrification. This article presents a preliminary explanation of the function of such urban programs through Karl Polanyi's socioeconomic concepts and the case of Renew Adelaide. It is argued that Renew aligns and then stabilises different Polanyian modes of economic integration (reciprocity, redistribution, and exchange), while inducing a partial and temporary de-commodification of urban space. This approach outlines how 'pop-up' programs contain multiple objectives. First, they induce the images of creative city vibrancy that can be folded into contemporary place marketing. Second, they enable celebrated entrepreneurial subjectivities to be performed. Third, they illustrate how 'vacancy fixes' are addressed via small-scale cultural projects supporting land banking for the owners of properties whose rent gaps have yet to be closed. This Polanyian approach explains how the modes of integration undergirding these programs are assembled via an orientation to the real or symbolic processes of gentrification.

1. Introduction

Policies and programmes to foster the urban creative and cultural economy are now a permanent and critical approach to industry formation, job creation, and 'urban imagineering' (Breitbart, 2016; Färber, 2014; Markusen & Schrock, 2006; Pratt, 2010; Raco & Gilliam, 2012; Rekers, 2012; Scott, 2000; Stevenson, 2013; Thiel, 2015). Such 'cultural rebirths' are particularly pertinent to second tier cities which continue to suffer from protracted disinvestment as a result of deindustrialisation (Gertler, 2004; MacLeod, 2013; Paton, 2010). Thus, in the age of post-Fordism, austerity and financialised capitalism, such policies seek to build occupational interdependencies. As a city's creative industries grow, the 'non-creative' service sector grows too (Shutters, Muneepeerakul, & Lobo, 2015; Vanolo, 2015). Beyond the celebrated core creative industries – new media, the performing arts, film, music, design and so on – that attracts most academic interest (e.g. Florida, 2014; Landry, 2012; O'Connor & Shaw, 2014) lies an extensive experiential economy based upon new petit-bourgeois micro-enterprises selling taste, style, and the arts of living well (Bourdieu, 1984; Harvey, 1989; Scott, 2017). Examples include boutique ateliers, niche beauty products and services, glocalised food vendors, bespoke household goods and furnishings, and the ludic pleasures of the night-time economy. By aestheticizing the everyday pleasures of consumption and identity, these micro-enterprises create 'cool', 'hipster' or 'neo-bohemian' urban spaces (Allon, 2013; Lloyd, 2010; Zukin, 2009). However, this emerging cultural economy is frequently a marginal activity. Those actors creating the city's aestheticized goods and services – cultural entrepreneurs (Scott, 2012) – do so in tension with precarious livelihoods, insufficient economic capital for investment, and low returns (Gill & Pratt, 2008; Kong, 2011; McRobbie, 2016; Pasquinelli & Sjöholm, 2015).

One recent example of a policy innovation to facilitate this urban cultural economy is 'pop-up' programs. This is where vacant commercial property is temporarily leased to cultural entrepreneurs (or global brands) who arrange events or open short term stores, bars, restaurants or cinemas (Harris, 2015). Pop-up retailing is now found across cities in North America, Europe, Asia and Australasia and is a part of a noticeable shift to flexible urbanisms (Iveson, 2013; Merker, 2010). Examples of specific programs supporting this pop-up phenomenon include *Meanwhilespace*, *Somewheretodo*, *3space* in the UK; *D:Hive* in Detroit, USA, and *Renew* in Australia. These organisations match cultural entrepreneurs with disused urban space through either short term or rolling rent free leases. Illustrating this trend, cultural entrepreneurs seeking pop-up space are advised to:

Ignore the established neighbourhoods and focus on gentrifying neighbourhoods. These exist on the well-trafficked, young, hip, up-and-coming fringes of the commercial mainstream. Gentrifying neighbourhoods are where trends are set …. (Speilberg, 2016).

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This article develops a preliminary explanation of how aesthetically infused pop-up programs mesh with urban regeneration strategies. Through the work of pop-up programs, we suggest cultural entrepreneurs are actors bringing culturally led regeneration to areas of declining ground rent where there is an oversupply of commercial property. Offering rent free leases may appear to be 'uneconomic', yet landlords willingly participate in these programs as the creative 'buzz', 'atmosphere', and 'image' brought by cultural entrepreneurs carries the potential to increase ground rent for their properties. For owners of properties that have yet to see closures in the rent gap (the difference between existing and potentially higher rents), these small scale pop-up programs then enable land banking, promising the prospect of capital gains sometime in the future.

To do so, we draw on Karl Polanyi's (1957; 1977) socio-economics to explain the systems of exchange that these programs induce, and which operate outside but also intersect with the market system. Such programs can be understood as 'low budget urbanities' (Färber, 2014) for they are not urban mega-projects or bribes to attract corporations, nor do they require large-scale financial investment. Instead they work by transposing the vacancy of urban commercial space into new exchange systems, while bringing together the interests of landlords and cultural entrepreneurs at minimal financial risk for both parties. This 'low budget' entry point then opens out the Polanyian questions of how the 'fictitious commodities' of land and labour become temporarily decommodified at the edges of the market system, and how interlacing modes of economic integration – reciprocity, redistribution, and exchange – come to scaffold the pop-up 'vacancy fix' as a modified form of vacancy management.

This preliminary discussion is informed by the case of Renew Adelaide, Australia. This can be seen as a 'critical case' for it is an exemplar of how 'pop-up'/'vacancy fix' programs operate (Flyvbjerg, 2001, p. 78). Publicly available empirical data drawn from the Renew website, media commentaries and policy documents inform this article (Hakim, 1987; Yin, 2013). This reliance on documents limits the explanatory and analytical scope. Nevertheless, our emphasis is on describing the systems of exchange induced by Renew and we are interpreting these through Polanyi as an initial contribution to more detailed fieldwork. Our concerns are not with evaluating the long term effectiveness of specific programs, providing accounts of the practices of cultural entrepreneurs, policy makers and landlords, or the institutional and economic limitations of the 'vacancy fix' in different cities. Rather, our guiding question is: How can Polanyian approaches inform how, and why, the 'vacancy fix' functions with gentrification strategies?

There are four sections. The first introduces the case of Renew Adelaide and the context of 'vacancy fix' programs. Then a brief outline of managing commercial vacancy via Smith's (1979) rent gap thesis and Polanyi's socioeconomics is introduced. The third section explains how Renew functions through the creation of Polanyian modes of economic integration. The fourth section discusses how Polanyi has affinities with urban assemblage approaches and notes the import for this fusing of cultural and economic gentrification.

2. Renew Adelaide

Adelaide is transforming from the Detroit to the Portland of Australia. Responding to a combination of uneven global economic pressures, a post-mining boom recession and de-industrialisation, South Australia's social democratic Labor Government has sought to foster innovation, enterprise and the cultural economy within a broader suite of entrepreneurial city strategies (Harvey, 1989). These policies include the usual 'eds and meds', flagship stadia and festivalisation models, but also niche food and wine exports through new trade networks into South East Asia, aggressive tourism marketing and airline attraction, military manufacturing and supply, and the rezoning of inner city land to allow the construction of high rise apartments in combination with 'growth coalitions' (Logan & Molotch, 2007). Across these shifting socio-urban dynamics, politicians and policy makers have created the material infrastructure that echoes Richard Florida's creative class policy prescriptions: installing high speed broadband in the city centre, bike lanes, extending tramlines, food-truck licensing, and creative sector co-working spaces. Institutional innovation has also taken place, such as live music promotion (with Adelaide now a conferred UNESCO City of Music), and altered alcohol licensing to allow the opening of boutique bars that symbolise the 'creative city' imaginary. The strategic aim of this suite of 'whole of government' innovations is boosting city centre population density, attracting FDI and tourists, and with it the vibrancy associated with city life and the mobile creative class (South Australian Government, 2017a). Yet, and contra the problems of finding affordable workspaces in first tier global cities (Ferm, 2014), Adelaide's commercial and retail vacancy rates remain the second highest in the nation and finding paying tenants is difficult (Hanifie, 2017).

Renew Adelaide is one component of this policy mix and an example policy transfer, having first been developed in Newcastle, Australia. In 2008, Marcus Westbury – a social entrepreneur and urbanist (see http://www.marcuswestbury.net/about/) - originated the Renew template. Dismayed by the urban decay of downtown Newcastle's heritage buildings, Westbury developed a rent-free rolling lease model in conjunction with land owners, which was simultaneously framed within broad creativity and community development discourses (Munzner & Shaw, 2015). The Newcastle model based on access to 'bricks and mortar' spaces then rolled-out across other second tier Australian cities (Townsville, Geelong), but still implemented by grass roots, not-for-profit organisations (see Renew Australia, 2017), and can be conceived as a contemporary iteration of gentrification processes (Atkinson & Bridge, 2005). In this model, Renew offices are funded through small government grants and private sector sponsorship from real estate agents. These offices act as brokers between owners of commercial property portfolios and cultural entrepreneurs seeking rent-free office, performance or retail space. Cultural entrepreneurs register with the local Renew organisation who then co-ordinate the allocation of commercial space. Access to premises is granted under a few restrictions: although no rent is paid directly, the tenant is obliged to maintain the property; the rolling short-term 30-day leases are terminated if a paying tenant becomes available or if the commercial viability of the Renew enterprise means it can negotiate market rates; and no alcohol licenses are permitted (so there are not many performance/music venues). Like its international contemporaries, Renew aims to inject vibrancy into decaying urban areas while simultaneously inducing new entrepreneurial opportunities and creative communities (Munzner & Shaw, 2015).

In 2010, Adelaide adopted the Newcastle template, initially as a grass roots social enterprise. By 2015, its staff and operational costs were brought into the ambit of the Adelaide City Council and the South Australian state government on a three year funding cycle. Renew Adelaide now has 2000 subscribers to its mailing list and between 40 and 60 properties occupied at any one time. Through applications to listings advertised on its website (see http://renewadelaide.com.au/), Renew administrators assess potential cultural micro-enterprises based on their low cost proposals and alignment with available space. Although the perceived quality of the business idea is important (requiring some subjective assessments on what the cultural micro-enterprise would contribute to the area's urban atmosphere before the commercial viability is assessed), emphasis is placed upon pop-up, minimalist layouts and shop fittings. Applicants are also expected to present a refined and well developed concept that is appropriately budgeted. Once approved, Renew holds the insurance, head licence agreement templates – properties are subleased to applicants – while overseeing compliance, risk management and project support. Using this model, Renew Adelaide works across two urban sites: the city centre and its arcades and laneways, which is the state capital and business centre, and Port Adelaide, a historic area whose economic

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