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Traditions, Entrepreneurship, and Governance: a Comparative Case Study of Cultural and Creative Industry and City's Transformation in Macau and Tallinn

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Abstract

Cultural and creative industry is important drive for the economy, especially in economic crisis and cities' transformation, which have proven by some great cities like London, New York, Brussels, Toronto and etc. Thus, some governments of the world adopted these concepts to transform their cities expectantly by cultural and creative strategies or city plans, it has heightening the hot spot of cultural and creative industry in public, incubating creative entrepreneurs, and accordingly gradually changing the cities' traditions where the culture and creative industry stemmed from.

This paper selects two cities which are in transforming state with active governance to cultural and creative industry. They are Macau and Tallinn located in Asia and Europe respectively. This research explores the interactive effects of tradition, entrepreneurship, creative governance on evolving cultural and creative industry and transforming city. The paper adopts qualitative and quantitative methods together to collect the data such as governmental statistics analysis, participant observing, in-depth interviewing of different groups, and finally comparatively analyzed the first-hand data with constructive grounded theory.

This paper focuses on the four major results. First, transformation is the interaction between the factors of tradition, governance, entrepreneurship, the driving from industry and image. Second, transforming the city is closely related to the ability and model of the governance interacting with the traditions of the city, four outcomes will occur: reform, conflicts, maintenance, balance. Third, entrepreneurship of the city is the key drive for evolving culture and creative industry. Four development models of cultural and creative industry occur: co-government and market-led industry, market-led industry, incompact industry and government-led industry. Fourth, Entrepreneurial spirit is dynamic for city's transformation as four drives: dominant drive, potential drive, scattered drive, stable drive. Finally, city image transformation related closely with evaluation, identification and uniqueness. But the core is identification.

Keywords: City transformation, Governance, Entrepreneurship tradition.

1. Introduction

Cultural and creative industry is important drive for the economy, especially in economic crisis and cities' transformation, which have proven by some great cities like London, New York, Brussels, Toronto and etc. Thus, some governments of the world adopted these concepts to transform their cities expectantly by developing cultural and creative industry. However, as to the definition of the cultural industry or creative industry, there is neither a precise definition nor a consensus yet except the concept. It was first used in Australia in the early 1990s (Cunningham,2007). In United Kingdom it is aimed to economic contribution of commercial cultural production, leisure activities and entertainment as well as the economic potential of many subsidized cultural activities(Foord,2009). 'Creative industry', 'knowledge-intensive industries' and 'cultural industries' are often used interchangeably, which causes a confusion(Levent, Tüzin Baycan ,2011), because there is a big debate about what is and what is not included in the cultural and creative industries(Markusen,2006). The general understanding of creative industry is defined by UNCTAD as "the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs" (UNCTAD,2008). And cultural industries were seen to "...use creativity, cultural knowledge and intellectual property to produce products and services with social and cultural meaning"(UNCTAD,2004).

Different classification criteria and names are used in identifying the scope of cultural and creative industries in different countries and regions based on their cultural tradition, potential superiority, and urban vision. In recent years, the concept of cultural industry shifted to creative industry(Evans, Graeme, 2009), because the latter is more profit-oriented and beneficial for the economy than the former, it covers all enterprises, entrepreneurs and self-employed persons producing, marketing, distributing, and trading profit-oriented cultural and symbolic goods(Kalandides, A., and B. Lange,2007). In this sense, entrepreneurship is key factor for the cultural and creative industry and economy.

In order to maximize it's contribution to economy, some governments launched cultural policies or city plans engaging in stimulating entrepreneurial behavior, creative spaces and agencies are built to foster creativity, innovation and entrepreneurship, which brings the emergence of creative industry park, incubators and clusters where creative practitioners, business are gathered. Cultural and creative industry is seen as an important drive for regenerating the whole city by gentrifying some old districts to creative districts (Zukin,2009).

However, with the 'Culture-led regeneration' and 'city marketing' have becoming the main strategies of cities to heighten the high quality of public(Levent, Tüzin Baycan,2011:33) and promoting cities' brand for tourists, it rises an argument about creativity and urban governance, somehow they are in dualistic opposition.The governments are challenged about whether they have the capacity to ensure the healthy growth of cultural and creative industry without breaking the atmosphere of creativity and market economy. In fact, governance processes can also be regarded as creative learning processes from city's cultural tradition, industry and sustainable transformation, through which some countries have got economic and cultural success in both creativity and cultural policy such as UK, Singapore. A creative governance is also an important driving for the city's competitiveness and transformation.

In this article, the cities of Tallinn (Estonia, Europe) and Macau (China,Asia) are selected from a comparative perspective to explore the relationship between cultural and creative industry and the city's transformation, and discuss the relationship between some important elements: tradition, entrepreneurship and governance. Because both cities have diverse history, culture and politics backgrounds, both cities are devoting to transformation and have their visions as tourist cities, and both governments plough in developing cultural and creative industries, encouraging entrepreneurship, city planning and reconstructing cultural public space during the recent decade. In Tallinn, the phenomenon is defined rather by the notion creative industry; Macau uses the concept of cultural and creative industry. The key transformation vision for Tallinn can be found in the document "*Development Plan of Tallinn 2009–2027*", stating: "*Tallinn is the capital of the Republic of Estonia - a city of multicultural, industrious and creative people, unique cultural sign and seaside gate to the history. Tallinn is internationally attractive destination of visits and a leader of competitive new economy in innovative, balanced and safe urban environment – love from the first sight, active and trustworthy cooperation partner*"(Tallinn City Council,2008), and enhanced in the recent ambition

having acquired the status of *European Capital of Culture in 2011*. For Macau, the transforming vision of “*from a gambling city toward a world Centre of Tourism and Leisure*” (Pacific Asia Travel Association,2012)is part of the important national planning programme of the central government of China to combat the city’s polarized gambling industry and warrant sustainable future of Macau.

2. Theoretical Approach

Though cultural and creative industry has different definition, culture and creativity are important resources for the city’s development which implying in four aspects:(i)they are the new key competitive resources in urban competitiveness(Levent, Tüzin Baycan,2011:15);(ii)they are the economical resource, it can glorify the city and bring the new patterns of cultural consumptions to offer big opportunities for local and regional development(Marcus, Carmen,2005); (iii)they are important image resource, culture and creativity can generates image, creating ‘good image’ through ‘culture turn’(Quinn, Bernadette,2005);(iv) they are driving force for the city’s transformation, “creative industry development is often considered part of the inherent dynamic of urban spaces and urban environments provide ideal conditions – a creative milieu—for cluster development”(Levent, Tüzin Baycan, 2011:23).

Cultural and creative industry has close relationship with the city creative milieu-“a locational hub combining hard and soft infrastructure, acting as a crucible for creative people and enterprises”(Landry, 2000)[21]. The hard infrastructure refer to “classic location factors and includes the labour force, rent levels, availability of office space, accessibility, local and national tax regimes, and other regulations and law affecting the functioning of companies. Nearness to global financial centres, a major international airport, telecommunication services and other service suppliers and clients, and the availability of an international labour pool are also important considerations ”(Musterd et al.2007; Sassen,2001). And “soft infrastructure includes a highly skilled and flexible labour force, a culture of entrepreneurship, a high-quality and attractive lifestyles and/or diversity, a lively cultural scene, the creation of meeting places for business and leisure purposes, education and social support system, research resources and the support of networks and marketing”(Levent, Tüzin Baycan,2011:24). Creative milieu stress specially on the four features as a similar notion “innovative milieu”: information, knowledge, competence, and creation of something new out of storage of these three activities(Törnqvist,1983), social and economic network(Landry,2000), and political mechanism and education(Wu,2005)are also highlighted as important characteristics of creative milieu.

Cultural and creative industry is interdisciplinary industry integrating arts, business and technology and open to trade and exchange(UNCTAD,2004) it can promote local economy by clustering. Clustering is seen as a means of equipping industries or region by local concentration of firms and agglomeration economies(UNESCO,2013). Porter and Stern(2001) pointed out that innovation “take place disproportionately in clusters --geographic concentrations of interconnected firms and institutions in a particular field”(Porter&Stern,2001). Clusters have four functions: (i) it can offer vertically disintegrated network from the firms to foster the local labour market and both together coalesce creative fields,(ii) Clusters can strengthen the interaction between spaces and creativity, it creates affordable space for artists, designer-makers and creative entrepreneurs; it can be as an integrated and transformative process that connects creative and cultural resources in a neighbourhood, district or city to build authentic, dynamic and resilient places; and it is building and sharing knowledge in culture-led regeneration, hence Jones(2007) stressed that spacemaking, placemaking, and building knowledge are crucial elements to strengthen the interaction. (iii) clusters are living places, it is linked to intrinsic quality of the site where creative activities settle and creative people can live, they can find opportunities for cultural and recreational activities and therefore, they can consume; and perhaps also they can “reload their creative battery”(Musterd,S. and Ostendorf. W.,2004). (iv)Cluster also can be understood as ‘path dependence’ in association with ‘soft location factors’ because of historic development path associated with creative activities and creative class(Musterd, S., Bontje, M. A.,2007).

Cultural and creative industry is highly linked and interacted with immaterial assets of the city. It can be shaped by historically developed identity, authenticity and uniqueness of cities, in other words, its cultural heritage, and urban image, locality(Florida,2002). Also in return, it can shape the city’s immaterial value and attract tourists as a destination. many cities are shaping their new identity

by their potentials such as festival, performing and visual arts (Quinn,2005). Richards and Wilson (2006) acknowledge that creativity can add value more easily, allows destinations to innovate new products relatively rapidly, and thus creative resources are more sustainable and more mobile than tangible cultural products

Cultural and creative industry can contribute to build a creative city benefiting to different aspects of the society, such as the communities development, economic innovation, social inclusion and environmental sustainability(Bradford,2004). Objectively, creative industries cannot solve issues of poverty or uneven development of the city single-handedly, but it can promote “the overall creativity of societies, affirming the distinctive identity of the places where it flourishes and clusters, improving the quality of life where it exists, enhancing local image and prestige and strengthening the resources for imagining diverse new futures” and it stimulates “ the emergence of new ideas or technologies, and the processes of transformative change” (UNESCO,2013,21). Specifically it enhances the dynamism, resilience and overall competitiveness of the national economies, and offer opportunities for cross-disciplinary learning to promote innovation in a wide array of occupations and industries(Gertler,2004).

3. Methodology and Method

The paper combines quantitative and qualitative methods together to collect the data. At the first stage, the research adopt quantitative research method to get the secondary statistics documents such as the indicators of economy, tourism statistics and demography etc, it help to find the difference between backgrounds of economy, history and culture, society, politic in Macau and Tallinn which are the important urban contexts for qualitative research.

3.1. Qualitative Method Procedure

The research conducted in Tallinn from April to November,2013, and in Macau from September to December, 2012, and December, 2013 to February,2014.

Four kinds of areas in Macau and Tallinn were visited in the below table 1 : UNESCO heritage area, tourist sightseeing area, creative and special districts and incubator.

Table-1. Observation sites

	Macau	Tallinn
UNESCO heritage area	Two streets zones and 25 venues together	Old town
Tourist sightseeing area	6 hotel and holiday villages with casinos: Wynn Macau, the Venetian Macao, City of Dreams, Galaxy Macau, Hotel Lisboa Macau	11 sightseeing spots: Kadriorg Park, Open Air Museum, Pirita Promenade, Rotermann Quarter, Tallinn Botanic Garden, Tallinn Zoo, Metsakalmistu Cemetery, TV tower, Kumu Art Museum, St. Bridget’s Convent, Song Festival Ground , Kalamaja
Creative Districts or location	6 creative spaces: St. Lazarus Parish, Albergue Scm, Rua do Cunh, Macau creations Ltd., Macau fashion Gallery, Macau museum of Art	4 locations: culture kilometer, Seaplane Harbour, Patarei Prison and Sea Fortress, Telliskivi Creative Hub
Incubator	10 Fantasia-A creative industries incubator	Tallinn Creative Incubator

Festivals (see Table 2)organized by local government, institution, community and private companies at peak tourist season are participant observed, which represent local culture and are important events at the city level.

Table-2. Events for participant observation

Macau	Tallinn
17 th Macau International Trade and Investment Fair (MIF)(18 th to 21 th of October, 2012)	Tallinn Old Town Days festival (3 rd -8 th of June,2013)
59 th Macau Grand Prix (15 th -18 th of November,2012)	Hortus Musicus Summer festival (19 th -22 th of June,2013)
15 th Lusofonia Festival (19 th to 21 th of October,2012)	Õllesummer (Beer Summer)(3 rd -6 th of July,2013)
24 th Macau International Fireworks Display Contest (8 th ,15 th ,22 th , 29 th of September and 1 st of October, 2012)	Medieval Days Festival (4 th -7 th of July,2013)

During or after the observation, some related people are chosen to be interviewed including creative people, creative shops, government departments, creative institutions, residents and tourists. (See Table 3)

Table-3. Interviewees in Macau and Tallinn

Classification	Macau	Tallinn
New creative entrepreneur	1 new creative design entrepreneur	1 new creative photography entrepreneur 1 creative entrepreneurs in creative incubation for three years
Creative shops	2 saleswoman of Macau creations Ltd.; 1 saleswoman of traditional furniture shop; 1 saleswoman of a souvenir shop	1 creative saleswoman in a doll art shop 1 local patchwork artist and saleswoman of Katariina Guild;
Incubator	1 CEO of 10 Fantasia-A creative industries incubator	1 member of management board
Creative institution	The chairman of Movie-Television-Media Association of Macau; 1 organizer of 4th Macau international film	The chairman of Estonian Folk and Craft Union The chairman of Estonian architecture center 1 organizer of XXXII Tallinn Old Town Days Project 1 CEO of Telliskivi Creative City 1 member of the Board of Cultural Cauldron
Governmental department	1 committee member of Macau Cultural Industry Committee	The official of Tallinn City culture and heritage department an official of Tallinn City Tourist Office and Convention Bureau
Residents	1 immigrant who has lived in Macau for 13 years; 1 local teacher in junior school	1 European who has been working in Tallinn for four years 1 local guide 1 local consultant
Tourist	8 tourists from mainland China; 2 tourists from Dubai; 3 tourists from Taiwan; 1 tourist from Hongkong	5Tourists from Finland; 3Tourists from America; 1 Tourists from Russia; 1 Tourists from China; 1 Tourists from Denmark; 2 Tourists from German; 1 tourist from India

4. Quantitive Data Analysis and Results

Theme- 1. Comparison of culture, history and politics of Macau and Tallinn

Table-4. Geographic and demographic indicators of Macau and Tallinn from Year Book 2011-2012

	Macau	Tallinn
Sovereignty	special administrative regions of the People's Republic of China after 1999	The capital of Republic of Estonia
Area(km ²)	29.9(2011)	159.1
Climate	average annual temperature: 21.9 °C	average annual temperature: 5.5 °C
Population (2011)	586,300 (2013-3-31)	426,503 (2013-06-01)
Ethnic composition	Chinese92.3%,Filipino2.7%,Portuguese0.9%, Other 4.1% (2012)	Estonians 52.7%,Russians 38.4%,Ukrainians 3.6%,Belarusians 1.9%,Finns 0.6%,Jews 0.4%,Tatars 0.3%,Other 2.1%(2012)
Main Religion	Buddhism, Catholicism, Protestantism, Islam, Baha'i	Lutheran,Orthodox, Catholics
Economic region	Pearl River Delta	Baltic sea region

Source: Year Book 2012(Macau), Year Book2012(Tallinn), Tallinn city government, DSEC(Government of Macao Special Administrative Region Statistics and Census Service)

Macau

Macau is one of two Special Administrative Region of the People's Republic of China nowadays. But before 1999, Macau existed as a colony of Portugal for more than 450 years. From geographic perspective, Macau lies on the western side of the Pearl River Delta, only 63km near to Hongkong which located on the eastern side, and bordered by Zhuhai city of Guangdong province, therefore its culture, tradition and economy are deeply and strongly tied to the Pearl River Delta circle. And furthermore from political perspective, because *'there was never a massive settlement of Portuguese people, the majority of the inhabitants of Macau are Chinese from mainland China's Guangdong province....most of theses immigrants have strong tie with china'*, (Aris Teon, 2013) and Portuguese language never dominated people's every day life and business except the public sector and official sphere, local people kept the Chinese traditional culture and lifestyle well integrated with Portuguese culture. Those elements formed the distinct integrated culture and heritage of Chinese and Portuguese culture and enabled Macau inscribed on the World Heritage List by UNESCO in 2005.

Nevertheless Macau is still a tiny city, it has only 29.9km² area(2011) and 586,300 population(2013-3-31) and the region comprises Macao Peninsula and two offshore islands connected by reclamation area. Because of the scarcity of land resources, Macau has to seek marine economic opportunity for development. In the earlier period , Macau was the important transfer harbor of sea trade connecting eastern Asia to Europe for Portugal. However, as the economic stagnation and decline of Portugal in the world position, and accompanying with the near city of Hongkong becoming the new centre of sea trade in eastern Asia after the end of 19th century owing to its superior natural harbor and well management, Macau gradually lost the position in sea trade from Asia to Europe. It descend into an entertainment city for businessmen and also had ever have a bad reputation for trafficking of labourers and opiums. Since 1850s gambling was legal in Macau and then Macau was rapidly well known worldwide as the "Monte Carlo of the Orient".

After returning back to the People's Republic of China, in order to further spur local economy, local government and central government of China restarted to evaluate Macau as an entertainment city, in 2002 they broke the monopoly gambling system and opened business units,as a result 3 (later 6) casino operating concessions were imported from America into the gambling competition system. It brought international competition and modern management to Macau. The diverse complexes with casinos, hotels, theaters, restaurants, exhibition halls were built and attracted thousands of tourists from the world. Gambling-leading tourism has got unprecedented success in last decade and

overwhelmingly became the leading economic pillar of Macau. In 2011, gross gambling revenue of Macau has suppressed Las Vegas five times (Rowan Callick, 2012) and Macau expands to be the world's largest casino market.

Tallinn

Tallinn is the capital of the Republic of Estonia and was known as Reval from the 13th century

Table-5. Main economic indicators in Macau and Tallinn from Year Book 2012

	Macau	Tallinn	
GDP	292.09 billion patacas (2011) Approximately 27.2 billion EUR	15.97 billion (2011, Estonia)	EUR
GDP per capita	531,700 patacas (2011) Approximately 49,685 EUR	15,303 EUR (2011)	
Real growth of GDP	20.7% (2011)	7.6% (2011, Estonia)	
Unemployment	2.6% (2011)	12% (Estonia, 2011)	

Source: Year Book 2012 (Macau), Year Book 2012 (Tallinn)

until 1917. Tallinn had ever been the northernmost member of Hanseatic League with prosperous mercantile economy as a harbour city. These built up the foundation of mercantile culture and meanwhile left Tallinn precious medieval culture and heritages which shaped the city's characteristics for the following eight centuries. It has a long occupied history by different empires of Denmark, Germany, Sweden, Russian Empire until 1918. After the short time independence of Estonia from 1918 to 1940, Estonia and Tallinn were occupied by the Soviet Union (USSR) in 1940, and later occupied by Nazi Germany from 1941 to 1944 in the World War II, and then it was annexed to USSR again. Until 1991, Tallinn became the independent capital of the Republic of Estonia. Complex, uncertain and turbulent political history extremely influenced the process of the city's economy, ethnic assimilation, social stability and sustainability, and caused personal uncertainty to the society and future. But from positive perspective, it left diverse cultural heritage with different historic architectures, languages, ethnical cultures, which represented by well preserved Old Town listed as a UNESCO World Heritage Sites in 1997. In 2004 Estonia joined NATO and the EU, which "significantly strengthened Estonia's security" (Estonian ministry of foreign affairs, 2009) and inspired economic, political and cultural Europeanization and Internationalization. In 2011, Tallinn competed to be the European Capital of Culture along with Turku in Finland consolidating its cultural status in Europe, reputation, the pride sense and cultural identity of residents.

From the points of geography and demography, Tallinn has a small population of 426,503 (2013-06-01) with the area of 159.1 km². It is situated on the shore of Baltic sea, and near to Helsinki (the sister city) 83.21 km away across Gulf of Finland. Tallinn has convenient ferry traffic system with Helsinki, Stockholm and Saint Petersburg because of the history and economic contacts, and it also has the convenient traffic system with the other members of Baltic countries Lithuania and Latvia. All those integrated Tallinn deeply into the Baltic Sea economic circle and as the intersection to eastern or western European countries. Similarly, the air transportation also provides close contact with regional cities such as Helsinki, Riga, Stockholm, Oslo, London, Copenhagen, Frankfurt, Moscow, Munich and Amsterdam, which are the top destinations and market shares with Tallinn Airport Ltd. by airlines. (Consolidated Annual report 2012 of Tallina Lennujaam Ltd). Because of the low density of population, Tallinn has abundant well-preserved natural resources for eco-tourism with cultural tourism. In 1990s after re-independence, Estonia adopted liberal economic policy and emphasized industries of information technology, tourism and logistics, which won Tallinn the reputation as a digital cities in the world.

Theme- 2. comparison of Economic backgrounds

Macau

Due to the huge contribution of gambling tourism, Macau's economy depends on tertiary industry overwhelmingly accounting for 93.6% of total GDP in 2011 (See Table 6) after the gradual increasing in the two last decades. Especially net exports and service play an important part of the structure of GDP (See Table 7), among which gaming revenue and gaming leading tourism contributed utmost to the economic growth (See Table 8).

Table-6. Relative importance of tertiary sector in Production-based GDP at basic prices in Macau

Year	% In Total (Macau)	Year	% in Total (Macau)
1991	79.5	2001	87.1
1992	80.9	2002	87.9
1993	82.9	2003	87.2
1994	84.0	2004	88.0
1995	85.3	2005	84.8
1996	85.8	2006	80.2
1997	85.7	2007	80.9
1998	84.5	2008	82.8
1999	84.4	2009	89.1
2000	85.3	2010	92.6
		2011	93.6

Source: DSEC(Government of Macao Special Administrative Region Statistics and Census Service)

Table-7. Structure of GDP of Macau(DSEC)

	2010	2011
Net export goods and services (Exp.minus Imp.)	55.90%	58.80%
Private consumption	22.70%	20.70%
Government final consumption	8.10%	7.40%
Investment	13.30%	13.20%

Source: DSEC(Government of Macao Special Administrative Region Statistics and Census Service)

The prosperous gambling industry enlarged local employment and created massive job opportunities, In 2008, “35% of employment in Macau was directly or indirectly related to the gaming sector” (Kong & Wan, 2011). The real GDP growth was up to 20.7% in 2011, and the unemployment rate was down to 2.6% (see Table 8 and Table 5).

Table- 8. Gambling Tax in public revenue in Macau

Maca u	Gross gaming revenue (Million MOP)	Tax revenue from gaming (Million MOP)	Public revenue (Thousand MOP)	Gaming tax in public revenue
2011	269,058.3 (≈25798.5 million Euros)	99,656.4 (≈ 9555.5 million Euros)	122,972,322 (≈ 11791137.8 thousand Euros)	81.04%
2012	305,234.9 (≈ 29267.3 million Euros)	113,377.7 (≈ 10871.2 million Euros)	129,498,284(≈12 416876.4 thousand Euro)	87.552%

Source: DSEC(Government of Macao Special Administrative Region Statistics and Census Service)

Furthermore, gambling tourism of Macau is benefited from its geographic location and economic type. Depending on the rapid developmental economy of mainland China and the special mysterious gambling attraction, tourists from mainland China, Hongkong and Taiwan comprised the large tourist markets, the numbers of whom occupied 89.2% in total amount of tourists(See Table 10). However, the close geographic locations and convenient traffics enable tourists more selections to live in the near cities and shortened the length of stay in Macau, particularly for domestic tourists, the average length of stay was only 0.87 day in 2012. Though it has enormous tourists numbers, the average room occupancy rate in 2012 was only 83.1%. Moreover with the typical gambling tourism, Macau has only 4% tourists who visiting Macau for business or professionals which deprived the business opportunity for potential industries and risk the local economy.

Tallinn

After independence from 1991, Estonia gets more successful transition than other Baltic neighbors because of the close geographic location to other Baltic sea countries and long term Scandinavian cultural identity and trade cooperation (R.A. Panagiotou,2001), its centrally planned system transitioned to market economy rapidly since mid-1997. Approximately Tallinn created over half of the Estonian GDP(Koovit, 2008). However Estonian economy is extremely open economy, both export and import constitute 91% of GDP in 2011 and 2012. (World bank, 2013), thus it suffered gravely from economic crisis in 2008. Fortunately, Estonia recovered rapidly contributed to the flexible open economy, in 2011, the real GDP growth was up to 7.6%, and the unemployment rate is down to 12%, and Estonia ranked 21st on the Ease of Doing Business Index 2013 by the World Bank Group(World bank, 2013). According to the forecast made by the CEPII, the GDP per capita of Estonia will catch up with the Nordic countries of Sweden, Finland, Denmark, and Norway by 2025(Fouré et al., 2010).

Table-9. Tertiary industry in Estonia

Year	Total GDP at market price (million euros at current prices)	Economic activity of Tertiary industry (million euros at current prices)	% in Total (Estonia)
2007	16069.4	9212.9	57.3
2008	16304.2	9761.2	60.7
2009	13839.6	8418.8	52.3
2010	14305.3	8520.5	53.0
2011	15973.0	9208.3	57.3

Source: Statistics Estonia

The status of Estonia's economy in Europe is closely related to the knowledge economy such as new IT business, E-business, E-bank and E-government system which made Estonia one of the most wired countries in the world(Haas,2006:22), and Tallinn became the incubation base for the the IT start-up and entrepreneurs, for instance the well-known Skype is originated from Tallinn. With improving economical and cultural reputation in Europe and the world, Tallinn attracted substantial tourists from Europe, especially from Baltic countries owing to the close convenient geographic location. The target markets are mainly comprised of Finland, Russia, Estonia, Germany, Sweden, United Kingdom, Latvia, Norway, other countries in total(See Table 10). Eco-tourism and cultural tourism gradually present the attraction for tourists as a vocational destination, but it is strongly influenced by the typical cold and variable climate(average annual temperature is only 5.5 °C), and it leads to the seasonal tourism, for example, the average room occupation rate is only 61.3% in 2012, but in July, it can rise to 83% . It also resulted in difficulties to prolong the average length of tourist's stay only with natural and heritage resources. However, the strong trade tradition and easy business environment provides business opportunities for business tourism, it is the another attraction and potential energy for Tallinn. Nevertheless it should point out that tertiary industry accounted for approximately 60% proportion (See Table 9) but not the main contributor to the GDP growth replaced by the manufacture industry, maybe because main exporters are manufacturing enterprise.

Theme- 3. Comparison of Cultural and creative industry evolving process

Macau

Because polarization of gambling economy in GDP, gaming related crimes and personal and family problems, deteriorating environment, inflationary impacts, (Vong,2009; Gu,2006; Hsu, 2006)

Table-10. Tourism statistics of Macau and Tallinn

	Macau	Tallinn
The Total number of Tourists	2009: 21,752,751 2010: 24,965,411 2011: 28,002,279 2012: 28,082,292	2009 :1,135,500 2010: 1,289,400 2011: 1,498,500 2012: 1,516,900
Primary market(2012)	Mainland China: 60.2% Hong Kong:25.2% Taiwan, China: 3.8% Republic of Korea: 1.58% Japan:1.41% Malaysia: 1.07% Philippines 1.01%, Other countries in total 5.73%	Finland: 39% Russia: 12% Estonia: 10% Germany: 5% Sweden: 4% United Kingdom: 3% Latvia: 3% Norway: 3% Other countries in total: 21%
Length of Stay (days) (2012)	Average length of stay:1.0 Foreign tourist trips: 1.13 Domestic tourist trip: 0.87	Average length of stay:1.76 Foreign tourist trips :1.83 Domestic tourist trip: 1.69
Purpose (2012)	Vacation 61% Visiting Relatives or Friends 7% Business&Professional:4% Gaming: 9% Others :19%	Leisure 76% Business 20% Conference attendance 3% Other purpose 1%
Number of accommodation Establishments(2012)	100 (Hotel 67, Guest-houses 33) (Total 26,069 rooms and 66,577 bed places)	353 (Hotel 57,Guest-houses 296) (Total 7,561 rooms and 15,040 bed places)
Room occupancy rate(2012)	Averagely 83.1% Highest 87.5% in August	Averagely 61.3% Highest 83% in July
Tourism income(2012)	Total:52345.4 million MOP(≈ 5026.12 million Euros excluding the gaming income) Non-shopping income:26678.2 million (accommodation ,catering, traffic, entertainment, etc.) MOP(≈ 2561.60 million Euros) Shopping income: 25667.2 million MOP(≈ 2464.53 million Euros)	Total 928.4 million Euros Foreign tourist:800million Euros Accommodation establishments:102 million euros Cruise traveler 26.4 million euros.

Source: DSEC(Government of Macao Special Administrative Region Statistics and Census Service), Tallinn City Tourist Office & Convention Bureau

induced risk consciousness and worries from residents,local government and central government of China for the sustainability. Mediating the polarized gambling industry , fostering the diverse economy and transforming Macau “toward a world Centre of Tourism and Leisure”(Pacific Asia Travel Association,2012) are written in the national Twelfth Five-year Plan. Cultural and creative industry as potential important alternative economic power emerged in public in 2006 which was proposed by the first chief executive of Macau. After years of preparation, in 2010, government founded Cultural Industry Committee to assist policies making and suggesting strategies . In the same year the Cultural Affairs Bureau formally established the Department for the Promotion of Cultural and Creative Industries and started to organize the database of Macau cultural and creative industry. The classification of Cultural and creative industries of Macau is clarifies and composed of eight sub-sectors: visual art, design, film and video, pop music, performing arts, publishing, fashion, animation(See Table 11), in which visual art and design are breakthrough as the trials.

Table-11. Classification of cultural and creative industry in Macau and Tallinn

	Macau	Tallinn
Name	Cultural and Creative industry	Creative industry
Sub-sectors	Eight sectors: visual art, design, film and video, pop music, performing arts, publishing, fashion, animation	Nine sectors: architecture, audio-visual, design, performing arts, information technology, cultural heritage, art, music, and advertising.

Source: Macao Cultural Affairs Bureau, Estonia Ministry of Culture

The matching financial supports stimulate and promote the education for the industries from Subsidy Programme Series for Macao's Cultural and Creative Industry, Macao Economic Services, Macao Trade and Investment Promotion Institute, Macao foundation, the Science and Technology Development Fund, The Macau Productivity and Technology Transfer Centre, Macau New Technologies Incubator Centre and other departments. Besides these a special Macau cultural industry fund will be applied in the next years specifically for incubating, fostering and promoting and commercializing cultural and creative production. But until now, the official statistics of the practitioners in cultural and creative industry is still not available. In addition, despite of the shortage of land resources, the matching urban spaces for fostering and cultivating cultural and creative industry are partly provided by the government such as Macau 10 Fantasia, which started in 2008, aiming to be a platform to exhibit and promote local culture, art and creative industry. In a new island named Hengqing where is a new land area supported by central government and co-built with the border city of Zhuhai, Macau government plan to build a new bigger cultural and creative industrial park in the future. Corresponding to the enthusiasm, kinds of activities are thriving and the added value of festivals for the tourism are strengthened and rediscovered. Abundant potential events resources (See Table 12) packaged with integrated western and eastern cultural resource are oriented to tourists market, which are greatly contributed to enhance the city image(See Diagram 1). Among them, the events of traditional festival and feast, sports are comparatively popular due to its well preserved traditional Chinese and Portuguese culture and the influence from the fourth East Asia Games which held in Macau in 2005 and left rich sports facilities. From the non-governmental agencies, all kinds of activities continue taking place in Macau, however, festivals in the municipal level are not frequent and there are only 9 festivals in 2013, especially it is worthy to notice that the subsectors of cultural and creative industry are not emphasized and outstood in these festivals(See Table 13), which indirectly reflected not close interaction between cultural and creative industry and city development.

Table-12. Types of events of Macau & Tallinn in 2013

Type	Macau	Tallinn
Festival	9	31
Exhibition	0	3
Sport	5	7
Fair	1	1
Art activities (Musical/ Opera & Ballet/ concert)	0	8
Markets	0	1
Feast	6	0
Procession & Parade	2	1
Contest	1	0
Special Day	2	0
Varia	0	3
total	26	55

Source: Macau Government Tourist Office, Tallinn City Tourist Office & Convention Bureau

Table-13. Number of festival in Tallinn and Macau

Festival	Tallinn	Macau
Folk festival	1	2
Art festival(music, concert, film, design, dance)	19	1
Sport festival(walk festival)	1	0
Literature festival	1	0
Flower festival	1	1
Food festival	0	1
Combination festival	8	4
Total	31	9

Source:Macau Government Tourist Office, Tallinn City Tourist Office & Convention Bureau

Tallinn

After ending long history of occupation from 1991, freedom and democracy of local residents are liberated, Tallinn has been swaggering to build and cherish a new freedom and tolerant urban atmosphere. Moreover, the serious issues about diverse ethnics assimilation, building new national identity, enhancing national confidence and integration into Europe urged Tallinn to “introduce Tallinn and Estonia to the world”, and ‘want Tallinn to be more open to Europe and make all Europeans feel at home in Tallinn”(the application in 2005 of Tallinn – European Capital of Culture 2011). Culture and heritage as root of Estonian identity are strengthen. By this chance, after discussions about the necessity to develop cultural and creative industry in 2003-2004, in 2005 creative industry gained a more active attention in city level. In 2005-2006, first mapping was done by Estonian Institute of Economic Research and finally creative industries of Estonia were classified into nine spheres: architecture, audio-visual, design, theatrical arts, entertainment information technology, publishing, cultural heritage, art, music, and advertising, followed by the Vision of Tallinn as a Creative City in 2008.

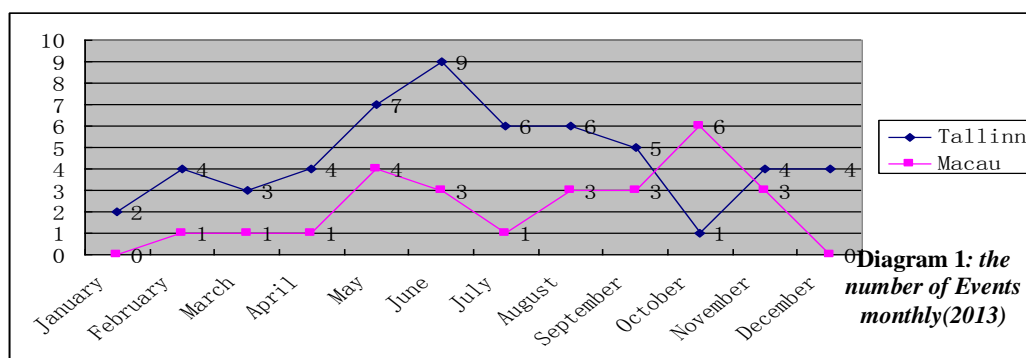


Diagram 1: the number of Events monthly(2013)

In 2009, in order to increase awareness about the potential of creative industries in Estonian economy, Enterprise Estonia established Creative Estonia funded by the European Social Fund. At the same year, Tallinn creative incubator was officially opened in September as one of three enterprise incubators run by the Business Support and Credit Management Foundation(Estonian acronym ESA). In fact, it had already begun to provide support for creative enterprises in 2008. It aims to provide business consultations and training sessions for the creative start up. In 2012, Creative Industries Development Centre also opened in the Creative Incubator which further accelerated creative activities commercialization, internationalization and export. According to the available official statistics, in 2007 Estonia’s creative industries sector comprised an estimated 3% of Estonia GDP(Josing et al., 2005). Though economic crisis in 2008 decreased the creative industry, in 2010 the total cultural employment in Estonia recovered up to 34,500 people and the share of cultural employment in service sector was about 9% which is slightly lower than the highest level 10.4% in 2007(Kommel et al.,2012), but increased rapidly compare to the number of 20,030 in 2003(Josing,2005).

Due to increasing creative practitioners required for more urban space for creative activities and business, some unused space or low-rented space intently began to transform as new creative clusters gathering lots of new creative people such as Telliskivi Creative City which was ever a Baltic

railway factory. Local government was active to promote space transformation for cultural and creative activities such as Tallinn's Culture Cauldron expected to be a *"innovative and international creative industries centre that is open to the general public by redeveloping a former power station to provide public space, space for creative industries, a platform for networks and knowledge for creative activities"* as the project claims in the plan.

According to the plan as the European Capital of Culture 2011, thousands of events took place in Tallinn in the last few years and motivated the city's creative potential deeply. In 2013, 55 events were highlighted from Tallinn official tourism website, in which including folk festival, art festival, flower festival, literature festival, sport festival and combination festival. Among the 31 festivals, art festivals account for the 61.3% in the total excluding the combination festival which also includes many art activities (See Table 12 and Table 13). Besides these, kinds of events not in this list also enriched Tallinn as a creative city.

Summary:

From above, the similarity can be arrived at between Macau and Tallinn.

(i) Coast cities with small population. They are both coast cities and have ever been as an important harbor for trade in their history. In the same way, compared to near cities, they both have smaller population.

(ii) Close regional ties. They are both strongly linked to the regional areas, which reflected in their traffic system mainly providing the service to regional areas. Thus their politic, economy and culture are embed deeply to regional circles. On the one hand, they have to compete with those near cities but on the another hand, more important is to cooperate with them to develop.

(iii) Well-preserved cultural heritage and tradition, they both have long occupied history but preserved and inherited these diverse traditional culture in an excellent condition represented in their heritage of UNSECO. The more subtle ties for them both are European culture though they are located in the different continents.

(iv) Suffered from strong political change, both cities experienced a great sovereignty change in recent three decades, which have been transforming culture, economy and society profoundly and have induced some important social problems but make the city multi-culture.

(v) Risky exogenic economy, they are dominated by import and export economy and highly risked. Tertiary industry played an important role in national economy and especially among which, tourism is considered as one important resource of revenue.

(vi) Bottlenecking tourism, because of rapidly growing tourism, they formed special cities' images recognized in the world, such as medieval town and gambling city, but the quality of tourism and tourist resources are still in bottlenecking stage although they are different in reasons.

(vii) Government-leading cultural and creative industry in infancies. Both local governments are leaders to promote the industry, together with agencies and creative practitioners who are actively to take part in creative economy with series of supports from local government, for example, which greatly boomed local cultural activities in cities's level.

(viii) industrial potential releasing. Tertiary industry is mainly contributor to Macau, but its potential in Tallinn is still under development. Also the potential of cultural and creative industries in Macau is still not clear and need to stimulate and promote.

(ix) Creative clusters emerging. Some idle spaces or new planned spaces are gradually utilized by government or agencies as creative clusters for public and creative practitioners. A lot of activities took place in the clusters and brought more creativity to the city.

Additionally, from those perspectives above, Macau and Tallinn are comparatively different.

(i) Available urban space and natural resources, Macau has only small land resources which limited the scale of the city's future development, however, Tallinn has bigger land square with small population, which enable them enough space to expand the city. Macau is lack of natural resources for tourists, but Tallinn has abundant natural resources which can be transferred to tourist resources.

(ii) Relevance among climate and tourism. Macau provides warm and stable climate for tourists all the year, whereas climate influenced tourism of Tallinn seasonally, this becomes an important bottleneck for the tourism in Tallinn.

(iii) Unique cultural features. Macau merged traditional Chinese culture and Portuguese culture, broadly speaking, it's the integration of European culture and Asian culture. But the history of Tallinn

mainly influenced by different European countries. It represents the integrated culture between Europe.

(iv) Social stability. Macau seldom involved in wars and frequent political conflicts and regime, thus, it keeps stable society. However, Tallinn as the capital of Estonia, experienced complicated regime changes and wars for several times which caused social unrest, until now the ethnic and cultural assimilation are still the difficult questions.

(v) Identification. Because Macau has close ties to their root of Chinese traditional culture and most of residents are Chinese, so Chinese identity are strongly recognized by most residents even though more than 450 years history of Portuguese colony. Conversely, Estonia suffered from the occupation of different countries and cultures and urgently built their own ethnic identity to strengthen social cohesion.

(vi) Economical diversity and risk. Though the GDP, the real grow of GDP, and the numbers of tourists in Macau have exceed those in Tallinn greatly, Macau depends on the single economical model of gambling industry deeply which led to the more risk for future, in converse, Tallinn has diverse economy such as information technology, tourism, logistic, manufacture which can share the risk.

(vii) Feasible development plan for cultural and creative industry. Macau is still in the discussion of cultural and creative industry, the local government built some agencies as platform to improve the brand of cultural and creative industry, but there is no available statistics for the cultural and creative industry. Comparatively, Tallinn has built systemic plan to support the creative industry and engaged in connecting the creativity to market by creative incubator.

(viii) Relevance among activities and cultural and creative industry in the city level. The events emphasized by government in Macau have a weak link to the industries in the classification of cultural and creative industry, but have a strong link to local traditions such as sports, catering culture. However, in Tallinn the event are more than double than that in Macau and strongly linked to the creative industry.

(ix) Motivation for evolving cultural and creative industry. The motivation of evolving cultural and creative industry in Macau is from the economic risk and the purpose for Macau is “toward a world Centre of Tourism and Leisure”. But in Tallinn the motivation came from building the European identity as the words said “*introduce Tallinn and Estonia to the world*”, and “*want Tallinn to be more open to Europe and make all Europeans feel at home in Tallinn*”(Tallinn – European Capital of Culture 2011).

All those differences resulted in the different routes to evolve the culture and creative industry in Macau and Tallinn. The research will explain these difference in the following phases.

5. The Result of Qualitative Research Method

5.1. Coding

The research applies constructive grounded theory to analyze the qualitative data. Because grounded theory are ideal for exploring integral social relationships and the behaviour of groups (Crooks 2001), and it can ‘get though and beyond conjecture and preconception to exactly the underlying processes of what is going on, so that professionals can intervene with confidence to help resolving the participant's main concerns’ (Glaser 1978). After the observation and interview, all transcribed interview text and field notes are openly coded aiming to identify the discrete concepts data. And in axial coding, the open codes which seem interconnected were grouped together to generate tentative statements of relationships among phenomena. And the selective coding was used to integrate and develop the theory of the research in order to discovery the interaction process between different subjects. (see Table 14 and Table 15)

5.2. Data Analysis and Results

Theme- 1. Entrepreneurship

From above, entrepreneurship has five subtheme, which are creativity/innovation, place, commercialism, motivation/needs, and people/human resource. Creativity/innovation means initiative, active participation, strong willing to create new and unique attraction or a new life. But there is no general answer from the respondents in Macau. Some consider creativity is an ability to change the tradition,

Table-14. Summary table of axial coding and selective coding for Macau

Concepts and labels generated from the interview transcripts	Sub-categories	Categories /Themes
Creativity, creation, initiative, participation	Creativity & innovation	
Related location, region, cluster, city district	Place	
Industry, market, investment, profit, products, promotion and communication	Commercialism	
Functional needs, emotional needs, atmosphere needs	Motivation/needs	Entrepreneurship
Different people, personal characteristic, personal qualities, person growth process, workforce, practitioner, type of job, professionalism	People /Human resource	
Knowledge, impression, expectation, reference and comparison	Evaluation	
Acceptance, recognition	Identification	Image
attractiveness, prestige, satisfaction, representative	Uniqueness	
Platform, special chance	Opportunity	
Deficient, faultiness, not plenty	Challenge	
Cooperation, competition, pressure, monopolization	coopetition	Transformation
Interaction, change trend, promotion	Dynamic	n
Geographic and Demographic resources, history and culture, natural environment, Politics, Atmosphere, Tradition	Tradition	
Public resource		
Industry interest , different groups interest	Interest	
Public governance, industry governance	Responsibility	
Government-led, institution, voluntary association	Governor	Governance
Management model, tactics, management effect	Strategy	
Political ideology changed after sovereignty changing	Ideology/value	

“Creativity.....is changing the habit of lifestyle, it you talk about this, Macau is still in the traditional ways”(a resident of Macau) . Some argue that creativity should breakthrough from conservatism but respect tradition,

“I should say in Estonia, in Tallinn, the old architecture and the new contemporary architecture are quite too well respectfully placed by each other..... of course Helsinki is Finnish architecture tradition..... they are very proud of their architecture history.... somehow they think we are crazy, but we are doing care. Now Finnish architecture contemporary in generally maybe more conservative.....”(Chairman of Estonian Architecture Center). Some think creativity is a new governance.

“ I feel it’s a creativity because government can open the office to public in Macau, it can close the relationship between administrative personnel and public, this communication is full of emotion. Not like in mainland China, you can’t visit the government except for your business!” (a tourist from mainland China). Some people argue that creativity is a scarce resource.

“In Macau, there are more than 3000 civic groups who organize activities nearly everyday, originally, it’s creative activities, but it happens everyday, so it becomes ordinary and no creative.....”(CEO, incubator in Macau). Even though different opinions existed, there still has a common view that creativity has attractive function as the statement from a tourist:

“Creativity should be sure to attract tourists, it’s a place where everyone yearn for, if there is no creativity, how can the tourists long for?” (a tourist from mainland China).

The subtheme of ‘place’ refers to some types of locations: geographic location, regional location, cluster, key location, city district which are innate factors and postnatal factors for the city. Among them, surrounding region is special key elements for both cities which can reflect on nearly every aspect.

“I studied in Taiwan and worked in a big design company in Taiwan”;

“I have many customers from Scandinavian, from Sweden, from Finland, even other European countries”;
 “It’s easy for us to visit Macau in one day, just one hour by high-speed rail from Guangzhou”

Table-15. Summary table of axial coding and selective coding for Tallinn

Concepts and labels generated from the interview transcripts	Sub-categories	Categories/Themes
Initiative, creativity, participation, vision-driven	Creativity and innovation	
Geographical location, region, key location	Place	
Business industry, enterprise, commercial activities, market, finance, purchasing power	Commercialism	Entrepreneurship
Social interaction needs, Emotional needs, functional needs, quality needs, atmosphere needs	Motivation/needs	
different groups, Individual characteristics, career, professionalism, the type of job, practitioner, workforce	People/human resource	
Experience, impression, comparison, satisfaction	Evaluation	
Recognition, citizenship, belongingness, national pride, stereotype	Identification	Image
Advantage, significance, representative, authenticity, difference, attractiveness	Uniqueness	
New chance, potential	Opportunity	
Problems, complexity, gap to catch the EU, cyclic tourism, vulnerable, risk	Challenge	
Competition, cooperation	Coopetition	Transformation
Change, flexibility, sustainability, interaction, promotion	Dynamic	
Geographic and demographic, history and culture, natural environment, politics, economy, atmosphere, public resource	Tradition	
Different group interests, commercial benefit	Interest	
Role of government, right, function	Responsibility	Governance
Government, institution,	Governor	
Management model, tactics	strategy	
Obey to rules of market economy	Ideology/value	

“I will be in Finland, there will be the end of one very bigger project where.....we were doing that together”. Besides, cluster is also main factor for fostering entrepreneurship, it’s multifunctional for entrepreneurs,

“You know there is a community and we can help each other”(new entrepreneur, Tallinn), “if they don’t know how to exhibit, we can cooperate with them and support them to finish the whole process”(Assistant of incubator, Macau).

The subtheme of ‘commercialism’ is industry and marketing related, the respondents thought cultural and creative industry highly related to the economy, market,

“We are very business focused for those designers and creative people who have the special talent and they strongly want to be entrepreneurs”(a member of management board in incubator, Tallinn),

“I thought cultural and creative industry must be related to business because it’s industry, it should be related to economy, business and government”(CEO, incubator in Macau). Commercialism has different level in Macau and Tallinn. In Macau, commercial environment is strongly linked to leading gambling industry,

“gambling is also an entertainment culture, I feel this atmosphere is very strong in Macau”, (a tourist) “Macau is too commercial, everywhere you can see handmade biscuits shops, gold shops and casinos”(a tourist). And cultural and creative industry is weak linked with local market and tourism in Macau,

“I have visited many sightseeing sites but never seen the souvenir ofgolden lotus?”(a tourist), “I have ever said there is completely no cultural products except what you have seen some tourist products.”(CEO, incubator in Macau). But in Tallinn the whole process is business orientated, cultural and creative industry is close related with tourism and export.

“In most the best places, town hall square, and Viru street, (Klaas ja), there are a big souvenir shops, they are selling Estonian handicraft.....all those good place, they are for business”(chairman of Estonian folk and craft union),

“After incubation, they are sustainable, they are stronger, they have great jobs and many of them have started exporting their services and products” (a member of management board in incubator, Tallinn).

The subtheme of ‘motivation/needs’ includes functional needs, emotional needs, social interaction needs, integrated multi-needs, quality needs, atmosphere needs. For tourists, they come to Macau and Tallinn have the similar needs: functional needs such as “relax”, “experience a new city”, “shopping”, “knowledge”, emotional needs such as “nostalgia”, “national pride”, “memorial day”, quality needs such as “high-class service”, “gorgeous souvenir” and atmosphere needs such as “quiet”, “romantic”. As for the residents, functional needs such as “convenient traffic system”, “public welfare”, and “quiet” atmosphere are appealed because of the great numbers of tourists crowded in both cities. But in Tallinn social interaction needs shows importance for residents,

“I live outside old town, I also sometimes visit old town with friends. It’s a part, you want to know what’s going on and changes?(European working in Tallinn),

“we have something like hundred fifty events per year. So usually what we want to do is to get more people..... just to check what’s going on”(CEO of Telliskivi Creative City). It’s maybe because the cold weather and frequent technology-based life in Estonia which hinder the social interaction, and more importantly because the historical political influence from the Soviet Union, the society require new energy and change towards tradition.

“Estonian is not so open” and “most of the citizens..... they are quite old people with their special needs, so big dangerous to become very conservative, very close space specialized.....”(a member of the Board of Cultural Cauldron). As to the creative practitioners, both attach more attention to the atmosphere needs such as “international” “modern”, “multi-culture”, but ‘art’ atmosphere were strengthened in Macau,

“Before, Portuguese like buying painting, but now there is no buying atmosphere for painting, now no time to buy”(CEO, incubator in Macau),

“Because there is no art atmosphere, you did not expose to the atmosphere form school, if local has the atmosphere, they can appreciate art products..... we will have opportunity(new entrepreneur, Macau). The reasons maybe come from Macau’s gambling economy tradition and low economy and purchasing ability in colony period.

The subtheme of ‘people/human resource’ refers to different groups such as entrepreneur, pioneer, tourists, residents and related personal characteristic, personal qualities, person growth process. And it also includes career, professionalism, full time or part-time job, practitioner, workforce. The difference between Macau and Tallinn is that in Macau the numbers of creative practitioners is small and not formed to be a workforce market, plus there is no creative commercial environment, creative practitioners have to make creativity as a personal hobby not for business,

“Simply speaking, every creative industry is lack of workforce, let me talk about movie industry first, producer, director, andMacau has nothing”. (CEO, incubator in Macau). It can be explained from the small population perspective, but more importantly from economy perspective due to the rapid developing gambling economy,

“Because rapid developing economy, and then low unemployment, in other word, everyone has a job, so the employer has no choice, whatever, it’s OK to have a worker.....most of limited workforce in Macau go to games enterprises”(a local and immigrant, Macau). The practitioners in both cities have many job roles such as “teacher”, “part-time job”, “working for several concerts”, and they have strong risk consciousness, it implies that engaging in cultural and creative industry is adventurous.

“For example, my collage (a lecture), she has a very small company....they are doing very nice hats, they are selling in Tallinn shops, then our markets for customers for abroad. And they said, that’s ok for me. Because I don’t want take a big risk to pay taxes for those people who work something for me, because sometimes I will not, I can’t sell those and then what to do, and what like this”(a chairman of Estonian folk and craft union). Especially in Macau, compared to working in gambling industry, to be an entrepreneur in cultural and creative industry is not stable,

“If I really fail, I will select a casino to pay off the debt”, economic risk factors aggravates the shortage of human resource in Macau.

Theme- 2. Image

Image has related to three subtheme: evaluation, identification, uniqueness. Evaluation is a process to compare and get an impression with personal knowledge, experience, expectation, satisfaction, like

“So beautiful architecture, I feel I am in a foreign country, but I can’t understand them!”(a tourist from Taiwan, Macau),

“I think they are very familiar to Finnish people. I can’t see much difference ,It is about the same.”(Tourist from Finland, Tallinn). In both cities, the most of evaluation towards city image is referring to the near regions and countries, and other cities where people have ever lived and visited. Regional cities and countries are important and critical references for people to get the impression by comparing their economy, politics, culture, history, education and so on. *“We seldom have academic communication with Macau before, don’t you think so? Mainly with the universities.....in Hongkong, they have close communication with Mainland China.”*(a tourist from Mainland China, Macau),

“I think for relative small town in whichTallinn is compared with other European capitals, it’s quite small but really a lot of things here.”(a European working in Tallinn). Usually people compare Hongkong, Mainland China, Twaiwan to Macau, but in Tallinn, they often compare Tallinn to European countries who are in EU, which implying that cities have to compete in near regions to build their city images because people prone to compare them in similar cultural contexts. And also they have to compete with the negative stereotype from the previous experience and knowledge and offer the new experience for the visitors to reevaluate the city,

“when I was a child, I heard going to Macau is just for casinos and playgirls! I am so young so I can’t go there.....but now Macau is changing to develop entertainment industry, it’s very relax!” (a tourist from Hongkong)

“Positive impression of course , and such kind of impression that they want to return themselves, and give their friends and acquaintances this positive message about Tallinn as, not just as the previous soviet union state capital, but as a fun andlike very open opportunities providing tourist destination.”(an official Tallinn City Tourist Office and Convention Bureau).

The subtheme of ‘identification’ is people accepting and recognizing the city in value and emotion dimension, such as the words are *“belongingness”, “national pride”, “acceptance”, “stereotype”, “recognition”, “citizenship”*. Identifying with the local traditions and economy model can deepen people’s understanding of the city and promote the intimate positive relationship between people and cities, but the city should endeavor to provide convenient and accessible service to enlarge their knowledge and close their culture, which can help to build a strong and long image.

“Churches are very beautiful, but we can only enjoy the surrounding, we go into it just to say, beautiful, but we can’t really understand it, maybe for the architects, they can understand . It’s better for us to visit temples!..... ” (a tourist from Taiwan, Macau),

“we use at least three languages in our materials, programs, it’s English, Russian, Estonian, and.....we are thinking about also taking Finnish language and Swedish language, and sort of German language. On this point, we try to be more international.”(a organizer of XXXII Tallinn Old Town Days Project, Tallinn). Also city should ensure providing positive interaction to satisfy people’s potential emotional and functional demands such as knowledge, relax, shopping and so on, in case people accept the negative images as stereotype,

“I have no much more feeling about this, whatever, I am not local, I don’t understand this culture, I don’t mind they live so close to the Ruins and show their underclothes ! This is maybe their local culture, maybe they always live like that.....”(a tourist from mainland China, Macau). Besides, identification is a kind of driving forces to change depending on the level of culture identity. In

Macau, due to the long history as a colony with strong entertainment and commercial atmosphere, the residents have relative low political, cultural attention to the city,

“Portuguese government, Chinese government, Macau government, or Taiwan government, if they like, I don’t mind whoever manage the Sun Yat Sen Memorial House.” (a resident, Macau), it’s difficult to arrive at consensus about the city’s cultural characteristic.

“Do you mean for the cultural heritage, pride or not? I have no special feeling, it’s OK.” (a resident, Macau), *“Macau has nothing special to buy”* (a local saleswoman, Macau). Thus it brings difficulties for creative practitioners encouraging themselves to intense the locality of cultural and creative industry which is important competitive factors.

“At first, I was shocked, why they use panda? Panda represents Sichuang, it’s not our Macau animal.....at first, we feel fresh, but then after visiting for a short time, no attraction for me.” (a resident, Macau),

“We focus on the foreigners, tourists from mainland China like buying postcards, they don’t like those local design.....because people in mainland china like chasing famous brands, not this local design” ((a saleswoman from mainland China, Macau). However in Tallinn, though they also have the long colonial history as Macau, the residents have strong demands for independence and freedom especially after independence from Soviet Union. Residents have strong national identification, which is not only the appealing for social assimilation, but also a driving force to stimulate creativity and entrepreneurship of creative industry and make the country renew it’s image in the world.

“I know many people who say that if you want to sell the Estonia, one way is to sell that our old traditions, our handicraft and so on.” (a chairman of Estonian Folk and Craft Union),

“If you start watching the shops, you will find a lot of them, so the question is how to get the businessman here not selling Matreshka, but something really connected to the old town.” (a organizer of XXXII Tallinn Old Town Days Project, Tallinn)

The subtheme of ‘uniqueness’ is the city has typical and advantageous characteristics comparing to other cities, which is combinative attractiveness for people motivated by prestige and reputation, representative industry, products, service, brand, celebrity and memorial symbol, authenticity, and aesthetic appearance. In this sense, Macau and Tallinn are both unique cities, Macau has strong gambling atmosphere and casinos, Tallinn is as a medieval city because of the famous cultural heritage-old town which attract a lot of tourists gathering in those special spaces:casinos and old town but indirectly covered the potential of other industries and places.

“I always stay in old town, here I drunk,I don’t drive, just walking,maybe go to one more outside the city” (a tourist from Finland,Tallinn),

“ I came here for old town not for the festival.” (a tourist from Finland, Tallinn).

“From my observation, except the big sightseeing sites, most tourist are in casinos and then do shopping” (a tourist from mainland China), *“ we just want to see the real face of Macau and what the real face of casinos?”* (a tourist from mainland China).

Because resource is concentrated in those special places for tourists, which induces fierce competition in those places and increases the cost of new entrepreneurs.

“ if you heard about this, in the old town, the rent is very high for creative companies, it’s not possible to rent a studio in old town, it’s so expensive, not everyone can afford it.” (new creative entrepreneurs, Tallinn)

And due to lack of mature matching facilities in other places it is difficult to develop into an attractive tourist spot in a short time, which furthermore keep the tourists in those special places. *“They can come to open air museum, but they need to have a transportation, because they can’t walk here, old town is easy because you can walk here, it’s close, it’s beautiful, it’s old, everything is close to each other. So in two hours here, you see so many things. In two hours here, you see too much less outside old townSo if you get better for free, why you should pay for something which is worse”* (a local guide, Tallinn)

“Can you tell me how to go there by bus? I really don’t know how to go except the buses of casinos!” (a tourist from Hongkong, Macau)

Because of the uneven distribution of resources, it also isolates residents from tourists because tourists always have higher purchasing power than local residents.

“But if you are a tourist, you don’t see anywhere, they only go to the old town, they stay in the old town, it’s interesting. You don’t see everything Because locals, they concentrate on certain areas in Tallinn, like this quarter here”(new creative entrepreneurs),

“Casinos are only for tourists, local people is not interested there except working there”(a local, Macau).

Local new creative entrepreneurs have to give up the huge tourism market and choose export, because all good locations in those areas have already being occupied. But the difference between Macau and Tallinn is that in Macau, new creative entrepreneurs are difficult to have entities shops to compete with the commercial shops because of the limitation of land resource and excessive commercialization, hence it’s difficult to cluster by commercial operation. In Tallinn, new creative entrepreneurs can choose lower cost space to move which regenerate the idle spaces, bring the energy to new places emerging some large scale creative clusters and drive the city’s transformation.

Theme- 3. Transformation

Transformation is city’s dynamic change to available tradition based on the analysis of opportunity, challenge, competition. It includes opportunity, challenge, cooperation, dynamic, tradition. The subtheme of ‘opportunity’ refers to the potential possibility, new chance, platform. For both cities, creative practitioners require more opportunities for business. But in Macau, because local cultural reputation long covered by the gambling history and the base of the cultural and creative industry is in infant, they emphasize the opportunity for raising reputation and brand in public and in the international competition. In Tallinn, owing to the creative is oriented at profit, creative practitioners mostly focus on the profit-oriented opportunity.

“What kind of platform I need? Exhibition, activities..... so that many people can take part in and then there is opportunity to make them know me!(a new creative entrepreneur, Macau)

“We need much more tourists who want to buy”(1 local patchwork artist and saleswoman, Tallinn). Both governments expect through cultural opportunities to build a new image, it can be interpreted that political needs, because both cities has experienced sovereign turn and create a new political system and ideology. They are eager to create a new image in the world.

“We wish to change their subjective impression about Macau as a gambling city, in fact, it has existed for hundreds years as what people know, but as a cultural city, Macau has four hundreds years, people don’t know the history of Macau as a place integrated east with west”(1 committee member of Macau Cultural Industry Committee, Macau)

“Of course the Russian media criticize about Estonian that not kind of Russian friendly and such kind of things. We have to fight this image..... But with the western European tourists, this is ... we have this soviet image, a little insecure. But again ,when they come here, they positively surprised, ‘oh, this is really Europe!’”(an official of Tallinn City Tourist Office and Convention Bureau, Tallinn)

The subtheme of ‘challenge’ is the difficulties and problems which the cities faces, it embodies in resources, legal systems, industrial confusion, and economic disparity with surrounding areas and so on, such as *“gap to catch the EU”, “severe shortage of human resources”, “the definition of cultural industries is not clear”*. Macau and Tallinn are facing the similar issues of shortage of human resource resulting time lag in the transformation of urban and industrial development. Macau takes time to foster cultural and creative industry talents, Tallinn takes time to implement planned industrial development and urban transformation.

“everyone has a growing process, every job is a process.....they will grow up.....a lot of things to do, but in such a short time, Macau can’t have these..... I think the cultural industry is changing slowly”(CEO, incubator in Macau)

“That’s difficult to say that many developed countries have a long time to ...for the kind of redevelopment, but we just twenties years ago, and it changed all the economy as well, so I should say that we have this kind of abilitybut it takes time”(The chairman of Estonian architecture center). On industrial development, in addition to human resources and timing, Macau faces more confusion problem of industry. Because local government has adopted the concept of “cultural and creative industry”, although they have defined the industrial classification, non-profit properties of cultural industries and related classification is still controversial which hinders the rapid development of the cultural and creative industry in Macau.

“Culture is now still a unit what’s the relationship with economic is still be discussing, I think we have no strong basis for this industry, the industry is so weak!”(CEO, incubator in Macau). This controversy does not exist in Tallinn, the biggest problem comes from the investment and the market because the local population of small and low purchasing power.

“You know, finding finance to the business, that’s the most difficult thing. You have to have a rich husband or a lot of money(a creative entrepreneur, Tallinn),

“But Estonia is not so rich and it’s very hard for us. Because for example, rich countries.....they may pay more money for those masters that they live there. But in Estonia, the seller traditional handicraft in other regions is very hard because we have not so much tourists in those places, so big people live there, they are not so rich to buy handicraft.” (a chairman of Estonian Folk and Craft Union). In addition, the climate is also a major factor affecting the market and urban development, which is exhibited in the tourism industry relying heavily on seasons and the cold weather prolonging the process of city construction.

The subtheme of ‘cooperation’ is the state of competition and cooperation in the inter-industry, or between industries including competitive pressures state of society, the model of cooperation in industry and practitioners, such as the words “pressure”, “monopolization”, “partner”, “team”, “double-wins”, “sharing the space” and so on. In Macau, the state of competition and cooperation in the society is insufficient. Due to the rapid development of the gaming industry which leads to the lack of human resources and forming a buyer’s market, local young residents endures lower pressure on employment,

“They like to work in casinos regardless of education level, middle, high school, college all people can do to earn more money.....young people have no pressure to find a job.....Or many families have some ancestral shop, so there is not much pressure, whatever, they can earn.....” (a local resident, Macau). And Macau experienced a long colonial history but it stressed the integration and harmony in the cultural conflict and social assimilation, therefore the consciousness of competition which the residents have is not strong. Collaboration between creative practitioners is mainly dominated by the balance of relationships not for the purpose to encourage competition.

“ I think creativity is freedom, they feel so happy to have a platform, we are all good friends.....in Macau, if you have money to buy this artist’s painting but not buy that artist, it’s difficult to balance the relationship!”(CEO, incubator in Macau). In Tallinn, because of the society in transition, residents have strong will to catch up the surrounding developed countries, therefore the society is full of strong sense of social competition and competitive pressures. Instead it promotes traditional independent model of produce and sale changing into the new model of independent produce but cooperative sales, which while maintaining the freedom of independent creation of creative practitioners, more importantly it broadens the market opportunities for the industry.

“Because now my business is growing, so it’s good to have a bigger company or like some partners to share.”(a creative entrepreneur, Tallinn),

“All these workshops are like one organization, everybody separately but together we are like community, we don’t lock the doors between our rooms, we are like one family”(1 local patchwork artist and saleswoman, Tallinn).

The subtheme of ‘dynamic’ is related to interaction, change trend, promotion and Change, flexibility, sustainability such as the words “new added sightseeing sites”, “becoming crowded”, “offer more shops”, “more easy to Macau” , “renew some place”, “importing” and so on. Both two cities are changing, but compared to Tallinn, Macau is undergoing rapid change from landscape of the city to economy, mainly due to closing economic interaction with the surrounding area and more open policy for customs clearance procedures and convenient transportation, which strengthening the links between the regions. But this rapid change has brought a double contradiction: on the one hand soaring visitors to the city who bring profit to local economy , on the other hand tourist have to compete with residents for the limited tourism resources and services.

“ On Saturday, if I call my friends out to have a cup of tea, oh! My god! Full of tourists” (a local resident, Macau),

“We are very envious, comparing to others, eh, it seems every year we have the cash from government, but the big number of visitors directly impact on the convenience of my life..... I need to consider in advance how long should I spend on my next trip, a little pressure for traffic.....”(a local

resident, Macau). Heritage tourism is concentrated in a few spots which drive business for a few blocks but for the overall, it increases the cost of living of all residents ,

" Before 1999, not so many tourists in Macau, we have lower consumption, but now, a lot of tourists, but the rent is increasing, we worried everyday!"(a local saleswoman, Macau). Also due to the convenience of transportation and insufficient developmental resources , it results visitors can leave quickly after the end of the short sightseeing tour and purposive tour.

"We don't like gambling, but there is no other interesting, we plan to buy some biscuits and then will leave" (*tourist from mainland China, Macau*). In Tallinn , the city has relatively slow pace of change , this is not only due to climate impacts and human resources, but also because of the financial lack from government , residents and society,

" Estonia has not yet recovered from the the Soviet Union after the independence"(a tourist from America, Tallinn). Basic public facilities and infrastructure such as, transportation, education are still demanding investment. But the residents have strong motivation to change,

"Yes, it's completely empty, there is not so much happening there. I think the city ,the state of the country, they have to invest in to make it possible for the companies to be seen, to be able to rent office in more interesting area "(*a creative entrepreneur,Tallinn*). In addition, another reason for the city slowly changing is because of over privatization which bring the interest conflicts between private space and public space. The government only has small amount of public resources available for the development, some private spaces related to public spaces are idle, which bound the city and the city falls into a pit of it's own digging.

"It's like unknown facial owners..... it's like a shabby business. You don't know who own the building, So this is very difficult to rent the place for creative companies in old town. That's one reason why there is nothing happened there, because nobody have money to be there." (*a creative entrepreneur,Tallinn*)

The subtheme of 'tradition' is the available resources of cites which include geographic and demographic resources, history and culture, natural environment, politics, atmosphere, public resource.

Both cities are small and have a close interpersonal interaction, they can be called "acquaintances society". And they both have diverse population structure, and deep foundation of traditional culture.

Macau integrated Chinese and Portuguese cultures, in official, it's based on Portuguese culture, but in folk, it's based on the tradition of Chinese culture which reflected in the architecture, language, lifestyle, political system, social atmosphere and so on.

"You can see large churches in Macau, but the temple is very small and much more, they are very close to each other"(a tourist from mainland China) .

So on the surface of the whole society it is geared towards Europeanization "here as abroad," but on values, it still keeps the traditional Chinese culture. Owing to long history of integrating the culture of eastern and western cultures in the long term, it more emphasizes on social atmosphere of harmony and balanced relationships, this concept influences local people from living to political life,

"I think the direct experience is that people get along more cordial"(local, immigrant, Macau). However, this traditional ideas confined openness only to the person who has the identity of Macau. Although Macau government imports varieties of foreign labor and immigrants for the lack of human resources which increases the number of multiple ethnic social service personnel, but the openness of concept not break the limitations,

" Local resident still have the the squire culture, they like to hold together, if you are not the people of Macau, and if you don't follow their ideas, they will collectively put you off and not leave a chance."(*an organizer of film festival, immigrant from mainland china, Macau*). This concept influences cultural and creative industry strongly which indirect result in the limited openness of the cultural and creative industry. *"Also the reason is about the characteristic of local, it's related to the value.....this is so ordinary, that is not serious, they criticize like this"(CEO of incubator, Macau)*. Comparing to Macau, Tallinn has diverse European culture represented by the cultural heritage- old town which is Estonian national pride and emotional symbol locations.

"A lot of state, city government buildings are situated here.....There are a lot of people who remember when the Estonian flag was first put to the house of the parliament which is also situated in old town in the upper town"(an organizer of Tallinn Old Town Days, Tallinn). Tallinn also has excellent traditional culture, folk crafts culture from which creative industries originated. Since

suffered from many countries colonial rule, after independence especially after joining the EU, Tallinn tend to be more freedom, democratic, open, cooperative, diverse and international. “ ”

“we produced many events, of course more than seven thousands with the cooperation with different partners. There were many international productions, co-productions.....we should be publicly, very open and very internationalize.” (a member of the Board of Cultural Cauldron,Tallinn)

The new generation are challenging conservative ideas through the urgent self-reflection which is prompting a high degree of international cooperation of the city and bringing vitality to the progressive economy and changing the local traditions simultaneously.

“We hope that gives Tallinn, let’s say, new attitude or gives Tallinn our new values to be more efficient and more attractive, because they are not just one two products based country.” (a member of the Board of Cultural Cauldron,Tallinn). But in Tallinn the natural resources, public resources are still inadequate developing, because the city is lack of investment and effective governance which results in lower satisfaction of residents to the city such as tourism, security , catering, etc.

“There are not so many good restaurants, things like that. The government is not open enough, help to create new Tallinn, academic should be open to be international, restaurant should be good, and the city should be clean, security, nobody like dirt and chronic”(a local resident, Tallinn)

Theme4: governance

Governance is a management model by government and institution who exert themselves to balance the interests between different groups with the strategy base on their ideology/value.

The subtheme of ‘interest’ is an important factor for governance, especially refers to the governments who have to balance between different groups such as tourist interest, private interest, local public interest, commercial benefit, industry interest and prior interest. For both governments they require not only to balance the interests of multiple stakeholders, but also to balance the interests between industries. But the difference is that government of Macau have to balance the social relationship but government of Tallinn more focuses on the commercial relationship. In Macau, because of close social relationship and easiness to get funding from the government, government have to ensure fairness to distribute the funds, which requires the government to establish a comprehensive and persuasive evaluation criteria to evaluate competition, in this regard Macau government has many limitations.

“I feel unfair because the government pay more attention and money to that movie festival, but we have done this festival for many years which is really good for building the new image as what the government appeals! (a chairman of media Association, Macau),

“There are too many things that can not be broken, a small place where everyone's personal identity are multiple, acquaintances everywhere, it is difficult to break the relationship between such interests group, the interests of the existing relationship between the government and the people, the government and the business community, the government and the residents, the links between government and labor interests, because the government did not want to break.”(a local resident, Macau). In Tallinn, because society is more inclined to adopt the rule of law therefore fundamental relationship between the government and various interest groups is related to economic and urban development, mainly conflicts of interests concentrate on the interests between public space and private space as concerned above, small companies and big corporations, which in turn makes government more active to motivate entrepreneurship behavior and make them competitive by training such as Tallinn incubator.

“you need to have the better taxes for small companies, maybe some special level area with the cheaper rent, for example, you know, because otherwise, the world is only big corporations, big companies and smaller creative business doesn’t have places.” (a creative entrepreneur, Tallinn),

“And we do encourage all of them to think globally, they all start with very small, very often, at the beginning only one people or maybe two, but we encourage them to think globally, because Estonian market is very little.We have Estonian only 1million people. This is not a market”(a member of management board in incubator, Tallinn).

The subtheme of ‘responsibility’ refers to what the governor should do for city and the cultural and creative industry with it’s role, right and function and it also reflects the degree of reliance of the cultural and creative industry on the government. In Macau more expectation are thrown on the government such as quality of life, education, development of new industries, which leads to strong

dependence on the government but the subject of consciousness of cultural and creative industries is under development, thus the cultural and creative industry has weak link with creative economy.

“In fact, the government is also working very hard to support the industry, talent, which involves a more specific industry support, in this regard..... more emphasis has been to provide a platform for the cultural industry. Because cultural industry takes time to success, not just spending a great money then you can develop, the important thing is industry itself to find a suitable market-oriented development path” (a committee member of Macau Cultural Industry Committee)

“Now, 99% cultural activities of Macau is runed by government, it's perfect, I agree to it” (CEO of incubator, Macau). On the contrary in Tallinn, as less government interference in industry governance which formed autonomy and independence of creative industry and emerged some profit-orientated creative clusters. But due to insufficient policies and inadequate financial incentives from government indirectly result in the slow development of the creative industry.

“Some of tenants get some finance from the government. But the area is of course no.....it's called privatization, in Estonia, government support usually is not available for real estate companies. Such as our tenant, the theater get the project, they get the support from the government” (a CEO of creative cluster, Tallinn).

“Of course, they can help me financially, but the proportion is very small, like they give you three hundred euros for catalogue printing. it is poor.....you have to understand it's very small. Everything is very small” (a creative entrepreneur, Tallinn)

The subtheme of ‘governor’ is the person who manage the cultural and creative industry, usually government and institution is the main entities for the development. But as concerned above, in Macau, cultural and creative industry relied on government deeply, most of institutions are as independent nonprofit groups working for the hobbies, therefore, government-led model plays leading role, which formed a top- down industrial development state. However, in Tallinn, financial support and government policy are limited which forced the creative industry practitioners have to depend on themselves, it's the formation of a bottom-up model of industrial development. And the institution plays important role in promoting industrial development.

“We have been established like specific center like design center, architecture center, music center, finance center which are like small roof organizations for creative people and organize events, and trade abroad, organize like participating in fares and in exhibitions, and those things, so there has been some help during last years” (a member of management board in incubator, Tallinn).

The subtheme of ‘strategy’ indicate the management model, tactics and management effect.

Governments and institutions in both cities are adopting a variety of ways to protect cultural heritage, promote urban environment and quality of life such as the words: “control”, “coordination”, “allocation”, “classification”, “maintenance”. They both make efforts to impress tourist and residents but in effect there is a big difference. It can be interpreted because of scientific and normative level of management, but even more importantly because of the cultural heritage is low contributed to tourism in Macau compare to the casinos. For example, Macau and Tallinn both protect the cultural heritage through keeping its authenticity, in Macau there is not as normative tourism management, such as signage, detailed description, tourist flow information services as that in Tallinn, and the cities marketing with cultural heritage is inadequate,

“Cultural heritage? We don't know, every time, we just go around the Ruins of St. Paul's, but we don't know it's Macau 's cultural heritage” (a tourist from Hongkong, Macau). This may be because of cultural heritage in Macau is not the main attraction but gaming industry for tourists, yet it's big attraction for Tallinn, therefore even though Macau has well developed gaming and hotel industry, cultural tourism is still demanding to promote.

The subtheme of ‘ideology/value’ is the ideology or value which potentially direct the governance. Despite government have completely different values, both cities faced difficulties to resolve the core conflicts which caused the objective images of governments. In Macau, due to follow the political ideas of the central China government to build a harmonious society and also Macau has the tradition to be a harmony society. And coupled with the complicated economic and political ties with local residents in an acquaintances society, thus government tends to be conservative and focus on balancing the conflicts of the relationship which caused by economy booming.

“I feel Macau is a place where every one can come, somebody for shopping, somebody for gambling, somebody for the culture, the rich, the poor, the well-educated and not well educated, everyone can find what they demands” (a tourist from mainland China, Macau).

“Government can’t be independent, please look at the Chief Executives, they both have commercial background”(a local resident, Macau).

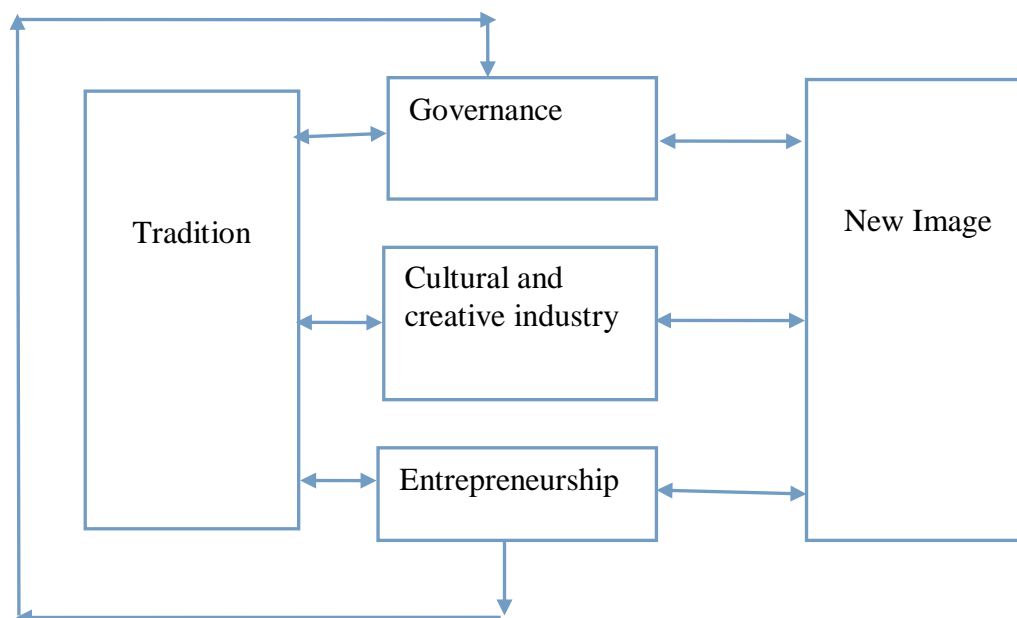
Also in Tallinn, the government reversed property system from nationalization of Soviet Union time after independence, but it reformed the system to be over privatization which greatly weakened the power of the government. When the government is in its efforts to resolve the conflicts of interest between the private spaces and public space, they had to obey to the present law. For creative industries, it over emphasizes on market economy and free competition with less interference on the industry, which contributed to the independence of the industry in this regard, but reduced the government’s capability to regulate the economy. Since these core interest conflicts can not be solved for a long term, it leads to slower implementation of city plan even deadlock which impact the transformation of the city.

“if you renovate the building, if it belongs to the private owner, he will find oh now, I can not get more rent from some other companies who are not creative company any more. So this is actually why the city started to build this cultural cauldron..... And what make it difficult is actually, it’s not only money, but also ownership, because it’s not the city’s territory....it’s like a vision circle, if it starts getting better, then the value of this area rises, and then also other companies will follow and make the projects happen, so right now, there are so many like development plans for the private companies, but it’s like waiting on the paper, they don’t know when it’s the good time to start building it..... ”(an official of Tallinn City culture and heritage department, Tallinn)

6. Discussion

Although there is a big difference between two cities, from the results of quantitative and qualitative analysis, the paper arrives at that: tradition, governance, entrepreneurship, the driving from industry and image are the key elements for city’s transformation. Their relationship is presented as the digram 2.

Diagram-2. City transformation

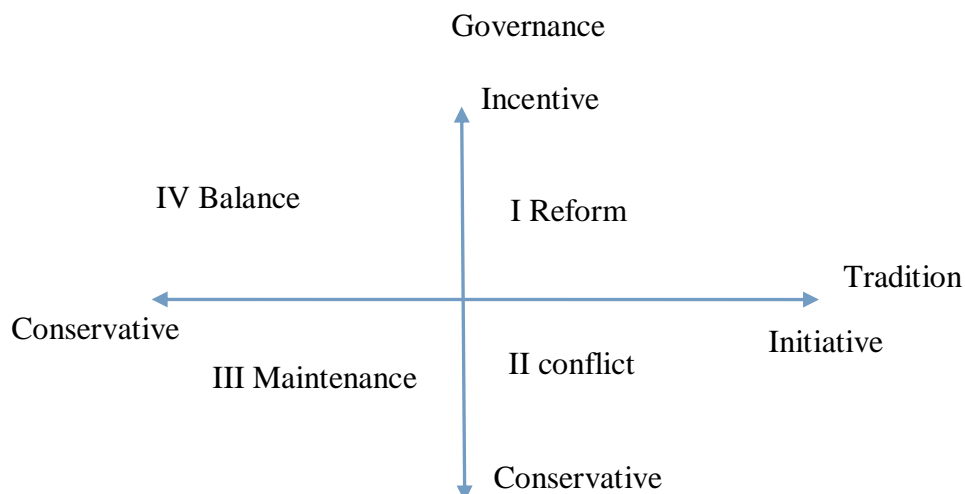


(i) Tradition and governance

The values which grow out from the tradition have profound impact on governance, entrepreneurship, industrial power, the direction of transformation and image of the city, which in turn, step by step, is deepening or changing the tradition of city. Tradition can be reflected in many aspects of politics, economy, culture, atmosphere, people ideas, industries, and its interaction with the surrounding regions. Tradition can promote city from two characteristics: conservative---initiative. Government governance always indicate two attitudes towards tradition: conservative attitude is

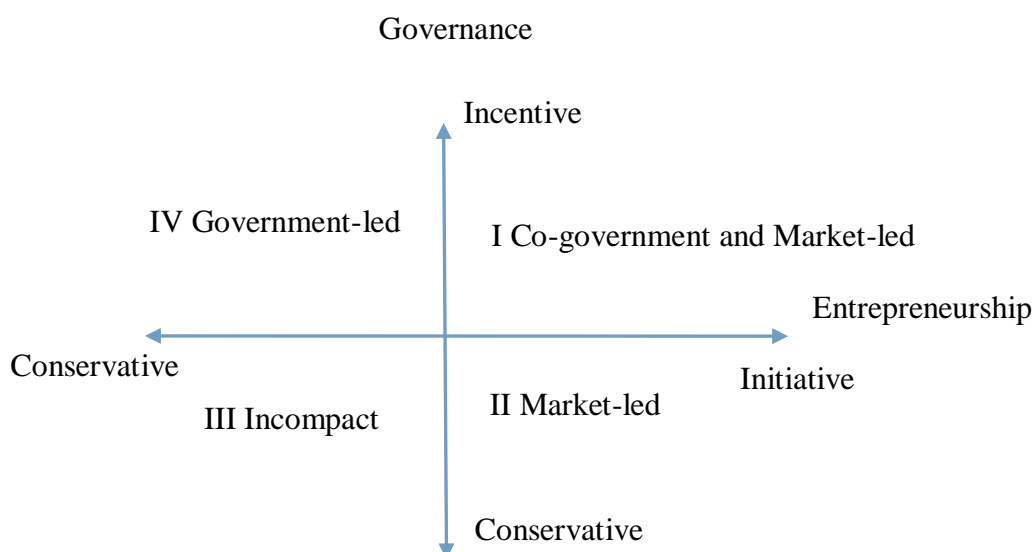
maintaining the original tradition of the city and initiative attitude is aggressively changing old tradition of the city. Four outcomes will occur from the interaction between governance and tradition for the city's transformation: reform, conflicts, maintenance, balance(see Diagram 3). If tradition and governance both tend to be conservative, the status quo will maintain. If tradition tends to be incentive but the governance is conservative,there will be conflicts which should be resolved. If tradition is very conservative but governance is incentive, transformation will focus on the balance. If tradition and governance are both incentive, there will be reform in the transformation.

Diagram-3. Governance, tradition, and transformation



Tallinn and Macau have the similar experience about the change of sovereignty, but result of the transformation is completely different. In Tallinn political changes such as independence and joining European Union brought the atmosphere of freedom and democracy to the city which stimulate the original initiative of tradition, and tradition tends to be changed. But subjected to constraints of the new policy and legal, government has limited capacity to changed the tradition, so governance is the conservative type, which can not fully release creative spirit in the society and induced potential conflicts which slowed urban transformation and should be resolved emergently. For Macau, although economy developed rapidly after sovereignty was turned back to mother land of China, local tradition still tends to be conservative, and the complicated social relations limited governance capacity, governance tends to be conservative, hence it leads to on the surface Macau gets success in economy, but the value, culture and education are still maintained at the original level.

Diagram-4. Development of cultural and creative industry



(ii) Entrepreneurship, governance and cultural and creative industry

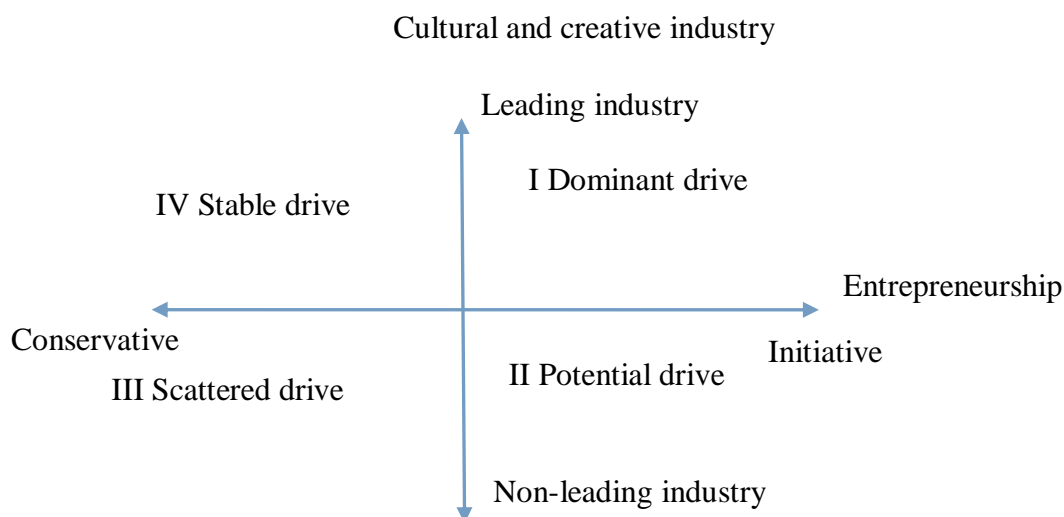
Entrepreneurship is originated from tradition, but affected by the governance equally. From the interaction between entrepreneurship and governance, it can be arrived at four development models of cultural and creative industry from two directions of “conservative--initiative” for entrepreneurship and two directions of “conservation--incentive” for governance: co-government and market-led industry, market-led industry, incompact industry and government-led industry.

In Macau, because of the rapid development of local economy and lower competitive pressures in employment, the new generation of spirit tend to be conservative to be entrepreneurs. But the government engaged in encouraging entrepreneurial spirit to develop cultural and creative industry by financial support, which formed a government-led industrial development model and increased the entrepreneur's dependence on the government, resulting in most of the cultural and creative practitioners just make creation as non-profit works and hobbies, and which also caused the phenomenon that in Macau, cultural activities is prosperous, however cultural and creative industry is still developing slowly. In Tallinn, the local residents have strong market-oriented entrepreneurial tradition and entrepreneurial spirit. Government mainly encouraged creative industry by establishing incubating system for entrepreneurs such as incubator with small financial support. This method is effective not only to train more market-oriented creative talents, but also to enhance the atmosphere of social entrepreneurship.

(iii) Entrepreneurship, cultural and creative industry and city transformation

Entrepreneurial spirit is the driving force to promote industrial development and dynamic for city's transformation. But the city has its own original economic model and leading industries, therefore whether cultural and creative industry has the ability to promote the transformation depends on the economic role of cultural and industry in the cite. Based on the dimension of industry's role and the attribute of entrepreneurial spirit, there are four types of driving force: dominant drive, potential drive, scattered drive, stable drive (see Digram 5).

Digram-5. The drive for transformation



In Macau, the leading industry is gambling-led tourism, and in recent years it appears extreme expansion trends. Casinos provide a lot of cultural services and activities to attract tourists, but local cultural and creative industries is still in infant, and it has weak relationship with the gambling tourism. Government has actively invested to support and stimulate local cultural and creative industries by financial support, reused some idle spaces, built some large-scale public spaces for cultural events. Casino companies also have imported high-class performance to the gambling tourism and there are a lot of activities happening everyday. Even though these enhanced the quality of life for residents, local cultural and creative industries are not developed due to lack of creative talents and

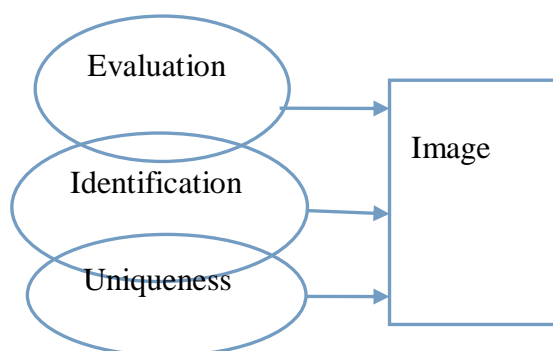
entrepreneurial spirit of the entire city. This drive is scattered drive, so residents and practitioners gave low expectation to rely on cultural and creative industry to transform Macau in a short period.

In Tallinn, although the proportion of tertiary industry in GDP is lower than that in Macau, creative industries and cultural tourism occupied increasingly important positions in the economy, especially cultural tourism is vital to the economy which attract tourists from the world and contribute to city greatly. Creative industry has the economic potential to be one of leading industries in the future. And with the initiative entrepreneurship, creative industry is now driving the transformation of the city from a “potential drive” to “dominant drive”, which can be reflected in gentrification of some districts. On the one hand, the government regenerated and reused some idle spaces such as renovating and transforming the former Soviet factory into cultural tourism sightseeing sites , and strengthened the original construction with ancillary commercial facilities, On the other hand the government targeted to train creative entrepreneurs to lead them to move from the fierce tourists gathering centers and city centers to a low-cost district to open a new market, which drove the occurrence of creative communities and is gradually changing the city.

(iii) Transformation and image

Urban transformation happens always with the change of image which is related closely with evaluation, identification and uniqueness (see Digram 6). But the core is identification. Whoever tourists, residents, creative practitioners and governments, all of them recognize the image of the city from the acceptance of the local identification. Identification can stir the emotion of people to transform the city, it’s the emotional drive such as national pride which is represented in respecting and inheriting tradition, and encourages entrepreneurs keeping close to their culture and turn the emotion to business.

Digram-6. Image



Macau and Tallinn both are experiencing a rapid changing of economy and they both have a well preserved cultural heritage listed in the UNESCO World Heritage List: historic districts of Macau and old town of Tallinn. But the difference is that in Tallinn, cultural heritage is a symbol of national identity which not only reunions the citizens and motivate the national pride, but also promotes the integration between cultural heritage-based tourism and creative industry by city marketing, which further more broaden the brand of city's image. But in Macau, though cultural heritage immerses into peoples’ daily life, tourists, residents, practitioners have lower cultural identification and close emotional relationship to the cultural heritage which does not call out common national cultural pride. Thus, even though the government preserved the cultural heritage well, wich has weak links with tourism. It leads to cultural heritage-based cultural and creative industry hard to develop and the stereotype of Macau as a gambling city is difficult to change.

7. Conclusion

As a conclusion, the paper arrive at four aspects:First, transformation is the interaction between the factors of tradition, governance, entrepreneurship, the driving from industry and image. Second,

transforming the city is closely related to the ability and model of the governance interacting with the traditions of the city, four outcomes will occur: reform, conflicts, maintenance, balance. Third, entrepreneurship of the city is the key drive for evolving culture and creative industry. Entrepreneurship is originated from tradition, but with its interaction with governance equally. Four development models of cultural and creative industry occur: co-government and market-led industry, market-led industry, incompact industry and government-led industry. Fourth, Entrepreneurial spirit is dynamic for city's transformation, there are four types of driving force influencing the city's transformation: dominant drive, potential drive, scattered drive, stable drive. Finally, city image transformation related closely with evaluation, identification and uniqueness. But the core is identification. Identification can stir the emotion of people to transform the city, it's the emotional drive such as national pride and encourages entrepreneurs keeping close to their culture and turn the emotion to business.

This study contributes to ongoing efforts in specific dimensions to explore the practical governance strategy with the comparative perspective. In fact they can learn from each other, Tallinn has got a comparative systematic incubating mechanism to foster entrepreneurship but lack of finance, conversely Macau support the creative entrepreneurs with finance but without a clear strategies to make the cultural and creative industry independent. From a practical perspective, this paper has some implications for practitioners and policy makers to consider the proper strategy. For example, Tallinn can be more initiative and open to adopt some special strategies to attract investment, and Macau can more active to import the experience of entrepreneurship incubation from Tallinn. From an academic perspective, this paper contributes to the literature on urban transformation, entrepreneurship, governance and creative economy, and it explores the key factors for cities which expect to transform them by cultural and creative industry and implies that tradition, entrepreneurship, governance have strong influence on the city transformation. It agrees the ideas of Bradford(2004), UNESCO(2013), Gertler(2004), Zukin(2009) and Florida(2000) that the gentrification can happen and culture and creativity are important method to revival the cities. It can also contribute to analyze the urban transformation from a cross-culture perspective, Macau and Tallinn are both acquaintances society, but Macau has relationship culture as many eastern countries, this is maybe the big cultural factor for the city transformation and evolving cultural and creative industry.

The paper has faced some difficulties in interviewing the creative practitioners and government, there is not equal numbers of interviewee in Macau as that in Tallinn, because the prefect interviewees are not available or disliked to accept the formal interview, this may results in some misunderstanding or bias about the governance and industry. But the data from participant observation and field notes are compiled to the coding system to revise and supply the data to keep close to the original opinion of interviewees. For a instance, a local interviewee spoke in a extreme formal words which looked like the government's report when he faced the recorder, but after the recorder is turn off, he expressed his real idea. Thus this paper also implies the cultural difference for openness of the resident, government and creative practitioners who lives in the cities and it will contribute to deeply explore the relationship in openness, tradition and transformation. Besides these, some interviewees concerned the regional development for the city's development such as "*Macau's transformation depends on the regional development*", this is also the key factors, but the paper focuses on the inner power of the city, it's deserve to investigate the outer power in the following research.



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