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## CULTURAL AND CREATIVE INDUSTRIES (CCI) AND SUSTAINABLE DEVELOPMENT: CHINA'S CULTURAL INDUSTRIES CLUSTERS\*

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**Abstract.** The cultural and creative industries link the traditional knowledge to the ultimate consumer in their capacity to serve both cultural and economic objectives. In this regard, the cultural and creative industries can be seen as consistent with the sustainable development paradigm. Cultural industries cluster is playing an increasingly important role in the development of Chinese cultural industries. This article looks at the Cluster Development Strategy of Chinese Cultural Industries and tries to draw a map of cultural industries clusters in Beijing according to the data gathered from 19 cultural industries clusters in Beijing. With the clusters as a case study, we argue that in the course of development clusters are weak in production research and innovation, combined effect and public service although there is much achievement. At last, the suggestions to promote the sustainable development of cultural industries clusters will be discussed.

**Keywords:** sustainable development; cultural and creative industries; cultural clusters; cultural system reform

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### 1. Introduction

The last forty years interest in the economic objectives of cultural policy have been increasing. In the focus has been directed to development of cultural and creative industries at local and regional level in Europe and over the world. Reflecting to the those processes the European Commission released a paper entitled *Unlocking the*

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*Potential of Cultural and Creative Industries* in 2010, in which it is formulated what strategies, specific tools and partnerships facilitate regional development and trigger spillover effect of cultural and creative industries (CCI) in Europe (European Commission 2010).

*Role of culture in sustainable development policy: cultural and creative industries.* The paradigm of the centrality of economic growth (based on measuring only material gains) in development policy was shifted to broader (human-centred) notions of development (expanding to such aspects as health status, literacy levels, access to education etc.) This shift was accelerated by UNDP's *Human Development Reports*, which began publication in 1991 by the works of economist Amartya Sen, who characterised development as "human capability expansion", i.e. enhancement of capacities of people to lead the lives like they desire, including access to cultural resources and cultural participation. The role of culture in development policy thinking was brought into focus by the World Commission on Culture and Development (WCCD 1995). The Commission pointed to the cultural dimensions of a human-centred development paradigm and proposed placing culture in the centre of human-centred development paradigm. UNESCO elaborated these questions in *World Culture Reports*, published in 1998 in 2000 (UNESCO 1998, 2000). The concept of cultural and creative industries has provided a new approach for cultural policy: it was recognised that work of creators and artists allows to generate significant levels of both tangible and intangible cultural capital. It was recognized that national economies can produce creative goods and services for domestic and international markets. This approach towards cultural and creative industries interpret the role of culture in economic development. For CCI it opens a possibility to develop with recognition being one of driving forces of economic development, what means that CCI and economic development is interrelated (UNCTAD 2008).

Significant contribution to understanding of the role of the cultural and creative industries in economic development was done by Culture Unit in UNESCO's Bangkok office report (Jodhpur Initiatives 2004) and UNCTAD's Creative Economy Report in 2008 (UNCTAD 2008). Both reports treat traditional knowledge and distinctive cultural practices as fundamental resources on which CCI depend. The transformation of traditional knowledge into creative goods and services reflects significance of the cultural values for separate country. At the same time, CCI goods and services have economic potential. The essential feature of the cultural and creative industries that links the traditional knowledge, at one end of the chain, to the ultimate consumer, at the other end of the same chain, is their capacity to serve both cultural and economic objectives in the development process. In this regard, the cultural and creative industries can be seen as consistent with the sustainable development paradigm for policy formulation in the developing world, because these industries bring together economic and cultural dimensions of development within holistic policy framework (Strazdas et al. 2015).

The concept of "sustainable development" took more substantial shape in 1987 report of the World Commission on Environment and Development *Our Common Future*, which defined sustainable development as "development that meets the need of the present without compromising the ability of future generations to meet their own needs" (WCED 1987:43). Integration of culture into development process was recognized in the Cultural Diversity Convention in two of its Articles: in Article 2, para, 6 on *Principle of sustainable development* and Article 13 on integration of culture in sustainable development (UNESCO 2000). While adapting these principles to define *culturally sustainable development*, it is possible to identify close connected economic, social, cultural and environmental systems, based on holistic approach, recognizing interconnectedness between economic and cultural development. The best way for introducing culture into the development policy agenda is by demonstrating how the cultural and creative industries can contribute to sustainable development through the contribution that cultural production, dissemination, participation and consumption make to economic growth, cultural enrichment and social cohesion. Such an approach does not imply that economic objectives should take the pas of cultural ones. Achievement of sustainability in the development of cultural and creative industries requires fostering artistic and cultural activities, and foundation upon which the wider industries are built. Recognising the economic potential of the cultural and creative industries provides a practical way for introducing culture into a broader economic development agenda. An essential element of culturally sustainable development

policy will be attention to long-term investment in infrastructure, including physical infrastructure to support cultural production, distribution and consumption.

## 2. Cultural and creative industries clusters as driving force of sustainable growth

Governments elaborate a wide range of tools for stimulating the cultural and creatives industries, reinforcing the linkage between these industries and the wider economy, and promoting the achievement of sustainable growth. One of such tools is support of cultural and creatives industries clusters. The phenomenon of the clustering of economic activity has been recognised by Michael Porter in his “cluster theory” through the effect of proximity to other firm and social networking, promoting cooperation and information sharing. In his article “Cluster and the new economic competition” Porter indicates three sources of competitive advantage for enterprises:

1. The *advantage of productivity*, which can be achieved owing to access to specialists and skilled labour force, specialised information and industry knowledge, and possibility to develop mutually complementary relations between enterprises, industries and universities contributing to knowledge transfer;
2. *Opportunities for innovation* resulting from the interaction with other industries and pressure for innovation under circumstances in which costs in the face of competition are similar;
3. *New business formation opportunities* – better access to information and resources needed to start a business (local capital, skilled labour force), reduce barriers to withdraw from an existing business amalgamation, and business amalgamation is easier when there is geographical proximity between large and small enterprises (Porter 1998).

Several sorts of cultural and creative industries clusters exemplify the ways in which these ideas are implemented into a specifically cultural context:

- 1) The urban cultural precincts, taking advantage of the concentrations of visitors. A typical cluster would be a gallery quarter in a city: their proximity is interesting for all involved, they strengthen each other, as every gallery might draw customers, and then share them with others in the same street or quarter.
- 2) Clustering of CCI businesses in search for economies of scale and scope, looking for agglomeration benefits. There is a specific focus on knowledge spill overs - knowledge is generated and transmitted more efficiently in a local system (Audretsch 1998).
- 3) The cultural districts that is based on securing a trademark for its product. (Throsby 2010:138).

Cluster theories bring together two trends:

- 1) the tendency towards localization, or the clustering of firms in similar or related industries in a particular city or region, and the positive externalities that can arise from such co-location;
- 2) those regions where value adding to primary product had occurred through cluster developments that had a global impact – from the wine making in Chile to film production in Los Angeles or fashion and furniture in Milan.

Phenomenon of clustering and peculiarities of cluster performance continue receiving increasing attention in contemporary scientific literaute (e.g. Ignatavičius et al. 2015; Tvaronavičienė, Černevičiūtė 2015; Razminienė et al. 2016; Razminienė et al. 2017; Zemlickiene et al. 2017; Tvaronavičienė 2017).

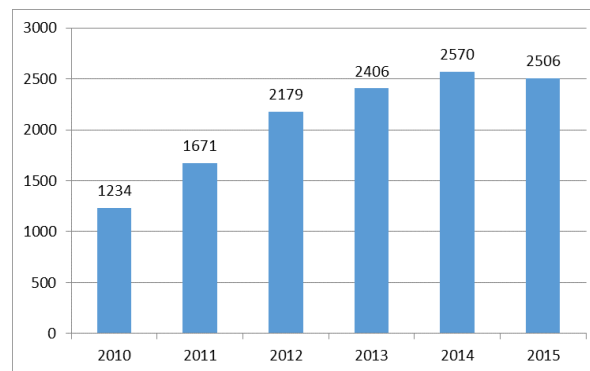
## 3. The development of Chinese cultural industries clusters

China’s cultural industries clusters was an important carrier for Chinese cultural industries (Zhou 2012) until year 2015, when more than 2500 provincial-level cultural industries clusters emerged. It is estimated that here will be hundreds of municipal-level clusters in China. The large of clusters are prompting Chinese cultural industries, but there are no official standards to evaluate development and guide them developing sustainably. This paper attempts to find out what factors lead to sustainable development of clusters.

The cultural industries cluster appeared in 1990s. Commonly, Chinese researchers consider that the establishment of Cultural Industries Department under the Ministry of Culture in 1998 is the start point of cultural industries. In 2003, the Centre Government advocated to start reform and innovation in cultural system. The main aim is to make these cultural units become market-orientated. One of the effective methods in the reform is the cluster development strategy. The concept refers to the combination of series of cultural enterprises in a certain area according to the value chain, which is related to production, consumption, markets, trade, creative labour, creative cities, cultural policy and intellectual property (Flew 2012).

In a perfect world, clusters would just exist without much effort. But the truth is, tha it takes a very focused and strategic approach to bring companies and organizations from the value chain together to form partnerships for funding, research and revenue opportunities. In China, the State-level Ministries such as the General Administration of Press, Publication, Radio, Film and Television and the State Ministry of Culture have published series of policies to support clusters. The governments invest much in cultural clusters construction. The reform has unlocked the potential of cultural productions, the government plans different cluster to draw cultural companies. In the 13<sup>th</sup> five-year development plan, the cluster construction is still an important project. Nearly all the provincial government takes cultural industries as an important task in their eleventh-five year and twelfth-five year plan.

With the support of government, the cultural industries cluster is developing fast. At the end of the year 2002, there were just 48 cultural clusters. In 2010, there were 1234 cultural industries clusters and the number reach to 2506 in 2014. The government published a comprehensive classification to manage clusters by different level including provincial level, city level and so on. These clusters developed with different characteristics and help the industries develop fast. In 2016, the added value of Chinese cultural industries has reach to 3025.4 Billion RMB and takes 4.07% of Chinese GDP, in which cultural industries clusters have made a great contribution. The Number of Chinese Cultural Industries Clusters is constantly increasing (Report on Chinese Creative Industry), Figure 1.



**Figure 1.** Dynamics of clusters' development in China

Centre Government has published a series of new cultural policies to promote cultural industries cluster including tax-cut policy, low-profit loan and land policies for them. For example, the sixth session of the 17th CPC Centre Committee made a decision to establish China as a strong nation in culture in 2012. In 2013, the 18th plenary meeting of CPC Centre Committee was open in Beijing. It decided to develop cultural industries as a polar industry. These new policies promoted steps of cultural companies in the last two years. Cultural enterprises are encouraged to gather in a certain area on the geographical space in the perspective of production or industrial chain. Sometimes, government will invite some big companies settled in the cluster. Gradually, some other medium and small sized companies will arrive and develop in the cluster. At the same time, the cluster always

provides space and equipment for companies with very low room rate. Besides, there are some other preferential policies, which will help companies cut cost to a large extent for cluster residents.

#### *The Problems of Cultural Industries Clusters*

From the practice of cultural industries clusters, we can see some of them are quite successful in economic benefit and social brand, especially those in Beijing, Shanghai, Hangzhou, Shenzhen and Guangzhou. Meanwhile, there are still many problems for sustainable development. According to a statistic, there are more than 70% of cultural industries clusters are under deficit, while only 10% of them can make benefit (Report on Chinese Creative Industry). The reasons are quite various. For example, the commercial mode is not good, or the manage skill is weak and some others. These elements resulted in the low advantage to make benefit, many of which are dead in 5 years even less. How to make clusters develop sustainably has been an important task in the circle of Chinese cultural industries.

In China, many experts focused on the issue and have discovered some good research outcomes. They advocate some index to evaluate and promote clusters, which provide a solid condition for the further development. There are two disadvantage of this kind of research. The first one is about its methodology. Many researches start with cluster theory and discuss the function of clusters and will find some elements, which will influence the function. In this kind of research, if one can handle these elements well, the cluster will develop at a good pate. In this kind of research, there are too much subjectivity, one-sidedness and superficiality and there is little data to support the conclusions. The second disadvantage is the incomplete data. Their data comes from managing side of the clusters and has little information form cultural enterprises and worker in clusters. They neglect that the demand of enterprises will influence the sustainable development of clusters.

We perform survey and find out that certain problems occur between companies in their clusters. They have different view on the same development issues. The paper will suggest solutions how to resolve issues and develop better.

#### *The Evaluation of Dimensions of Cultural Enterprises Demand*

Clustering phenomenon is comparatively new in China and therefore there are no criteria adopted by governments for clusters development evaluation. This paper will suggest 4 Dimensions approach taking into account demand of cultural enterprises in the cluster. Authors will base their insights on critical review of scientific literature.

##### *(1)Enterprise Demand Theory*

Demand theory is a theory relating to the relationship between consumer demand for goods and services and their prices. Demand theory forms the basis for the demand curve, which relates consumer desire to obtain certain amount of goods available. As more of a good or service is available, demand drops and therefore so does the equilibrium price.

Enterprise is considered as an organism and it has the same demand like people both in material and spiritual perspectives. In different phase, the demand is different. Comparatively to the man's demand, enterprises demand can be divided into three phases: existence need, development need and social demand.

1. In the first phase, the enterprise struggle for the benefit and the profit is the strong power to be survival. Enterprises will try to every means to make money as much as possible and cut cost as large as possible.
2. In the second phase, the enterprises aim is to development when the survival problem has been solved. The enterprise will take a long-term view. For instance, perusing the market share is much more important to earn every coin.
3. In the third phase, sustainable development will make the social demand become the most important demand of the enterprises, which will expand its social profit. Usually the enterprises try to establish its brand by social activities and communication.

The demands of the enterprises provide good evaluation index to promote the competitive power of cultural industries clusters.

*Four Dimensions of Clusters' Sustainable Development*

After scientific literature analysis, four dimensions of clusters' sustainable development have been distinguished.

*Dimension 1: Infrastructure*

Infrastructure can be considered as one basic elements of productive resources. Many researchers consider infrastructure as an important index to evaluate the clusters' potential.

*Dimension 2: Public Service*

In China, government appoints committees or state-owned companies to manage clusters; besides there are some clusters operated by private companies. The managing side should offer different services for the enterprises in a cluster. It is believed that managing skill is the real source of power. Good management and public service would promote the sustainable development of clusters.

*Dimension 3: Cluster Effect*

Cluster is geographic concentrations of interconnected companies and institutions in a particular field. Enterprise in the cluster would have cooperation ties in order to make a good effect of "1+1>2" according to the value chain.

*Dimension 4: Exterior Condition*

Outer environment embraces economic, transportation, culture and policy, what are important factors for enterprises to decide whether to operate in a cluster or not.

These four dimensions are the important evaluations of the clusters' demand and can be used for measuring their competitive power. Authors of this paper believe that infrastructure, public service, clustering effect and outside conditions are basic facets of the competitive power to maintain sustainable development. We provide critical interpretation of the provided dimensions and transform them into respective indexes.

**Table 1.** Enterprises' Demand Model

<b>Elements</b>	<b>Second level index</b>	<b>Service provided by the cluster</b>
Infrastructure	Room Rent	
	Working facilities	Electricity ,water ,desk
	The style of the room	Meeting room, working space
	living facilities	Stores, banks, coffers and etc.
	Public facilities	Gym, toilet
	Cultural infrastructures	Sculpture, landmark and etc. in the cluster
Public service	HR resource	Enrolment, training and other service
	Capital Service	Venture capital, financial guarantee and others
	Information Consultancy	Production exhibition, policy and IP consultancy and so on
	Technology Sharing	Free WIFI, digital media and digital lab for all in the cluster
	Exhibition and trade platform	Exhibitions, fair trades and other trade platforms
	Incubator	Hacker space, meetings for makers,
	Publicity	Different platforms for communications such as official website, culture events and media
	Charity activities	Such as Charity evening gala, Donation activities and etc.
	Smart management	Smart parking, centre control system
Cluster effect	Scale effect	Enterprises can cooperates in the industry value chain
	Learning effect	Technology and knowledge exchange
	Brand effect	The brand of the cluster
Cultural condition	Policy support	Investment and other policy support
	Transportation condition	Express and public transportation
	Commercial business	Restaurant, shopping mall and other entertainment places
	Social Environment	Working ties with neighbouring companies
	Cultural atmosphere	Cultural facilities including landscape, library, music hall, theatre, museum and etc. around the cluster

Enterprises' demand, infrastructure, public service, clustering effect and cultural conditions condition potential of enterprises to develop and enhance productivity

#### 4. Empirical analysis

*Samples collection.* In recent years, Beijing has paid much attention to cultural industries. In this process, Beijing has established number of cultural industries clusters in TV, design, film, animation, music and other areas. It is a city, which contains many of containing various ammounts of companies of diverse qualitative features. Thus, authors of this research tries to investigate clusters from side of their management and employees in order to find out the reasons hindering sustainable development of clusters. The authors tackle six characteristic clusters in Beijing and interogate cultural companies in the clusters about their demand. Authors distribute 100 questionnaires and 98 of them are received back. Among received there are two invalid questionnaires; therefore the number of valid ones is 96. The effective rate is 96%.

*Data Analysis.* The questionnaire is designed so, that 4 dimentions described above were reflected. The obtained results are processed by SPSS.

Authors finished the factor analysis according the Enterprises' demand factor list. Adopted principles of analysis are provided below:

- Eigenvalue is greater than 1
- Accumulated variance contribution rate should be greater than 60%
- Factors at the turning point in the Scree Plot

The turning point started at the five factors and Accumulated variance contribution rate is 66%. From the screen plot we can five factors, a turning point, and curve later become smooth. Thus we will take five factors to start research to check the demand and use orthogonal rotating design method to get the comparative figure tables called "Rotational component matrix" (Table 2).

**Table 2.** Rotational Component Matrix

Is this service import?	Component				
	1	2	3	4	5
Production exhibition, policy and IP consultancy and so on	<b>0.804</b>	0.006	0.149	0.062	0.172
Venture capital, financial guarantee and others	<b>0.797</b>	0.099	0.071	0.069	-0.197
Exhibition, trade fair and other platform for trading	<b>0.775</b>	0.070	0.017	0.135	0.333
Technical Sharing including Free Wi-Fi, digital media and digital lab for all in the cluster	<b>0.736</b>	0.141	0.025	0.210	0.175
Hacker space, meetings for makers,	<b>0.729</b>	0.151	0.061	0.154	0.299
Recruitment ,personnel training and other service	<b>0.613</b>	0.198	0.071	-0.191	0.006
Different communications including forum, cultural event and other activities	<b>0.609</b>	0.243	0.036	0.214	0.306
Cooperation ties with neighbouring companies outside of the cluster	0.171	<b>0.742</b>	0.176	0.245	0.306
Enterprises can cooperates in the industry value chain	0.494	<b>0.670</b>	0.193	0.115	-0.100
Express and public transportation	0.073	<b>0.662</b>	0.298	0.232	0.005
Special fund, governments' awarding and etc.	0.455	<b>0.598</b>	0.129	0.017	0.450
Technology and knowledge exchange	0.551	<b>0.589</b>	0.088	-0.098	-0.110

Cultural facilities including landscape, library, music hall, theatre, museum and etc. around the cluster	-0.083	<b>0.597</b>	0.281	0.222	0.426
The brand construction of the cluster	0.303	<b>0.543</b>	-0.053	0.447	0.110
Living facilities including store, bank ,coffer and etc. in the cluster	0.068	0.133	<b>0.832</b>	0.225	0.116
Gym, toilet and others in the cluster	0.155	0.396	<b>0.761</b>	-0.059	-0.016
Creative scenery including sculptures ,landmark and etc. in the cluster	0.203	0.298	<b>0.502</b>	0.148	0.292
Facilities including electricity, water, Office furniture and etc. in the cluster	0.068	0.236	0.210	<b>0.835</b>	-0.001
Room Rent in the cluster	0.124	0.170	0.064	<b>0.779</b>	0.004
Meeting room, working space and etc. in the cluster	0.021	0.137	0.586	<b>0.591</b>	0.009
Restaurant, shopping mall and other entertainment places	-0.037	0.654	0.317	<b>0.238</b>	0.373
Charity evening gala, Donation activities and etc.	0.229	0.078	0.015	-0.048	<b>0.079</b>
Smart parking, centre control system and etc.	0.412	0.151	0.270	-0.016	<b>0.057</b>

*Correction of the former Model of Cultural Enterprises Demands*

Authors recognized the service list according to the rotational component matrix from highest data to the lower ones. The following results are obtained (look at Table 2):

- For the component 1: all the items are related to professional service from 0.084-0.609 by clusters, what show that generate high demand.
- For the component 2: all the items are related to the exterior condition from 0.742-0.03 around the cluster including the combined effect.
- For the component 3: all the items are related to supporting facilities from 0.832-0.502 in the clusters. Since it is cultural cluster, these facilities have very clear characteristic of culture, which is quite different from that in manufacturing cluster and other kinds of clusters. Hence, the entire group can be attributed to be the cultural facilities.
- For the component 4: all items are related to infrastructure from 0.835-0.238 in the clusters.
- For the component 5: the higher data is “Charity evening gala, Donation activities (0.079) and “Smart parking, centre control system and etc.” (0.057).

The rest data is of quite low even negative significance. This abdicates that the two services are special ones. Actually, this service just can be provided in some high-level clusters. In the average level, most of the clusters cannot offer this kind of service. They are some special service. Thus, the former Enterprise demands’ can be optimized according to the “Rotational Component Matrix” and its results (Table 3).

**Table 3.** The Optimized Model of Cultural Enterprises Demands

<b>Dimension</b>	<b>Concrete Service Index</b>
Professional Service	Information consultancy
	Capital service
	Exhibitions and trade platform
	Incubator and innovation
	Technology Sharing
	HR service
	Publicity and Communication
Exterior Condition	Industries environment
	Commercial facilities
	Transportation condition
	Cultural atmosphere
	Policy support



	Scale effect
	Learning effect
	Brand effect
Infrastructure	Working facilities
	Room Rent
	The layout of the space and the style of the room
	Social Environment
Cultural Facilities	Living facilities
	Public facilities
	Cultural infrastructures

## 5. The Strategy to promote the sustainable development of the clusters

In the perspective of the enterprise demand, professorial service, exterior condition, infrastructure and cultural facilities can facilitate increasing popularity of clusters. Those dimensions are important elements allowing evaluation of clusters. And these four dimensions could be considered as source of competitive advantage allowing to promote clustering. Basing on in-depth interviews, the following suggestions for sustainable development of clusters are formulated:

### *(1) To Optimize the Professional Service*

Professional service is the most important facet of clusters' competitiveness. In the reform era of Chinese cultural system, clusters become one of the most important spaces for cultural enterprises. It should provide much more professional service to support enterprises in the clusters. The research showed that enterprises pay more attention to information consultancy, financial solutions, and exhibitions, trade platforms etc. That is, what an enterprise needs, therefore a cluster should work towards indicated direction. At first, a cluster can establish collaboration ties with research institutions and universities. The experts can give effective guidance. The second, a cluster should pay more attention to smart industry with "Internet +" strategies initiated by the state council in Beijing. The third, a cluster should invest much in research to find better solutions for financial issues and sharing technology, service providing to enterprises. Besides, a cluster should encourage enterprises to invest into research of new products for obtaining extra benefit. A cluster can establish a fund to help and teach enterprises to innovate. Nowadays, most of clusters provide services just like a servicing business company. Clusters should improve themselves in order to raise capabilities of offering better professional services in supporting enterprises' development.

### *(2) To optimize the Exterior Conditions*

Exterior Condition will provide stimulus or postpone the development of a cluster and will make important influence on enterprises belonging to clusters, what is another important element of competitiveness. From the Optimized Model of Cultural Enterprises Demands, we can see that all of these components incorporate industries' environment, commercial facilities, transportation condition, cultural atmosphere, policy support; combined effect (Scale effect, Learning effect and Brand effect) and should be optimized in order to meet enterprises' demand. It is beneficial for enterprises to exchange ideas, strengthen the cooperation ties, and construct the brand of the cluster and etc. At first, cluster should make a clear statement, formulate development plan and define its cultural characteristics, which is the basis for sustainable development. The second, a cluster should pay more attention to brand. Only good brands can attract enterprises into the cluster. Governmental support as well plays very important role. The third, a cluster should promote the combined effect. That means, the cluster should promote economic development by improving the cooperation of one or several specific business sectors. Enterprises in a cluster can get a big economic effect by working together. Any cluster should foster the social responsibilities in culture.

### *(3) To Improve Cultural Facilities*

The cultural consumption is the distinctive feature of creative people. When creative class gathers, need for good cultural facilities arises. For sustainable development, the cluster needs to improve its cultural facilities for

creative class and the enterprises. On the one hand, it clusters should create cultural spaces for stakeholders of various cultural experiences. In some leading cultural clusters, it may be theatres, music halls or public libraries established or created in the result of transformation of old wasted factories. In reality, many clusters pay little attention on indicated aspects. Usually clusters just create space for renting it to cultural enterprises. They look as office buildings but not as cultural clusters then. On the other hand, clusters should pay more attention to developing related businesses for entertainment, commercial communications and catering, and provide cultural consumption for creative enterprises, which would use comfortable environment for working and living. Besides, cultural events are still important. A cluster should establish platform and organize or encourage enterprises to take part in these activities. It is a good way to realize their social responsibility as cultural organizations both for cultural clusters and enterprises.

#### *(4) To improve infrastructure in clusters*

The infrastructure is quite important for a cluster. It is a good foundation to attract and develop enterprises. Implemented research provided possibility to evaluate services of clusters. 93.3% of interviewed enterprises chose good infrastructure as the most important reason for them to enter the cluster. According demand requirements, a cultural industries' cluster should improve the infrastructure and make a good environment there.

- I. Firstly, a cluster should invest heavily into construction of a good working environment for enterprise, including capacious rooms with different functions, Internet, working facilities and so on. In perspective, a cluster will just like a manager and manage all the logistics services for the enterprises to large extent and allow creative class or its enterprises to have more time and energy to work.
- II. Secondly, a cluster should enhance the information technology use. Nowadays, Chinese government advocate "Internet +" strategy. That means, all industries should improve their Internet connection and start Internet economy such as BAT, the best example in China. The quality of Internet has been a hot requirement for creative industries, especially, for the Internet companies and some international cultural trade companies. Internet is also an import component of clusters' construction at this moment.
- III. Thirdly, a cluster has to create some space for young people in order they could start their businesses, and construct some public exhibition space for workers here, and neighbouring residents. An internet platform is required.

#### **Conclusions**

- This paper focuses on the conceptual overview of cultural and creative industries as culture-based sustainable development driving force, allowing to reach economic objectives of cultural policy.
- The perspective of *enterprises demands theory* and model evaluating needs of enterprises was introduced and used for analysis of economic performance of Chinese cultural industries' clusters.
- For evaluation of sustainability of clusters' development Sustainability indexes were applied; a survey of a hundred of cultural enterprises in cultural industries clusters in Beijing was performed.
- Survey data analysis, applying the rotational component matrix revealed different indexes in the perspective of enterprise demand and allowed to suggest how to accomplish the former model to a new optimized model, which reflects four important dimensions allowing improve clusters economic performance, taking into account the professional service, exterior conditions, cultural facilities and infrastructures.
- Analyses reveal concrete tools for enhancing for sustainable development of clusters in the four provided perspectives.

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