This is the accepted version of this journal article:


© Copyright 2010 Taylor and Francis
This is an electronic version of an article published in The Information Society, which is available online at informaworldTM
Toward a Cultural Economic Geography of Creative Industries and Urban Development: Introduction to the Special Issue on Creative Industries and Urban Development

Terry Flew

Creative Industries Faculty, Queensland University of Technology, Brisbane, Australia

The connections between the development of creative industries and the growth of cities was noted by several sources in the first decade of the twenty-first century, but explanations relating to the nature of the link have thus far proven to be insufficient. The two dominant “scripts” were those of “creative clusters” and “creative/cities/creative class” theories, but both have proven to be insufficient, not least because they privilege amenities-led, supply-driven accounts of urban development that fail to adequately situate cities in wider global circuits of culture and economic production. The author proposes that the emergent field of cultural economic geography provides some insights that redress these lacunae, particularly in the possibilities for an original synthesis of cultural and economic geography, cultural studies, and new strands of economic theory.

Keywords cities, clusters, creative class, creative industries, cultural economic geography, cultural studies, urban development

CREATIVE INDUSTRIES AND CITIES: A DOMINANT MOTIF OF THE TWENTY-FIRST CENTURY

The first decade of the twenty-first century were marked by a resurgence of interest in creativity and cities. If the rapid global proliferation of the Internet and digital media technologies in the 1990s had set off enthusiasm for a postindustrial “new economy,” 2000–2010 saw an energetic search by artists, entrepreneurs, investors, policy-makers, journalists, and many others for the wellsprings of creativity. Creativity was seen as the foundation of innovation, and innovation was seen as the new primary driver of economic growth. An exemplary “new economy” business of the 1990s was Microsoft, whose ratio of tangible assets to market value was tiny compared to the behemoths of the industrial age such as General Motors and Boeing. In the first decade of the twenty-first century, Microsoft was itself increasingly seen as too rigid in its approach to software development, and as inhibiting the free play of creativity. The attention instead turned to the social media businesses that barely existed in the 1990s, such as Google, YouTube, and Facebook, which grew not by making established products, services, and processes better, but by developing entirely new ways of doing things, or completely new things to do, like participating in online social networks rather than reading newspapers, or viewing amateur videos online rather than watching television. At the core of all of this was human creativity, described by creative economy guru Richard Florida as the most elusive resource:

Creativity has come to be the most highly prized commodity in our economy—and yet it is not a “commodity.” Creativity comes from people. And while people can be hired and fired, their creative capacity cannot be bought or sold, or turned on or off at will…. Creativity must be motivated and nurtured in a multitude of ways, by employers, by people themselves and by the communities where they locate. Small wonder that we find the creative ethos bleeding out from the sphere of work to infuse every corner of our lives. (Florida 2002, 5)

Renewed interest in creativity has coincided with what Allen Scott (2008) refers to as the resurgence of cities. Whereas much of the talk of the 1970s and 1980s was of the crisis of cities, faced with the shift of manufacturing to lower wage economies and the decline of the
innercity, and the 1990s saw prophecies that the Internet heralded the “death of distance” (Cairncross 1998), what has become apparent is that globalization, the rise of digital media networks and industries, and the need to develop postindustrial urban development strategies have all contributed to cities becoming “motors of the global economy” (Scott et al. 2001). Over the decades the trends in global population distribution were also moving in this direction. In 1950 less than 30 percent of the world’s population lived in cities in 1950. In the 2000s the percentage of the world’s population living in cities (at least 3 billion people) exceeded those living in rural areas for the first time in human history (Worldwatch Institute 2007).

What was notable was the symbiotic relationship that was widely seen to exist between creative industries and cities. Spatial agglomeration, or clustering, was seen enhancing innovation and flexibility by promoting information flows, networks of interaction, and relational ties among a diverse but spatially proximate range of participants and institutions, especially in industries characterized by high levels of uncertainty, instability, and complexity (Scott et al. 2001). The British economist Alfred Marshall more than a century ago had noted the positive externalities that can arise from a clustering of related firms and industries in a particular location (Marshall 1890/1990). But the case of creative industries differed in that they are driven by the externalities that arise not only from specialization in particular industries and occupations, but also from the positive externalities that arise from the diversity of cities themselves (Lorenzen and Frederiksen 2008). With their diversity of industries, forms, workforce, and skills, as well as cultural diversity, cities can be centers for coordination among diverse knowledge bases, and their geographical proximity promotes knowledge flows, the spread of ideas, and new forms of entrepreneurship.

As much work in the creative industries is project-based, contractual, and time-dependent (Caves 2000), advantages exist for small-to-medium enterprises (SMEs) and workers in the creative sectors in clustering in locations where work emerges on a regular basis, and this in turn means that cities act as “talent magnets” for skilled people from other parts of the country and the world. There is also a positive correlation between cities being the centers of financial and professional services and the arts and entertainment industries, both because cultural services are most easily accessed from these centers, and because they typically have high average levels of consumption of cultural goods and services.

Cities also tend to be the centers of what Landry (2000) termed the “hard infrastructure” of creative industries, as they are typically where the head offices of the major industry players are located (especially in media-related sectors) and where governments have typically invested heavily in the cultural infrastructure of cities, with their extensive network of galleries, museums, libraries, universities, and the like. This can in turn act as a catalyst for the formation of “soft infrastructure,” or the relational assets associated with economically successful networks, such as trust, reciprocity, exchange of tacit knowledge, and propensity to share and pool economic risk (Amin 2003). They have also been, historically, the centers of culture. Peter Hall (1998, 7) observed that because the city “continues to attract the talented and the ambitious . . . it remains a unique crucible of creativity,” and, through his historical account of great cities, he argued that “while no one kind of city, or any one size of city, has a monopoly on creativity or the good life . . . the biggest and most cosmopolitan cities, for all their evident disadvantages and obvious problems, have throughout history been the places that ignited the sacred flame of human intelligence and the human imagination.”

THE CLUSTER SCRIPT

The first framework that was used to understand the relationship between creative industries and cities was that of clusters. As noted earlier, an interest in clusters among economists and geographers can be dated back to Marshall’s work of on industrial districts in the late nineteenth century, although the concept has had an uneven history, perhaps because—at least for economists—it challenges the equilibrium modeling of neoclassical theories by pointing to the prospect of “winner takes all” outcomes. In the 1990s, the cluster concept experienced a resurgence through the work of business management theorist Michael Porter of the Harvard Business School. In extending his competitive advantage model from firms to nations, Porter argued that the dynamic and sustainable sources of competitive advantage derived less from lower costs and production efficiencies than from elements that promote productivity growth and innovation over time. In particular, and following Marshall, Porter was interested in the spillover benefits that can emerge from being in particular locations, which have related and supporting industries.

Porter argued that clusters are able provide three sources of competitive advantage to the firms that are a part of them:

1. Productivity gains, deriving from access to specialist inputs and skilled labor, access to specialized information and industry knowledge, the development of complementary relationships among firms and industries, and the role played by universities and training institutions in enabling knowledge transfer;
2. Innovation opportunities, derived from proximity to buyers and suppliers, sustained interaction with others in the industry, and pressures to innovate in
circumstances where cost factors facing competitors are broadly similar; and

3. **New business formation**, arising from access to information about opportunities, better access to resources required by business startups (e.g., venture capitalists, skilled workforce), and reduced barriers to exit from existing businesses as takeovers and mergers are more readily facilitated due to geographical proximity between large and small firms in the industry.

The notion of creative clusters lends itself well to strategies of culture-led urban regeneration that have been a feature of postindustrial cities in Europe in particular, stimulated by the European Union through initiatives such as the European City of Culture program (Mommaas 2008). Cluster development had a strong appeal to urban policymakers, and this was consistent with subnational levels of government increasingly becoming engaged in cultural policy in an era of economic globalization (Schuster 2002). As the creative cities literature has often been characterized as being “heavily reliant on proxies but light on theory or hard evidence” (Evans 2009, 1005), cluster theory generated no shortage of international exemplars, such as the Hollywood film and television cluster, the high-technology cluster of “Silicon Valley,” the design and advertising clusters of London, and the fashion districts of Paris and Milan. It also seemed to generate a strong momentum in countries where a collectivist ethos has long been cultivated by governments, such as Singapore and (especially) China, as the ways in which “in the cluster literature, social networks, tacit knowledge and trust relationships are valorised” (Kong 2009, 70) are consistent with state ideologies that promote working together around shared problems and common goals, in contrast to Western liberal individualism (Keane 2009).

The motivations behind creative cluster development were mixed, ranging from city branding strategies to building new forms of cultural infrastructure, cultural diversity, and heterogeneity to redevelopment of derelict industrial-era sites, such as warehouses and power stations for postindustrial uses such as residential apartments, arts centers, and business incubators (Mommaas 2009). Given such an eclectic range of motivations, it is not surprising that the scorecard for these new “creative” urban cultural policies is also mixed (Bassett et al. 2005). Some of the benefits have included a greater centrality of culture in urban development strategies; a broader and more inclusive understanding of culture than simply the “high arts”; greater recognition of lifestyle factors and consumption activities in urban planning; and the development of new cultural infrastructures that have renovated the image of cities and acted as attractors of tourism and—perhaps more contentiously—investment. Problems with creative cluster policies have included a blurring of the distinctiveness of arts and culture into entertainment, leisure, and service industries; possibly contradictory policy agendas between economic development and social inclusion; instances of “capture” of the urban renewal agenda by private real estate interests; and the possibility that the drive to develop distinctive creative clusters has the paradoxical effect of promoting greater urban homogeneity. The latter is what Kate Oakley referred to as a “cookie-cutter” approach to developing the creative industries, characterized by “a university, some incubators, and a ‘creative hub,’ with or without a café, galleries and fancy shops” (Oakley 2004, 73).

Some of the problems arise squarely from the cluster concept itself, and the ways that the concept has developed in such a loose and all-inclusive manner that, as Ronald Martin and P. Sunley (2003, 31) observed, “it is impossible to support or reject clusters definitively with empirical evidence, as there are so many ambiguities, identification problems, exceptions and extraneous factors.” One basic problem is a conflation between geographical and industrial definitions of a cluster, so that there is a failure to distinguish between clusters where a number of firms in the same industry have colocated (horizontal clusters), such as the successful wine industries of northern California in the United States and the Barossa Valley in Australia, and those where a value chain of buyers and suppliers has emerged (vertical clusters), such as the information and communications technology (ICT) and electronics hub of Silicon Valley. While both types of cluster enable knowledge transfer to occur, they do so in quite different ways, and this is blurred by the concept of creative clusters being associated with a highly diverse and in many ways disconnected set of “creative industries.”

Moreover, agglomeration is not in itself evidence of clustering in the manner that Porter refers to it. Ian Gordon and Philip McCann (2001) distinguished between what they referred to as simple agglomeration, in which location in particular areas reduces overall costs (e.g., transport and catering businesses clustering around an airport), and those where it is social networks and embedded ties that are critical to locational decisions; It would only be in the latter case where clustering would be strongly connected to innovation through knowledge flows. Finally, it remains unclear whether particular cities develop successful creative clusters because they are global cities, (e.g., London, New York, and Paris) and whether what Stevenson (2002) terms the “civic gold rush” to build creative clusters in the hope of attracting major creative industries firms away from these global centers is somewhat delusional in the face of powerful forces promoting agglomeration and sustained competitive advantage in the established urban spaces.
THE CREATIVITY SCRIPT

If clustering was one of the more common explanations for the tendency toward the agglomeration of creative industries in urban centers, the other was linked to the concept of creativity. As previously noted, the work of Florida (2002, 2008) was central to this, as it inverted the standard script on urban economic development that pointed to the need for subsidies and tax breaks to entice large employers. Florida instead argued that the growth potential of cities derived from their attractiveness to creative people or what he called the creative class. This argument generated a strong groundswell of interest among urban planners and policymakers (Peck 2005), and resonated with the push to develop creative cities associated with consultancy groups such as Comedia in Britain (Landry 2000), the European Cities of Culture initiatives, and the redevelopment of cities such as Dublin and Barcelona. Florida’s work owed a considerable debt to earlier theorists of the city, such as Jane Jacobs, who saw creativity in cities arising out of the mix of proximity, diversity, and sociality that marked their populations, as well as the importance of “third places” between home and work as sites that sparked new social networks and the formation of new forms of community (Florida 2008). Such arguments paralleled the emphasis in Charles Landry’s (2000, 133) work on the importance of creative milieux and “soft infrastructure” in the creative industries, with the latter defined as “the system of associative structures and social networks, connections and human interactions, that underpins and encourages the flow of ideas between individuals and institutions.”

Florida’s analysis of the role of the creative class and the rise of creative cities has been widely debated and hotly disputed. For those who are skeptical of the wider claims being made about creativity, there is the significant problem of the lack of any clear and widely accepted measures of creativity that go beyond the anecdotal and impressionistic (Galloway and Dunlop 2008). Alternatively, there is the danger that Florida has cast his net too widely in defining a “creative class,” and that it too easily becomes a proxy for most people with a higher degree. Andy Pratt (2008) critiqued the focus of this approach for its emphasis on the consumption choices of the urban middle classes, arguing that the focus instead needs to be on cultural production and questions of how and why it locates in particular geographical areas. Jamie Peck (2005, 746) critiqued Florida’s account as a “fast policy” script for urban policy that shows little concern for those not in occupations or life situations that give them spatial mobility, and critiques what he terms Homo Creativus as “an atomized subject, apparently, with a preference for intense but shallow and noncommittal relationships, mostly played out in the sphere of consumption and on the street.” This concern that “the most creative places tend also to exhibit the most extensive forms of socio-economic inequality” (ibid.) is echoed by Storper and Scott (2009), who argued that what they term amenities-based models of urban growth (those that focus on the supply of cultural goods and services and how they influence urban migration patterns) not only wrongly assume that all cities can follow a similar developmental trajectory, but that:

The emerging new economy in major cities has been associated with a deepening divide between a privileged upper stratum of professional, managerial, scientific, technical and other highly qualified workers on the one side, and a mass of low-wage workers—often immigrant and undocumented—on the other side. The latter are not simply a minor side effect of the new economy or an accidental adjunct to the creative class. Rather, high-wage and low-wage workers are strongly complementary to one another in the new economy. (ibid.)

BEYOND CLUSTERS AND CREATIVITY: CULTURAL ECONOMIC GEOGRAPHY

The articles in this special issue of The Information Society aim to take discussion of the creative industries and their impacts on urban development beyond these flawed clustering and creativity scripts. They avoid faddishness with grounded empirical work, combined with interdisciplinary frameworks that are flexible and adaptive to trends in the cultural and economic. The framework of cultural economic geography provides a valuable reference point for such work, enabling links between insights from media, communications, and cultural studies with concepts derived from areas of the social sciences such as institutional economics and public policy studies.

In their overview of the rise of cultural economic geography, James et al. (2008) distinguished five distinct but related factors associated with this emergent hybrid discipline. First, they observed that the “Marxist turn” in economic geography in the 1970s and 1980s, which had sought to map spatial relations under capitalism to develop a historical materialist geography (e.g., Harvey 1982), was being challenged in the 1990s by the “cultural turn” associated with poststructuralism, which sought to challenge some implicit hierarchies of thought in the dominant forms of critical geography (Gibson-Graham 2000). In particular, they questioned the discursive construction of “the economy” in such analyses, and what it prioritized and what it downplayed. For example, taking the category of “labor,” is paid wage-labor more significant than domestic labor, or is the fact of laboring more “real” than the ways in which it is understood and approached in labor-market theories, management discourses, or policy-related definitions of work that impact welfare policies? Second, attention has been drawn to the particular ways in which culture
and economy interlock, such as the relationship between markets and production as spatially grounded economic practices and the lived experience of people within such economic spaces (cf. du Gay and Pryke 2002). Third is the constitutional culture of economic practice, and the awareness that “cultural” factors can mark significant sources of regional differentiation, local entrepreneurship, and competitive advantage in globalized economies, as seen in the debates surrounding clusters and learning regions (Cooke and Lazzeretti 2008), as well as considerations of the cultural geography of economic production (Gertler 2003).

Fourth, the rise of actor-network theory has been significant in focusing renewed attention on the performative dimensions of “soft capitalism” and the ways in which it is engaged in new business management practices (Thrift 1999, 2002). Finally, growing interest among academics and policymakers in the creative industries has intensified interest in geographical location decisions surrounding these industries, and the relationship between the attributes of the industries (e.g., their propensity for project work and networking, the unpredictability of demand, and the need for continuous novelty and innovation; Caves 2000) and the attributes of urban environments in which they are primarily located.

A major problem with creative cities discourse, in noting that creative industries are frequently aggregated in major urban centers, is that it is unable to address the question of causality. In other words, do creative industries cluster in global cities because they are global centers of commercial activity, or do particular cities become centers of global commercial activity because of their cultural features and the creative attributes of their populations? It is apparent, for instance, that the arts and entertainment thrive in cities such as New York and London in part because they are also centers for financial and professional services. What renders this question more than simply hypothetical is that urban policy “scripts” are derived from the experiences of such cities as guides for urban policy practice in very different cities, even though they will never acquire the global city status of the largest urban agglomerations. The work on the northern Australian city of Darwin reported on by Chris Brennan-Horley, Susan Luckman, Chris Gibson, and Julie Willoughby-Smith in this collection considers the implications of looking at creative industries and the creative workforce in a smaller and very different type of city that is neither a global commercial hub nor a city grappling with the implications of deindustrialization, but that has a very distinctive set of historical, geographical, and demographic features that nonetheless can act as catalysts to creative industries development, albeit in ways very different from the dominant interpretations.

One of the most sustained critiques of Florida’s work is that it presumes that the “creative class” actively seeks out innercity living, in search of cultural amenities and “buzz.” There has been a strong counterargument, associated with Joel Kotkin (2007) in particular, that the renewal of inner cities as residential areas is a less significant cultural force than the “new suburbanization,” or the demand for affordable housing of a reasonably large size, which is driven as much by the pull factor of suburban amenity as it is by the push factor of affordability. In this account, the neglect of suburbs is as much a reflection of an imagined geography of exciting and diverse cities versus boring and homogeneous suburbs—one with deep roots in the history of suburbia (Clapson 2003)—as it is reflective of where creative workforce actually locates. This debate is overlaid by disputes about the empirical evidence that Florida uses to support his “creative class” thesis, concerning both whether culturally “hip” U.S. cities, such as San Francisco and Seattle, actually have outperformed more “boring” ones, such as Phoenix and Dallas–Fort Worth, and whether differential growth rates between cities actually reflect different levels of human capital rather than creative capital—that is, cities with more highly educated populations are more prosperous than those with lower levels of education, with cultural factors playing only a minor role at best (Hansen et al. 2009; Mok 2009). The article in this collection by Christy Collis, Emma Felton, and Phil Graham reports on a study being undertaken into creative workforce in selected Australian suburbs, which suggests that the common association of creative workers with innercity areas and the urban cultural policy implications arising from such assumptions need to be significantly rethought.

The existence of urban policy scripts such as those surrounding clusters and creativity that we have discussed draws attention to the role played by what Pratt (2009) terms policy transfer, and the role played by consultants and policy entrepreneurs in enabling ideas and policy prescriptions to travel from one context to another. Stuart Cunningham and I observe in this collection how the original conception of creative industries as developed by the Department of Culture, Media and Sport in the United Kingdom in the late 1990s has subsequently been taken up in other parts of the world, and the significance of local inflections on that original “master discourse.” We question the degree to which international uptake can simply be understood as simply entailing the international transfer of British “New Labour” policy discourses, as argued by Garnham (2005) and Ross (2007). Instead, we propose that creative industries, and associated concepts such as creative economy, have been tied up with a wider rethinking of the enabling factors for innovation in postindustrial economies, which engage the arts and humanities and well as the sciences and technology sectors. While proposing economic rationales for cultural investments is frequently derided as neoliberalism by its critics, we argue that this
term has become too all-encompassing to be of analytical value, and that it wrongly presupposes a dichotomy between the public and private sectors, whereas we argue that creative industries policies by their nature necessitate thinking about the commercial realm and the public sector in tandem as drivers of cultural innovation.

There are also the familiar tensions that arise in the relationship between top-down policy discourses that are developed at national government level and strategies as applied at the local level. In the case of creative industries policies, this is overlaid with the related tensions as to whether the primary focus of policy is on the cultural development of a city or its economic development. In their comprehensive account of the rise and fall of the Creative Industries Development Service (CIDS) in Manchester in the United Kingdom, Justin O’Connor and Xin Gu capture the extent to which, while these can sometimes converge, they can and often do significantly diverge. In particular, they argue that the “local knowledge” that CIDS was able to draw upon in brokering a relationship between government, creative industries, policy agencies, and local cultural producers and entrepreneurs was weakened over time, as narratives of economic development took priority, appearing to key decision makers as more tangible, more achievable, and more urgent. In the case of Manchester, this trajectory is traced in the turning away from local cultural agencies, such as CIDS, toward metastrategies developed at the national level, such as the proposed relocation of large sections of the British Broadcasting Corporation (BBC) to the newly developed Salford Media City. In an ironic illustration of how policy discourses travel and recirculate, the arguments for developing Salford as a “media city” revolved fundamentally around the virtues of developing a media cluster ex nihilo, and related opportunities to develop the location as a hub for “creative class” work force.

This contribution aims to open up a dialogue between disciplines that have kept some distance from one another. An obvious potential intersection these articles draw attention to is that between cultural economic geography and cultural studies. Contributors to this collection such as Chris Gibson and Christy Collis have been furthering such developments, with the institutional support of entities such as the Australian Research Council Cultural Research Network (Gibson 2006). The other obvious point of intersection would be between cultural studies and economics, although there are considerable problems with this engagement on both sides, with neoclassical economics possessing an impoverished understanding of cultural dynamics, and cultural studies preferring to critique the caricatured figures of neoliberalism rather than engage with more current trends in fields such as institutional, behavioural, and evolutionary economics (Hartley 2009; Flew 2009). There are also further research avenues to be explored: One absence from much of the literature that is striking is the lack of discussion of the role played by universities in cities, both as sites of knowledge transfer and as providers of cultural infrastructure and developers of creative capacity. Further work on how and why there is spatial aggregation of creative industries in cities, and what lessons can be derived by policymakers from such clustering tendencies, will hopefully give more consideration to educational institutions and their role in the cultural economic geography of cities.

REFERENCES


INTRODUCTION TO CREATIVE INDUSTRIES AND URBAN DEVELOPMENT


