

Culture, Creativity and Cities

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Dedicated to our colleague, the late Professor Walter Santagata, who passed
away on August 15, 2013

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Klaus R. Kunzmann graduated from the School of Architecture of the TU München in 1967 and received a PhD from the TU Wien in 1971. Appointed as Professor by the School of Planning of the TU Dortmund in 1974, he was Director of Research of the Institut für Raumplanung until 1993. From then

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Editorial Preface

The purpose of this book is to consider the role of culture in the life and development of cities. There has been much past discussion of this important topic, of which the “creative city” and “creative industries” concepts are among recent examples. However on-going globalization and devolution are increasing the importance of culture even further. The role of culture goes beyond just promotion of industries or attracting people, as it is central to the formation of social and human capital which contributes fundamentally to personal creativeness and the quality of life.

In the first two chapters of this book previous work on culture and cities is thoroughly reviewed. Chapters 3-7 are country monographs. Each case study discusses the approaches and issues most relevant to that country and culture. The Brazilian case study demonstrates the great potential and impact of culture to change and re-create communities. The Japanese case study discusses the actual holistic development of the city as compared to the idealized creative city model. The Italian case study considers the role of culturally creative atmosphere in the present economy. The German case study examines the artistic community of Berlin emphasizing the urban planning perspective. The French case study distills issues involved in the relationship between culture and cities from the perspective of cultural consumption. Thus this book presents a multi-faceted view of the actual role of culture in cities of many nations.

In the final chapter, perspectives on evolving paradigms on cultural citizenship and adapted governance will be discussed. In the global economy, a proactive urban development strategy gives priority to the promotion of international linkages between cities and the development of an urban diplomacy, while deemphasizing local human capital formation and local factors of local human creativity. Building a city on such a narrow perspective would create again a “tale of two cities”: on one hand a presupposed creative city; and on the other hand a neglected non-creative postulated city. By making local people more creative in terms of new ideas, new references, and new relations culture can lead to more flexible and imaginative solutions. Cultural citizenship means the active participation of local people through diffused imagination and grass-roots experience. Adapted governance reduces the distance between local public governance and private project expression and initiatives.

Emiko Kakiuchi & Xavier Greffe, 2015

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INTRODUCTION

Chapter 1

Culture and Creativity

Xavier Greffe

The starting point for reflection on creative cities should logically be the definition of creativity, in relationship with cultural activities. The economic perspective on creativity is deeply marked by the Schumpeter vision. For him, innovation is the central concept, namely the ability to market new ideas, products or processes. This discussion on innovation emphasized the role of a strategic player – the entrepreneur – as both risk taker and organizer. This brilliant theory of economic development had a negative counterpart: It shadowed the process of distillation of these "new ideas", which specifically deals with creation. Then economists abandoned to other scientists the analysis of creativity and creation. Initially, it can simply be said of creativity that it provides solutions to problems, a notion which fits also with the idea of projects. A creative environment will then be defined as a milieu that will produce and disseminate projects regardless of their field of application, cultural, social, environmental or economic. But we are still at the frontier of tautology. If we look at a more precise pathway we can explore successively five main directions: individualistic, community, sectorial, sociological, and finally a straightforward territorial approach.

The Individualistic Approach of Creativity

The Psychological Hypothesis

For biologists, the study of creativity ranks with the study of consciousness as being on the edge of the unknown (Kandel, 2012). However, creativity is not beyond analysis since this view would then focus on disseminating a romantic illusion¹. The main issue is to know here if creativity is unique to the human brain or inherent in all information-processing devices that attain a certain level of complexity². It may also be interpreted in terms of intuition vs. computation, and for many observers this interpretation is not the same. One main difference shown by Brian Christian is that human intelligence is capable of language comprehension, grappling meaning from fragmentary information, spatial

orientation, and adaptive goal setting. It can recruit emotion and conscious attention as aids in decision making and prediction, whereas the computer cannot. Current computers lack the emotion and rich sense of self-awareness people have. Moreover, while computers are getting better, humans are not standing still. This is why IBM refused a new match between Kasparov and the program Deep Blue (which had defeated Kasparov) because they expected Kasparov to understand the underlying program of the computer and then to be able to overcome it. Computers and artificial intelligence only create randomly, exploring alternatives in a given field.

Kris and Andreasen have then explored creativity by investigating the types of personalities that are likely to be particularly creative, the period of preparation and incubation, the initial moments of creativity, and the follow up of creativity in terms of subsequent working through the creative idea³.

Traditionally we considered that only people touched by divine inspiration or benefiting from an exceptional IQ could be creative, but this is not true since the forms of creativity are multiple and do not reflect the same source. For Csikszentmihalyi, (1996) creativity will emerge from the interaction of three components: the individual who has mastered some discipline or domain of practice, the cultural domain in which an individual is working, and the social field in which they may have access to “opportunities to perform”⁴. Whatever the variety of the individuals, however, all varieties of creativity depend on abilities like constructing metaphor, reinterpreting data, connecting unrelated areas, and understanding aspects of inner thoughts like Freud or Kokoschka did. Preparation is the period when we consciously work on a problem, and incubation is the period when we refrain from conscious thought and allow our unconscious to work, when we let our minds wander. This is *a-ha* moment⁵. From the Eureka of Archimedes to this quotation of Mozart it is in a sense the same process: “When I am as it were, completely in myself, entirely alone, and a good cheer... It is on such occasions that my ideas flow the best and most abundantly. When and how they come: I know not; nor can I force them. All this fires my soul, and proceeded I am not disturbed, my subject enlarges itself, becomes methodized and defined... All this inventing, this producing takes place in a pleasing lively dream”⁶. According to this, relaxation is characterized by ready access to unconscious mental processes; in that sense it is somewhat “analogous to dreaming”⁷. Usually there is an exchange between unconscious and conscious selves, which some experiences have demonstrated. Following

Freud and according to Kris, unconscious mental processes are characterized by primary-process thinking. This thinking is analogical, freely associative, and characterized by concrete images as opposed to abstract concepts and guided by pleasure principles. Conscious mental processes, in contrast, are governed by secondary process-thinking, and guided by concerns of reality. "Because primary thinking is freer and hyper-associative, it is thought to facilitate the emergence of moments of creativity that promote new combinations and permutations of ideas, whereas the full focus on secondary process-thinking is required for the working through the elaboration of creative insight"⁸.

This may look rather mysterious since many decisions of our current life are made rationally and therefore very consciously. However, this is no longer mysterious if we consider that that which seems unconscious can be founded on different models, and two will be predominant here: the procedural unconscious which is responsible for our memory of motor and perceptual skill, and the preconscious unconscious which is concerned with organization and planning. Both are enriched by our experience. This cognitive unconscious has two characteristics: it manages a great number of operations, and it creates some original dynamics between information and experiences⁹.

The Amabile Hypothesis

This analysis has been renewed by the contributions of Theresa Amabile in the *Harvard Business Review* (Amabile, 1983, 1988, 1996). She started with the denunciation of the myths that social sciences experts propose to explain differences in creativity. According to these specialists, creativity results from such things as the existence of creative people, monetary incentives, competition more than cooperation, and online organizations. For Amabile, however, on the basis of carefully conducted experiments, creativity depends on skills and the ability to think in new terms. Therefore, the most creative people are not those exposed to exogenous incentives or stimuli but rather those who can develop their own endogenous logic. Hence her famous image according to which training through a master in arts is probably more useful for developing creativity than training through a master in management.

From Serendipity to Serendipi(ci)ty

Serendipity can be defined as a talent for making fortunate discoveries while searching for other things, and the first one to use this expression of "serendipity" seems to have been Horace Walpole (1717–1792). In a letter to Horace Mann (dated January 28, 1754) he said he formed this expression from the Persian fairy tale "The Three Princes of Serendip", whose heroes "were always making discoveries, by accidents and sagacity, of things they were not in quest of". The name stems from Serendip, an old name for Ceylon (modern Sri Lanka). The three princes discovered an enigma that they were not looking to solve. Following a pathway, they saw that grass was only on one side, the other side of the pathway being bare. Then they suddenly understood that the camel that preceded their caravan was blind... Chance was in a sense the key of discovery and therefore of creativity. It is difficult to think of that as a definitive explanation of creativity and the term of chance very often used here actually shows that this can be only but one element of creativity. As a matter of fact, Walpole used the very term of sagacity, which stresses a state of mind more than a recipe for creativity. Sagacity can then be defined as ability, and many scientists will use the expression of serendipitous discoveries.

Most authors who have studied scientific serendipity both from a historical, as well as from an epistemological point of view, agree that a prepared and open mind is required on the part of the scientist or inventor to detect the importance of information revealed accidentally. As Louis Pasteur noted, "In the fields of observation chance favors only the prepared mind gives a better understanding of the stakes that are serendipity and sagacity." It shows, in fact, that a preformed concept can create prejudice. Following this perspective, Robert K. Merton, in *Social Theory and Social Structure* (1949), referred to the "serendipity pattern" as a fairly common experience of observing an unanticipated, anomalous, and strategic datum, which becomes an occasion for developing a new theory or for extending an existing theory. In order to stress the importance of this scientific attitude, he coauthored with Elinor Barber a paper called "The Travels and Adventures of Serendipity".

In economic urban life this means that windfalls of a public policy are not always anticipated. Finally, a correspondence can be expressed between serendipity and tacit knowledge when the serendipitous quality of innovation is highly recognized by managers and links the success of enterprises to their ability to create knowledge not by processing information but rather by tapping

the tacit and often highly subjective insights and intuitions of individual employees

Without abandoning the individual approach, other people will go a bit further and argue that the essence of creativity comes from crisscrossing references, paradigms, and values. By observing areas external to their traditional activity, some people will find the desired solution. Creativity comes from this overlapping of domains. The history of science supports this hypothesis. Most inventions and creations have resulted from a combination of intellectual references, which exceeds specializations by the existing fields (e.g., Leonardo da Vinci, Isaac Newton, and Louis Pasteur). This way of thinking allows one to respond to unpredictable events that contradict established knowledge. Therefore, unpredictability and synergy make possible new trajectories appear for development. Any association of thoughts and hitherto separate knowledge will enable hybridization that is desired between explicit knowledge and tacit, common, and local knowledge. Here the actors should be driven by their own progressions and not confined in roles set a priori in a systematic manner.

The Community Approach of Creativity

Tacit Knowledge

For the tacit knowledge approach, knowledge is essentially personal in nature and difficult to extract from the minds of individuals. Therefore, the knowledge in and available to an organization will largely consist of tacit knowledge that remains in the heads of individuals in the organization. The dissemination of knowledge will be accomplished by the transfer of people as “knowledge carriers” from one part of an organization to another. Learning in an organization occurs when individuals come together under circumstances that encourage them to share their ideas and to develop new insights together that will lead to the creation of new knowledge.

Actually, there was deeper thinking when this approach was elaborated. Central to Michael Polanyi's thinking was the belief that creative acts (especially acts of discovery) are charged with strong personal feelings and commitments. Science is not value-free but results from creative tension, a concern with reasoned and critical interrogation with other, more 'tacit' forms of knowing. For

Polanyi, guesses and imaginings are mainly motivated by passions, and "we can know more than we can tell" (Polanyi, 1967, 1998). Tacit knowledge designates this pre-logical phase of knowing, and the real issue of creativity will then be the knowledge of approaching discovery. In that perspective, holding knowledge is bound to the conviction that there is always something to be discovered.

An example of the tacit knowledge approach to transferring knowledge within a global organization is provided by Toyota¹⁰. When Toyota wants to transfer knowledge of its production system to new employees in a new assembly factory, such as the factory recently opened in Valenciennes, France, Toyota typically selects a core group of two to three hundred new employees and sends them for several months of training and work on the assembly line in one of Toyota's existing factories. After several months of studying the production system and working alongside experienced Toyota assembly line workers, the new workers are sent back to the new factory site. These repatriated workers are accompanied by one or two hundred long-term, highly experienced Toyota workers, who will then work alongside all the new employees in the new factory to assure that knowledge of Toyota's finely tuned production process is fully implemented in the new factory. Another example is Toyota's use of Quality Circles. At the end of each work week, groups of Toyota production workers spend one to two hours analyzing the performance of their part of the production system to identify actual or potential problems in quality or productivity. Each group proposes countermeasures to correct identified problems and discusses the results of countermeasures taken during the week to address problems identified the week before. Through personal interactions in such Quality Circle group settings, Toyota employees share their ideas for improvement, devise steps to test new ideas for improvement, and assess the results of their tests (Grefe, 2012).

The analysis of tacit knowledge and its difference from explicit knowledge has sometimes been expressed in terms of knowing-how and knowing-that, or it is discussed in terms of a corresponding distinction between embodied knowledge and theoretical knowledge. Knowing-how or embodied knowledge would be the characteristic of the one who acts and makes judgments without explicitly reflecting on the principles or rules involved. Knowing-that involves consciously accessible knowledge that can be articulated and is characteristic of a person learning a skill through explicit instruction, recitation of rules, and

attention to his or her movements. Is a distinction that would reduce the role of tacit knowledge relevant?

Knowing-how involves more than a physical know-how; it involves knowing how to obtain desired end-states, knowing what to do in order to obtain them, and knowing when to do it. Then knowing-how seems to be bound up with some variety of knowing-that. Tacit knowledge cannot then be identified only with procedural operations that may in the end have little to do with knowledge as such. To overcome this debate, some propose a third kind of tacit knowledge, which consists of what might be thought of as the presuppositions or stances many of our actions and behaviors commit us to. Such stances are not current beliefs. Rather, they constitute a kind of cognitive background or disposition to believe that certain things are actually real. These tacit stances or presuppositions are perhaps best described as tacit beliefs or hypotheses that can be falsified under the appropriate conditions.

As with ascriptions of rule-following, the ascription of tacit knowledge states to people is a theoretical move meant to explain behavior or cognitive operations (see entry on rules). What makes ascriptions of tacit knowledge distinctive is the asymmetry between the richness of the ascribed content state and the relative poverty of the subjective experience corresponding to that state. Simply put, the person to whom we ascribe tacit knowledge has little or no conscious experience of what it is we claim is causing his or her activity. However, although the relation between the cognitive unconscious on the one hand and conscious states on the other is complex, we might offer the following observations.

Weak Ties

In 1973, Granovetter gave an impetus to the analysis of both creativity and social network analysis¹¹. If strong ties sustain relations within the group or organization, weak ties can build bonding relations between groups or organizations and help people gain easy access to non-redundant information unavailable through interaction with strong ties. Therefore, weak ties produce new shared information, which can distill creativity through new ideas and processes. The difference between strong and weak ties does not result from a value judgment but from a four-criterion analysis of the process through which people connect: the amount of time, the emotional intensity, the intimacy

(mutual confiding), and the reciprocal service. Strong ties are related to higher frequency interaction, more emotional involvement, more intimacy, and wider reciprocal service. Weak ties are characterized by lower frequency interaction, less emotional involvement, less intimacy, and narrower reciprocal service.

Why are weak ties so relevant? According to Granovetter, weak ties are more likely to link members of different small groups than are strong ones, which tend to be concentrated within particular groups, and then very rapidly become redundant (Granovetter, 1973). Through strong ties, the information disseminated is always the same; through weak ties, the information is new and rich¹². Exposure to newer ideas comes from interaction with those with whom we are weakly tied because such individuals travel in different social circles and thus have access to information and resources that we do not know. However, those to whom we are only weakly connected are less motivated to share this information. We are more likely to receive information or other resources from those with whom we are more strongly tied – a set of people we trust, work with closely, and with whom we share more personal information. In addition to fostering one's cognitive development and creativity, the mobilization of weak ties is inherent to the process of knowledge transfer, certainly the most explicit function of schooling. Schools and other organizations that can make full use of their collective expertise and knowledge are likely to be more innovative, efficient, and effective.

This knowledge transfer problem, however, is fraught with much complexity. Blau stated that "intimate relations (strong ties) tend to be confined to social circles ... they fragment society into small groups"¹³. The integration of these groups in society depends on people's weak ties, not their strong ones, because weak ties extend beyond intimate circles and establish the intergroup connections on which macro social integration rests. Further, Blau goes on to show that an individual's access to learning opportunities and resources can only be leveraged if he or she is linked with others in diverse positions providing varied information. In his seminal text, Granovetter used the issue of finding a job to demonstrate the strength of the weak ties, and asserted that "weak ties are certainly not automatically bridges. What is important, rather, is that all bridges are weak ties".¹⁴ To better understand this analysis and its recommendations, it is useful to remember that Granovetter developed the idea according to which "economic is embedded in the social dynamic", an idea proposed by Karl Polani. For him, economic action and creativity are closely

embedded in networks of interpersonal relations, where trust plays an eminent role. Whereas weak ties deal more with information, embeddedness deals more with trust. However, trust can only but develop on the basis of long-term contact or communication between transaction parties, which makes the use of weak ties prudent.

This approach of embeddedness has another interesting consequence on the perception of creativity. For Granovetter “the embeddedness approach to the problem of trust and order in economic life, threads its way between the over socialized approach of generalized morality and the under socialized one of impersonal, institutional arrangement by following and analyzing concrete patterns of social relations”¹⁵. Granovetter argued here that both classical and neoclassical economics and new institutional economics actually hold an “under-socialized” stance because they assume that rational, self-interested behavior is affected minimally by social relations or social structure. However, he also argued that reformists tend to hold an over-socialized conception of human behavior - a conception of people as overwhelmingly sensitive to the opinions of others and hence obedient to the dictates of consensually developed systems of norms and values, internalized through socialization, so that obedience is not perceived as a burden. While the under-socialized concept overemphasizes the ability of individuals to make rational choices, the over-socialized concept is rather mechanical in that it neglects the individual’s initiative and creativity. In Granovetter’s view, substituting institutional arrangements for trust can result in a Hobbesian situation.

This means that creativity is constrained and facilitated by social relations or network structure. In this new context it can be said both of creativity and economic activity that

- the pursuit of economic goals is normally accompanied by that of such non-economic ones as sociability, approval, status, and power;
- economic action (like all action) is socially situated, and cannot be explained by individual motives alone; it is embedded in ongoing networks of personal relations rather than carried out by atomized actors;
- economic institutions do not arise automatically in some form made inevitable by external circumstances, but are ‘socially constructed’.

Co-creation

Does working together produce something new? Any researchers, namely those considering the facts to cooperate with an audience, have advanced this idea. This goes from “contribution” to “participation”, but whatever the process, this means that we produce then something that is not relatively predefined but something ‘new’. This analysis overlaps frequently with analyses focused on the way organizations cooperate. In his famous book, *The Wisdom of Crowds: Why the Many are Smarter than the Few* (2005), Surowiecki suggested that groups can produce more innovative decisions than isolated experts. This collective intelligence appears often to be efficient, but not systematically. Other authors converge towards such statements: Tapscott and Williams in *Wikinomics: How Mass Collaboration Changes Everything* (2006), or Leadbeater in *We-Think: Mass Innovation not Mass production: The Power of Mass Creativity* (2008). Two arguments are generally used here: working together, a group expresses what it wants; working collectively a group spreads the word to others and distillate the information informally. Sometimes this trend, which appears as problem solving, is designated as user-led innovation. This is partly true, but it is certainly something richer than traditional marketing surveys, the subject being here collective. This debate has been actualized by the increasing role of mediated communities on the internet (Grefe, 2012)

The Role of Mediated Communities

It is widely recognized that all the possibilities offered by the web (e.g., e-mail, blogs, forums, and the Internet) create links that bring together new communities which, by their very nature, rise above any kind of physical determinism. These communities develop a variety of activities that generally differ in nature.

- Some communities exchange files. These are self-help communities where each member contributes files that are freely available to others from whom the contributor expects to get reactions sooner or later. A particular type of information becomes a collective or “common” good to the extent that all members can take advantage of it once it is made available, provided its use does not lessen the amount available to other members of the community.

- Other communities are based on the sharing of experiences. In this case, an attempt is made to draw out more, and often new, information from that which is available so as to widen the area of values and references: the concept of the blackboard is used because, in these communities, a member tries to share her/his experiences with all the others without addressing anyone in particular, by writing her/his suggestion on the blackboard and waiting for somebody to reply to the message that has been posted.
- Still other communities get together to “create” in a context in which it is difficult to identify individual responsibilities: they go beyond the concept of the blackboard because it is necessary to introduce criteria that make it possible not only to produce the experience but also the knowledge that the community will take over and consider as relevant.

There are apparently two simple criteria that can be used to judge activities: the usefulness of the creation for a member of the community should increase when the number of members increases; and the mediated community should add to the creation’s value as compared to other communities, especially physical communities which are quite distinct from them as they are based on a criterion that is a priori intrinsically physical (like belonging to a particular territory or sex) or on account of similarity (belonging to a particular age group, sex, or religion). Irrespective of the envisaged product, such communities can encounter two obstacles: Are they really as creative as they are claimed to be? Do they really respect diversity as claimed?

The Viennese Café

In the first place, the mediated community allows a person to assert her/his identity, which can be used later as a collective resource by the community that is in the process of being formed. The essential point in this case is gaining recognition by expressing one’s ideas on one of the possible themes. By doing this, the person is not only recognized but also acknowledged as a player. After these exchanges, we move to the stage where instead of creating on her/his own, the person participates in the preparation of a collective activity which replaces information produced by or for one person. This does not require the presence of all the potential participants of a community, but it means that there are frequent exchanges between a fairly large number of participants. To reach

this stage, it is necessary that the information transmitted by each member should be tagged or identified by the community as a proof of participation in the community's life. From the very beginning, this tagging process separates the mediated community into two alternative models for transmitting and producing information. In the first model information is transmitted purely vertically without any definite promise of returns for the person transmitting it; this model functions in an environment that is totally free, with no restrictions of any kind. As opposed to the first model, in the second model we move from a vertical link to a horizontal link; it is clear that the participants have a stake or there should be at least a minimal involvement on their part. In this model, we come across the myth of the "third place" which is neither the workplace nor the home but simply a café representing Vienna's *Kaffeekultur*.

How effective are these communities? It could be said that unlike in physical communities, such an approach brings together participants from the most varied backgrounds without subjecting them to prior selection based on "physical criteria", this term being understood as a set of criteria existing prior to the creation of the network. For the same reasons, contacts can be more numerous and more spontaneous. We may go even further and point out that due to the concentration of power in mass societies, our individuality can develop only as a result of interaction with other individuals belonging to different backgrounds. It is believed that there is a kind of "invisible mouse" which, just like Adam Smith's invisible hand, is capable of bringing about a convergence of private interests to benefit common interests – in this instance the building of capabilities that are likely to lead to the creation of common resources at a later stage. In this context, a special role is ascribed to the mobile phone, which allows the youngest amongst us to play this role. It may be asked, however, whether this kind of personality-building is strengthened by participation in such communities. It is not clear whether continuous appeals enable an individual to strengthen her/his identity; on the other hand, it may destabilize the person by overburdening her/him with information that may not be easy to assimilate. In a way, this may lead to the erosion of the person's ability to react. In addition, too much time and energy are concentrated on what could be called ambiguous processes. Finally, it is possible that the individual may become too dependent on such communities, which do not really allow her/him to improve her/his ability to think and act independently.

The Creation of Social Capital

Unlike the previous model, another type of community accepts certain guidelines to regulate these exchanges and control the quality of information that can be utilized. Because of this, it is possible to go further than in the previous instance by building up common hopes and aspirations shared by all the community's members, thereby creating a community feeling that will encourage members to take up joint projects and actions. Two concepts are useful in explaining this process, namely social capital as defined by Coleman and the concept of weak links analyzed by Granovetter. Actually, what is so new in all this that is not found in other existing communities, particularly physical communities that – depending on the manner in which interactions develop within the community – develop or destroy the social capital on which they are founded? Such communities grow by weaving together “weak links” instead of “strong links”; this weak links fabric thus becomes the source of new dynamics and therefore of new sources of social capital. The novel element introduced by mediated communities is that weak links do not play a fundamental role in relations between the members of the creative class, but between the potential members of a society at any given moment. By transcending established social boundaries, mediated communities go much further than physical communities in building social capital with the aim of adapting themselves to suit different circumstances and hazards related to economic and cultural capital.

Since these communities are not excessively concerned about preexisting criteria related to belonging, new and flexible forms of social capital are created. These forms are new because the links depend on different criteria. They are flexible because their unstable nature allows these communities to associate with persons who do not belong to existing communities. Mediated communities are open to new practices and do not reject them on account of preexisting or acquired interpretations. Because of this, the social monitoring needed for the creation of this kind of social capital is reduced to a minimum. And what is even better, it seems that those who join such mediated communities rightly expect to marginalize the more traditional forms of social monitoring. Such communities, however, are not always exempted from some kinds of social monitoring, such as attempts by parents to monitor the use of mobile phones by very young children. Besides, the heterogeneity of networks does not necessarily lead to the creation of durable and relevant types of social capital over a period of time.

Finally, it is difficult to imagine that those who join such mediated communities will give up for good the links that join them to other persons in physical communities.

There is nothing here to indicate that the mediated community will be more efficient. On the one hand, when creating social capital, mediated communities are free from the burden and cost imposed by physical distances in the case of physical communities. On the other hand, however, physical communities are at an advantage because they can depend on such other sources for cementing links as proximity, face-to-face contacts, and a buildup of common emotions.

From Hollywood to Hollyweb

Traditionally speaking, the sources of creativity – at least in the cultural sphere – have relied until recently on an integrated model which does not come free. Considering the uncertain nature of the demand for creative goods, suppliers ought to provide information that will allow consumers to demand and use goods about whose usefulness they have no prior knowledge; it is more advantageous for suppliers to do so if the value depends more on the turnover and the number of consumers than on margins obtained on the supply of such goods, which are necessarily limited. The mass production of professional content, which is cumbersome and costly in the case of the Hollywood model, demands heavy and planned investment in view of the excessive uncertainty. Today, creative contents are more diverse and often produced by amateurs: they are freely available, sometimes even without any charge and define a new productive model that could be described as Hollyweb. If the Hollywood model refers to a conception based on the connection between eye and nature, the Hollyweb model refers to a conception based on the connection between brain and information. These two models are not mutually exclusive, but their choice is determined by the organizational model (Grefe & Sonnac, 2008).

- Whereas the Hollywood model depends mostly on the tried and tested organic approach, the Hollyweb model depends on an ecological and multimodal approach.
- Whereas the public for a performance based on the connection between the eye and nature is a public consisting of consumers, the public for the

- conception based on the connection between the brain and information is more often than not a public consisting of gamers and designers.
- Whereas the Hollywood model tends to present a concrete and incorporated product, the Hollyweb model prefers “disembodied” and “disembedded” contents that can be described as web-goods.
 - Whereas it is difficult to develop diversity, it is an intrinsic trait of the Hollyweb model. Moreover, while the Hollywood model is subjected to the tyranny of best-sellers and blockbusters, the Hollyweb model encourages the distillation and dissemination of micro-cultures and gives rise to a cyber-economy which will enable every person to be a consumer, if not systematically a producer, of anything he or she wants.

This will lead to the emergence of the total potential promised by mediated communities. It must be admitted that these communities do not have a monopoly of this type of approach, but they certainly constitute one of the matrices of the Hollyweb model and hence of this diffuse brain-information creativity, which can nurture and diversify creativity and its effects.

Yet how can one be sure that mediated communities are capable of assuming this role? On the one hand, they are characterized by their plasticity, portability, reactivity, and connectivity, all of which are the qualities requisite in the Hollyweb model. To these may be added the characteristics mentioned earlier like the absence of a corporate and territorial character, but many other obstacles may arise.

- The scale of these communities is a determining factor to the extent that interactions within them depend on sociability and personal expression and not on the desire for monetary rewards linked to the production of specific knowledge (that can be easily appropriated). If sustainability depends on the continuous production of self-edited content, the size of available spaces should ensure that the content will remain meaningful over a period of time. An overly large size will not suit a monetary model because such a model is difficult to design; furthermore, it can also blunt the basic reason for the involvement of the members of these communities.
- Their involvement in these sociability-based media is always fortuitous. The quality of experiential and relational goods determines the day-by-day

- renewal of the community's membership, which underlines the fact that we are dealing with very fragile structures.
- It is advisable to avoid an approach guided by higher productivity or better quality at the expense of negative effects in the social, ecological, and even economic spheres. As for network members, their contribution should remain insignificant, so as to make any kind of specialization or professionalization difficult, except for the creation of a simple ramp within the mediated community to launch another community of experts, which will have little to do with the earlier community and will mark a return to the Hollywood type of model.
 - Yet another constraint is the time "required" by the members of the mediated community. Although they may be willing to produce goods and services free of cost, which they can exchange or barter among themselves, the time spent on this account also has an alternative cost that can be expressed in terms of the eventual loss of monetary income. A mediated community which lapses into a bureaucratic mindset, however slightly, will soon lose all its members.
 - Could the extraordinary development of mediated communities be seen as a true democratization of information, knowledge, and works, leading to the increase of creativity in our societies? It is possible to imagine a more perturbing scenario. What encourages the emergence of thousands of portals, exchanges, people participating in exchanges, and editors of self-managed contents, is above all the proliferation of market niches that creates more and more segmentation.

Another difficulty to overcome is the assumption that mediated communities promote diversity. This is not certain for three reasons. The first is the semantic logic of requests. The second is the self-referential logic of links: The sites to which people were directed generally professed the same ideology since the hyperlinks led to the constitution of polarized and relatively homogenous constellations built around influential sites. The third is the dynamics of collective filtering and integrating loops of change: In blogs and especially in forums, contributions duplicated, commented upon, and redisplayed earlier contributions, so that dissenting messages were less visible, while these were the messages that could have logically encouraged the development of exchanges and creativity.

A Specified Approach for Developing Countries?

According to other specialists, this way of dealing with creativity still appears too specific to the experience of developed countries. For Bachura, the Western approach to creativity ignores the specificity of developing countries and also gives an excessively large place to the concept of intellectual property. Creativity should be, too, a way to emphasize the importance of interactions in everyday life, one that brings about a new idea to then see this idea immediately shared by others (Bachura, 2010). Creativity is essentially a collective process of participation. This creativity then operates on the basis of three principles. The first is designated as impermanence. Any transformation is part of what already existed, but this may have more meaning than another element. As Mauss wrote, there is more here to transfer than a link that takes the place of that which preceded it. The second is a principle of social ecology: We do not advance only by saving energy resources but by protecting ourselves against any social imbalance. The third is humility: This is not a moral principle but rather a way to meet the requirements of a life in society. This also means that creativity cannot tolerate exclusion and marginalization. Creativity should be a principle embodying / embracing the membership of all the members of the community.

Notes

¹ Kandel, E. R. (2012) : *The Art of Insight : The Quest to Understand the Unconscious in Art, Mind and Brain*, New York: Random House

² Idem, p. 95.

³ Idem, p. 112.

⁴ Gardner, H. (2006) : *Five Minds for the Future*, Boston, Harvard Business School, p. 80.

⁵ Kris, E. (1952) : *Psychoanalytic Explorations in Art*, NY: International Universities Press, p. 19.

⁶ Andreasen, N. (2005) : *The Creating Brain: The Neuroscience of Genius*, NY: Dana Press, p. 40.

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- 7 Kandel, Op. cité, p. 459.
- 8 Idem, p. 470.
- 9 Idem, p. 472.
- 10 Greffe, X. (2012) : L'artiste-entreprise, Paris: Dalloz, p.76.
- 11 Granovetter, M. (1973) : The Strength of weak ties, *American Journal of Sociology*, 78, pp.1360-1380
- 12 Idem, p.1376
- 13 Blau, P.M. (1974), p. 623.
- 14 Granovetter, M. (1973), p. 1364
- 15 Granovetter, M. (1985) : Economic action and social structure: The Problem of embeddedness, *American Journal of Sociology*, 91, p. 493.

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Chapter 2

Cultural Policies in Europe: From a State to a City-Centered Perspective on Cultural Generativity¹

Pierre-Michel Menger

Cultural policy has undergone major changes over the last half century. What I aim to do is first to review the evolution of the European model of cultural policy. Yet before investigating evolution, one should ask: does such a model exist? My claim is that such a model does exist, even if we should not overlook significant differences between the various European countries. My suggestion is that these differences have been far greater before the communist system in Eastern Europe collapsed, and before dictatorships in Spain and Portugal were overthrown in the seventies.

I shall take as a fundamental premise of my argumentation that the European model of cultural policy is deeply rooted in the Welfare State doctrine that has been prevailing during the last half century. In fact, cultural policy may be regarded as one of the pillars of this doctrine and its implementation, together with educational policy, social policy and health policy.

I'll sketch its evolution as a four phase move towards what has been emerging as the central dual content of the current public cultural policy: preserving and promoting heritage on one hand, and bringing the creative industries at the core of the so-called knowledge society, on the other hand.

The general evolutionary trend which I will expound upon shows four distinct phases²:

- 1) the creation of a systematic cultural supply policy based on a limited definition of culture suitable for public financing and based on a vertical concept of democratization by conversion.
- 2) the gradual decentralization of public action, which leads to an increasing disparity in its aims and functions, and which challenges the initial universalist, top-down egalitarian model;
- 3) a revision of the legitimate scope of public action, which declares symbolically obsolete the founding hierarchy of cultural politics, that which would

oppose high culture, protected from market forces and entertainment culture and governed by the laws of the industrial economy;

- 4) an increasing tendency to justify cultural policy on the basis of its contribution to economic growth and to the balance of national social diversity, which legitimises the regulatory power of public action as well encouraging the expansion of the “creative industries” and the demands for the evaluation of procedures and results.

Having investigated the European cultural policy state model and its evolution, I’ll move away from the state centered perspective and focus, in the last part of my talk, on the city as the incubator of cultural generativity, in order to suggest how a city-centered approach to cultural development challenges the state-centered doctrine of cultural policy.

The Initial Model: Excellence in the Arts – the Virtues of Democratization

When culture entered the welfare states’ agenda in the 1950s, a simple doctrine quickly formed the basis of public action. It consisted of two objectives: protecting and developing cultural activity, and providing citizens with equal access to it. Definition of culture was homogenous, associated with high culture, with its hierarchies and classifications and its selective renewal and settling principles. Culture symbolized a national identity while also claiming to embody universal values.

The arena of public cultural action was defined in opposition to the arena of cultural industries and the entertainment culture, dominated by market forces. However, a history of the arts might also show that the market had moved artistic innovation away from the academic arena and its state protection and into the visual arts. Literature and cinema are mainly market-based: innovation finds its ways and its niche within that market framework.

Fundamental public action was overall more certain of its values than its procedures. Neither Keynes, the founder and first Chairman of the Arts Council of England, nor French Minister Malraux doubted that the guiding principles of public action should be excellence and the widest possible democratic participation in frequenting works of the greatest artistic ingenuity. The situation was the same in the German Länder and Northern European democracies when, thanks

to economic growth, cultural politics began to figure as a priority for welfare states.

The Expected Effects of a Supply Policy

How did the policy of supply affect demand behaviour? In Northern Europe, there was no doubt about the aim: the social stratification of tastes and preferences, which creates huge class divisions, could be limited. This is the 'escalator' model of slow ascent: the various social groups stand on higher or lower steps, depending on their budgetary and educational means, but when growth is strong and its fruits efficiently distributed, the stairway elevates everyone. Once basic needs are covered (food, housing, transport, health) a disproportionately higher amount of expenditure is then directed towards higher requirements such as leisure and culture, spatial mobility, personal care, domestic services, etc. The machinery of the welfare state promotes culture as a fundamental right and an essential part of personal and collective growth, ranking it alongside other rights such as education, health and social security.

France and Great Britain's philosophy relied more on the ripple effect of territorial dissemination on demand.

How Effective Has Public Cultural Action Been ?

What do we know about how effective public cultural action has been in lowering cultural consumption inequalities?

Drawing on existing European research literature on public cultural policies and available data, it is possible to summarize the issue of efficiency in three points:

- there are winning sectors, which attest to the success of public action: when looking at cultural outings, heritage-related activities rank highest. The culture-consuming public is now greater, and comes from more socially and geographically diverse backgrounds. Without heritage, there would be no cultural tourism, something which has considerable economic importance. This seems particularly to be the case for Southern European countries, whose cultural heritage is considerable;

- there are trends within practices, with some starting off positively then recently falling off: for instance, reading practices and literacy levels have long distinguished the Northern European countries, where adult education and the network of public libraries have historically been the key to local and central cultural policy. The recent change in reading practice (is a result of the growing competition from the growing range of digital technologies;
- finally, there are sectors in which supply has far outstripped demand: this is the case for theatre and other such live performing arts. These sectors embody one of the historical origins of public cultural policy throughout Europe, and remain central to them. However, these sectors have continued to remain restricted, both in terms of the size and social diversity of their public. The realm of classical concerts and opera remains particularly symbolic of the voluntarism which is always necessary, always reasserted and always disappointed. To some extent this typifies all public action-related dilemmas.

Decentralization and Decentering

Everywhere in Europe, the supply-centred policy I have described increasingly involved local authorities: in Northern Europe and in federally governed countries earlier than in Southern Europe.

My point is the following: by taking into account issues of territorial balance and spatial equity, the primary definition of public cultural policy action, as rooted in a hierarchical and universalistic set of tenets, have gradually been undermined. The involvement of local players fairly quickly prompted the question of the definition of culture to be supported.

The welfare state and its central cultural administration aimed at persuading and helping local authorities to provide their populations with a coherent range of cultural facilities and amenities such as libraries, museums, live performing arts venues, art and music schools, theatre companies, symphony orchestras, opera houses, etc. Yet as this process unfolded, local authorities increasingly broadened the definition of culture they were willing to supply, leading it towards a more anthropological definition of cultural identity and diversity, and increasingly linking cultural policy to education, urban and social policy.

In the face of the hierarchical classification of arts legitimately deserving of public support and the glacial pace of changing individual cultural tastes and raising attendance for high culture events and institutions, radical proponents of

a cultural policy counter-model proposed instead a re-evaluation of popular culture.

See the Danish case. Denmark created a Ministry of Culture in 1961. Here, support for the arts, in the limited definition of culture, was at once grounds for opposing the populism of those parties hostile to public support. Towards the late 1960s, a public report recommended adopting a pluralist view of culture, working in harmony with local authority involvement. In reality, pluralism was closer to a default egalitarianism rule than anything else, since funding structures are far less flexible than model shifts would suggest, due the sunk costs and path-dependency of public support schemes.

The British 'arm's length' model is a completely different way of organising public action, but with just the same conflicting objectives.

The lesson to be drawn from that period is the following. As public cultural action expands, it feeds its differentiation and contestability: the question quickly arises as to whether there can only be one single, immutable definition of culture governing cultural action in the regions or whether, at grass roots level, the 'top down' public action model ought not to be changed for a 'bottom up' policy.

Open Borders: Cultural Policy, the Free Market, the Economy and the End of Monopolies

In the mid-70s, the first oil crisis led to an economic downturn which restricted the welfare state model to low levels of economic growth. Culture, seen as a civilising force, could no longer remain anti-utilitarian and outside the boundaries of market forces. This is both the result of an exogenous shock and the consequence of the policy's internal differentiation and territorial expansion.

Externally, the development of the cultural welfare state in Northern Europe was abruptly curtailed, owing to the sharp increase in welfare payments during a time of rising unemployment.

Internally, social and welfare democracy had created an opening for the deconstruction of hierarchies within the arts. The cultural industries had undergone a formidable development since the 1960's, around the time when the first large-scale systematic programmes of public finance for culture were implemented. These industries had given rise to numerous musical innovations (the birth of pop and rock music) since the end of the 1950s, and these effervescent adolescent sub-cultures were epitomized by values of cultural, critical, hedonistic

and anti-establishment liberalism, in stark contrast to what was denounced as high brow culture, transmitted in a quasi-hereditary manner. How could it be that consumption of culture was so strong in the commercial sector and yet so clearly socially unbalanced in the subsidized sector? As popular culture began to be reassessed, rigid hierarchization of the cultural sphere seemed no longer legitimate.

The utility of culture and of public action took on a new form. The economic and industrial valuation of cultural production, the impact on local development and urban regeneration, the development of corporate sponsorship and the diversification of resources were the guiding tenets that Thatcher's government imposed on the Keynesian philosophy of the Arts Council in the UK.

In France, the coming together of cultural policy and economic rationality took on an opposite profile. The aim of growing interventions to support traditional arts and heritage was maintained, to the extent that there was increasingly centralized expenditure by the Ministry of Culture on Paris and its surrounding area, with unprecedented support of large scale architectural and heritage works. At the same time, the Ministry of Culture's scope grew beyond and in an opposite direction to its original domain, into the production of the cultural industries and the deployment of artistic forms into markets of mass consumption which would maintain their success and pace of innovation. Public action, accused of failing to become more democratic, understood that its context was changing.

Note however that nowhere has public action been prone to massive redirections of spending towards the domains of organised cultural production in accordance with free-market competition. It is symbolic, but also and above all regulatory. The example which is valid across the whole of Europe is the political and economic fate of the audiovisual industry. The monopoly of public control over television came to an end in the different countries at various dates between the mid-1970s to the end of the 1990s. Public action has indeed shown itself to be effective when it developed a regulatory mechanism of contracting and control by independent authorities, which set a framework for the expansion of the audiovisual industry through maintaining or promoting political, religious, cultural and linguistic diversity. Public action also induced the television industry to finance the film industry, whose production and heritage it could exploit, by setting quotas to protect national production in a market dominated by the American industry.

Regulatory action is one in a set of three principles building the new rationale for cultural policies.

The second one was call for the social and economic benefits of culture, which have been visible since the 1970s in the behaviour of large as well as small cities.

Thirdly, it was essentially in the 1980s that the first means of assessing cultural policy were devised. Evaluating and measuring the effects of cultural policy is too big a subject for me to explore here. I will merely state that the efforts to do so have taken differing approaches: analysis of the economic impact of culture and the support to its provision, study of the spillovers of local spending, the application of tools for public policy evaluation and expenditure rationalisation to culture, and the international evaluation of national public policies.

Cultural Policy, Industrial Policy and the Knowledge Society: From the Cultural Industries to the Creative Industries

At this point, let me restate a key argument which can be seen as the leading thread of my presentation.

As the social and economic justification for public cultural action has been through a series of adjustments, the very definition of culture itself has changed. We are familiar with the distinction between a narrow definition of culture, based initially on the high arts, then incorporating all of the high arts and their popular forms (in music, literature, dance, etc.), and an anthropological, relativistic definition. On the other hand, bringing the cultural industries into the sphere of public policy moves it in another direction entirely, leading to a more far-reaching political revision.

The situation evolved rapidly when the flag was flown for the creative industries. Cultural policies in most European countries have adopted this requalification of one part or even, as in the United Kingdom, the entirety of their field of intervention. The movement started in Australia which promoted the idea of a 'creative nation' in the early 1990s. This revamped cultural policy had two main objectives:

- 1) to work towards the complete recognition of multiculturalism, and
- 2) to promote the creative industries, whilst moving towards the information and communication technologies sector's industrial policy.

In Europe, this doctrine was revised and implemented by Tony Blair's government from 1997 onwards. The policy implemented in the UK distinguishes between two areas of intervention, namely heritage and the creative industries. The latter include architecture, music, live performance, publishing, the art and antiques market, music, arts and crafts professions, television and radio, film and video, advertising, design, fashion, video games, software and IT services.

The argument is simple: culture as covered by policy materialises as goods, services, performances and practices. Under this definition, culture is an end product and its consumption should be as geographically and socially equitable as possible, in order that individual satisfactions coincide with social benefits.

In redefining it to place greater emphasis on creativity, culture, in the sense used here, becomes a sector in which qualities which are also a resource for the economy as a whole are sought and implemented. For this reason, activities which can be defined as both utilitarian and functional forms of production are associated with the arts: advertising, fashion, industrial and software design being good cases in point.

And creativity should be seen as a generic part of the inventiveness common to all economic activities which constantly require knowledge, its unceasing renewal and a technical approach to the production process to ensure innovation.

Cultural policy thus becomes an "industrial" policy. This new sectoral identity of public action has been adopted in Denmark and in Sweden (the strategy was entitled *Culture and experience economy*, 2003) in the Netherlands (*Our creative potential*, 2005), the German Länder, in Lithuania and in Poland.

I'll underline the main shifts this reshuffling of cultural policy is the product of.

- 1) Equating culture with creativity occurs in societies growth model is based on technological innovation and on raising the country's knowledge capital.
- 2) The public management of culture and the arts should no longer be an evidence-free zone shielded from measurement of its contribution to economic and social development.

What can be found in this statistical mapping which might provide the economic value of the cultural sector resides in its contribution to GDP, in added value, in growth rates, in the proportion of jobs directly or indirectly related to the sector and in the quality of these jobs, in the characteristics of businesses and

micro-businesses and in their competitiveness (productivity and profitability) and in the volume and structure of cultural consumption expenditure in household budgets. However, the argument that culture is also an intermediate good also leads to the attempt to pinpoint all of culture's indirect contributions to the economic growth and social cohesion of countries, territories and towns.

One simple measure of this indirect contribution is that cited by local authorities since the 1970s: the leveraging effect of available cultural goods and services on the development of local tourism and on urban regeneration. Valuing the exact knock-on effect of tourism has long been the subject of controversy, when the exact returns on cultural investments were being examined and compared with alternative investments.

It is also significant that one of the main outcomes of action supportive of the so-called creative industries was the proliferation of urban regeneration schemes and the redevelopment of industrial sites within major urban areas. Examples abound: Helsinki, Amsterdam, Manchester, Lille, Marseille, Lodz, Barcelona, Dublin, London and Milan to name but a few. Similarly, for medium-sized cities the emergence of 'creative clusters' has provided a possible response to the competing draw of large urban areas for artists and cultural enterprises.

Another indirect contribution lies in the fact that the cultural industries are industries of content. Their work has sustained the development of information and communication technologies. The supply of musical, audiovisual and information content constituted the best loss-leading product strategy to speed up the household adoption of technological goods and to quickly change consumption patterns.

The most elusive indirect contribution is that of "cultural vibrancy" as celebrated by the British cultural policy. Vibrancy means a power of attraction over multiple sectors of the economy and at various social levels. The thinking behind this is not new. What is new is the attempt to calibrate it, and comes from economic thinking on endogenous growth and on self-sustainment through creative and innovative impulses. Creative indices are offered to public and private bodies to encourage the emergence of a new social ecology. Academic works offer to enrich nations' accounting tools by constructing a gauge of the cultural value of all social and economic realities, and to contribute to the definition of sustainable development policies.

3) The third evolution concerns employment in the cultural sector.

One of the arguments of the creative industries' policy is the consecration of key values associated with creativity: a flexible and compliant personal approach, an appetite for risk, the ability to cope with the unexpected, lateral and intuitive thinking, the championing of diversity within teams. What do the jobs and employment markets which promote such qualities look like? Numerous studies have been done, and all of them highlight the disparity between the vigorous growth of this employment sector, which is far higher than that of the service industry, and the individual situation of those in the job market. Educational qualifications are above average but there are huge inequalities in earnings, as shown by the Paretian profile of their distribution (four fifths of earnings and amounts of work are enjoyed by less than one fifth of professionals), and individuals, however qualified, more frequently than elsewhere cycle between short-term employment, unemployment and side jobs.

Ironically enough, cultural policies have had a spectacularly successful effect on cultural availability and encouraged the rapid growth of professionals working in the cultural sector, but essentially have been able to offer stable employment only to administrative and technical employees of artistic organisations and bureaucratic central and local cultural institutions and those various professions built around the artistic supply side (those involved in teaching, organisation, intervention, conservation, dissemination of art and culture).

Creative Undertakings in their Urban Context: Growth, Inequality and Globalization

Cultural policy models, however different they may be, always deal with the question of hegemony of one or a few leading cultural centers at the national level.

One actual dilemma is the balance between the ideal of cultural democratization, which advocates a more egalitarian distribution of high culture, both at the societal and at the spatial level, and the efficiency rule, which tends to favor - with higher rates of public cultural investment - the cities that bring prestige to the country and give it a top rank in international cultural life.

At a nation level, a usual social welfare function implies that inequality in income and in various kinds of resources should be reduced. In essence, this implies a more egalitarian distribution of human capital. Human capital devel-

opment (mainly through a rise in average educational level) translates into rising cultural consumption and rising demand for cultural amenities, leveraging therefore increasing supply of culture.

However, things go different at a local level. Spatial inequality, with a few urban metropolitan areas and cities dominating the economic and demographic scene, has proven itself as a means to drive the connection between human capital and growth. In a nutshell, the 'agglomeration economy' or 'demand for urban density' argument claims that returns to skills (productivity) and to creative undertakings (innovativeness) correlate highly with the size of the city workers and consumers live in.

Why this is so has been investigated extensively for about three decades, especially by economists and economic geographers like Edward Glaeser in his numerous publications issued since the 1990's³.

Large cities serve as forges of human capital and incubators of innovation, due to human capital spillovers: individual productivity appears to depend on the density of smart and well educated people, due to higher inventiveness generated by higher and faster exchanges of ideas, and due to the concentration of workers in those industries requiring high levels of human capital and high demand for innovation. Accordingly, dominant cities specialize in business services - law, finance, accounting and consulting - but also in creative industries' production of goods and services (arts, entertainment, media, fashion, design, advertising). Occupational breakdown of workforce composition according to the size of the metropolitan area and to the dominance of world cities, as shown in Tables 2.1. and 2.2. taken from Markusen and Schrock's 2006 paper provides a glimpse of this urban specialization and generativity process.

Table 2.1. Selected Occupational Group Specialization by Metro Size Class, 2000 (quoted from Markusen and Schrock, p. 1308, 2006)

Occupational group	All MSAs	Metropolitan total employment range (000s)				
		>3500	1000–3500	500–1000	250–500	<250
Computer and mathematical	1.17	1.05	1.56	1.06	0.84	0.75
Legal	1.15	1.47	1.26	1.06	1.02	0.84
Business and financial operations	1.12	1.26	1.23	1.10	0.98	0.85
Arts, design, entertainment, sports, media	1.09	1.87	1.05	0.97	0.95	0.83
Architecture and engineering	1.09	0.79	1.36	0.96	0.98	0.96
Life, physical and social science	1.05	0.96	1.26	0.95	0.89	0.92
Office and administrative support	1.04	1.14	1.04	1.06	1.01	0.95
Management	1.04	1.09	1.11	0.97	0.97	0.95
Protective service	1.02	1.30	0.97	1.06	0.93	0.91
Healthcare practitioners and technical	1.01	0.98	0.95	0.99	1.11	1.10
Personal care and service	1.00	1.13	0.99	0.98	0.97	1.00
Community and social services	0.98	1.20	0.87	0.94	1.05	1.06

Notes: Occupations shown exhibit relatively high rates of skewness across US metros. Specialisation index of 1 indicates equal share of occupation in size class as in overall economy.

Source: Authors' calculations based on data from US Bureau of Labor Statistics, Occupational Employment Statistics, 2000.

Table 2.2. Occupational Specializations, by Group, US World Cities and All Metros, 2000 (quoted from Markusen and Schrock, p. 1309, 2006)

Occupational group	Los Angeles	New York	Chicago	World Cities
Arts, design, entertainment, sports, media	2.20	2.37	1.04	1.87
Legal	1.26	2.03	1.11	1.47
Protective service	1.29	1.72	0.88	1.30
Business and financial operations	1.08	1.40	1.30	1.26
Community and social services	1.09	1.57	0.94	1.20
Office and administrative support	1.15	1.20	1.07	1.14
Personal care and service	0.82	1.64	0.94	1.13
Management	1.00	0.99	1.26	1.09
Computer and mathematical	0.91	1.08	1.14	1.05
Education, training and library	0.94	1.27	0.84	1.01
Healthcare support	0.80	1.49	0.70	1.00
Healthcare Practitioners	0.97	1.01	0.96	0.98
Craft and assembly production	1.19	0.53	1.15	0.95
Transportation and material moving	1.16	0.60	1.08	0.95

Source: see Table2.1.

The increasing trend towards spatial concentration of cultural workers within major urban areas or urban districts is well documented as well the agglomeration economy pattern that fits especially well with the production and work process in the arts, with its entrepreneurial base of micro-businesses, flexible and interdependent resource-sharing networks and with its working population whose structural surplus makes it possible to organise a system which work on a project-by-project basis.

Less easy to measure are the returns to density on the cultural demand side. Cultural consumption correlates with income and educational level. Once controlling for those factors, there seems to be a net cultural amenities supply effect.

Taken together, the several factors of an agglomeration-driven cultural growth lead to a conclusion that hurts the basic philosophy of a nation-level defined cultural policy. Major centers concentrate the best jobs, high levels of innovation and high-starts consumption, but do also generate spatial and social

Table 2.3. The 20 Most Connected Cities in the WCN in 2000 and 2008
(quoted from Derudder *et al.*, p. 1868, 2010)

2000			2008		
1	London	100.00	1	New York	100.00
2	New York	97.10	2	London	99.32
3	Hong Kong	73.08	3	Hong Kong	83.41
4	Tokyo	70.64	4	Paris	79.68
5	Paris	69.72	5	Singapore	76.15
6	Singapore	66.61	6	Tokyo	73.62
7	Chicago	61.18	7	Sydney	70.93
8	Milan	60.44	8	Shanghai	69.06
9	Madrid	59.23	9	Milan	69.05
10	Los Angeles	58.75	10	Beijing	67.65
11	Sydney	58.06	11	Madrid	65.95
12	Frankfurt	57.53	12	Moscow	64.85
13	Amsterdam	57.10	13	Brussels	63.63
14	Toronto	56.92	14	Seoul	62.74
15	Brussels	56.51	15	Toronto	62.38
16	São Paulo	54.26	16	Buenos Aires	60.62
17	San Francisco	50.43	17	Mumbai	59.48
18	Zurich	48.42	18	Kuala Lumpur	58.44
19	Taipei	48.22	19	Chicago	57.57
20	Jakarta	47.92	20	Taipei	56.07
22	Buenos Aires	46.81	21	São Paulo	55.96
23	Mumbai	46.81	22	Zurich	55.51
27	Shanghai	43.95	25	Amsterdam	54.60
28	Kuala Lumpur	43.53	28	Jakarta	53.29
29	Beijing	43.43	31	Frankfurt	51.58
30	Seoul	42.32	40	Los Angeles	45.18
37	Moscow	40.76	46	San Francisco	41.35

class polarization, with large numbers of migrants attracted and housing prices distribution even more skewed than wage distribution of the population of residents. Moreover, major centers are likely to be more densely connected to each other across the world, and to build a tight network of world cities, as shown in numerous recent studies⁴ (Alderson and Beckfield, 2004; Derudder, Taylor *et al.*, 2010). Table 2.3 above, quoted from Derudder *et al.*'s paper, lists the 20 most connected cities in the World city network defined by Derudder, Taylor and their research team. That network structure is a most distinctive way to secure and improve urban economic and social dominance in the era of globalization.

Conclusion

What has notably emerged from my investigation is that local, regional and national cultural policy schemes are likely to increasingly differ with respect to how they set their respective priorities. A state-centered policy has mainly an egalitarian concern. Yet inequality may boost creativity and cultural generativity up to the point where it generates increasing social costs. A major city's artistic prestige and cultural development may benefit the whole country's prestige, yet at the expense of cities competing with it to develop. Multiculturalism and cosmopolitanism may be key ingredients of a diversity-driven creativity, yet at the price of potentially increasing social segregation and polarization.

These are major dilemmas cultural policies have to address when it comes to the net contribution that creative undertakings and, in a less trendy phrasing, human capital accumulation provide to enhance economic growth and social welfare, as well as to ensure dominance in the globalization process. In a sense, the emphasis on creativity and creative industries has gained ground in the public cultural discourse and agenda as a way to narrow the gap between the top-down approach of the state-centered, rather egalitarian cultural policy doctrine, and the bottom-up approach of spatial agglomeration-driven generation and exchange of ideas and increasing returns to skills in the knowledge economy.

Notes

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² In viewing the phases of public cultural action as a series of phases in the various European countries, a meticulous historical and comparative approach is required to avoid lapsing into caricature. Yet it would go well beyond the bounds of this study. I can only refer to the details of the documentation and works which I have consulted for this talk. See Greffe, Pflieger (2009), McGuigan (2004), Poirrier, (2000), Rigaud (2001), Ross (2009), Saint-Pulgent (2009), Schnapper (2002), Throsby (2001), Urfalino (2004), *The Economy of Culture in Europe* (2006), *Compendium. Cultural Policies and Trends in Europe* (2009). I may also refer to the final chapter of my book *Le Travail créateur*, Paris, Seuil/Gallimard, 2009.

³ See in particular Glaeser, Kolko, Saiz (2001).

⁴ See in particular Alderson, Beckfield (2004) ; Derudder, Taylor, Ni, De Vos, Hanssens, Bassens, Huang, Witlox, Shen, Yang (2010).

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CASE STUDIES

Chapter 3

Creative Craft City Kanazawa¹

Emiko Kakiuchi

Introduction

Researchers have long discussed the possible and desirable linkage between culture, city, and industry. As early as the 19th century in the UK, the Arts and Crafts movement was proposed to upgrade quality of life through finding beauty in daily life, in reaction to the dreariness of mass production and mass consumption after the industrial revolution (Morris, 1879). This movement inspired the *mingei* movement in Japan to focus on the functional beauty of everyday items (Yanagi, 1928).

More recently, attention has been paid to culture from urban and industrial sectors. European countries faced drastic structural changes of industries and the decline of the then-leading heavy industries during the 1970s and 1980s. One of the most successful cases in the field of urban regeneration, the IBA Emscher Park project in Ruhr, Germany, brought about much discussion concerning the linkage between development and culture, and culture is considered to be one of the most important elements in revitalizing cities and regions.

Since then, globalization, digitalization, and the shift to a service-oriented economy have proceeded, and the importance of so-called creative industries has attracted attention. The UK Department for Culture, Media & Sport (DCMS) defines these as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of economic property." (DCMS, 2001) These include advertising, architecture, art and antiques, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio (DCMS, 2011). It can be said that the proposal of DCMS is a supply-side approach and focuses mainly on media content industries. Recently other European cities have been placing more emphasis on non-media content such as high-value-added goods and services rooted in regional culture including even cuisine.

On the other hand, a demand-side approach suggests that the cultural atmosphere of a city can attract creative people, who are called the creative class in this discussion, and that the creative class will produce high-value-added goods and services, which contributes greatly to affluence and development of the city (Florida, 2002; 2005). Three elements are regarded as important for attracting this so-called creative class: technology, talent, and tolerance of a city.

In 2004, UNESCO launched the Creative Cities Network Project to connect cities that want to share experiences, ideas and best practices for cultural, social and economic development. Their thematic networks include literature, film, music, crafts and folk art, design, media arts, and gastronomy. Thus the number of cities that embrace the creative city concept has grown. In Japan, various arguments such as Florida's have been introduced since the beginning of the 21st century. Cities including Kanazawa, Nagoya, and Kobe have explicitly adopted the creative city strategy. Furthermore, the Agency for Cultural Affairs of the Japanese government, which is in charge of cultural promotion, inaugurated a cultural creative city network.

It can be said that creative economy and values and especially creative industries are essential elements for a creative city. However, there is still no widely agreed upon definition of creative industries and it is very difficult to even know their exact size. According to government estimates in Japan (Ministry of Economy, Trade and Industry: hereinafter referred to as METI, 2010), which mostly followed the UK definition, most creative industries in Japan are small- and medium-sized enterprises and are quite diversified in their products. More importantly, they are not growing as expected, and some of them have been declining during the past decade. It might be said that creative industries in Japan are still in a developing stage. It should be noted that so-called non-creative industries such as manufacturing are now becoming more creative (Nonaka & Takeuchi, 1995). For example, Toyota produces automobiles with highly advanced technology fully protected by intellectual properties rights, with increasing emphasis on styling and design. Thus it is difficult to define creative industries.

Nevertheless, considering on-going globalization and relocation of production sites of internationally competitive global industries outside of Japan, industries depending on individual creativity and regional culture will inevitably be important for local cities that have difficulty attracting such global industries

and factories. Also, the potential markets for creative products are estimated to be large (METI, 2013), and if this estimate is accurate it will be necessary to promote creative industries in the future.

The purpose of this research paper is to examine a case study to see how effective the creative city strategy is in terms of developing local creative industries. In the following section, we will briefly overview what creativity means to Japanese society in relation to the structural change of the economy. Then, we will closely examine Kanazawa, a city that has explicitly adopted the creative city strategy, to see the impact on local development. In the final section, we will discuss prospects and issues about the creative city strategy.

Historical Overview and Creativity Argument

The Postwar Economic Miracle and Creativity for Innovation

Japan has been actively modernizing itself for the past 150 years. After World War II, Japan's new constitution renounced war, and Japan placed a strong focus on economic development. The first wave of economic development was seen from the 1950s and 1960s, and Japan experienced rapid economic growth with roughly 10% growth of real GDP. This growth, sometimes referred to as Japan's *economic miracle*, had several notable aspects.

The growth was brought about by a complex set of factors; economic growth was attained not only due to resources such as the well educated workforce and active investment, but also by productivity improvements, efficient management of companies, development of transportation and technology, appropriate government policies, and the international political and economic environment (Patrick & Rosovsky, 1976). Osamu Shimomura, a leading economist at the time who provided the theoretical framework of this economic miracle, pointed out that Japanese people, who had been released from previous war-time regimes such as the gold standard and zaibatsu², greatly improved their creativity (Shimomura, 1962). He observed that one of the driving forces of the economic miracle was the creativity of the general populace, based on the recognition that everyone has the potential to improve economic activities. This is one of the earliest statements referring to the importance of creativity for activating innovation and economic development in Japan.

After Japan caught up with other advanced countries economically, industries were forced to innovate by themselves rather than importing advanced technology from overseas.

The previous educational system, which produced a well-trained workforce for Japanese society and industry, was criticized as too uniform, and the importance of nurturing creativity for innovation through formal and informal education was mainly discussed in order to accelerate scientific innovation (Ministry of Education, Culture, Sports, Science and Technology: hereinafter referred to as MEXT, 1971). Since then, more attention has been paid to the creation of human capital with diversified character and talent for innovation. Accordingly, the number of patents, Nobel Prize winners, research papers published in international journals, and so on were used as measures of creativity at that time.

Creativity for Knowledge Creation

In business activities, the total quality control (TQC) circle and *kaizen* movements in Japan were greatly promoted in the post-war period and became known internationally in the 1980s in particular. These are management techniques for improving performance at every level of a company, based on small but continuing adjustments and innovation by all members from production to management. It should be noted that, in Japan, TQC activities serve not only as quality control but they function as management tools, too. In actual implementation, quality control activities inevitably need the cooperation of all people in the company.

This approach provided the foundation for knowledge management, indicating tacit knowledge, to be invented and shared by all the members in a company (Nonaka & Takeuchi, 1995). Creativity has been viewed as an important element for innovation, which allows Japanese companies to adapt their operations to an ever-changing business environment: re-defining the values of goods and services they are offering, adding new values to their products, and creating new markets and clients.

At the same time, creativity was viewed as a capacity to adapt to the rapidly changing world (MEXT, 1983). It was proposed that education should aim at facilitating self-educating ability: to gain knowledge and information, think, create, and express ideas on one's own initiative.

However, the creativity argument itself had been in relatively low profile in Japan, with the focus changing from time to time. It should be noted that fundamentally the discussion of creativity sees it not as a special talent but a potential that anyone can develop. Also, creativity had been mainly discussed with regard to innovation and management in the fields of science and business, and somewhat in reference to education, but not in an urban context until the 21st century.

The Impact of Globalization

On-going globalization since the 1990s, after the so-called bubble economy in Japan, greatly changed Japan's society and economy. This change seemingly provided a new way to approach creativity.

Due to the de-regulation and more market-based policies taken by the government, economic and commercial functions are concentrated along the Pacific coast, particularly in the Tokyo Metropolitan area. The gap between Tokyo and other cities has been widening. Global cities such as Tokyo serve as incubators for innovation and developing talent through training in highly specialized services such as accounting, finance, advertising, telecommunication and other management functions (Sassen, 1991). This observation still appears to be applicable to some extent (Kakiuchi, 2013).

On the contrary, many other cities which had served mainly as sites for industrial production decreased many valuable functions such as the incubation of local culture, identity and social coherence. Since the bubble economy collapsed in the 1990s, they have also lost their role as sites for industrial production, due to the movement of production sites to lower-cost countries. For those cities, the critical issue is how to secure jobs for the local populace and how to maintain their economic vitality in a totally different way from previous eras.

Introduction of the Creative City Concept and Issues to Be Discussed

The creative city concept was introduced to Japan as an urban planning tool (Landry, 2000) and/or as a hub for the creative class (Florida, 2002). In view of social changes and rapid globalization, the concept of the creative city, in which

innovative economic structure and unique regional culture can co-exist, has been attracting attention.

Landry suggested that the creative city concept will function as a tool to solve urban problems such as social inclusion of minorities, revitalization of stagnant economies, and urban rehabilitation. He paid much attention to artists and creators as innovators. On the other hand, Florida pointed out that the existence of an emerging creative class engaged in science, technology, architecture, design, education, arts, music, and entertainment who are creating new ideas and value, including economic value.

These arguments contested the conventional argument that cities with good transportation and/or rich natural resources could attract a workforce and develop themselves. Instead, they suggest that, at present and in the future, those cities which can attract creative people will develop, as this human capital can attract industries, business, and investors.

So far, the creative city concept has been interpreted in different ways in Japan, although all interpretations place a strong focus on the importance of creative talents, artists, creators (who are engaging in IT-related cultural activities) and creative industries. These talents and creative industries are expected to create economic wealth directly, and/or attract talents who will create high added value. The creative city concept, at least as it is taken in Japan, seems to pay more attention to arts and culture (in a narrow sense) rather than science and technology.

However, IT-related jobs are heavily located in large cities, particularly Tokyo (Kakiuchi, 2013). In addition, according to Japanese statistical analysis (Kakiuchi, 2010), the number of artists and engineers has a strong correlation to the wealth of the city, but there is not much evidence that artists contribute to a city having a high average income. On the other hand, engineers, as well as occupations such as administrative workers and clerical workers, are shown to contribute to the personal income level of a city with statistical significance. Thus, it is difficult to single out the importance of artists in Japan for creation of wealth, at least in terms of personal income. Moreover, the number of artists might be explained well by the workforce and personal income of the city, with a very strong statistical significance.

It might be appropriate to say that the ratio of artists to the total workforce can be one index of a city's economic vitality (Florida, 2002) but it does not necessarily mean that artists directly contribute to economic development. The

conventional view that the existence of a strong economy with a large potential market attracts artists might better explain the strong correlation between artists and personal income.

If these observations are correct, why are some cities pushing the creative city strategy? In the following section, we will examine a case study in detail.

Case Study of Kanazawa

Overview of the City of Kanazawa

History

Located in the north central part of the Japanese archipelago, facing the Sea of Japan, the city of Kanazawa (hereinafter referred to as Kanazawa) is an economic and cultural hub in the region called Hokuriku (Japanese for *Northern Land*). Kanazawa started as a temple town in the 16th century when one of the most powerful Buddhist sects, Ikko, whose headquarters were in Kyoto, established a local branch to disseminate their beliefs in the area that is now Kanazawa. Construction of the city by the Kaga clan, headed by the feudal lord Maeda, began in 1583; the urban core of Kanazawa was completed in the latter half of the 17th century.

The Kaga clan was one of the largest and wealthiest feudal clans during the Edo Period. Due to its wealth and strength, its relationship with the central government was relatively tense. In order to show an intention not to build a military capacity independent of the central government, the Kaga clan spent major resources on culture. Thanks to this investment, today Kanazawa enjoys significant cultural heritage: Noh performances, gold leaf decorating, Kaga maki-e lacquer ware, ceramics, and Kaga yuzen - decorated silk kimono.

Geographical Features

The city is built on three plateaus traversed by two rivers. The old quarter of Kanazawa was a *castle town*, which is the center of the present city. The heart of the old quarter is where the castle buildings were built, as well as the Kenrokuen garden (Fig.3.1), which dates back to the 17th century. The Kenrokuen garden is considered one of the most beautiful gardens in Japan and is designated as a *Special Place of Scenic Beauty* under national law.

Kanazawa has an area of 470 km², of which 190 km² is habitable, with a population of 450,000. It escaped serious historical urban disasters including

damage in World War II, and it still maintains the original historical landscape of a castle town: canals, old streets, and natural scenery. Today Kanazawa is one of the most popular cities in Japan for tourists. It also has many universities (national, local, and private) in the surrounding areas, and quite a few cultural institutions and hospitals are located in the city. The city center is highly urbanized and densely populated, as 80% of the total population lives there.



Figure 3.1. Kenrokuen Garden
(photo provided by the municipal government of Kanazawa)

Development of Kanazawa

Modern Japan started in 1868 with the Meiji Restoration of imperial rule. The feudal system ended, and Kanazawa became a newly created city under the new Japanese government. At that time, Kanazawa, with more than 120,000 residents, was ranked as the fourth largest city in Japan, just after Tokyo (the new capital of Japan), Osaka, and Kyoto (where the emperor resided until WWII), competing with Nagoya (Tanaka, 1983). However, due to weak industrial fundamentals as well as the relative disadvantages of lacking good ports and a transportation system, having a large hinterland, and the long distance from Tokyo and Osaka, Kanazawa fell behind at the start of Japan's modernization. Its industrial progress started in the 1890s when it introduced silk production for export. Soon Kanazawa became the top production area in Japan for exported silk, thanks to the large surplus workforce of agricultural villages surrounding Kanazawa and its wet climate. The early transition from human-powered looms to power looms also accelerated the increase of textile manufacturing. At the same time, successive innovation of these power looms

contributed greatly to increased competitiveness and productivity of textile manufacturing (Nakamura, 2002).

Since then, silk textile manufacturing and the loom machinery industry have been the prime movers of the economy of Kanazawa. It should be noted that small and diversified clusters also developed around these two main industries: twisting, dying, finishing industries around textile manufacturing, and molding, iron, coating, pleating, industrial equipment parts, and processing industries around the textile machinery industry. These diversified clusters of industries then led to local industrial concentrations including local financial services. This example of endogenous development was attained by carefully selecting niche markets where a whole set production system was established within Kanazawa, thereby overcoming the inherent disadvantages of Kanazawa: lack of strong industrial fundamentals, little technology, and limited capital (Kobayashi, 1986; T. Nishimura, 1999).

Uniqueness of Kanazawa – Endogenous Development

The industrial focus mentioned in the previous section, however, did not lead to large capital accumulation. The silk market, in which the Kanazawa companies specialized, was much smaller than the cotton market in which Toyota Industries Corporation operated. Toyota used its accumulated capital to diversify its manufacturing areas, support management stability and to establish Toyota Motor Company. Likewise Suzuki Loom Works developed into Suzuki Motor Corporation.

In manufacturing terms, the light industries, dominated by textile-related industries, were the major exporters of Japan in the pre-WWII era. However, in the post-WWII period, the Japanese industrial structure moved from light industries to heavy chemical industries and steel in the 1960s–1970s, to value-added assembly production such as general machinery, electric devices, transport equipment and precision instruments in the 1980s. In the 1990s and 21st century high-value-added, high-tech products such as automobiles and information and communications technology (ICT) industries have emerged. Today chemicals, material products, general machinery, electrical devices and transport equipment make a great contribution to exports (over 80% of total exports, as of 2010). Intermediate goods and capital equipment are increasingly exported, while more final products are being imported, with Asian countries becoming the main trading partners (Kakiuchi, 2013).

Contrary to this national trend, many companies in Kanazawa have remained in their specialized areas and survived as small but unique niche top companies. The Tsudakoma Corporation, based in Kanazawa, operating for more than one hundred years in the field of textile machinery, has grown to become the world's top loom manufacturer today by advancing their special technology and know-how. At the same time, based on miscellaneous small parts processing industries developed around the textile industry, many high-mix, low-volume companies emerged, such as Shibuya Kogyo Co., Ltd specializes in bottling systems, Ishino Seisakusho Co., Ltd specializes in producing conveyor belt machinery for rotating sushi, Nissei Build Kogyo Co., Ltd. specializes in automated parking systems and prefabricated houses, and Katani Sangyo Co., Ltd. originated with gold leaf production and now specializes in stamping foil. This diversification is an essential feature of Kanazawa's strength.

Policy Framework of the Municipal Government

Kanazawa as a Core City

Kanazawa has been designated as a Core City³ since 1996 under the law in Japan, with various managerial and government functions carried out by the municipal government. Also, the Ishikawa Prefecture government offices as well as branch offices of the national government are located in Kanazawa.

It might be said that the critical period for Kanazawa was the 1960s, which is often characterized as the time of Japan's economic miracle. At that time many other cities developed as production sites for the national industrial structure, rather than pursuing local endogenous development. For example, the national government supported industrial development through building industrial parks in selected cities (called the *New Industrial City Concept*). Kanazawa applied to be the site for this project for the Hokuriku region, but it was not selected.

In 1966, the Law for Protection of Ancient Capitals was enacted, and ancient capital cities such as Kyoto, Nara, Kamakura and a few others were listed for national protection. However, Kanazawa, which had never been a capital city in Japan, was not covered by this law. Thus, Kanazawa had to seek its own strategy to harmonize its tradition and development. The municipal government originally aimed to develop a city with a population of 600,000 (a plan put into effect in 1971) by harmonization of development and livable environment. This plan was followed by the official report titled "Future of Kanazawa in 21st

Century” in 1984, aimed at creating an international cultural and environmental city based on initiatives by the citizens. In 1995, a new slogan was released, succeeding the previous two, to make Kanazawa the global city Kanazawa, *small but unique*.

In this course of events, the municipal government has increasingly concentrated its efforts on culture. There are two major pillars: a series of measures to protect its historic landscape, and capacity building and educational opportunities for creators, artisans and ordinary citizens. Such measures are unusual in Japan for a city of such small population and financial capability. The city also concentrated its resources on establishing a large number of art museums.

In the following sections, steps taken for the preservation of history and culture as well as major efforts for capacity building will be examined.

Enhancing the Uniqueness of History and Culture

The most influential and distinctive policy has been the preservation of the historic landscape. Starting from the 1968 Historical Environmental Preservation Ordinance, the first ordinance of this kind by a local government in Japan, the municipal government introduced zoning and measures for protecting its historic urban environment. Aiming to “create original and beautiful scenery and pass it on to the next generation, by protecting and developing the traditional environment and creating a modern townscape” (article 1), this ordinance was a pioneering approach in Japan at that time in that one regional city adopted regulations for the protection of private houses and the landscape (Y. Nishimura, 2004).

Since then, the landscape policies in Kanazawa have been based on the protection and rehabilitation of distinctive landscape elements such as old buildings, canals and steep sloping woodlands. A 1989 revision clearly divided the city into two areas: traditional environment preservation areas and a modern townscape area. Thus the city can protect the historic landscape while modern development of the townscape can be carried out in a harmonious way. This ordinance established detailed landscape formation standards, including height limits on buildings and other factors. After the introduction of the national Landscape Act (2004), the ordinance was fully revised and upgraded in 2009 (Onishi, 2011).

Several ordinances have been put together with a system of financial incentives enacted by the municipal government to regulate conservation of small townscape (1994), waterways (1996), steep slope wooded-land (1997), landscape of temples and shrines (2002), night views (2005), street scenery (2005) and views (2009). One of the interesting ordinances is the Waterway Conservation Ordinance, which preserves historical canals that were built in the Edo period. Kanazawa's canals were constructed hundreds of years ago by digging deep tunnels by hand to bring water upstream. These canals still exist today, maintained by local citizens and used in lowland farming. However, due to motorization in the post-war period, some of them were covered up to make parking lots. After the introduction of the ordinance, the parking lots were removed and the canals were restored.

The municipal government is also designating cultural properties and historical cultural sites to be preserved and utilized such as the Higashi Chaya geisha district. Including this district, the old city quarter in Kanazawa has kept the urban structure of the castle town: canals, streets, temples and shrines as well as craft shops and studios based on traditional skills. This townscape is nationally appreciated and was designated as an Important Cultural Landscape under the national law in 2010 (Figs.3.2-5).



Figures 3.2-5. Left to Right: Streetscape of Old Samurai District, Chaya-machi, Komachinami, Canal

Capacity Building

Kanazawa College of Art

Kanazawa College of Art⁴ was established in 1946, immediately after the end of WW II. At the request of artists and citizens to support the continuation of traditional crafts, the municipal government decided to educate creative talents in the field of fine and applied arts, despite the hyperinflation and scarce resources at that time.

Since then, the college has greatly contributed to the development of art and culture in Kanazawa, attracting many young talents from all over the nation as well as Asia, Europe, the US and elsewhere. Although it is one of the smallest universities in terms of the number of students, the courses that have been offered include Japanese painting, oil painting, sculpture, aesthetics and art history, visual communication design, industrial design, interior and architectural design and crafts (ceramics, metal works, lacquer ware and textiles).

The uniqueness of this college is its close link with artists, and particularly graduates. It also has strong cooperative relationships with cultural institutions including the newly created 21st Century Museum of Contemporary Art.

Utatsuyama Craft Workshop

Commemorating the 100th anniversary of the foundation of the modern city of Kanazawa, the Utatsuyama Craft Workshop was established in 1989 for the preservation and development of the traditional crafts of Kanazawa. In the 260-year history of the Kaga domain, many artisans originally worked to repair warriors' armor, and then their techniques and know-how developed further and were applied to other craft products. Based on these traditions, Kanazawa became one of the most active production areas of traditional crafts.

This workshop, which has permanent galleries and studios, provides training opportunities for young creators in five fields: ceramics, lacquer, dyeing, metal working, and glassware. Most of these areas are Kanazawa's specialties; Kaga-yuzen silk using a special dyeing technique called shibori, lacquer-ware with gold leaf, and metal work such as colored metal inlay. Citizens can visit the exhibitions and participate in classes for artistic creation.

The most important feature of this workshop is training courses for craft artisans. Each year, 10 young and promising artists and artisans are selected to be trained at the workshop, free of charge, for two or three years. These trainees also receive 100,000 yen per month as a stipend for purchasing materials. In the two decades since its foundation, more than 200 trainees have graduated. Although many of them came from outside Kanazawa, more than half of the graduates are working in artistic production in Kanazawa⁵.

Kanazawa Citizens' Art Center

The Kanazawa Citizens' Art Center was opened in 1996 as a multi-purpose art space. The red brick buildings of this center were the former Daiwa spinning mill,

built before WWII. The Daiwa Spinning Company, which is based in Osaka, decided to end operations in 1994, and the municipal government purchased the buildings. Originally they were to be demolished, but due to the importance of these factory buildings, they were converted to art space including studios for multi-purpose activities, drama, music, and art. On the grounds of the center, there is an open space where anyone can enter at any time without a reservation and a woodland house. The center is managed by citizens themselves; artistic directors are appointed to manage each studio, and the facilities are open 24 hours a day, 365 days a year. Thus, this center became a hub for the citizens of Kanazawa to practice their artistic skills.

An important training facility affiliated with the center is located on the same grounds: the Kanazawa College of Craftsmen. The College of Craftsmen offers various courses teaching advanced technique and skills in fields such as stonemasonry, tile, plastering, landscape gardening, carpentry, tatami mat making, partitions, sheet metal forming, and paper hanging. All these specialties are necessary for conservation of the historic houses and traditional townscape in Kanazawa. Each group of trainees has around 50 young artisans, and at their graduation after three years, the title of Kanazawa Meister (certified technician) is awarded by the municipal government. Also in the special course, 40 artisans, including graduates from the main course, are eligible to learn to repair existing objects for three years. In this course, trainees have opportunities to work on actual repair sites at historic buildings, which provides practical knowledge and skills, and at the completion, they are awarded the title of *Conservation Meister* (certified conservators).

21st Century Museum of Contemporary Art, Kanazawa

The 21st Century Museum of Contemporary Art, Kanazawa was established by the municipal government in 2004 with the mission of generating new culture and revitalizing the community. The museum is located in the center of Kanazawa just beside the city hall where the prefectural government offices were once located. Some of the museum's guiding concepts are casualness, enjoyment, and accessibility. This museum is an open park for people. Designed by internationally renowned architects SANAA (Kazuyo Sejima and Ryue Nishizawa), with a construction cost of 11 billion yen, the museum has a distinctive exterior: a round building, a circular glass corridor, and an open terrace (Fig.3.6).

With excellent exhibitions of contemporary arts as well as various workshops and seminars, the museum provides visitors with an experience of the world's foremost contemporary art, and thus it moves in step with contemporary society. As a participation-oriented museum for citizens, it tries to serve as a new town square for education, creation, entertainment, and communication. It should be noted that through this cooperative engagement with people and industries, the Museum will also serve as a laboratory for exploring ways of ensuring the viability of Kanazawa's distinctive cultural traditions. The Museum focuses on programs for children to see, touch, and experience art. As children grow, so will the museum grow and continue to evolve for generations to come. In sum, the museum is bridging the traditions and the future of the city.



Figure 3.6. The 21st Century Museum of Contemporary Art
(photo provided by the municipal government of Kanazawa)

Challenges – Linking Culture and Industries

Manufacturing Industries

Kanazawa's diversified industrial structure based on clusters of machinery industries have led to large tertiary industries of retail and wholesale services.

The employees in tertiary industries comprise around 80% of the total workforce⁶. The volume of wholesale and retail sales are very large for a city of this population size (2.2 trillion yen, and 600 billion yen respectively in 2009)⁷. On the other hand, less than 10% of the total city workforce is engaged in manufacturing, with sales of 370 billion yen as of 2010. Manufacturing production in terms of gross value added correlates with wholesales from

Kanazawa⁸. This can be interpreted as showing that manufacturing companies still spearhead Kanazawa's economy.

Recently, such global companies as Yokogawa Electric Co., Ltd. and Komatsu Ltd. established factories and branches in Kanazawa, which certainly diversified the industrial structure of Kanazawa. Also, new industries related to information and communication are emerging. Despite these new developments, a steady decline both in terms of production and the number of workers shows that the manufacturing capacity of the city in general is eroding (Fig.3.7).

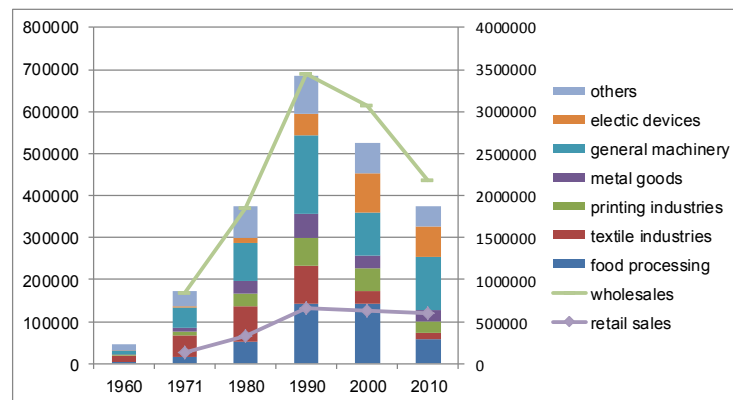


Figure 3.7. Trend of Industrial Production (Industry Delivery Amount) and Whole Sales/Retail Sales of Kanazawa (unit: million yen)

As for the traditional craft industries, they are more at risk. Around 3,000 people are engaged in various fields of traditional craft industries (roughly 6% of the total workforce) in 900 establishments (roughly 20% in total) in Kanazawa, generating roughly 11 billion yen in sales in 2010⁹. The importance of the traditional craft industries, however, is much larger than the figure shows, as they are valuable assets for tourism, and probably serve as the foundation for innovation.

Fashion City Project

The once-strong textile industry in Kanazawa is now very mature. It is important to keep and revitalize the textile-related industries as much as possible, in addition to adding new industries for growth. The municipal government, along with business associations, fully recognizes these issues and has taken several measures. In 2004, the municipal government declared the Fashion City project, introducing various measures to promote the fashion industry, combining pre-

existing textile-related industries and design based on fashion culture. Cultural institutions such as the College of Craftsmen and the Utatsuyama Craft Workshop as well as the 21st Century Museum of Contemporary Art are important assets for this purpose.

Also in 2009, the Basic Ordinance of Manufacturing was enacted, with strong commitments from the municipal government. The city borrowed empty houses in the central city area to use as incubation offices of SOHO entrepreneurs. They converted traditional houses, which would otherwise have been demolished, into artisans' studios, promoting interdisciplinary collaboration among different industries and different entities. The municipal government also established research institutions for Kaga yuzen silk and gold leaf decoration in order to promote product development and sales. Fashion trade fairs are organized by a newly established section of the municipal government. The city actively extends various types of support to entrepreneurs in the fields of fashion, design, ICT and other new industries. In order to proceed effectively with the above measures, the city government introduced an action plan with quantitative goals such as increasing the number of workers and sales of traditional craft industries.

Creative Craft City Kanazawa

Kanazawa has rich, multi-layered cultural assets that range from historic buildings to the townscape to traditional crafts to gastronomy. Kanazawa is using its experience with endogenous development as steps toward the rest of world. In order to exploit its rich culture to revitalize and advance business and industries, in 2009, Kanazawa was added to the UNESCO creative city network, and it is thus directly connected to international society.

Kanazawa views its 2009 UNESCO designation as a Creative City as a seal of approval for all the efforts the city has made to preserve its traditional crafts. It also sees this designation as a precious opportunity to be directly connected to international markets. To meet this objective, the municipal government identified three basic principles: linking culture and business, fostering creators, and attracting the world. The municipal government of Kanazawa has launched a series of programs. Creative Waltz is a program to send students of Kanazawa College of Art, creators of Utatsuyama Craft Workshop, and other young artisans to other UNESCO creative cities abroad to nurture the development of future craftsmen through international exchange. The Craft

Tourism program encourages visits to studios of craftsmen in Kanazawa, and the first International Triennale of *Kogei* (craft) was held in 2010 at the 21st Century Museum of Contemporary Art. Creative City Forum 2010 and Craft Creative City Workshop 2011 were organized to exchange information and build up intercity networks.

UNESCO's designation and other international interactions will certainly empower Kanazawa toward the ultimate goal of branding Kanazawa, that is, establishing Kanazawa as a city that is widely known internationally.

At the same time, Kanazawa is seeking direct interaction with other countries, particularly France. Since 2008, French and Japanese local governments have come together in annual conferences in France and Japan to discuss common issues and share experiences.

Creative City Network and Beyond

Some Statistical Analysis

In this section, we conduct statistical analysis on two major creative industries of Kanazawa. First, we examine details of textile-related industries in relation to national/local trends together with the impact of city policies. Second, traditional craft industries, Kaga yuzen silk industry in particular, will be examined in relation to capacity-building efforts.

Textile-Related Industries

According to national industrial statistics¹⁰, manufacturing production in Japan¹¹ decreased by roughly 10% with some fluctuation during 1990–2010 in nominal terms, while the number of employees¹² declined more than 30% in the same period (Fig.3.8). On the other hand, the number of establishments and employees and the volume of production of textile-related industries¹³ has been declining for the past three decades in Japan. Compared with figures from 1990, the number of employees was reduced to roughly a quarter, and the production fell to roughly 30% in 2010¹⁴. During this period, imports of apparel products greatly increased and per capita domestic consumption of clothes and footwear greatly decreased (Fig.3.9)¹⁵.

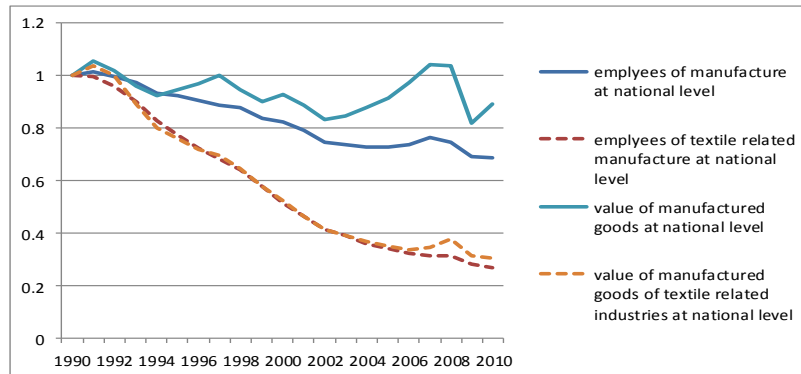


Figure 3.8. Trend of Manufacturing Workers and Production at National Level (1990=1)

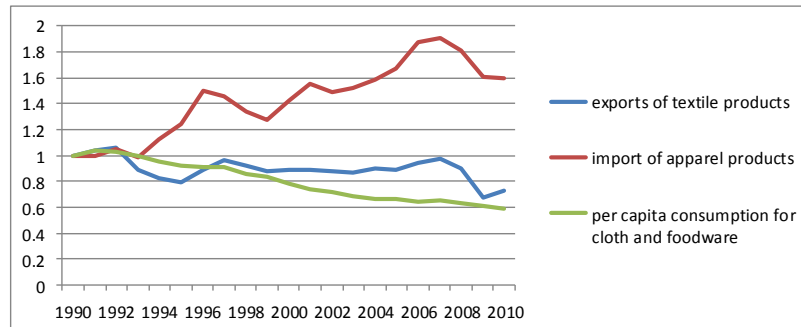


Figure 3.9. Trend of Imports and Exports of Textile Related Products with Consumption on Clothes and Foot Ware (1990=1)

Textile-related industries were one of the leading industries in Kanazawa but are declining rapidly; the total number of employees was 18.8% in 1990 and 7.3% in 2010, and production was 13.1% in total and 4.5%¹⁶ in 2010. As seen in the previous section, the city has taken strong measures to promote fashion-related industries based on textiles and related industries since 2004. We conducted a regression analysis to investigate the impact of those policies, using as explanatory variables key indicators such as per capita domestic consumption of clothes and footwear¹⁷, population size, imports and exports¹⁸, and industrial performance.

This analysis showed that the number of employees of textile related industries in the city of Kanazawa (as dependent variables) can be well explained by the volume of gross value added due to the textile related industries and imports of apparel products (Fig.3.10)¹⁹, and production can be relatively well explained by imports and exports and by per capita domestic consumption of clothes and footwear (Fig.3.11)²⁰. Thus, a conventional theory indicating that jobs and production depend on market size better explains this situation. On the other hand, it is not clear that the efforts of the city (estimated as dummy variables) have a discernable impact on this long-term and nation-wide declining trend of those textile related industries.

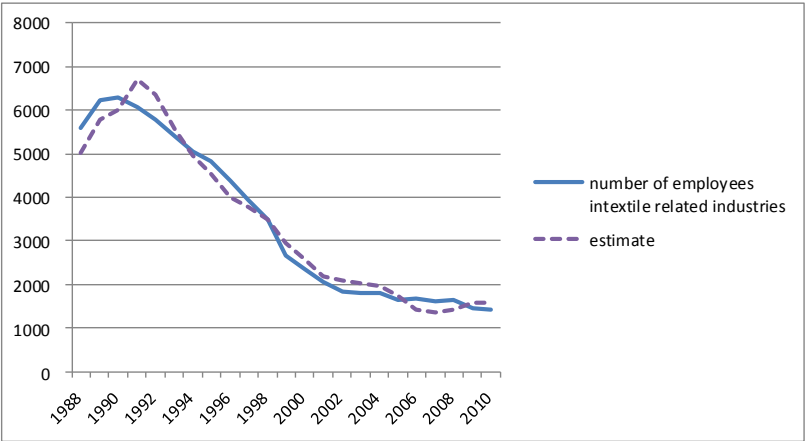


Figure 3.10. Trend of Number of Employees of Textile Related Industry in Kanazawa

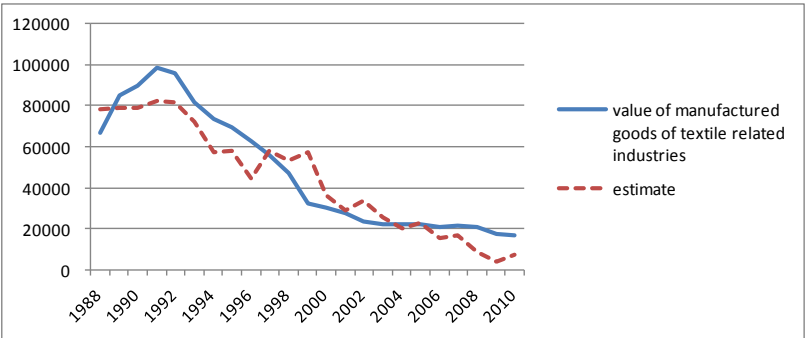


Figure 3.11. Trend of Value of Manufactured Goods of Textile Related Industries in Kanazawa (unit million yen)

Traditional Craft Industries

Traditional craft industries have been designated and protected since 1974 by the Act on the Promotion of Traditional Craft Industries. To combat the effects of mass production and consumption and the rapid decline of traditional craft industries, industries may be designated under this act if they fulfill certain conditions: traditional skills and techniques using traditional materials are applied to mostly hand-made production, for roughly 100 years or more, with industrial concentration (clusters). These clusters of industries are requested to produce crafts for everyday use, produced in an original manner transferred from previous generations. Despite the national efforts, however, those industries have seen a steady decline (Fig.3.12). Lifestyle changes and cheap commodity imports affected those labor-intensive industries²¹.

Kanazawa is well known as a production area of designated traditional craft industries, thanks to the long cultural tradition from the Kaga domain. In particular, Kaga-yuzen, the technique of which originally came from Kyoto and developed in Kanazawa, was one of the major products. A strong correlation was observed between production and per capita domestic consumption of Japanese clothing²². Despite national and local efforts, they have declined continuously since 1991 (Fig.3.13). However, considering the domestic competitiveness in terms of productivity among traditional craft industries, Kanazawa traditional craft industries are still relatively competitive within the national market²³. This observation might provide rationale for the city to make policy efforts to promote Kaga-yuzen industries. Other traditional craft industries such as pottery and lacquer work are also relatively competitive compared with the national average of relevant industries²⁴.

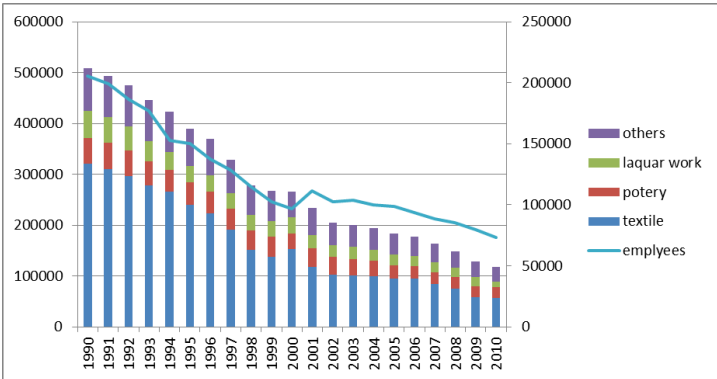


Figure 3.12. National Trend of Sales and Employees of Traditional Craft Industries (unit of sales: million yen, unit of employees: person)

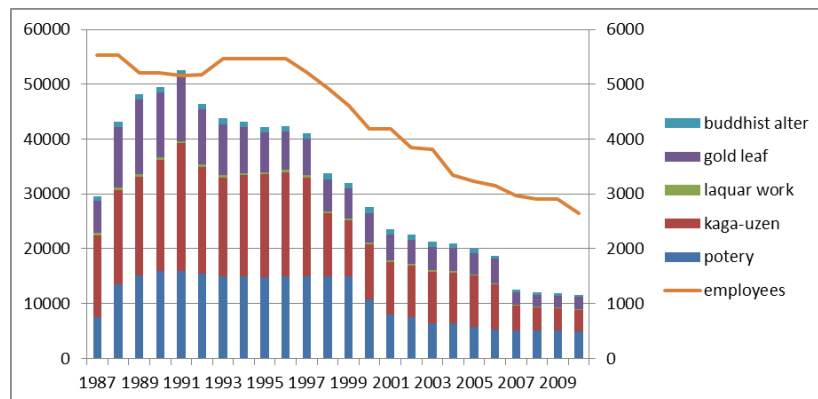


Figure 3.13. Trend of Traditional Craft Industries in Kanazawa (unit of sales: million yen, unit of employees: person)

One important policy measure for promoting traditional craft industries is human capacity development: namely successor upbringing, including design development. To create a fashion city, the municipal government has taken a series of measures to develop the fashion design industry. Capacity building, for design in particular, can be said to be a core of the municipal policies. There is no precise data available, but the number of artists (mainly visual arts and design) might be considered as one of the indicators for evaluating the impact of these efforts. According to the National Census, the proportion of artists among the total workforce of Kanazawa increased in parallel with the national average in general, but in the 21st century it decreased slightly (Fig.3.14). There is not a clear indication that long-term capacity building developed more artists than the national average.

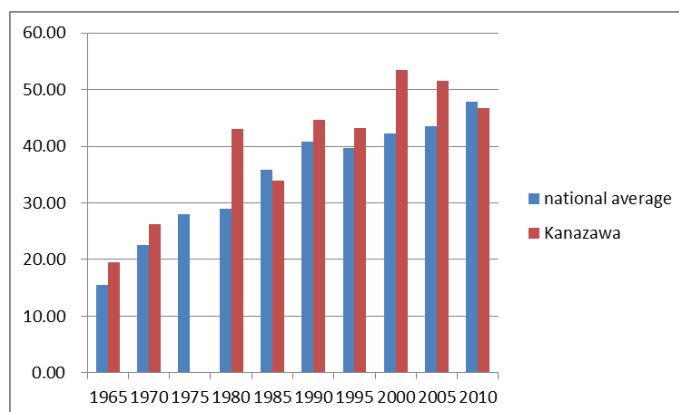


Figure 3.14. Trend of Number of Visual Artists and Designers Per 1,000 Workforce (unit: person), data for 1975 is not available and the definition of artists is slightly modified after 1980.

It is not easy for a single city to fight a national trend. However, in terms of productivity (value added), textile-related industries are ranked low compared with other manufacturers, such as machinery, within the domestic market.

New Development

As in other industries, traditional skills can be adapted to new manufacturing. In Kanazawa, Katani Sangyo Co.,Ltd., established in 1899, has started to develop Japanese hot stamping foil applicable for various kinds of industries such as automobiles, electric components, cosmetic containers and other industries related to plastics, leather, crafts and graphic design. It has developed a range of metallic yarn both for Japanese traditional clothing and for fashionable textiles.

With synthetic films and technology using vacuum vaporized and coating methods, the company expanded its products. Based on the original traditional skills (golden lead coating method), Katani applied this method to new materials and found new markets. At the same time, the company maintains its original skills and gold leaf products, which now occupy only a small part of their sales.

This kind of conversion of the know-how of traditional industries to new production could potentially preserve traditional skills and market-based growth at the same time. However, it is a serendipity-based phenomenon and can be difficult to replicate.

Cultural Tourism

More than 8 million people visited Kanazawa and the surrounding areas in 2011²⁵, which is a more than 40% increase over two decades. Kanazawa spearheads tourism inflow to the prefecture; it comprised a quarter of the total visitors to the prefecture in 1960, and now accounts for more than a third of total visitors to the prefecture (Fig.3.15). Roughly 1.5 million visited the Kenrokuen garden – a representative landmark of Kanazawa's history – and the newly built 21st century Museum of Contemporary Art; a former castle site and samurai residence and temples attract more than 100,000 visitors each year.

A detailed survey of tourists conducted by the city of Kanazawa²⁶ showed that cultural assets play a vital role in attracting tourists. The most attractive tourist sites of Kanazawa are historic sites, followed by its historic townscape, local cuisine and culture such as traditional crafts and visual arts, while visitors

to Ishikawa prefecture in general are attracted by the local cuisine (seafood), hot springs, natural scenic beauty and culture²⁷ in this order.

As seen in the previous sections, the necessary maintenance of those historic sites and places – not only systematic preservation of the townscape and buildings but also development of those artisans with refined skills and technics for repairs – have been conducted by continuous investment by the city of Kanazawa over a long period of time. New museums and financial support for artists and artisans also increased the city’s attractiveness. In 2015, Kanazawa expects to be connected with Tokyo, the capital city of Japan, by bullet train. The travel time by rail will be reduced to just two and a half hours, which will improve inflow to the city.

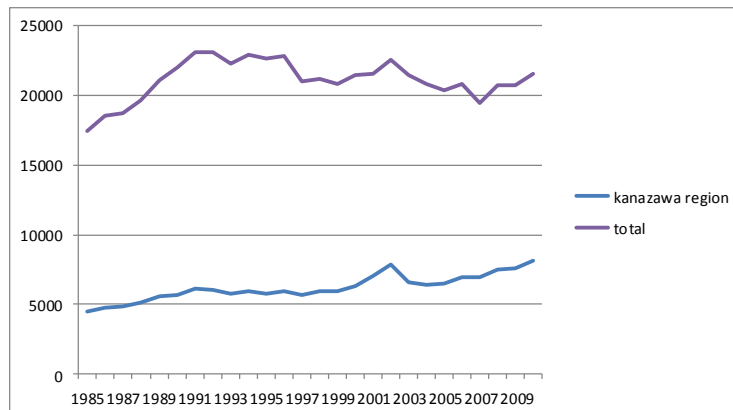


Figure 3.15. Trend of Tourists to Ishikawa and Kanazawa (unit: thousand)

Reality and Prospects

Until recently, discussion of the role of creativity was not prominent in Japan, although it was mentioned in the context of education and business. In the fields of science and technology, creativity is regarded as important for innovation, and in the field of business management, creativity is also regarded as a source of innovation. However, it should be noted that in these contexts creativity is regarded as a talent that everyone can cultivate, rather than as a special talent limited to a particular segment of the population.

Discussion of creativity has changed in the 21st century in the context of urban development, due to ongoing globalization. The newly introduced creative city concept brought much attention to creativity and creative industries, with a

strong emphasis on art and culture rather than science and technology, at least in Japan. This approach appeals in particular to those smaller cities that face difficulties coping with on-going globalization – relocation of production sites to low-cost countries, and the necessity of shifting from industrial structure to knowledge-based, high-value-added production utilizing ICT and innovation. In view of the high concentration of IT-related content businesses in large cities, local cities with rich cultural assets such as traditional industries have incorporated the creative city concept into their urban strategies and industrial policies.

This case study of Kanazawa described the city's efforts to use its design capabilities, which were developed through a long tradition of craftsmanship, and its newly constructed contemporary museum to revitalize textile-related industries. However, industrial structure and job creation is a complicated process and it is very difficult to stop the decline of industries that are steadily losing competitiveness in the market. Without markets and jobs, an increase of workers, whether creative or not, cannot be achieved. Traditional craft industries are more at risk, both at the national and local levels. Traditional craft industries, mostly dependent on non-automated production, are losing market competitiveness. However there is some evidence that those skills and techniques might be adapted to new products and new markets, which might be one of the potential options for preservation of those skills and perhaps even modest market growth.

As shown by the case of Kanazawa, long-term investment in capacity building did not have a significant effect on the number of artists in the workforce. Graduates from colleges and workshops have to seek jobs, and the market will decide the appropriate size of the art market, and, accordingly, the number of artists. On the other hand, cultural industries and capacity-building measures can contribute to increasing the attractiveness of a city. In the case of Kanazawa, supporting artisans who have special skills in traditional crafts has enhanced the city's cultural attractiveness. Also, one of Kanazawa's tourist draws is a well preserved townscape. In order to preserve these historic sites and buildings, artisans with skills in special traditional techniques are indispensable to maintain and repair these historic buildings. The measures taken by the city to train and support these artisans are a necessary investment for promoting tourism. For the artisans, participation in the preservation efforts of the city provides a good opportunity to hone their skills and to obtain

employment. Thus, while efforts to preserve the townscape can be viewed as cost for the city, these costs contribute to attracting tourists, thereby benefiting the city socially and economically.

Creative city strategies can contribute to upgrading a city's culturally creative image, which may justify use of public funds. At the same time, for local cities which have difficulty attracting internationally competitive industries and factories, tourism-related industries are an additional option. As the case of Kanazawa demonstrates, cultural assets in a broad sense – such as the scenic beauty of the town, traditional craft industries, and even local cuisine – have great potential. Kanazawa's creative city policies serve to enhance and diversify these cultural assets. Thus the creative city concept can be viewed as part of a shift from growth models heavily dependent on manufacturing to more balanced development strategies.

Notes

¹ This work was supported by JSPS KAKENHI Grant Number 21560634 and 26380292, and GRIPS Research Project funding (2011-2013). I also thank the municipal government of Kanazawa for providing information.

² During the early Meiji period (19th century) the government of Japan was directly involved in heavy industry, but financial difficulties forced the government to sell non-military operations to large family companies. These companies later grew into giant conglomerates, combining industrial, financial and trading activities that were organised around a central holding company and called *zaibatsu*.

³ Today there are around 1,700 municipalities in Japan, and some of them are designated as Designated Cities which have population more than half a million (20 cities such as Osaka, Yokohama, Kawasaki, Nagoya, Kobe and others are so designated) and Core Cities which have population more than 300,000 (more than 40 cities including Kanazawa are so designated). These cities have many functions normally carried out by prefectural governments, under the Local Autonomy Law of Japan (enacted in 1947).

⁴ In 1946, the college started as a specialized training college under the School Education Law, and was soon upgraded to a junior college. It obtained university status in 1955.

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- ⁵ Data are provided by the municipal government of Kanazawa.
- ⁶ Data used in this section are based on Census of Manufacture, Census of Commerce, and Economic Census for each year, METI, unless quoted otherwise.
- ⁷ Data are obtained from Economic Report, 2011, Kanazawa municipal government.
- ⁸ Adjusted R^2 is estimated as 0.758.
- ⁹ Data of traditional craft industries are provided by the municipal government of Kanazawa.
- ¹⁰ Data used in this section are based on Census of Manufacture, METI, each year.
- ¹¹ In this section, values of manufactured goods in Census of Manufacture, METI, in nominal term are used to show manufacturing production. In 2010, value of manufactured goods is estimated as 290 trillion yen, while 320 trillion yen in 1990.
- ¹² In 2010, roughly 7.7 million employees were engaged in manufacturing, compared with 11 million employees in 1990.
- ¹³ *Manufacture of textile mill production and manufacture of apparel and other finished products made from fabric and similar materials* in Census of Manufacture, METI, are referred to as textile-related industries in this paper, as in the Census of Manufacture; METI merged these two categories into one in 2008.
- ¹⁴ 1.1 million employees were engaged in textile industries with production of 12 trillion yen in 1990, and 0.3 million employees with production of 3.8 trillion yen in 2010.
- ¹⁵ Import of apparel products was estimated at 1.9 trillion yen in 1990, and roughly 3 trillion yen in 2010, according to Trade Statics of Japan. <http://www.customs.go.jp/toukei/info/>
- ¹⁶ The number of employees was 6,200 in 1990 and decreased to 1,400 in 2010. The production was estimated at 90 billion yen in 1990 and had decreased to 17 billion in 2010.
- ¹⁷ Consumption data used in this section are based on the Family Income and Expenditure Survey, Statistics Bureau, Ministry of Internal Affairs and Communications for each year. At the national level, annual consumption of clothes and footwear per person was estimated as 81,390 yen in 1990, and at

47,806 yen in 2010.

¹⁸ Import of apparel products was 1.9 trillion in 1990 and roughly 3 trillion yen in 2010, while exports of textile-related products were 800 billion yen and 600 billion yen, respectively. Trade Statics of Japan

<http://www.customs.go.jp/toukei/latest/>

¹⁹ Adjusted R² of the obtained regression model is 0.968, and VIF is 3.393 for both variables.

²⁰ Adjusted R² of the obtained regression model is 0.841 and 2.347 for imports, 2.517 for per capita domestic consumption of Kanazawa, and 1.113 for exports.

²¹ Report on Traditional Craft Industries, 2011, METI

http://www.meti.go.jp/committee/summary/0002466/006_06_00.pdf

²² Annual consumption per person of Japanese clothing was estimated as 5,754 yen in 1990, and 1,080 yen in 2010, according to Family Income and Expenditure Survey, Statistics Bureau, Ministry of Internal Affairs and Communications, each year.

²³ National average production per worker of designated textile-related traditional industries was estimated as 2.45 million yen, compared with 5.7 million yen per worker in Kaga-yuzen of Kanazawa in 2010, according to the statistics provided by the Association for the Promotion of Traditional Craft Industries.

²⁴ National average production per worker of designated ceramic industries is estimated as 1.25 million yen per worker, compared with 4.1 million yen in Kutani industries (one of the designated ceramic industries) of Kanazawa in 2010.

²⁵ Tourism Statistics, Ishikawa Prefecture,

<http://toukei.pref.ishikawa.jp/dl/2331/kankoutoukei22.pdf>

²⁶ Tourism report, the municipal government of Kanazawa, 2011

<http://www.kanazawa-kankoukyoukai.gr.jp/images/kankouchousa-2011.pdf>

²⁷ Tourism Statistics, Ishikawa prefecture

<http://toukei.pref.ishikawa.jp/dl/2848/kankoutoukei25.pdf>

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Chapter 4

Creative Cities: Unleashing the Creative Potential of São Paulo

Ana Carla Fonseca

That which would be considered the most European of Brazilian cities, in the first half of the 20th century and the most cosmopolitan, in the second half, was, in its beginnings the most Brazilian of all. Cities on the coast were created imitating the Portuguese. They'd copy their urban design, their architecture and their general setting; and the population, at least the elite, holding political and economic power, would follow habits imported from Europe. São Paulo was more Brazilian in the sense that it was something different from Portuguese, a new and hybrid product, fruit of the impact of the crossings of European and indigenous, wheat and manioc, firegun and bow and arrow, though in this encounterings one part was already destined a priori to lose, and the other to win, one to suffer, the other to enjoy (Toledo, 2003).

“The city that never sleeps”: This is just one of the various titles of São Paulo, a megalopolis marked by sharp contrasts, a powerhouse of Brazil's economic, financial, and creative power. A place with 11 million residents¹ is surrounded by 38 other municipalities of the Metropolitan Region – this is São Paulo. For many, it is a creative city by virtue of its excellence. For others, much is still required to claim this title. Yet what, after all, is a creative city? This paper addresses the concept of creative city to then face an ambitious task: apply it to the complex and effervescent city of São Paulo.

Sharpening a Concept

In light of the virtual Babel of definitions and approaches to the concept of creative city, 18 experts from 13 countries were invited to clarify this issue and consider conflicting views from perspectives as diverse as their places of origin: Norway, Colombia, South Africa, Israel, Taiwan and France. *Creative City Perspectives*² was launched in 2009 as an e-book - first in English, then in Portuguese - which represents what is possibly the first global attempt to systematise the creative city concept. The study provided a welcome

confirmation that cities that aspire to be creative share and pursue the common traits of *innovation, connections, and culture*.

- *Innovation* encompasses a vast array of elements, far beyond R&D breakthroughs, and not all of which involve monetary flows. As much as a city is obviously more than its economy, a creative city is not simply a place where a creative economy excels. Innovation is broadly understood to cover from social innovation to ways to solve urban problems and reach more (shared benefits and quality of life) with less (time, energy, or talent). Innovation is the outcome of creativity in practice, generating valuable solutions and tapping opportunities. A creative city is in a constant process of innovation, in pace with a world that changes all the time. A creative city reinvents itself relentlessly.

- *Connections* represent again an overarching concept, applicable in all different ways. Shared governance is a case in point. A creative city reaches a shared governance and clear roles and responsibilities across its government, the private sector, and the civil society, all of them necessary actors and none sufficient to sew the urban fabric. Connections apply in this sense also across the city. People living in big cities and/or in those where neighbourhoods are segmented by economic or social attributes tend to live on urban islands, disconnected from the rest of the city. If we normally face no difficulties drawing the map of our country or state/region, our mental map of the city we live in is often quite different from its actual map. We focus on the areas we know better and seldom consider the others. Our affective map - the areas of the city that really matter to us - is even more distorted than this mental one. However, if my city doesn't overlap yours, do we really live in the same place? In a natural penchant to take the part for the whole, we have no problems in saying that a city is creative *because* it has that special neighbourhood, that flourishing area, that effervescent region. What about the other areas, not normally considered special, flourishing, or unique? Is there nothing really happening there or are we just unable to see creativity in different ways? Suffice it to visit the outskirts of São Paulo, away from the "more creative" districts, to spot amazing examples of social innovation, people composing music and embellishing dull walls with graffiti, turning plastic bottles into lamps, and finding ways to teach their kids what schools don't. Necessity is the mother of invention, the saying goes. It's misleading to consider a city creative for its islands of creativity. A creative city

is a utopia - once the main target of the city is the citizen, a city should only be deemed creative if all citizens were given the chance to improve their creativity and put it into practice. However, it is a powerful one. As with any utopia, it serves to remind us of what we want and to guide us through.

- *Culture*, the third characteristic of a creative city, is considered to be difficult to define, with an array of anthropologic, economic, and social approaches. In the analysis of a creative city, culture can be whittled down to three dimensions. First, the symbolic side of culture is based on the set of uniquenesses that make each quite special. Think of Cape Town, Detroit, Paris, or Tokyo, and you virtually feel completely different cities through the way people dress, walk, drive, relate to others; the values they share; the things they do and say; the religions they profess. Second, the economic dimension of culture and arts - from intangible heritage to arts festivals to cultural institutions and entertainment - is key to many cities. Think of the economic impact of museums in Paris, gastronomy in Lima, musicals in London, theater in São Paulo, arts festivals in Edinburgh, audiovisual productions in Los Angeles, or design in Montreal. Last but not least, culture is hugely important in any urban setting for generating an environment conducive to creativity. Think of Florence in the 16th century, Vienna in the 18th, Berlin in the late 19th, or Barcelona in the late 20th. The ambiance, the diversity, the improbable encounterings, the feeling of being constantly surprised, the search for opportunities – a creative city appeals to all senses, to the mind and the soul.

Puzzling São Paulo

The small village of São Paulo of Piratininga, founded in 1554 by Jesuit priests and turned into a city 157 years later, remained very poor during its first centuries. Moved by necessity, the first local entrepreneurs were the fierce Bandeirantes, adventurers with Portuguese roots so adapted to Brazil, they'd speak a mixed language heavily based on indigenous tongues³ and sleep in hammocks. The Bandeirantes, those carrying Bandeiras (flags) or, for others, the "bandits errants" (which pronunciation generated the word "Bandeirante"), left the city in various expeditions aiming to enslave indigenous people and find precious metals and stones. The scale of such endeavors was huge and comprised a key contribution to the continental dimensions of Brazil. It is not

coincidental that a map of 17th century areas under control of Bandeiras closely resembles the map of modern Brazil.

The 19th century brought changes. Intellectually, the first graduate course (School of Law) was opened in 1826. Economically and financially, São Paulo became the stronghold of Brazil with the onset of the coffee period, which also catalysed a deep social transformation. At the turn of the 20th century, over half of the population consisted of immigrants, adding Italian, German, Spanish, Portuguese, Lebanese, Japanese, and many more accents and features to those of the resident Paulistanos. São Paulo was and still is marked by entrepreneurs: Bandeirantes in the 17th century, immigrants in the 19th and first half of the 20th, and migrants from all different parts of Brazil from the 1930s onward. The 1930 Revolution marked the beginning of the import substitution age and a specific consequent mode of industrialization. New investments made in the São Paulo area (including transports, telecommunication, and energy) dealt with steel, oil refining, and petrochemicals. From the 1950s on, when industry grew at high rates, São Paulo's metropolitan area received the automobile complex that was one of the motive powers of its growth. Other important industrial complexes such as metal-mechanic, electro-electronics, and plastics concentrated strongly in the region, attracting the vast majority of Brazilian skilled industrial labor. As can be imagined, the city and its surroundings became a center drawing migrants from all over Brazil, and São Paulo city grew fivefold, from two million inhabitants in 1950 to more than 10 million in 2000. Afterward, however, we have seen a reduction in migration flows due to the high cost of living, soaring land prices, and lower demand for unskilled labor. The city now grows slowly and tends to expel lower-income populations to its outskirts, thus creating a new sort of spatial segregation of poverty. Actually, the city suffered one of the fastest industrialisations and demographic explosions in human history. Money that originated in coffee plantations and trade, an already important domestic market, an abundant workforce, entrepreneurship, and political presence paved the way for São Paulo to become the industrial capital of the country. Dramatic urban interventions changed the face of the city, opening up avenues, covering rivers, and creating the bases of many problems currently faced by residents. Hybridism and tensions have been twin peaks in the history of São Paulo since its inception. São Paulo is a collection of works in eternal creation and in constant review – a city of endless cultural and architectural layers, of traits

designed by legions of anonymous hands, of multiple identities. São Paulo, seen by many as brutal and cold, is the mother of millions. It receives with the same generosity Paulistanos by birth or choice. Even if 52% of them declare they would leave the city if only they could⁴, they hardly ever do.

This is a complex situation to explain, yet a hint of explanation is given by IRBEM 2012, an annual survey run since 2009 by the independent NGO Rede Nossa São Paulo. *General satisfaction with areas related to quality of life* scores badly in all different indicators. The worst score in all four editions so far is *Transparence and Political participation*, followed by *Accessibility for handicapped persons*; *Social inequality*; and *Mobility/Transport*. All of these rely hugely on public policies. At the other end of the scale, only four measures score above the average; the top two are *Human Relations* and *Religion and Spirituality*, followed by *Information Technology* and *Work*. In other words, the major areas of discontent of Paulistanos are concerns with the lack of urban planning, bad public management, and poor structural conditions.

Therefore, setting up the puzzle of creativity in São Paulo is not an easy task. This is true not as much for the dimensions or the inequalities of the city as for the lack of historic series of data and/or collected following compatible methodologies. However, an indicative analysis is possible, outlining the presence of innovation, connections, and culture.

Innovation in São Paulo - The Strength of the Creative Economy

Social innovations are a hallmark of this city, although their impact is obviously not easy to assess. Marked by fast industrial deconcentration in the 1980s and its tranformation into a services metropolis, São Paulo has long hosted powerful creative industries, even before this concept emerged. Although data are available on various sectors, it was only in 2011 that the City Hall of São Paulo published its first study on its creative industries. The set of activities focuses on contents and excludes manufacturing and trade. The main industries are architecture and design, performing arts, visual arts, writing, audiovisual, publishing and printing, education, information technology, heritage, research and development, and advertising.

This first and so far only piece of research of this kind shows that the State of São Paulo is responsible for 29.37% of all formal jobs in Brazil, the São Paulo Metropolitan Region for 16.33%, and the city of São Paulo for 11.09%.

When it comes to jobs in the creative sectors, São Paulo State, Metropolitan Region and City generate 37.89%, 28.52% and 19.44%, respectively (Table 1).

Table 4.1. Number and Percentage of Jobs in the Creative Economy - Brazil, São Paulo State, Metropolitan Region and City (2005)

	Brazil	São Paulo State	Metropolitan Region	City
NUMBER OF JOBS IN THE CREATIVE ECONOMY	482,822	182,944	137,696	93,846
% OF TOTAL JOBS	100.00	29.37	16.33	11.09
% OF JOBS IN THE CREATIVE ECONOMY	100.00	37.89	28.52	19.44

Source: Fundação Seade, based on the Ministry of Labour and Employment RAIS, 2005

The prevalence of the creative economy in the city of São Paulo and the importance of São Paulo to the creative economy in Brazil are also visible when it comes to local units. In 2006, the city of São Paulo had 226,000 units. In only four years, that number grew by 13.36%, reaching 257,000 units. Creative companies in the same period had a 19% growth, from 7,094 units in 2006, to 8,438 in 2009. Meanwhile, creative companies in Brazil as a whole grew a mere 8.85% between 2006 and 2009.

The most important creative industries in the city of São Paulo are information technology (49.4% of the total number of companies), audiovisual (4.9%), advertising (10.8%), publishing (7.5%), performing arts (6.2%), and architecture and design (5.9%).

The biggest employers are information technology (44% of all creative jobs), advertising (9%), audiovisual (8%), design (8%), publishing (7%), and education and culture (7%). Compared to Brazil, the city of São Paulo presents a higher share of creative jobs in information technology (44.1% x 34.8%), architecture and design (7.6% x 7.5%), publishing (7.3% x 6.8%), advertising (9.4% x 3.9%), and R&D (5.0% x 3.4%).

The average revenue of a creative worker in the city of São Paulo is 47% higher than in the overall local economy and 38% higher than the average revenue of the creative workers in Brazil.

Table 4.2. Average Age of the Creative Worker - Brazil, São Paulo State, Metropolitan Region and City (2009 - in years)

	Brazil	São Paulo State	Metropolitan Region	City
CREATIVE ECONOMY	33.47	32.38	32.68	32.92
OVERALL ECONOMY	35.76	35.26	35.49	35.96

Source: Fundação Seade, based on the Ministry of Labour and Employment RAIS, 2005

In a complementary fashion, the creative economy is responsible for 3.5% of all formal occupations in Brazil, 5.7% in the State of São Paulo, and 7.7% in the Metropolitan Region.

Table 4.3. Share of Creative Economy Occupations⁵ in the Total Economy - Brazil, São Paulo State and Metropolitan Region (2005)

	Brazil	São Paulo State	Metropolitan Region
PERCENTAGE	3.5	5.7	7.7
NUMBER	3,113,392	1,124,058	721,964

Source: Fundação Seade, based on the Ministry of Labour and Employment RAIS, 2005

Not surprisingly, the creative economy worker is on average more highly trained and skilled than his or her counterpart in other careers. In Brazil, only 28.9% of the workforce has 11-14 years of education compared to 46.3% in the creative economy. In the São Paulo Metropolitan Region, the percentages reach 40.3% and 52.1%, respectively. Given the importance of education and capacitation, Brazil still has much to do to assure the competitiveness of its creative industries (the country ranks poorly in all international education tests). Although education in the city of São Paulo tends to be of higher quality than in the country on average⁶, it is clearly insufficient to respond to the need of the creative industries in the global setting. The same holds true at the university level. The University of São Paulo is the best in Brazil and in Latin America, according to such rankings as Webometrics, but it still scores 51st on the international list.

If we consider some intra-Brazilian indicators, they highlight the importance of São Paulo in terms of creative industries. São Paulo has the highest average remuneration in five creative core segments: Software & Computing (R\$3,198), especially in information technology services and computing program development; Publishing (R\$2,753), comprising book and newspaper publishing

and printing activities; Advertising (R\$2,474), including its various advertising agencies and market & opinion survey institutes; and Film & Video, including the production and distribution of movies, videos, and TV shows. In 2010, the Creative Core activities had 771,000 employees all over the country, or 1.7% of the total number of workers. Among the thirteen states surveyed, São Paulo was highlighted as having the highest number of employees in the Brazilian Creative Industry Core (315,000) and the highest share of the total number of state workers (2.4%). Next came the states of Rio de Janeiro, with 2.2% of all formal workers in the creative business, and Santa Catarina, with 2.0% (FIRJAN, 2011).

Connections in São Paulo

It's certainly a challenge to analyse connections in such an inequal and complex city as São Paulo. Ask a Paulistano and he or she will most likely immediately comment on the exasperating transport conditions. Bad mobility is a drain on productivity and also on creative capacity. It involves far more than bad public transport, as 53% of all residents walk, 24% catch the bus, and 14% go by car⁷.

A citizen spends on an average of one hour and 43 minutes for a daily return trip to his/her main destination (work or study) and two hours and 15 minutes in total, according to a survey conducted in September 2013 by the urban think-tank Nossa São Paulo⁸. To the bad transport situation (69% of respondents scored it bad or awful) one must add the concentration of work in central, more developed areas, leading to huge inflows and outflows of residents in a geographically huge city. Investments in transport therefore need to be matched by the economic development of non-central areas.

However, other connections are also worth mentioning, such as tourism. The number of domestic and foreign tourists in São Paulo grew from 9.47 million in 2005 to 12.58 million in 2012 and should reach 16.52 million in 2020⁹. Roughly half are business tourists and around 22% more visit the city to attend events such as carnival, São Paulo Fashion Week, Formula 1, GLBT Parade, São Paulo Art Biennial, and Virada Cultural. The latter is a connector in and of itself.

Inspired by the Nuit Blanche, in 2005 São Paulo launched its Virada Cultural¹⁰, which is held on an annual basis. In 2013 it attracted around four million people (over 20% of whom were tourists) for 900 free concerts,

performances, and other cultural activities. Although the appeal is of a cultural nature, the main benefit and impact of Virada Cultural is of a social and urban nature. Taking place in a series of venues covering the central area of the city, the event appeals to people from all walks of life, social classes, genders, and ages. It is one of the few events in town where people who otherwise would never mingle enjoy the same public space or theatre at the very same time. It has also been instrumental in the attempt to rejuvenate the nightlife downtown, a region bursting with vitality during the day but quite unfriendly in many areas for a walk at night.

Sampa CriAtiva¹¹, launched in September 2013, also aimed to help connect the city to itself and to improve shared urban governance. An initiative of the Federation of Commerce to the State of São Paulo and two of its constituent institutions, Sesc and Senac, Sampa CriAtiva was a platform envisioned and curated by Garimpo de Soluções and Umana. Its visible face was a collaborative portal¹², developed to stimulate citizens to rethink their city and to collect their proposals on how to turn it into a more desirable, friendly, sustainable place. Based on five cross-sector axes (social innovation, business, public space, governance, and dialogue), all proposals were published openly and listed on a report delivered weekly to the City Hall and at the City Council. Dedicated to fostering civic engagement in parallel to the development of São Paulo Master Plan, in its six and a half months the portal received over 850 proposals of small actions requiring no big budget or specific laws. In order to inspire new ideas, feasible and innovative, a team of journalists produces news and short videos on practical, impactful, and transformative actions, endeavors, and projects that should receive much more praise and visibility than they currently are. From community gardening to small backyard companies with positive urban impact to local artists who compose songs for their preferred streets, Paulistanos get to know stories and connect to fellows who are urban change agents.

Finally, an interesting way to build a sense of engagement of residents to the city they live in is by appealing to their senses. In 2009 São Paulo Turismo released the Map of Sensations¹³, an initiative carried out to promote a more human and emotional look over a city famous for being tough. During the first step of the project, over 2,500 visitors and inhabitants voted on places in São Paulo that reminded them of feelings and sensations of each of the senses; they were then asked to give testimonials and share their sensitive experiences

at the places they voted for. The top 100 attractions were selected from 306 suggestions. The 20 most popular places were visited by 40 Brazilian and foreign tourists, who had their feelings “measured” by a kind of lie detector¹⁴.

Culture: The Visible and the Invisible

São Paulo has a vast list of established cultural institutions and activities that have become important fixtures on the international art and creative calendar.

São Paulo's Biennial¹⁵, first organised in 1951, is the second largest in the world, after the one in Venice. MASP (São Paulo Art Museum)¹⁶, a private institution of public interest, created in 1947, is well-known for its collection of European art (from the 13th century to modern works), considered the finest in Latin America and in the Southern Hemisphere. It also displays an important Brazilian art collection and smaller collections from other regions.

More recently, the interactive Museu da Língua Portuguesa (Museum of the Portuguese Language)¹⁷ turned a difficult subject – the Portuguese language would not necessarily be appealing in a country where real literacy is still a problem - into one of the most visited museums in Brazil. Housed in an old yet still functioning railway station, it was opened in 2006 to promote access to new knowledge and reflection in an intense yet pleasurable manner. A member of a public network of museums, its success also inspired the building of the Museu do Futebol (Museum of Football)¹⁸. Located under the grandstands of one of the most beautiful Brazilian stadiums, it covers Brazilian history in the 20th century through the history of soccer in the country, therefore reaching out to new audiences.

However, access to arts and culture and audience building are still problematic. Cultural institutions and facilities are concentrated downtown, even though some progress has been made in the past years, with public programmes such as CEUs (Unified Educational Centres, at the local level) and Fábricas de Cultura (Culture Factories, at the state level). According to the World Cities Culture Report 2013, São Paulo scores badly in literary culture (0.1 books loaned per capita, compared to 4.0 in Tokyo and 8.6 in Paris) but does relatively well in theatre audience (4.4 film admissions per capita, compared to 4.8 in Tokyo and 4.9 in Paris) and does exceptionally well in dance. São Paulo offered 5,200 dance performances (compared to 1,598 in Tokyo and 3,172 in

Paris) and listed 1,096 non-professional dance schools (with 748 and 715 in Tokyo and Paris, respectively).

Non-institutional cultural events, projects, and arts programmes, however, flourish everywhere. In 2007 Ação Educativa¹⁹, a culture NGO, created the monthly "Cultural Agenda of the Periphery", a guide of activities taking place on the outskirts of the city and also in non-conventional places in central São Paulo. Ten thousand copies are made available in bars, schools, cultural centres, restaurants, markets, and other places. Since 2009 the print version has been complemented by a website and since 2012 by a radio programme.

There are also major international events related to the creative industries. In its 16 years of existence, São Paulo Fashion Week (SPFW) has gone far beyond fashion, turning itself into a platform of services based on intangibles. Begun with no government support, it was created to address an industry made of 30,000 companies responsible for US\$50 billion in exports and over two million jobs. Today SPFW is arguably the fifth most important fashion week in the world, after those in Paris, Milan, London, and New York. It includes 29 parades in six days, has over 300,000 people following SPFW TV broadcasting, receives more than 100,000 guests, and involves 300 models, 2,000 journalists, and 11,000 professionals, generating a spontaneous clipping worth over US\$200 million.

The São Paulo International Art Fair, founded in 2005, is now the most distinguished art fair in Latin America. Over the span of five days, SP-Arte offers access to artworks, artists, curators, and other professionals from the art world. In its 2013 edition 41 art galleries joined the fair, including 14 of the 30 most influential galleries in the world²⁰, making it the third most qualified commercial art event in the world, after ArtBasel and Frieze.

Even with all the events, it's in the streets that art in São Paulo explodes. São Paulo is a cradle to graffiti - walk a mile in the city and you'll spot it in all different places, from the well-known Os Gêmeos (The Twins) and Kobra to anonymous interventions and graffiti covering walls, streets, bars, even cemeteries. There currently is an online petition trying to get the local government to recognise graffiti as an art form. Although it is well-accepted in communities, its legality is still a point of debate..

Finally, a specific mention should be made of Sesc, one of the most original contributions of São Paulo State to the creative city way of thinking. Sesc (Serviço Social do Comércio, Social Service of Commerce), founded in 1946, is

a non-profit institution whose original purpose was promoting culture and healthy living among workers and traders and their families. It is a non-governmental organisation linked to a national business federation, created in the 1940s to provide employees with health services and with sporting and cultural activities. In a way, given the extent of its activities, it has functioned in Brazil as a supplementary culture and sports ministry, but in the case of São Paulo state and city, its influence went even further.

Its philosophy relied on a robust juxtaposition among cultural, sporting, and educational activities in such a way that people that came here to rest or take leisure could diversify how they spend time and think about various subjects. Over time the motivation for providing new opportunities for users to develop their own abilities in a very friendly context has developed even more. Nowadays, in the State of São Paulo Sesc has 30 centers, of which 15 are located in the city proper. They are organized with a central office and people devoted to each center, all of them working as a network.

For example, the very famous former factory complex, Sesc Pompeia, was converted by architect Lina Bo Bardi and inaugurated in 1982. It offers a wide variety of services, including an 800-seat theater, a restaurant, a library, seven art workshops, a swimming pool, many gyms, a dental office, and a cafeteria. Instead of a 'sporting and cultural' centre, the term 'leisure' centre was used. "Cultural," said the architect, "is too weighty, and can make people think they should perform cultural activities by decree. And that can lead to inhibition or traumatised dullness." She said the word 'culture' should be put in quarantine, given some rest, left to recover its original meaning and depth. On the other hand, the term 'sporting' implied competition and dispute – which she considered a harmful tendency in a society already excessively competitive. It would therefore be just 'leisure'. The new Centre was intended to foster conviviality as an infallible formula for cultural production (without actually using the term). It would provide incentives to enjoy recreational sport, with a pool shaped like a beach for small children or for those who couldn't swim, and sports courts with ceilings below the minimum height required by sports federations and therefore more suited for recreation than for competition. The idea was to strengthen and promote recreation – 'light' sport, we might say. Thus, the programme and the project were merged, entwined, amalgamated²¹.

More generally we can now consider that Sesc disseminates new models of cultural action and is geared towards a diverse public comprised of different age

groups and social classes. Its centers are diversifying more and more and specializing in dentistry, film, and research and training in the cultural field. Activities are offered in the arts, sports and physical fitness, digital culture, social tourism, health and diet, reduction of food waste, and sustainability education, in addition to generational programs and socio-educational communications initiatives. With a focus on permanent education, Sesc fosters personal autonomy, social interaction, and contact with diverse expressions and manners of thinking, acting, and feeling. It is an enabler for a creative city.

Conclusion

In conclusion, there exists an incongruity between a passionate city that endeavors to move forward and the difficulty of connecting its people and neighbourhoods, besides an outrageous bureaucracy that poisons an ineffective bureaucracy that does little for / stifles creative entrepreneurship. The paucity of understanding by local governments of what a creative city is and of concerted action to develop such cities are probably the biggest hindrances obstructing the development of an effective public policy in this area. Meanwhile, São Paulo insists on putting its creativity into practice.

Notes

¹ Census 2010. The estimated population in 2014 was 11,895,893 (Brazilian Institute of Geography and Statistics).

² Available at <http://garimpodesolucoes.com.br>

³ The *nheengatu* remained the most spoken language in Brazil among foreigners and natives until the 18th century.

⁴ Nossa São Paulo, IRBEM 2012.

⁵ Covering a whole set of categories, such as employees, employers, household workers, and free-lancers.

⁶ <http://sistemasideb.inep.gov.br/resultado>

⁷ Multiple options apply.

⁸ <http://www.nossasaopaulo.org.br/portal/arquivos/apresentacao-pesquisa-mobilidade-urbana-2013.pdf>

⁹ <http://www.spturis.com>

¹⁰ <http://viradacultural.sp.gov.br>

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- 11 Sampa is the nickname of São Paulo.
12 <http://www.criaticidades.com.br/sampacriativa>
13 <http://www.mapadassensacoes.com.br>
14 http://youtu.be/DjrgtPmA_os
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Chapter 5

Creative Atmosphere: Creative and Cultural Industries for the Local Development¹

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Introduction

The aim of this paper, rooted in its title “Creative Atmosphere” is to discuss a first analytical framework for understanding and measuring the role of cultural and creative industries in regional development.

In Italy culture and creativity are increasingly viewed as two connected sources of economic and social development. As a matter of fact, this is true both in places traditionally celebrated for their production of goods and services relating to the material culture and in mature regional areas experiencing de-industrialization. On the one hand, there is growing recognition of the economic value generated by cultural and creative industries and their potential for growth as compared to other sectors of the economy (Bertacchini & Santagata, 2011; Scott, 2000; Howkins, 2001; Florida, 2002). On the other hand, it is increasingly recognized that cultural capital and the concentration of talent and creative activities may create new opportunities for development where economic growth is combined with what I call social quality (Santagata, 2008) and the production of cultural value (Throsby, 2010).

However, despite the great debate on the importance of cultural and creative industries in policy, academic and business circles, we still lack a grounded theoretical model to understand how these activities contribute to regional development and how far enhancement of culture-based creativity may be linked to specific social and economic configurations in these industries. The main systems of cultural production that have been considered so far are those of material culture (the constellation of industrial design, fashion, and the taste industry), those of the content and media industries (publishing, film, television, advertising and software) and those related to cultural heritage valorization (museums and monument services, performing arts and music, architecture). All of these systems incorporate activities where creativity is embedded in the production of goods and services of high cultural and symbolic value. The characteristics and nature of the products and services may encourage business

models that can create opportunities for local development through two main channels.

First, most of the cultural systems, and in specific content and material cultural industries, are based on mass-produced and scalable products that contain a high degree of intellectual property. What is normal for business models here is the possibilities of leveraging mass production and thus enhancing the competitive advantage of local creative industries.

Second, local systems of cultural production are also characterized by live-based products, where the consumption is linked to the cultural experience and image of a place. In this case, the idiosyncratic nature of the product leads to competitive advantages for the territory, as consumption can only occur by visiting the site, as in the case of the performing arts or cultural tourism, or researching the authenticity of the origin of the goods, as in the case of taste goods (Molotch, 2002).

To better understand the role of cultural industries in local development, a stylized model of cultural production will be discussed. In short, according to the model, the local production – and the local development – is the outcome of the endeavor of the three collective actors involved:

- the *culture factories*,
- the *local systems* of cultural production,
- the *value-enhancing services*, and of the phenomenon called the *creative atmosphere*.

Culture factories represent the key players and hubs in the cultural economy: publishers, fashion firms, great museums, movies producers, etc. *Local systems* of cultural production are able to highlight the networks among the different actors along the production chain. They can operate in several sectors: cinema, industrial design, and food and gastronomy. Together with *value-enhancing services* made by small firms and creative activities, these three collective actors form the structure of cultural production.

However, the three collective actors alone are not *per se* a sufficient condition for local development. In determining the long-term viability and sustainability of the cultural product industries, *creative atmosphere* must permeate the productive *milieu* (Hall, 2000). Clusters of skilled and talented workers in the most creative phases of the production chain, jointly with ties to

other relevant hot spots around the globe, may underpin complex and thick webs of interactions that nurture creative outcomes and generate competitive advantage for the regional production of culture (Bathelt et al., 2004).

To highlight the implications of the proposed framework for understanding the impact of cultural industries in local development, we suggest adopting a new methodology based on network analysis. This approach allows understanding of the main relations occurring between the players of the local system. In particular, it helps both in measuring the creative atmosphere, according to the intensity of the relations among the points of the network, and in detecting the economic effects of cultural and creative activities spreading across the network.

The paper is divided as follows. Section 2 briefly reviews the theoretical and empirical literature on the role of culture and creativity in local development. After the presentation of several characteristics of two emblematic and creative Italian cities, Turin and Bra in Section 3, Section 4 elaborates the new framework to analyze the contribution of cultural industries and the creative atmosphere on local development. Section 5 concludes with potential novel empirical methodologies to test the effects of cultural and creative activities on local development.

Creativity and Culture Inside the Black Box of Local Development: A Brief Survey

Creativity matters. It matters in art, science, culture and, not least, in the economy. In Italy the macro sector of the cultural and creative industries in 2004 accounted for just over 9% of the GDP and employed over 2.5 million people (Santagata, 2008). The Italian culture macro sector is one of the most important in the world, and we can no longer overlook its overall unity and strategic value.

Although many studies have been conducted since the 1990s, there is still no widely shared consensus on definitions of the cultural and creative industry. This basic weakness has repercussions on our ability to identify the sectors making up the field of the cultural and creative industries. In fact, the number of sectors may vary according to the pre-established criteria and the way they are combined.

But what is creativity? To use some suggestive images, I would point out that creativity can be found in our culture, in our surrounding territory, in the quality of

our everyday life and our products. It is not an end in itself, but a process, an extraordinary means to produce new ideas. Creativity and culture are inextricably bound.

Creativity is defined here, according to the Herbert Simon approach, as “the capacity to solve problems.”

But two models of creativity can be outlined: creativity for innovation and creativity for social quality.



Figure 5.1. Two Models of Creativity

In particular, social quality may be defined as the extent to which people can participate in social, economic and cultural life and in the development of their communities in conditions which improve well-being and individual potential. At the same time social quality may be defined as that which enables individuals to pursue variable combinations of actions both elementary (accessing culture and its various forms and the cultural heritage, accessing the fundamental goods of citizenship, enjoying good health and enhancing human capital) and complex (participating in community life and increasing capacity to realize life aims).

In analyzing creativity for social quality there is a special focus on the world of material culture, i.e., the set of goods and services which humankind has

produced since its dawn to modify its relationship between nature and society as it developed. Three sectors of material culture are particularly important: industrial design, fashion, and food and gastronomy.

Secondly, some important factors of progress in social quality include the growth of the content industries (film, radio and TV, publishing, software, and advertising) and the use and development of cultural heritage (archives, libraries, museums, monuments, art, music and the performing arts).

Quality of life depends also on the development of cross-cultural communication and dialogue: tolerance and mutual understanding, loving differences and reducing inequalities. The new life of creative cities is based on multiethnicity, urban consciousness, attraction of talents, being places of tacit knowledge and re-interpreting identity.

The key argument used to embrace creativity in local development strategies is that as soon as intangible assets - such as ideas, skills, knowledge and information - are perceived to become relevant for societies, creativity may have a driving role for enhancing economic outcomes (Hawkins, 2001). At the same time, creativity in the arts and cultural expression is perceived as a paramount source for fostering and nurturing cultural vitality in local communities and the social quality of life (Adams & Goldbard, 2001).

Despite the great attention that has been paid to these intangible resources, it has been quite difficult to provide theoretical models and empirical evidence that satisfactorily explain the causal relation between culture and creativity, on one hand, and local development, on the other.

In the literature, it is possible to identify two main groups of studies trying to single out and measure the impact of cultural and creative activities on local development. The first refers to the economic impact of cultural activities and projects while the second is based on the construction of creativity indicators to measure the outcome of creativity as a social process and other environmental variables that may affect its production. An example of such a measure would be a quantitative indicator of cultural production overall or the concentration rate of talented individuals. These measures help to indicate how creative outcomes come about and what their effects are on society.

Economic impact studies of arts and culture represent quite an extended body of economic literature dating back to the 70's. Using different methodologies, these studies aim to evaluate the economic and financial effects generated on a local area by different cultural activities such as new investments

in cultural projects, activities of cultural institutions, festivals and the built heritage services. According to OECD (2005), there are four criteria for defining the development potential of cultural activities: i) their permanence, ii) the degree of participation by local people in addition to tourists, iii) the interdependence of the cultural activities, taking advantage in this way of “crowding-in” effects and, finally, iv) the territory’s capacity to produce all the goods and services demanded on these occasions.

In order to measure the economic impact of cultural activities on the local economy, this class of studies has often relied on economic multipliers based on input-output tables, which try to measure the interrelations between different sectors of the economy. Such methodology, although well refined, presents some shortcomings in evaluating the effects of cultural and creative activities on local development. First, it provides a pure economic dimension of local development measured in terms of added value and employment. This neglects more complex social and institutional dimensions of local development. Second, the use of economic multipliers takes into account the final effects but does not capture the dynamics of local development, such as how the spillovers spread through the links between actors of the local system or how new businesses are created as spin-offs. Finally, because such loose-grained pictures are drawn by economic multipliers, there is a risk of misrepresenting or wrongly estimating the effects of culture on local development.

Unlike economic impact studies, the literature on creativity indicators is quite recent and reveals several shortcomings. Crucially, it not easy to establish a relationship between the production of creativity and its impact on socio-economic development. For this reason, creativity indicators risk measuring phenomena in the absence of a robust theory concerning the synchronic and diachronic interrelationships that must be present before a dynamic creative environment is likely to emerge. Whereas, for example, there is an articulated theoretical framework supported by wide empirical evidence about the connection between education, human capital and economic growth (Becker, 1964; Barro, 2001) we still lack a grounded theoretical model to understand how creativity as a social process contributes to economic growth and how far enhancement of creativity is linked to certain social and cultural configurations in society.

One of the first works on this subject was Richard Florida’s *The Rise of the Creative Class* (2002), which articulates a framework for evaluating the creative

economy, adopting an indirect measure of creativity as embodied by a 'creative class' in society. This is a transversal group of highly skilled professional, scientific and artistic workers whose economic function is to create new ideas, new technology or new content. The author posits that, across regions, the variations in the relative size of the creative class are positively related to higher rates of innovation and economic growth. For Florida, the key to understanding the new geography of creativity and its effect on social and economic outcomes lies in the '3 Ts': technology, talent and tolerance. These three factors are assumed to be the necessary conditions both for generating a social environment where creativity and the creative class take root and for stimulating economic development. Talent and technology are responsible for driving growth while tolerance is necessary to attract new human capital. On the basis of these assumptions, Florida produced a creativity index as a composite representation of the 3 Ts. The methodology used to design this additive index is easy to replicate and allows for comparisons across different states, regions and cities. Despite its appeal to policy-makers willing to rank the creativity of their economy in a global context, Florida's creativity index has serious conceptual and methodological drawbacks (Scott, 2006).

A second framework for understanding the impact of creative activities on local development has been suggested by the Hong Kong Cultural Center for Policy Research (2004). According to this framework, often labeled the '5Cs model,' it is essential not only to measure the economic outcomes of creativity but also the cycle of creative activity seen through the interplay of four forms of capital: social capital, cultural capital, human capital and structural or institutional capital. These are the determinants of increased creativity and their accumulated effects are the 'outcomes of creativity.' Each form of capital is a component that has different quantitative and qualitative dimensions, representing levels of tangible and intangible inputs that favor creativity. Statistics proposed to define the four inputs cover some one hundred variables, from press freedom to the number of volunteers per capita. How much these measures have to do with creativity is a matter of definition and theoretical assumptions. Like in Florida's work, the risk is to excessively broaden the set of variables that are assumed to influence the social quantum of creativity. Moreover, multicollinearity of the variables used to construct the indicators can hide the real causal relations between outcomes of creativity and environmental factors by violating the postulate of independence between variables.

As regards the outcomes of creativity, the Hong Kong framework identifies several indirect measures. First, it considers aspects of the economic contribution of the creative industries. Second, it addresses the inventivity of the Hong Kong economy, using indicators such as the number of patent applications or productivity growth. These statistics are assumed to measure the creative vitality of the whole economic sector. Third, the final outcome of creativity refers to the production of new cultural goods and services. These three dimensions of creativity should express an additive index, more complex than Florida's and more capable of capturing different aspects of creativity.

Cultural Economic Development in Large and Small Cities

While economic development in the 60's and 70's was focusing on the growth of national income and production of commodities, recently we had the appearance of a new concept of development which has its focus on the individual and his plans for life. Individual people, their social lives, their institutions and culture have become the new center of the analytical paradigm of economic development worldwide (Fitoussi, Sen, Stiglitz, 2009). Human capital, institutions and social capital have become the relevant factors for growth and its measurement. Finally, cultural and creative industries added new arguments to the economic theory of development. The information and communication technologies, the concept of creativity for social quality and the emergence of a creative class of entrepreneurs are the new powers driving social and economic development.

Creativity in Large and Small Cities

To better consider these new cultural trends in economic development, we will show two different cases. These are based on two Italian cities, one large and one small: Turin and Bra. This choice is representative of the Italian case, where we have about 8000 small and micro municipalities and where creativity seems to be independent of the size of the city.

Large Cities: Turin as an Emblematic Model of Sustainable Development Based on Culture and Creativity

Turin, Italy

Turin is a good Italian example of the transformation of a big city based on culture and creativity.

Long-run changes of the Turin economy tell a story from Fordism, which is mass production, to post-Fordism, which is production based mainly on innovative services. These changes are shown in table 5.1. From 1981 to 2001 the number of employees in the manufacturing sector decreased from 40.6% to 17.8%, and the trend has continued until the present. On the contrary, the number of employees in the service sector increased from 6.4% to 22.5% in 2001. The city lost its industrial soul and entered the millennium with a new dress of immaterial services made possible by ICTs. The same is true in terms of value added.

Table 5.1. Employees in Turin

	1981	1991	2001	1981	1991	2001
D-Manufacture	192,899	125,160	72,212	40.6%	29.7%	17.8%
K-Services	30,517	51,516	91,379	6.4%	12.2%	22.5%
L-Public administration	17,927	14,478	14,089	3.8%	3.4%	3.5%
Total	475,225	422,020	406,701			

The Lingotto factory, built in 1908, was the symbol of the Fordist economy in Torino. It was the biggest car factory in Italy. Today it has been transformed into a cultural center: it holds a museum, many cinemas, commercial shops, restaurants and a great auditorium for symphonic music.



Figure 5.2. Lingotto FIAT, Factory Symbol of Turin 1908

During the last twenty years the change to post-Fordism appears evident: the manufacturing sector lost employed by 62.5%, while the service sector increased the employment by about 200%.

Even the changes in the Turin economic cultural sector are significant:

- Museum Visitors

- 2000 1,784,000
- 2008 3,664,000 + 105%

- Tourists

- 1991 3,059,000
- 2008 5,272,000 + 72.3%



Figure 5.3. Lingotto 2000 Art Museum “Giovanni and Marella Agnelli”

Like in many other European cities (Glasgow is one of the most cited cases (Hall, 2002)), the de-industrialization process gave rise to new room for cultural activities.

So Turin developed new cultural activities in the contemporary arts (Museo Castello di Rivoli), in movie production and festivals (Museo del Cinema, Turin Film Festival), in car design (Giugiaro, Pininfarina, Bertone, the Car Museum), in cultural heritage (the Piedmontese Baroque style, the system of the Royal Savoy Residences, the Egyptian Museum, the renaissance oh the historic city center), in the food and gastronomic sector (Salone del Gusto) and in music production (pop and symphonic music), just to mention the most important examples.

If cultural production of goods and services, just for instance, was today

removed and dropped out of Turin, the city would not have the economic resources to survive any more: the change seems to be irreversible along with the new initiatives of the ICT industries.

Small Cities: the Case of Bra.

Bra, Italy

Bra is a municipality of about 30,000 inhabitants. During the years 1981-2001 employment in the manufacturing sector was stationary, while in the service sector the growth was 281%.

Employment in Bra

Since the second half of the last century, Bra showed a clear tendency towards creative activities. The most prominent are food and gastronomy, Italian writers, industrial design and cultural events.

Table 5.2. Employees in Bra

	1981	1991	2001	1981	1991	2001
D-Manufacture	3,974	3,533	3,364	43.5%	36.0%	30.8%
K-Services	328	689	1,250	3.6%	7.0%	11.5%
L-Public administration	117	134	180	1.3%	1.4%	1.7%
Total	9,146	9,806	10,908			

Short History of Slow Food

The Slow Food movement was founded in Bra in 1986. Today in Italy there are 35,000 members and 410 local branches called "condotte." In 1989, Slow Food became an international association. In 122 countries around the world, Slow Food has 48,000 members and 800 "Convivia." Each site is coordinated by Convivium leaders, dealing with organized courses, tastings, dinners and travel promoting local campaigns launched by the association to allow common projects such as school gardens and participation in leading events organized by Slow Food internationally.

The Association's mission is to educate the taste, protect biodiversity and traditional food production, promoting a new model of food that is respectful of the environment, traditions and cultural identities, creating a virtuous network of international relations and a greater sharing of knowledge. The Presidi, who in Italy are about 200 and 90 in the rest of the world, help the small excellent productions at risk of disappearing. Slow Food in 2003 created the first

University of Gastronomic Sciences.

Other Cultural Fields

Design and plastic laminates.

One company in particular cooperated with leading Italian industrial designers during the 70's. This firm worked for the postmodern Italian design movement called "Menphis Group" (Ettore Sottsass, Alessandro Mendini, Andrea Branzi, Aldo Cibic, Michele de Lucchi, Arata Isozaki, Shiro Kuramata, Marco Zanini).



Figure 5.4. Memphis Group

Over the years ABET LAMINATI has improved its laminates researching new décor and textures capable of arousing curiosity, awakening emotions, bringing inspiration.

In its more than 50 years of history, ABET LAMINATI has always given great importance to business requests and cultural changes and has continued to invest resources in technology and creativity, working on the product image in order to provide original and different products. The ABET LAMINATI sales network covers both Italian and foreign markets, and over the years the company's outstanding work has brought prestigious awards. In 1987, there was the Compasso d'Oro award for Diafos, the first transparent laminate with 3D decoration; in 1990 came the European Design Award and in 2001 the Compasso d'Oro Career Award.

Italian Writers

Some of the best writers of the 20th Century were born in Bra and in the Langhe: Giovanni Arpino, Davide Lajolo, Gina Lagorio; Cesare Pavese e Gianni Fenoglio.

The origin of this school of writers is in some sense spontaneous. Nevertheless it represents a sign of cultural liveliness.

Fairs

A great fair is organized every year: *Cheese*. The fair collects quality cheese producers from everywhere in the world. During the four days of the fair, “Laboratories of Taste” are organized, where the actors of the cheese supply chain meet and compare their experiences.

The Short Movies Festival

Since 1996 the city has been organizing an international festival of short movies. The great attention to talent and creativity is a guarantee of quality: many short movie makers are now leaders in the film industry.

The “Creative Atmosphere” Framework for Local Development

Given the shortcomings in the models and methodologies proposed to analyze and measure the effect of cultural and creative activities on local development, I propose a new analytical framework based on the appearance of a *creative atmosphere* (Bertacchini & Santagata, 2011).

The *creative atmosphere* is a distinctive phenomenon characteristic of each major phase of development of a society. From Pericles’ Athens to Renaissance Florence until today’s New York City or Shanghai, the creative atmosphere is the result of an intense flow of ideas and information within a community. The object of these ideas could be products, styles, art forms, consumer needs, technological innovation, business models, and industrial design. The creative atmosphere is, therefore, the signal of a critical intellectual mass produced by the combination of several factors. The prominent observers of creative cities such as Peter Hall (1998; 2000) and G. Törnqvist (1983) have both emphasized how the creative milieu and atmosphere of a place tends to manifest itself through three basic factors: the intense exchange of information between people,

the accumulation of knowledge, skills and know-how in specific activities and, finally, the creative capacity of individuals and organizations to use the two above capacities and resources. When a place and its productive system reach the critical mass of these factors, the creative atmosphere becomes operational and visible, developing social forms and institutions that regulate the organization, production and consumption patterns of the subjects involved.

A Model of Cultural Production

Using the stylized model, I will discuss below how the creative atmosphere is the dynamic product of the relations of private and public actors involved in *the culture factories, the local systems of cultural production and the microservices*. All together the local actors may be therefore understood as interdependent networks of actors connected by links of economic and social nature. They form the structure over which the creative atmosphere may be generated and nurtured. As the creative atmosphere represents the quality and intensity of relations, understanding the network structure of local systems of cultural production is particularly relevant. Networks of specialized and complementary producers, together with their associated labor markets, tend to generate flows of positive externalities captured through both the agglomerative trends of new firms in the local economy or expanding the network with the creation of new links to external actors and markets.

In general, local networks of firms involved in industrial design, fashion, gastronomy, and content sectors, as publishing, advertising, cinema, theatre, and cultural heritage and music, are the real support of the creative atmosphere.

Looking at the model from another point of view, it could be said that what we call “creative atmosphere” is needed in order to produce artistic, symbolic and design-based goods. In technical terms, the creative atmosphere, however measured, is an independent variable explaining the production of cultural goods.

The model of cultural production is as follows.

$$(1) \quad y = f(CA_{x,z,s}, f_1(x), f_2(z), f_3(s)) ,$$

Where y is the production of cultural goods and services, such as the economic value of printed books and printed records of symphonic and pop music, the value of movies produced, the total value of tickets paid for by museum and art exhibition visitors, and the value added of sectors like industrial design and food and gastronomy.

$CA_{x,z,s}$ is the creative atmosphere measured by the *rate of concentration* of firms and talents in x , z , and s . Its level is also influenced by the extension of the so-called satellite industries of each culture factory. The higher the rate of concentration, the higher the creation of positive externalities which favor the local production.

The culture factories, $f_1(x)$, whose main determinants are capital (K), labor (L), and intellectual property (PI) are an important source of production. Given their relevance, the culture factories are influencing the whole cultural sector. The capital used by the culture factories is both physical and human. The human capital can be supplied by nearby or specialized universities and is the source of most innovation and creativity. They are the place of innovation and creativity, both in terms of the product selection and in the management of the market. Their location is usually close to a large system of small satellite firms, densely interacting with them.

What is important to stress is that culture factories constitute the driving force of cultural production in the local economy and the excellence of their creativity or cultural production. In the case of Piedmont, culture factories may be, for example, companies such as Miroglio or Zegna in textiles and fashion, Alessi and Giugiaro in industrial and car Design, Slow Food and Ferrero in the food and taste industry, or the Royal Residence of Venaria and the Teatro Regio in cultural heritage and live entertainment. In many local economies, culture factories are the most innovative and creative subjects, reservoirs of tacit knowledge and hubs of global connections between nodes of outside local systems (Bathelt et al., 2004). In these factories strikingly emerges the distinction between communities of episteme (Creplet et al., 2003), which govern the strategic and creative guidance of an industrial complex, and communities of practice (Wenger, 1998) that produce daily management and marketing. The two communities are made of real creative members as they generate and accumulate knowledge of art, technology and managerial skills. Finally, the presence of culture factories makes a clear divide between the conservation of culture – basically an institutional and legal matter - and the production of culture

– basically the development of a whole value chain: from the selection of artists, to the conception of ideas, to their realization, to their distribution and consumption.

The second block of this model includes the systems of creativity $f_2(z)$. The main determinants of this block are K, L, IP and a measure of the creative atmosphere $CA_{x,z,s}$. The last could be measured in many ways. The most direct is the concentration rate of creative talent and/or firms. The more a place is able to attract and employ talent, the higher the quantity of cultural goods produced.

While $f_1(x)$ is itself a source of creative atmosphere, $f_2(z)$ is directly connected with the kind and quantity of relations among talent, the local diffusion of free information about the market and the innovations.

The third block of the model, $f_3(s)$, relies on the presence of microservices for cultural firms, both the hubs and the systems. Its determinants are $CA_{x,z,s}$, L, HC, IP. As can be seen in this third block, the capital is almost missing indicating that this sector is made up substantially of personal services, produced using mainly human capital (HC).

In other words at the other extreme of the cultural production chain lie the value-enhancing services, made up of small independent production companies and service providers. Such *microservices* originate from the vertical disintegration of economic activities and the organizational reintegration of producers within extended inter-firm networks due to the extreme uncertainty and instability of final markets for creative products (Caves, 2000). Complementary and strongly dependent on the culture factories, the microservices represent the creative and operational humus able to root in a place the creative activities and their impact on local development.

First, even without reaching the final markets, micro-services are essential to add to the final products a high share of symbolic and creative output as they are provided by very specialized and skilled professionals. Second, they are characterized by a narrow line of business and labor-intensive activities, which are useful conditions for enhancing job creation through supporting local systems of cultural production. Third, while it is difficult to raise a new culture factory in a territory, value-enhancing services are particularly suited for hosting start-up companies and young talents which enter the fields of cultural production. As a result, the flourishing of value-enhancing services in the several branches of cultural production is beneficial for triggering local development through cultural and creative activities.

Summing up:

$$(1) \quad y = f(CA_{x,z,s}, f_1(x), f_2(z), f_3(s)) ,$$

$$f_1(x) = f(K, L, IP)$$

$$f_2(z) = f(CA_{x,z,s}, K, L, IP)$$

$$f_3(s) = f(CA_{x,z,s}, L, IP, HC)$$

The contribution of the creative atmosphere to the production of cultural goods goes through three different subsectors and it is constrained by the amount of capital existent in the region. So the capacity for attracting talent and fixing the disposable capital at the regional level is the key factor of success of the creative atmosphere model. To enter it is to breathe an inspiring air, to be involved in frequent contacts with other members of the local creative class. Walking through the creative atmosphere brings people to enter creative shops, to participate in creative local markets, to experiment with their capacity to contribute new creative ideas.

In the $CA_{x,z,s}$ the distance between the creative talent and the place of cultural production of goods and services is minimal. The closeness of artists and firms increases the concentration of talent and the rate of relationships, giving rise to phenomena like cultural districts or clusters. Without this kind of proximity, the creative atmosphere doesn't work in creating the mythical *milieu* evocated by many scholars in cultural geography.

Conclusion: Towards an Application of the “Creative Atmosphere” Framework

It is worth noticing that the three building blocks of the proposed framework are not new in the academic and policy debate concerning the role of cultural and creative activities in local development. Dealing with creative places and the conditions explaining local development processes, many scholars have contributed different concepts to highlight the social and economic dynamics triggering a creative atmosphere or milieu. However, the analytical power of such approaches has often been hindered by the scarcity of both accurate methodologies and data to be tested. Conversely, the emphasis set in our framework on the analysis of networks and relations between the actors of local systems of cultural production tries to provide a comprehensive approach for

understanding the social, institutional and economic forces at work in generating the creative atmosphere. In addition, the framework can be used to adopt novel methodologies to empirically test the increase of creative atmosphere in a place and its effects in term of local development.

Considering local systems of cultural production as networks may ease the application of social network models. As noted by Potts et al. (2008), social network theory provides an analytic modeling language that parsimoniously represents the essential features of the sorts of organizations and institutions, including markets and information networks. Further, the increasing availability of digitized information on the economic, institutional and social connections between firms, organizations and workers may allow pioneering applications of network analysis.

In analyzing the network structure of a local system of cultural production, it is possible to assess strengths and weaknesses of cultural and creative industries as levers for local development. This can be better understood using some metrics of network analysis and their implication in the assessment of local development impact of productive systems. For example, centrality measures, such as *Betweenness*, *Closeness* and *Degree*, highlight the power of nodes based on how well they "connect" the network. Such measures are useful for understanding the real role of culture factories in the local systems as activators of spillover effects or for discovering the central position of companies providing value-enhancing services for cultural production. Similarly, measures of clustering and density allow understanding of how a local system is characterized by a close-knit community of producers.

At the same time, differentiation in the type of network relations may provide a more comprehensive picture of the local systems as activator of local development. Economic, information and social networks may overlap or differ within subjects in the local area. For this reason, different strategies and policies should be devised to enhance the optimal network structure and evolution according to the actors' needs. In some cases, cultural policies may address investments in hard infrastructures, such as IT and R&D centers, which could eventually become hubs of the economic network of cultural producers providing intermediate products and services which support cultural and creative output of the local system. In other cases, cultural policies may develop institutional infrastructures that strengthen network linkages and consequently facilitate flows

of information and promote trust and collaboration among interlinked producers (Mizzau & Montanari, 2008).

Finally, network analysis is arguably better suited to capture the complexity of local development. Economic variables describing local development, such as increased employment or revenues, may be easily incorporated as variables of the nodes. At the same time, the creation of new companies and spin-offs is captured through an expansion of the network. Crucially, other more subtle and intangible dimensions of local development may be captured by identifying new connections developed between nodes or evaluating their increased strength.

In this paper, we have proposed a new framework for analyzing the impact of cultural and creative activities on local development. While there is an extensive literature on this subject, we still lack a grounded approach to understanding how these activities contribute to the economic and social development and how far enhancement of culture-based creativity may be linked to certain social and economic configurations in cultural industries.

To cope with such limitations, we propose a new framework based on four building blocks: i) the creative atmosphere, ii) local systems of cultural production, iii) culture factories and iv) value-enhancing services for cultural production. Highlighting such components is useful for helping scholars and decision makers identify the main actors involved in cultural production and the structure and quality of their connections, which may spur local development.

Finally, the framework is suitable for developing network-based methodologies to collect empirical evidence on the complex dimensions involved in local development.

Notes

¹ I would like to thank Enrico Bertacchini for his helpful comments.

² Deceased, August 15, 2013.

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Chapter 6

Creative Berlin: What Else?

Klaus R. Kunzmann

Berlin: Creative Capital of Europe

Berlin, the capital city of Germany, is different from capital cities like Paris and London (Brunn & Reulecke, 1992). History matters. The creativity of cities is rooted in the history of the place. When Berlin regained its status as capital of a reunited Germany in 1990, the federal structure of the country was well established. Rooted in history, 16 federal states, including Berlin as a city-state, have considerable political, cultural and economic independence. They have their own capital cities, their own powerful parliaments, their own banks, their own state universities, and their own regional media. And, traditionally, federal institutions, such as the Federal Bank (Frankfurt) Federal Constitutional Court, (Karlsruhe) the Federal Environment Agency (Dessau), the Federal Television Corporation i (Mainz), or the Federal Labor agency (Nuremberg) are not concentrated in the capital city, but equally spread all over Germany. The economy in Germany reflects this federal structure. Industries and their headquarters are distributed all over the country, creating a polycentric network of economic hubs. All this explains why the capital city of Berlin is not a dominating, economically thriving center of Germany. Burdened by a history of being an enclave for more than 40 years, caused by cold war politics, the city, which was once the largest industrial city in Europe was de-industrialized after World War II.

When, though only by a narrow vote of the German Parliament, Berlin regained its political status as capital city of Germany in 1990, the city expected to return to its pre-war grandeur. However, this hope did not come true. Not just because the Berlin Bonn contract prescribed that half of the ministries must remain in the old capital Bonn, together with German Telecom, but also because none of the influential economic stakeholders returned to the city (Suess, 1995; Suess & Rytlewski, 1999; Kunzmann, 2004). The banks did not move from Frankfurt to Berlin, nor did Siemens move from Nuremberg and Munich. And this is similarly true for many other larger corporations, which opened offices in Berlin, though kept the headquarters in other larger cities in

Germany, in Düsseldorf, and Cologne, in Stuttgart or Munich, in Hamburg or Frankfurt. In fact, for political reasons, both parts of Berlin (East and West) have always been subsidized and created conditions of a permanent dependency culture, which did not encourage entrepreneurship. The city, embedded in complex socio-political governance structures had no convincing strategy for promoting and developing the local economy to raise it to a competitive international level. Furthermore, the city is burdened by considerable debt, a fact which makes it difficult to initiate and implement longer term strategies for attracting investment to the city.

Although the regained government functions and hundreds of lobbying groups in Berlin provided new jobs in the city, the volume of this new political function did not really provide Berlin with sufficient new blood for the local economy. It took a while until the responsible political leaders realized that being the capital of Germany does not really change the conditions of the weak local economy. Then, virtually overnight, the new creative city fever, triggered by international discourse on the creative class (Florida, 2002; 2004) and the creative city (Landry, 2003), opened a window of opportunity to brand and promote the city as a creative city. The new chance was taken by almost everybody who had vested interests in the creative economy: the political milieu, the media, culture and urban marketing communities, the tourist economy, the planners, the fashion and design industries, and, last but not least, the property market. The mayor of Berlin, a cultural person and very much dedicated to the arts, stated frequently that Berlin might be poor, but “sexy.” Thereby he referred to the rich cultural life in the city and its cosmopolitan entertainment environment. With that support from the prominent city leader, Berlin was soon proclaimed the European capital of culture. This label attracted a broad range of creative people to the city who benefited from rich cultural and entertainment environments, affordable housing, and a generous cosmopolitan hospitality. Within a decade or so, Berlin became a creative city, and many old and new citizens of Berlin accepted and identified with the new city label, even if they knew that this trendy creative label reflected only a limited proportion of the city economy and city life.

Berlin: Facts and Challenges

Berlin (892 sq km) is a polycentric bunch of urbanized villages, as Tokyo and

London are. In 2010 Berlin had a population of around 3.5 million and forecasts state that the population of the capital city will not grow any more. This is mainly a consequence of demographic trends in Germany, a country suffering from low fertility rates and limited inward migration. Other reasons are the geographic location at the border to Poland, far away from the densely populated metropolitan regions in West Germany, and the lack of a thriving hinterland; the region around Berlin is sparsely populated and has a weak regional economy apart from industrial and logistic centers growing on the urban fringe.

Around 14 percent of the local population is foreign born, mainly from Turkey and Poland. Berlin has the biggest Turkish community outside of Turkey. This is the outcome of a government contact between Germany and Turkey in the 1960's; the booming German post-war economy was short of unskilled labor for its industries. It took some time to integrate the migrants, mainly Muslims, into the Christian society. Now, fifty years later, and benefiting from changing migration laws, a third generation of Turkish descendants has become an integral part of German society. Together with foreign-born citizens from other countries in Europe and beyond, a predominantly liberal cosmopolitan society has evolved, which gives the city a particular international image.

Berlin's economy is dominated by a consumer-oriented service sector, including gastronomy, hotels, tourist services and creative industries (media, music, advertising and design). In 2007 the average GDP of the city amounted to €24.900 (2007) per person, which is lower than that of Germany overall (2007: 29,500) and much lower than that of Munich or Hamburg, though in recent years it has been growing slightly. Due to the weak local economy, reunited Berlin has always been a city of high unemployment. Again, however, in recent years it reached a relatively low level of 12.7% (2011), while Germany showed only 6.6%. Transportation and communications, life sciences, biotechnology, environmental services, and medical engineering, and all other services that use information and communication technologies are growing in Berlin.

Since Humboldt founded the first university in Berlin in 1801, higher education, science and research have played a big role in the city. Today there are 30 mainly public universities and colleges in the city with more than 150,000 students. The three big universities (TU, FU and HU) are among the best universities in Germany and beyond. Two universities of the arts are favorite choices of a growing young generation interested in a broad range of creative

studies. The young university of Potsdam, founded after re-unification on the urban fringe of Berlin, has succeeded to emerge as a new favorite target for German and international students. In *Adlershof*, a former East Berlin location of high tech industries and media has become one of the largest technology parks in Germany. Another large technology park focusing on green transportation will be developed on the site of the existing airport in Tegel once the new international airport of Berlin-*Schoenefeld* (after 20 years of controversial debates) is scheduled to be open in 2014. Politics in Berlin are difficult terrain. Torn between being a capital city, with all the official and diplomatic functions such a role brings about, and having a self-confident and occasionally even militant local civil society, the city is not easy to govern. Traditionally, parties play a big role in Germany and in the city. In past decades, Berlin has been governed by changing coalitions of conservative, social democrat, green and socialist parties. Many urban development strategies are an outcome of time-consuming negotiations and compromises. A two-tiered system within the city reflects the desire to be near people and to decentralize city power to urban districts, which enjoy, though within a well formulized framework of laws and regulations, relative freedom in urban and cultural development, in local economic development and in integration policies.

The expenditures of the city of Berlin in 2009 were 21 billion Euros stemming from a share in income and, industrial taxes, and from property and other local taxes. This is almost two billion more than the income of the city. It is no wonder, then, that the overall debt of the city in 2008 was 59.8 billion Euros, for which, annually, 2.4 billion Euros in interest had to be paid. Given its poor financial status, the state/city of Berlin revives solidarity payments (3.2 billion) from the well-established federal tax transfer scheme from affluent states (such as Bavaria or Baden-Württemberg) to poorer states (such as Berlin, Saarland or Brandenburg). An additional 2 billion Euros are paid to the city to compensate for expenses linked to the government function of Berlin. Moreover, even the European contributed in 2007 2.4 billion Euros for projects in Berlin to raise the European competitiveness of Berlin.

Berlin: A Creative City?

Berlin claims to be a creative city. But what is creative city? Can a city as whole be creative? Why are some cities considered to be creative and others not?

Answers to such questions vary. Is the creative city a magnet for creative people, for the newly discovered “creative class?” Is it a center of cultural/creative industries, of/and of knowledge industries? Or is it rather a city with a local government, open for creative action? Does a creative city benefit from a creative, innovative, and flexible local administration? Or is it, in the end, just a city with a creative image for whatever reason, branded by clever urban marketing agencies, renowned opinion leaders and celebrities? In his influential book, Charles Landry offers the following definition of a creative city by referring to creative milieus:

“A creative milieu is a place – either a cluster of buildings, a part of a city, a city as a whole or a region – that contains the necessary preconditions in terms of ‘hard’ and ‘soft’ infrastructure to generate a flow of ideas and inventions. Such a milieu is a physical setting where a critical mass of entrepreneurs, intellectuals, social activists, artists, administrators, power brokers or students can operate in an open-minded, cosmopolitan context and where face to face interaction creates new ideas, artefacts, products, services and institutions and as a consequence contributes to economic success.”(Landry, 2003)

This well-worded definition, however, does not yet show the path to making a creative city. This is done in an earlier study, on which his book is based (Bianchini et al., 1996). There, the “ingredients,” or rather the criteria for assessing the creativity of a city, hence the success factors of creative cities were given as follows:

- Hard factors are a precondition for unleashing creative potential: museums, exhibition halls, theaters, concert halls and other visible elements of a city’s cultural history and profile; culture-related institutions like galleries, auction houses or educational institutions, known beyond local boundaries.
- History: The cultural dimension of a city’s history, the urban heritage, citizens, particularly architects, artists, musicians or poets, who have been influential in advancing culture and creativity, and whose names are closely linked to the city.
- The importance of individuals: local opinion leaders, stakeholders, political leaders, cultural stars, journalists and academics and personalities, who serve as drivers for cultural development in the city.

- Open communication: The liberal climate of cosmopolitan milieus and open discourse in a city, allowing controversial communal dialogues and debates on cultural projects and issues.
- Networking: the physical, social and economic preconditions in a city, which allow cultural networking and enable local actors in the field to cooperate.
- Organizational capacity: public and private organizations which have the competence and manpower and the political support to manage cultural and creative projects and events, and which are flexible and open for new strategies to promote creativity in a city.
- The recognition that there is a crisis or challenge to be solved: Experience shows that a challenge or even a local crisis helps much to nourish creative action.
- Catalyst events and organizations: Cultural events that attract cultural communities, media and visitors to a city, events, which require the cooperation and moderation of public and private institutions.
- Creative spaces: The existence of creative spaces, such as cultural districts, museum quarters or locations, which determine the cultural and creative image of a city.

In addition to these criteria for assessing a creative city, formulated 15 years ago – long before the creative fever had flooded European cities and infected planners and policy makers – creative city development requires a few more ingredients.

- An established cultural image: the cultural image of a city, its cultural infrastructure, and cultural events are essential factors in attracting the creative class and media communicating the image nationally and internationally.
- Established clusters of cultural industries: Creative industries require networks and seek clusters to for inspiration and benchmarking, and for surviving in competitive markets.
- Institutions of advanced art and media education: The quality and reputation of art and media institutions in a city is an important dimension in attracting talent and in educating the next generation of creative artists and culturpreneurs.

- A broad spectrum of innovative high-tech milieus, providing new technologies and technical competence for creative production and services
- Affordable housing and low cost of living: Young creatives require access to affordable housing and studios at highly accessible and alluring locations.
- A spirit of conviviality. For the creative class, a place to be, a place to be identified with, a place to find cosmopolitan community, a place to enjoy the quality of life with others, is an essential location factor.

Undoubtedly, Berlin has all of them. And this makes the city of Berlin a magnet for creative people who are searching for locations where they can find inspiration for their work, where they can find work, where they can earn their living, and where they are able to plug into local and global networks of creativity while living in a livable, inspiring and entertaining city. There are good reasons, however to state that Berlin has not been very creative in its urban and economic policies. The politico-administrative system of the city of Berlin is not renowned for its innovative policies, nor for being particular future-oriented. It will take more time to reconcile two quite different governance structures have evolved in the two parts of the long divided city after World War II.

Berlin: Capital of Culture

Berlin has always been a center of culture, even before it became the capital of Germany in 1971. The kings of Prussia established the cultural traditions of the city in the 17th and 18th centuries. In order to demonstrate that Prussia is as culture-minded as the monarchies in Austria or France or Britain, they invested in architectural splendor in the arts and in higher education. The Academy of Fine Arts and Science was established under their patronage. In doing so, they laid the foundations for a culturally rich city. Fredrick the Great played a particularly key role in developing Berlin into a cultural city, which could compete with Vienna, Paris or London. Many significant Baroque architectural buildings were built during the reign of this influential King of Prussia. Later, in the beginning of the 19th century, Berlin gradually evolved as a city where innovations in railway technology (Borsig) and later in electronics (Siemens) made the city a hub of industrial innovation. Production, and later electric technology development, benefited from enormous reparations paid by France after losing the war against Prussia in 1870, which contributed considerably to

the economic growth of the capital city and the affluence of Berlin. Economic wealth accelerated the development of science and culture flourished in the city.

In the beginning of the 20th century, this made Berlin a new cultural center in Germany. The lost World War not only led to the abolishment of the monarchy in Germany, it was also a turning point in history of the city. The big economic recession after the war caused high unemployment, urban poverty and local riots between political rivals, who aimed to turn Germany into a socialist country. However, parallel to the political turmoil, and for only a decade, Berlin became again a center of cultural life, where theaters (Reinhardt, Brecht) and architecture (Gropius, Taut) flourished, scientists of Berlin universities received Nobel prizes (Heisenberg, Bosch, Einstein and the UFA film industry in Babelsberg, a suburb of Berlin, evolved as a production site for films which have become classics in the field (Dr. Caligari, Metropolis, Blue Angel). The crash of the world stock market ended this short cultural boom and paved the way for Adolf Hitler. Luckily, his gargantuan plans to rebuild Berlin with the help of Albert Speer never materialized, though some significant pieces of architecture (Olympic stadium, Tempelhof Airport) were built. Then, in 1944 and 1945 Berlin was heavily bombed and demolished by American and British air raids and the Soviet army.

After the war, following the Potsdam Conference in 1945 (and until 1989), Berlin was zoned into French, British, American and Soviet urban sectors. The building of the wall in 1961 divided the city for 40 years and caused parallel paths of urban, economic and cultural development. In West Berlin, the reconstruction after the war followed ideas of the Garden City much influenced by the INTERBAU; in 1957 the first post war exhibition of innovations in architectural and urban design was held. The building exhibitions in Germany are not simply for showing temporary pieces for architecture-minded tourists, but events, which benefit from financial public support to build and use innovative architecture. In the East, under the influence of Russia, the functionalist architecture of Le Corbusier determined urban development. Twenty years later, in 1987, another international building exhibition showed exemplary buildings for a modernist Berlin and ways and means to organize the socially responsible revitalization of run-down inner-city quarters. In 2020 another International Building Exhibition (IBA) will demonstrate green urban development in the urban district of Marzahn in East Berlin.

Cultural life in Berlin today, in the first decade of the 21st century, benefits to

some extent from the divided status of the city, such as the existence of three opera houses with permanent artistic staff and orchestras, seven philharmonic orchestras, around 170 museums (fine and popular arts, history, science) and 256 public libraries funded by the city of Berlin, with some financial support from the Federal Republic and from foundations, which the federal government has initiated. Some collections were brought together, though many remained as they were, to demonstrate the different ideological positions and to maintain the jobs for their staff. New museums were built after re-unification, such as the Jewish museum. Others, such as all the museums on the so-called museum island, were just renovated and modernized. This complex is a unique collection of museums that can easily compete with the Louvre in Paris or the Prado in Madrid.

There is immense choice for consuming culture in the city. There are classical concerts and opera performances all year round, a broad choice of 51 theaters, and classical as well as modern dance performances that entertain and enlighten the established middle class, citizens and tourists. Off- and off-off theaters and backyard companies are playing innovative and creative music performances in all styles from soft country music to hard rock, presented by from international celebrities and local heroes to the younger generations. More than 1000 art galleries serve a growing market of fine art consumers, ranging from advanced international art to decorative household art. They are the mercantile arm of the art community, hoping to get a share of the fame or just a share of the city's cultural budget.

In 2006 Berlin was the first UNESCO City of Design, a title which helped the design industries and services in Berlin gain more public support for the creative segment. Branding the city as a design city did not really impress citizens, though it helped to boost global marketing.

Only 3 percent of the budget of the city of Berlin (around 600 million Euros in 2011) was declared for investive and consumptive culture covering all kinds of events, including the *Berlinale* (the Berlin film festival). When comparing this figure with expenditures for road infrastructure, this is certainly not sufficient.

Creative Economy in Berlin

Until the turn of the 21st century, the creative economy had not yet been on the agendas of local economic development agencies in Germany. This of local

economies was considered to be negligible. Even in times when the new economy was discovered as a response to structural change, the focus was on new information and communication technologies, not on cultural and creative economies. Similarly, the cultural communities were so dependent upon public sector support for cultural policies on cultural infrastructure and cultural events that any private sector dimension of the sector was unanimously discarded and ideologically rejected. Triggered-off by academic debates on the role of the creative economy for cities and regions, and to cope with the employment implications of structural change, cities and regions started to explore the cultural segment (Kunzmann & Wang, 2003). Berlin published its first creative economy report in 2004 (Senatsverwaltung für Wirtschaft: hereinafter referred to as SenWi, 2005) following the example of other states in Germany, which had commissioned cultural industries reports earlier. North Rhine-Westphalia was the first state government in Germany to official take notice of the segment in 1992 (Gnad & Kunzmann, 2010). This report was the starting point of public sector activities to promote the cultural economy in the city (SenWi, 2005). The report provided a definition of the creative economy for a consolidated Berlin, and it was instrumental in generating new strategies for making the creative economy a special feature of the city. Four years later, a second report had been published by the city/state government to document progress and suggest corridors of future economic development in the city (SenWi, 2005). City planning welcomed the new initiative and commissioned a study to explore the spatial implications of creative industry development in the city and to identify creative spaces for future development (Ebert & Kunzmann, 2007). The Department of Culture did not respond with enthusiasm to such developments. The sudden discovery of culture by the market has not been cheered. The cultural economy was seen as a threat rather than as a chance. The angst was that the economic rationale would replace the educational justification of (mainly) high culture, while the entertainment facet of culture tended to be belittled. Despite this and accelerated by its official recognition as a valuable asset of the city, the creative economy in Berlin started to flourish. Even the traditional Chamber of Commerce in Berlin discovered the sector as a policy action area (IHK, 2009). Moreover, simultaneous promotional initiatives of the federal government and the European Commission contributed to the immense popularization of the creative economy. European institutions had a new thematic arena for launching future-oriented programs, commissioning reports

and hosting conferences.

In 2008, the creative economy in Berlin accounted for 16 billion Euros and for more than 150,000 jobs (SenWi, 2008). Such figures impressed people in the policy arenas and a broad range of stakeholders in the city. These figures laid the argumentative groundwork for new programs, strategies and policies. Ten percent of all employees in Berlin are working in the creative economy. This is much more than in other German cities, where their proportion is three percent on average. The contribution to the economy in Berlin in 2006 was 21 billion, roughly 10 percent of the total economic output of the city. 65 percent of all artists and creative workers in Berlin are self-employed; a percentage which shows the exceptionalism of the creative economy, as in other segments the number of self-employed is only 17 percent.

In the context of the enormous interest of the city in the creative economy, many initiatives have been launched: These initiatives are:

- Design: A program (CREATE) to promote Berlin based design industries; platforms like *the International Design Festival*, (DMY),; various marketing brochures presenting Berlin designers and their products abroad;
- Fashion: platforms such as, the *Fashion Award*; and the *Mercedes Benz Fashion Wee* ;, marketing brochures in different languages presenting Berlin as a fashion city;
- Film and television: *Mediaboard* Berlin-Brandenburg, media week,; a program for interim financing of film and television programs, a competition for producers of visual effects;
- Music: Berlin Music Commission; a fair (POPKOMM) for pop music industries and services Berlin Music week 2010; presentations of Berlin music labels abroad.
- Architecture: Preparation of another International Building Exhibition (IBA 2020) architectural competitions for selected key locations in the city;
- Games: Interactive Berlin platform, games days, a pilot program called *Digital Content*, a *Games Network*, presentations at fairs.

In addition, support is given to programs and initiatives that overarch individual markets, like the Creative City Berlin website, a creative coaching center, venture capital for the support of creative industries and entrepreneurs

in Berlin, competitions in the context of the initiative Berlin: *Made to Create*, studies to explore the demand for professional education and training, and for accessible micro-credits for small industries and the self-employed.

The support mechanisms for the creative industries are organized by the economic development department of the City of Berlin in close cooperation with private stakeholders and networks. All these initiatives sound impressive, although in reality the budget available for all these measures has been modest. The mere existence of the low budget “carrots” forces creative players in the field to spend more and more time and effort to benefit from the offered public support in order to survive in an increasingly competitive local market. The most recent cultural industries report suggests nine action areas for the promotion of creative industries in Berlin (SenWi, 2008):

- Strengthening networks between creative industries, politics, administration and interest groups, and the formation of specialized creative clusters.
- Promoting creative milieus, in the context of programs, which support single projects and artists.
- Promoting international networks.
- Mobilizing affordable production spaces for creative industries.
- Enhancing the consumption of creative products and services in the context of improved cultural marketing and improved marketing cooperation.
- Promoting digital firms and entrepreneurial models for such firms.
- Creating networks of education and training institutions, including coaching services.
- Creating real and virtual platforms for promoting the creative economy.
- Identifying and protecting creative spaces in the context of urban development planning.

Challenges of the Creative City

Praising Berlin as a creative city and promoting creative and cultural industries does not come without problems. Gentrification is one challenge, the relatively precarious situation of the creative class is another one, and the opposition of groups of the civil society against any change is a third one.

Gentrification

One of the challenges is gentrification, a phenomenon known to many metropolitan cities around the globe. In international comparison, housing in the inner city of Berlin was, and still is very inexpensive. After reunification, large run-down housing in the city center invited squatters, students and artists to settle down in those urban quarters, where buildings expropriated by the East German Socialist Government after World War II were waiting for restitution. This legal process regulates the reversion of property ownership to their original owners. Many original house owners were not living any more, or their heirs did not know how to retrieve the property. The pending ownership question created local milieus of transition, which appealed to the nomadic urbanites. A few urban districts in former East Berlin were the target of young people. Their neighborhoods with sub-standard housing were central to the city, well served by public transport, cheap, and different, full of experimental uses and users. Over the years, houses were modernized. Trend-shops rented and refurbished the empty basements. Restaurants and specialty shops selected the trendy location to serve residents, night owls and curious tourists. The new clientele attracted galleries and designer shops. Young developers and architects bought up property or developed those gaps, which the war had left in the urban fabric, to build hostels and lofts. The process of gentrification has brought value to city districts such as Berlin Mitte, Prenzlauerberg, Friedrichshain and Pankow. Over the years, property prices and rents soared, and together with the physical improvement of the quarters, the urban pioneers who initiated the gentrification process and elderly and socially disadvantaged households were forced to leave as their financial capacity was limited. The city government and the property market cheered the transformation, though it could not really control the process, and could not develop and implement strategies to cushion the social implications of the local gentrification processes. Only very recently the city government announced that new social housing will be built in the years to come to meet a growing demand for affordable housing.

Precariate

The delight for the creative economy in Berlin seems to neglect the precarious condition of many creative people in the city. The creative class is very

polarized.

The number of those who live comfortably in the creative urban economy of Berlin is limited. Although those working in the various segments of the creative economy as self-employed freelancers or subcontractors enjoy their jobs, they often have to have a second or even third job to earn their living. Statistics about how many of the 160,000 creative employees in the city are working under precarious conditions is opaque. It is known that creative persons have longer daily and weekly working hours. Enjoying their creative work, they tend to accept considerable self-exploitation, are rarely organized in labor unions, and often do not much bother about their future, when they age and fall out of the networks that secure their income. This makes the creative class very vulnerable. In a way, this creative workforce in a city is a model for the post-Fordist urban economy, pioneering working modes and styles. Not surprisingly, one quarter of all employees in the creative economy in Berlin in 2006 were working under precarious conditions. The numbers of self-employed who are working at the lower end of the income ladder is unknown, though estimations do not give a positive figure. In contrast to other segments of the local economy, the average income is low. It can be compared with income in security and cleaning services (Lange, 2007).

Media Spree

To attract creative industries to Berlin, the city has launched an ambitious urban redevelopment project in the east of the city center on both sides of the Spree River. The project, called *Media Spree*, suggested reusing the derelict storage and production facilities for media industries. The city started to sell publicly owned property to private developers, who welcomed the location near the city center in East Berlin for developing office space for media industries in new or refurbished industrial buildings. In an early phase of the process, the city succeeded in attracting international music label Universal to the attractive inner city site. Others followed. Once local citizens realized that the project would considerably change the character of the site and constrain access to the river, they started to raise their voices, informed the media and organized movements against the development. Their protests, combined with economic stagnation, caused the city government to stop the ambitious project, to alter the plans, to negotiate with property owners, who had already bought property there, and to

postpone the implementation. In 2013 the media covered opposition to the ambitious development project is still vivid forcing the city government to re-negotiate with property owners and developers.

These are just three of the more visible policy battlefields of local conflicts in the context of promoting the creative economy in Berlin. Other challenges have to be faced in the context of four key policy areas of the city: economic, cultural, social and urban development policies. And, when aiming to integrate these policy areas, as a rule, additional challenges of co-governance arise.

Economic Policies

Local economic and industrial policies are not yet fully prepared to meet the particular requirements of creative industries in the city. This segment of the local economy is very heterogeneous; self-organizing networks of creative firms are weak or not yet established; traditional instruments, such as providing industrial land are not appropriate, the success rate of start-ups is low, and export promotion is not easy. Given traditional animosities the coordination of economic with urban policies is hampered by diverging ideological motives. All slows down the enthusiasm for the segment; and it this requires a new generation of creative and communicative professional officers in the public sector. They have to be open for the expectations and needs of the creative entrepreneurs, now called culturpreneurs (Lange, 2007) and they have to link the creative economy to the knowledge economy.

Urban Policies

Urban development has both a complementary and a spatially coordinating role in providing production spaces for creative industries and life spaces for creative workers, groups and families. Though given the locational preferences of the new “creative class” returning from the suburbs to the city, and the power of property developers, benefiting from this preferential turn of the middle class, this is not easy. The question is, where, when and how to encourage development of spaces for the growing creative industry and how to avoid planning disasters, such as in the case of the *Media Spree* project. The biggest challenge, however, is how to avoid and control, or better how to guide gentrification processes.

Cultural Policies

The continuous support of cultural infrastructure and cultural events in the city is a steady fight for budget share, a fight against expenditures for transport and mobility, or for green spaces, for asking higher entrance fees for museums or an increase in the price of opera tickets or classical concerts, for serving both the traditional cultural elite and other groups of the society; it is a fight between high culture and popular culture, and for asking for unconditional private sponsorship. Promoting the cultural economy is certainly not a prime concern of cultural policies. However, a pragmatic cultural policy has to accept the realities of a market-oriented society and economy. An important challenge remains: how to balance cultural development between global and local quality concerns, between international standards and local preferences.

Social Policies

Social policies, although very much determined in Germany by federal laws and regulations, can contribute to the promotion of creative industries. They can launch initiatives to integrate ethnic communities in creative economic development strategies, cushion the social implications of gentrification, or support the revitalization of social housing programs.

These four policy areas all have their roles in promoting the creative city, and as creative and cultural industries, they are the responsibility of the public sector, though they have to do it together with influential stakeholders of the private sector and in close and continuous cooperation with civil society. Only with trust between the various players will co-governance in the city be successful.

What are the future challenges of the creative city? At present, Berlin is affected by the creative fever (Colomb, 2012; Van Heur, 2012). One day this fever will be over, and new development strategies will gain political support. Thus, the biggest challenge of creative city policies is to sustain the momentum, to turn the policy into a routine field of local economic development with the support of the other three policy areas. At the same time, one has to trim the enthusiasm of the creative city community. The newly discovered segment of the local economy will not provide jobs for everybody in Berlin. A limited absorptive capacity of the market, the dependency on growth in other economic

sectors, new competitors (again from Asia) will enter the market. The open-minded discourse milieu in the city of Berlin remains a key feature of the success of the creative city policy in Berlin. Last, but not least, once the costs of the property market rise, and with it the costs of living in Berlin, the creative class may search for other locations in Europe, such as the east or the Southeast of Europe, or even the cities on the shore of the Mediterranean Sea.

Despite all media hype, the creative economy is just a small segment of the local economy in Berlin. Health, biotechnology and biomedicine, medical technology, transport and mobility, information and communication technologies, and optical technologies are rather seen by the city government as the more important future action areas of local economic policies in Berlin. Therefore it is not surprising that the creative economy is not even mentioned as an essential policy field in the recently published state-of-the-art report of urban development in Berlin (Senatsverwaltung Berlin, 2013)

Conclusion

Cities in Europe that take the creativity paradigm seriously or just aim to be branded as creative cities undertake a bundle of measures to promote culture and creativity and to raise the creative dimension of urban and economic development (Santagata, 2010; Kunzmann, 2012). They commission reports and studies to identify the endogenous creative potential of the city, they explore real and potential opportunities for creativity, they invest in cultural infrastructure and public places, and in decorating the urban stage by designer architecture; they promote cultural events, they raise the status of art schools and support media related higher education; They take initiative to form creative clusters and networks, they offer affordable space for studios and rehearsal space. They promote and develop creative quarters, cultural boulevards or other projects to make creativity visible in the city. By doing all that, cities review and qualify their urban policies and local economic development strategies, stabilize their expenditures for cultural activities to meet the growing demand for cultural education and entertainment, sensitize and qualify their administration, and raise citizen and media interest and awareness. In the end, apart from raising the quality of life and urban competitiveness, the creative city paradigm encourages cities to make use of and instrumentalize the creative city fever by accomplishing a better, more holistic, more comprehensive and more strategic

form of urban development. For planners, it is a challenging balancing act between serving a mainstream mayfly fashion and a more serious approach to urban development and creative governance in times of globalization.

Like Paris or London or Vienna or Milan and Amsterdam or Copenhagen, Berlin is a creative city. Besides its function as a capital city of Germany, Berlin benefits from a rich cultural history, a broad range of cultural infrastructure, an open and cosmopolitan population, and a favorable and supportive socio-political environment. Obviously, it is not the whole city which can be branded as creative. There are many districts where creativity is not a feature of urban life, where creative industries do not flourish, and where those who aspire to be part of the creative class do not wish to live and work. The creative city of Berlin is characterized by a few pockets of visible creativity, where more or less integrated strategic action aims at promoting the creative economy of the city, while urban development in 90 percent or more of the city is characterized by day-to-day routine pragmatism and routine development. Undoubtedly, some groups benefit from the creative fever in the city: the tourist industry, particularly restaurants and hotels, souvenir trades, design and fashion outlets galleries and their clients,.

Given its difficult situation after re-unification and benefiting from the international hype for creativity, Berlin was rightly playing the creative city card for a while. The creative economy is a fit-for-all concept and can be easily combined with Berlin's ambitions to develop the city as a knowledge hub, as a favorite convention city and as a target for young and culturally interested tourists. The fuzzy creative city image attracts qualified international labor to the city and the renowned high quality of life in the city causes many temporary migrants to settle down. The plug-in concept of the creative city is open for any kind of initiative and investment that aims to benefit from the creative image, the creative spaces in the city and the support of liberal political arenas. Given a declining population and the lack of an urbanized hinterland, the competition of metropolitan city regions in Southern and Western Germany (Munich, Nuremberg, Stuttgart, RheinNeckar, RheinMain and RheinRuhr). Berlin has few other options.

The creative hype will continue to promote the city as an exciting place to live and work, well embedded in local cultures while enjoying global networks. However, more than once, the rhetoric of the creative city stakeholders conceals the reality of social and economic development in the city. And this

reality is still one of a socially, economically and politically divided city, even 20 years after reunification. Consequently, conflicts are unavoidable, conflicts between those who live and work in the precariate segment of the creative economy and those who benefit from their work at the upper segment of the sector. Such conflicts surface all over the city, particularly at sites where the contradictions between winners and losers of the creative economy are most visible. Time will show whether the city government of Berlin is clever enough and creative enough to use the creative city fever for the longer term to sustain urban development policies, and whether it will have the financial power to maintain all the cultural infrastructure in the city, which allows the city to attract the interests of media and investors.

Creativity: What else? Berlin will not be able to convince the bankers in Frankfurt to move to Berlin. It has no port, which could compete with Hamburg, and it will not succeed to attract all the headquarters from Bonn, Düsseldorf, Cologne and Essen to the capital region. One day, the remaining six ministries in Bonn will certainly move to Berlin to end 20 years of shuttle trips in between the two halves of the capital. Berlin has to rely on its assets, its history, its cultural grandeur, its rich discourse environment, in short, on its creative economy, which benefits from the history and on the cultural milieus in the city. In the beginning of the 21st century, Berlin is an experimental ground for a new type of Post-Fordist urban economy. The creative city fever has been a perfect window of opportunity to revitalize the stagnating city, to bring it back to its former urban magnitude.

Post Script 2015

By the end of 2014 the mayor of Berlin resigned after being in power for over 13 years. His resignation from the political responsibility for the capital city of Germany is marking the transition to a new phase of urban development, replacing the creative by the smart city paradigm (Kunzmann 2014). Recognizing the challenges and the limits of promoting creative industries in the city, the new city government is now rather focusing on more traditional urban economic development, favoring smart and innovative industries. This is done in the context of German policies to promote intelligent industrial production under the term Industry 4.0. Now the city government aims to address the broader dimensions of livability. This is done to meet the demands of the

international high tech talents the local economy wishes to attract to the city. Consequently, in the phase of transition from the creative to the smart city, culture is losing some of the political support, and cultural creativity some of its political hype.

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Chapter 7

Creative Cities in France: A Marginal Theme

Xavier Greffe

In France, the idea of the creative city is not as widely recognized as in other regions of the world. This expression is used by only a few cities as an urban marketing instrument. Other expressions are more often used than creative city, such as “cultural city.” Moreover, it is striking that when this expression is used in France, it is usually in reference to academic research, not to legislative decisions or public policies.

Why does the idea of the creative city expression play such a marginal role?

In France, the narrow place occupied by the concept of the creative city seems to result from the combination of two elements.

- Regarding economic development, urban policy always gives priority to competitiveness, training, and research in the framework of a partnership involving business, training units and research, and local governments;
- Concerning cultural development, cities consider the benefits of cultural activities from the point of view of local populations; the goal of attracting a so-called creative class plays, at best, a secondary role.

Priority to industrial competitiveness

The French tradition is marked by a specific analysis of the factors of local development. Since the major work of François Perroux of 1963, *The Economy of the 20th Century*, it has been well accepted in France that some local areas experience cumulative positive dynamics and other areas negative ones. Perroux described this phenomenon as “growth poles,” and it is precisely to regulate such dynamics that Datar (*Délégation à l’Aménagement du Territoire et à l’Action Régionale*) was created (Perroux, 1961).

But what is most important here is that the factor that created the positive dynamics was very quickly identified as technical progress or the ability to

produce technical progress (Reich, 1991; Le Galès, 2003). This meant the organization of relationships between companies, research and development centers, colleges and universities. This approach to development was 'technical,' which corresponded to the major role played by engineers in France, who had increasingly entered the administration at this time before sharing this place with managers trained at the ENA. In the French administration, "polytechnicians" occupied an important place, reproducing the tradition of engineers economists that France had known since the beginning of the 19th century (Jules Dupuis, Augustus and Léon Walras, Jacques Rueff, Pierre Massé, Edmond Malinvaud, Valéry Giscard d'Estaing, etc.) This confidence in an engineering vision changed during the seventies with the oil crisis, but even then, many local policies were still based on the principle of the technopole; the theme of culture was not actually present. The idea that prevailed then was that only the cities of a certain size could try to build technology parks. The others were dedicated to developing service economies for the local people. This policy was not very successful and during the 2000s some new points appeared.

- The reference to the local area was more present but as a framework for maintaining an identity and a buoyant local life;
- The reference to the city changed, and more and more clusters of local communities were considered to be the real players for economic and social development;
- Competitiveness is often considered to be the result of a central decision, namely through the contemporary policy of poles of competitiveness. There were about 100 disseminated all over the country and linked to regions more than cities.

A cultural development for the benefit of local populations

In parallel, French cities developed cultural policies, as in other European countries. Perhaps this movement appeared initially less accentuated than in a country like the United Kingdom as the works of Landry, Bianchini and Parkinson did largely recognize that phenomenon (Bainchini & Parkinson, 1993; Landry & Bianchini, 1995). Why did French cities did not show such dynamics at that time? In France, the central government is the main player for offering culture, and local governments had a marginal role for a long time (Grefe &

Pflieger, 2009). But after successive waves of decentralization, particularly in 1983 and 2003, cities have not hesitated to become major players in developing cultural policies. Today, 8–10% of local government budgets are spent on culture, and this proportion reached 15% in major cities, which places them among the highest in Europe. But these policies are generally designed to improve the living environment of people living there. Cities have been conscious of the need to attract artists for this, and though the theme of creative industries has some importance, the concept of the creative class has never been included. The link between culture and attractiveness is used with great caution, and the report prepared for the Ministry of Culture in 2008 on the role of culture in the cultural attractiveness of France and French cities made the following observation: All surveys and barometers show that companies choose their location not on the basis of the cultural offerings but on the basis of the communication potential offered by the city and its local skilled labor market. Correspondingly, the barometer on the attractiveness of European cities explains the emphasis on localization by the importance of the communication networks and the existence of a pool of skilled labor; the existence of cultural facilities and services is only the fourteenth factor in the list.

The conjunction of these two elements: the priority given to the links between economy and research and development on the one hand and the use of cultural activities based on the needs of the local populations on the other hand explains the very weak role played by the creative city approach in France. The term “creative city” is at best an urban marketing strategy, but not a matrix used to build up a strategy. Nevertheless, some cities have mobilized this idea from time to time. Let us remember again that an empirical study on creative cities in France has demonstrated that this theme was not very relevant (Greffé & Bergé, 2006). If there exists a link between the economic dynamism of an urban area and the presence of a university-educated population, the causality relationship proposed by Florida and others is undetermined; only cities of more than 400,000 inhabitants show a good correlation, which means few cities in the case of France. But even considering this type of city, things are not clear.

Saint Etienne: Creativity through Design

Saint-Étienne has an urban setting that reflects an interdisciplinary approach and design that results in best practices of creative collaboration between

academia and industry. The city has consistently sought to renew itself through design, with the support of creative small and medium businesses, and through specific initiatives dedicated to design. In the 16th century, Saint-Étienne developed an arms manufacturing industry and became a market town. This is what accounted for the town's importance, although it also became a center for the manufacture of ribbons and *passementerie* starting in the 17th century. During the French revolution, Saint-Étienne was briefly renamed Armeville – 'arms town' – because of this activity. Later, it became a coal mining center, and more recently, has been known for its bicycle industry. In the first half of the 19th century, it was only a chief town of an *arrondissement* in the *département* of the Loire, with a population of 33,064 in 1832. The concentration of industry prompted these numbers to rise rapidly to 110,000 by about 1880. It was this growing importance of Saint-Étienne that led to its being made the seat of the prefecture and the departmental administration on 25 July 1855, when it became the chief town in the *département*. Now the city has around 200,000 inhabitants; including the suburbs brings the number up to 400,000.

For a long time, the *Manufactures d'Armes et de Cycles* was the flagship enterprise, amid steel, coal, machinery, and food industries. After producing mainly arms, the city's production was diversified to produce hunting weapons, bicycles, sewing machines, etc. This industry has regularly diversified its production, and it was the same for many other enterprises of the city. But in the 1980s, this city faced a strong reconversion crisis, as many European cities that presented the same type of specialization. Moreover, the governance of the city, administered by the French Communist Party, created a lot of tension since the mayor intended to give many subsidies to an industry that was producing less and less. Finally, the training institutions, which specialized in traditional skills training, had to adapt, too.

It is in this context that the City of Design was founded. Its main idea was to adapt skills and enterprises to the permanent change of the markets caused by globalization, and therefore to adopt attitudes and styles of governance that favor such change. This City of Design was founded around a traditional school of Fine and Applied Arts established as early as 1857, and renovated as a design and art school in 1998. This new center has been rebuilt on the old site of the arms manufacturer. This city of design has two main objectives: to integrate design and creation in all of the Rhone-Alpes region and to attract new activities to the region, benefiting from the human resources new training.

This city of design is partly managed by the local government. This has the advantage of allowing the city to use the financial resources of the local government to manage installations and training programs and as incentives for job creation. But naturally this has a counterpart; the private actors were relatively reluctant at first to work in partnership with an institution that was partly publicly owned.

This city of design has increasingly benefited from the presence of the university and the very famous School of Mining. Their involvement has greatly helped overcome the difficulties of cooperation between public and private actors, training appearing as a positive sum game for all of them. Moreover, the City of design was a partner for a very important physical rehabilitation of industrial and housing stock, which played a very important role, certainly much more important than the development of the cultural life distilled by the opening of the Museum of Modern Art. The creation of a new event, *The Biennale of Design*, running every two years since 1998, has developed and enriched local culture for arts, craft, and design (300,000 visitors in 2010). In 2006, the city of design created a village of design that acts as a permanent place for exhibition. More than anchorage – the actors understanding that the local material resources were not adapted enough to new growth – the strategy was a strategy of embeddedness, which means that the City of design is a gateway from the region to the rest of the world and from the rest of the world to the region. The city of design does not consider itself a nursery but an animator of a network of resources and companies. Saint-Etienne was awarded in November 2010, UNESCO Creative City Design.

Naturally, culture matters too, and its lifestyle and way of life are recognized through the quality of its heritage from the 19th and 20th centuries and by the presence of large protected natural and cultural landscapes on the outskirts of the city and a rich culture, with internationally recognized institutions: the Comedy, Live Arts Centre National, has become one of the first of France, hosting more than 150,000 spectators each year and distributing its shows in France and abroad: the Le Corbusier buildings, which is the largest complex of buildings designed by the architect in Europe and second worldwide after Chandigarh (India); the Museum of Modern Art in *Saint-Etienne Métropole*, a top national and international institution devoted to modern and contemporary art; The Museum of Art and Industry, focused on the armory, the ribbon and the cycle, showing the industrial dynamism and innovation that has always been

Saint-Etienne; The Opera Theatre of Saint-Etienne, which welcomes every year more than 100,000 viewers in its two theaters, including the biennial Massenet, Loire great composer. But all of these cultural institutions existed before the new link defined between design and creativity. They are never presented as the core of the strategy for building a creative city, and they did not prevent the serious crisis faced by Saint Étienne in the 80s and 90s!

Bordeaux

The Bordeaux example illustrates two main reasons for the limitation of the concept of the creative city applied to a French city. First, creativity is only here but creative industries and the links that can be organized inside and between these industries. Second, the Bordeaux municipality considers it impossible to reasonably apply the term “creativity” to a city. It has at least to be considered at the level of the whole region of Aquitaine, which means that we can think in terms of regional development but not so narrowly in terms of a single city, whatever its size and fame.

More than 3,600 companies belong to the Gironde area of the creative economy (artists, designers of video games or software, cartoonists, designers), which began to take shape¹. Three projects should encourage the development of new companies in the barracks *Niel*, the wet docks and Newfoundland. Their number is increasing despite industrial decline, which reinforces their visibility and is causing them to emerge as an economic force. Classified as a quaternary sector to differentiate them from the service sector, these actors are operating in the so-called sphere of the creative economy. The creative economy is thus placed in the top three, behind the trade and business services and personal services to the construction and education. Some sub-sectors stand unquestionably in the local landscape: the art of design (4,800 jobs), video game design and software (2,500 jobs), publishing press (2000 jobs), and architecture. But the creative economy of Bordeaux offers many different faces: profits generated by film shooting are always higher; the dynamism of comics; the use of artists by the great vineyards; and the presence in the Gironde of over 50 publishers. Finally, there is a state of mind, specific to the creative economy, based on the idea of openness, that appears timidly through emulation. The tracks are numerous: enhancing digital channels across the world of wine, gastronomy and culture, building partnerships between new

companies and artists Laser Pole, between the automobile industry and designers. Initiated in 2006 by Evolution, a private incubator of entrepreneurial projects, the Darwin project aims to bring together in one place companies operating in the field of creative activities and services and environmental technologies.

Lyon: The religion of events

If any French city can be considered “objectively” creative, it is Lyon. Since medieval times, Lyon has been one of the main European creative centers, developing silk, cinema, chemistry, television, nanotechnologies, and so on. But the city does not present itself as creative. It presents itself as a city of events. Thus, the question of temporality (though often overlooked) becomes central, since city events raise the question of the ephemeral. This is a break with the long-term perspective in managing the city, one of its construction and life of its inhabitants. The city now focuses on the pivotal role of transient processes, like events. It also participates in the creation of new identities. In Lyon, the city is caught in a nested field competition (at the local, regional, national, European and global levels), and these rivalries intensify in festive events. Considering the competition between cities, it is necessary to ensure cohesion of the people around strong city identities. City events are one way to produce this quality.

The scope of an event has many facets. Taking the *Light Festival of Lyon* as an example, this event generates an effect of "living together" where at the same time 500,000 people share the city together, even if it is ephemeral. The event also generates economic development, with the implementation of important knowledge and skills that can be exported (including through economic interest groups), or with the development of relations between industry and research. Finally, a goal of the event is the production of international renown, with a high return on investment in the form of a heightened image of the city.

The political arena for several years produced a recurrent discourse focused on the idea of flipping the city image, so as to transform what was a handicap (a previously buoyant industrial city) into a resource. So the answer to the need of diversification is often built around the cultural life, which may seem surprising. But here we do not see any coherent alliance between the construction of the image and the creative class. The register of action is therefore based mainly

on the diversification of resources for local development, and it counterbalances the need for image with the production of symbolic value.

Nantes: Merging Culture and Creativity

The case of Nantes illustrates various dimensions of the role of culture for building up a creative city. The cultural strategy of the city has been highlighted as a major component of the regeneration of the city during the two last decades. From one side we have seen the co-production of public spaces by artists and cultural players; and from the other side we have seen the use of culture or developing new creative activities through the implementation of a new creativity quarter on the island of Nantes on the Loire River.

Regenerating public spaces through culture

Nantes has always been an important industrial city mixing various activities linked to its harbor and its trading tradition, such as shipyards, food industries, etc. If we consider the rate of job growth per sector between 1998 and 2008, we see an increase of 60% for jobs in the service sector; 20% for jobs in commerce; and 6% for jobs in Industry and construction.² A local source considers that now the number of jobs in the so-called creative industries is about 20,000, which represent 4% of the total number of jobs in the corresponding area.³ Moreover, since the seventies, Nantes has seen an explosion in its number of students, which was mainly due to the creation of its university, since Nantes was the only major city in France that did not have universities (if not engineering schools). Then, at the outset of the eighties, Nantes faced an important challenge: going from a traditional industrial city that was losing many parts of its traditional industrial system to a new tertiary city that had to create new basis. One of the pillars of this strategy was to regenerate abandoned and derelict public spaces into better spaces qualified to attract new activities and better quality of life. Among many illustrations of this strategy, one of the most original is the creation of the *machines de l'île*. Spectacular and huge mechanically driven machines were displayed all over the city and finally installed in an old dockyard where arches had been preserved and transformed into a new covered space. Progressively, a *Galerie des Machines* was created with official workshops for maintenance and was

built around a central walkway where the public can stroll. One of these spectacular machines was a great elephant; another was a submarine merry-go-round. This initiative shows the way of thinking through which the municipality tried to change many public places: to offer a place either for entertainment or reflection where inhabitants, visitors and tourists can regularly come and visit. Another example of these new spaces in a totally different direction was the memorial for slavery. For a long time, Nantes benefited from the so-called triangular trade where one of the traded “commodities” between Africa and America was human slaves. To honor their memory, a monument has been created integrating both open-air and closed spaces where this memory is preserved. Another illustration is the creation of the so-called *lieu unique* in an old cookie factory that shelters theaters, sport activities, restaurants, forums, etc. (Bonnin, 2009).

But the municipality organized not only spaces and venues but also events. *La folle journée* is probably the best known of these events, and the *Festival des allumés* is interesting, too. A mix of new spaces and events can be found in the organization of the project *Estuaire* between Nantes and its sister harbor on the Atlantic Ocean, Saint Nazaire. Along a length of 50 kilometers, between the two city centers, contemporary arts monuments and objects, some permanent and others temporary, have been created to let people experience a scattered monument. This establishes a new identity by unveiling new uses for the land and constructing a shared imagination across the space. Along this art trail, pieces of contemporary art mediate between inhabitants and visitors, residents and tourists, households and companies. Every two years, this trail is redressed in order to maintain attention and to distillate a sense of identity where culture appears physically as an element for nurturing reflection and creativity. The connection between events and artifacts has created a tourism program called *The Voyages à Nantes*, which is an invitation for everybody to come and enjoy the city.

The quartier de la creation

In the middle of the city and inside the Loire, the largest natural and untouched river in Western Europe (1,000 kilometers), there exists an island that was traditionally dedicated to industrial and logistical uses. With the collapse of many industries, this island offered a lot of empty warehouses or brownfield

spaces, and the municipality decided not only to undertake a new housing policy but to use this opportunity to create incubators for new creative activities. A relatively traditional policy was implemented for creating dedicated resource centers, giving access to funding for new SMEs, and offering spaces for experiences and innovation. A very collaborative work was organized between the municipality and an independent agency in charge of the implementation of the global project, *Société d'Aménagement de la Métropole Ouest-Atlantique* (SAMOA),⁴ together with a European network supported by the European Commission, ECCE. This localization benefited from the presence of new superior colleges and universities built or rebuilt on this island, such as the School of Architecture of Nantes, The Superior College for Design; and from the installation of some headquarters of European size companies (Coupechoux). Civic groups were created to systematically improve integration between production, universities, and the general public. In such groups, the general population could follow the development of the project and therefore be considered not only as a spectator but as a stakeholder; for some projects, the public could be considered a partner.

Urban development projects drew from this strategy, and the public development agency, SAMOA, adapted the approach of specific businesses to permanently support this global dynamic. More precisely, SAMOA organized a dialogue with each interested new business or innovator and specified the methodology of their own insertion so that these new activities would be successful and contribute to the growth of the global project. Therefore 100,000 square meters were mobilized for creation less than one kilometer from the city center, which was exceptional in the context of European cities. An interesting implementation was the recuperation of the old Alsthom fabric for railways and other transport equipment. Located in the heart of the creative quartier, the former Alsthom warehouse has been rehabilitated. It offers more than 25,000 square meters divided between three buildings: Warehouses 4 and 5, which will be the home of the Nantes Metropolitan College of Fine Arts (ESBANM); Warehouse 6, which will be occupied by the University of Nantes and will be an array of office spaces; and Warehouses 1 and 2, which will bring together the creative quartier business team, technical center, artists' studios and experimental studios, an outreach exhibition space, spaces for incubation, etc. Close to these warehouses, a building dedicated to karting has been converted, too, into an incubator for new creative activities.

These spaces have been reconverted in a very flexible way, and new creators can use as little as 15 or 20 square meters, which considerably reduces the cost of installation. Naturally, these spaces can be widened and adapted to the growth of their activities. The legal formula is flexible too, and short-term leasing of market stalls to small business and artists has made this market become a central element of the urban development project as a whole. Actually, the tenancy arrangement offers first a short-term lease agreement, and thereafter the possibility to be housed for longer periods of time according to the need of the project implementation. Moreover, social and technological networks are available in such a way that this system was more a creative ecosystem than a simple housing system. To compensate for a traditional lack of competency in management, cooperation has been empirically arranged with local universities in order to support these small creators who are usually much more competent technically than commercially. But it was clearly announced that this creative ecosystem has to strike a balance between the monetization of the site from one side and the possibility for vulnerable players to be mobilized and enforced from the other side.

Alsthom Warehouse is only one of the areas transformed progressively in a creative ecosystem. Other areas are converted today and the principal is to create open public spaces between these local creative ecosystems in such a way that there are no borders between the inhabitants of the city and the people working in these ecosystems. The architectural design is strategic, and all of the decisions taken here are discussed according to their contribution to the realization of this *quartier de la création* and the contribution of this quartier to nurture cross-pollination all over the city.

Notes

¹ An initial study of the BRA, the economic development agency Bordeaux-Gironde, figures at 3,647 companies and 8.4% of establishments in the city of Bordeaux.

² INSEE (2009) : *Données régionales*.

³ Rapport de l'institut d'aménagement et d'Urbanisme de Nantes, Mars 2010.

⁴ SAMOA has been mandated by *Nantes métropole*, the city of Nantes and the regional council of Pays de la Loire to help coordinate and develop a creative arts district cluster. Its mission involves promoting the development of an ecosystem with regional and European aspirations, which will operate as a system of networks.

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CONCLUSION

Chapter 8

Creative Cities: The Cultural Issue

Xavier Greffe & Emiko Kakiuchi

Unhappy is a city which would hesitate to declare itself creative. All cities are intended to appear as creative, a term that has many possible meanings: To produce more? To attract new businesses? To attract people considered as creative? This characterization of creative is applied to nations and regions, and many local territories take this new expression as an instrument for their territorial marketing. If one adds to this that the borders between creativity, innovation, development, and progress are not clear, this multitude of terms raises doubts. Moreover, when the word culture is used, it is with very different meanings, too. For some people, culture mainly refers to arts; for others, it is a set of values, references, and behaviors. For some authors, culture is the precondition of creativity, for others, its consequence.

After considering in Chapter 1 how economists make relations between culture and creativity, we shall stress in this chapter the role of culture as a specific driver for urban creativity. First, we view the various definitions of creative cities. Second, we define more precisely how culture can create new social and economic projects, and what the conditions are for that. Finally, we investigate some related concepts such as the smart city or a historic urban landscape.

Which Definitions?

The Variety of Definitions

For the Creative Cities Network launched by UNESCO in October 2004, creative cities are those cities that bring together all cultural actors in the chain of the creative industries and act as real nurseries of creators that can coalesce to mobilize a potential; are open to international markets; and are culturally recognized and testify to cultural diversity (UNESCO, 2009). A plethora of other definitions exist, among which are the following:

- "Within the framework of the European creative cities strategy, the creative city is a competitive and innovative city and not only a city of leisure or productivity. Only a creative city is able to attract and retain creative classes; to respect the principles of sustainable development; to use culture and art as levers; and to create the environment of new technologies.
- For Canada (Boudreau et al, 2006), creative cities are those which will help to improve the vitality of the national economy by improving the ability of workers and enterprises to innovate; create value by supporting the promotion of innovation, strength, and quality; and provide a framework for life that contributes to the improvement of the well-being of populations.
- For Florida (2004), a creative city combines the 3 T's of talent, technology and tolerance.
- For Landry and Bianchini (1995), this will be the 3 C's: cooperation, culture, and communication.
- For Howkins (2001), this will be cooperation, novelty, and the ability to learn.

Actually, all of these definitions are self-referential if not outright tautologies! Maybe this lack of depth comes from the fact that cities have always presented a creative character. According to Mumford, the essence of the city lies in a series of advantages that the density of infrastructure and the proximity of differentiated activities and people almost automatically generate. Here it can be said that the economic analysis has always taken the problem through concepts such as agglomeration or urbanization economies, in older times with the advantages of crossing markets and today with the advantage of large human capital pools and wide labor markets (Glaeser et al, 1999). Therefore, contacts, interaction, and diversity are inherent to the city and contribute to making the very city "creative". Camagni (2004) has given an exhaustive view of this process, underlining the many forces that make a city creative:

- provision of physical-functional capital, in the form of diversified and advanced forms of social overhead capital, public goods, transport and communication networks, large urban functions like fairs, universities, research centers, congress centers, built and cultural heritage; and
- provision of relational capital in the form of inter-personal and inter-organizational networking - the subset of elements encompassed by the

social capital concept coming closer to economic performance (Camagni, 1999).

For Camagni, these elements are connected with the synergetic action performed by the city, namely accessibility to information - which is inherently a cooperative good - through informal, face-to-face, and inter-personal contacts; explicit cooperation among actors, stemming from trust, a common sense of belonging to a community sharing the same values; and implicit cooperation among actors, in the form of socialized production of skilled labor and human capital for top managerial functions, implicit territorial marketing (economic "vocation" and success creates local image and trade-mark), and socialized information transcoding. All the preceding elements underline the complex, systemic nature of urban agglomeration, the necessity of a comprehensive interpretation of the multiple, inter-related roles of the city and, above all, the necessity to consider it not just under a functional approach, but also under a cognitive, symbolic approach.

A Contemporary Issue

This debate about the relationship between cities and development thus presents robust economic foundations since the city - intended as an archetype for a specific and historically successful form of social organization - has long since been recognized as the birthplace of innovation and creativity. However, as Aydalot showed some twenty years ago, this is not sufficient to explain why some cities are developing and others not (Aydalot, 1992). Additional explanations have then been supplied during the last decade and their common characteristics include placing the role of culture at the forefront of this debate. More recently, the whole theoretical field was subject to a growing mediatization, mainly thanks to a normative shift inaugurated by Charles Landry and to the provocative recipes for urban regeneration proposed by Richard Florida based on the attraction and development of the "creative class". Actually, this role of culture is increasingly emphasized, and it offers a double meaning when linked with creativity (Landry, 2000; Florida, 2005).

The Cultural Approach to Development

In 1991, Robert Reich suggested that Americans' well-being depended not only on the profitability of their corporations but also on the value they add through their skills and experience (Reich, 1991). Thus, the "symbolic analysts", the manipulators of symbols, will take their place alongside traditional managers and workers in driving development, and this highlights the role of artists and designers. Their role outside cultural industries is scarcely recognized, no doubt because there is still disagreement over the link between culture and economics. Many people continue to oppose the use of culture for commercial ends, by drawing distinctions between the beautiful and the useful, between form and function. The growth of the culture industries has moderated this debate, yet the economic potential of culture is still recognized only as a source of final consumption -- books, records, and films -- but not as a source of intermediate consumption in the production of non-cultural goods. The two essential features of our contemporary economy -- the knowledge economy and the global economy -- place this role of culture as a source of intermediate consumption in the production of non-cultural goods at the center of present-day development issues (Grefe, 2003; 2012).

- The knowledge economy gives intangible factors a determining role in the design and production of new goods. This involves artistic traditions in two ways. As a source of a heritage that is continually renewing itself, they nurture creativity and they offer all economic sectors -- from crafts to fashion and furnishings, to the automobile industry -- a wealth of references in terms of signs, forms, colors and symbols. As an intrinsically creative activity, art defines procedures or protocols for innovation that can be used by other activities. The example of contemporary art is useful here: it shows that much progress stems from the mingling of standards, codes, and media, demonstrating to non-cultural industries the value of such confrontations between fields or disciplines.
- The global economy increases opportunities for diversity by offering broader markets for specific products. Competition between products expands the outlook of an economy where mass consumption focuses on a few quasi-generic products. Moreover, for countries that have trouble remaining cost-competitive, it is only by being quality-competitive that they will find new markets or niches, for the quality of goods is increasingly determined by

their aesthetic features. This demand for ever greater variety in products also points to another feature of the contemporary economy, that of post-modern consumer behavior: consumers seek to differentiate themselves by appropriating the signs and values that mark specific products (Grefe, 2003).

The conjunction of these two traits produces an economic system that is different from those that have preceded it. As A.J. Scott has written, “whereas nineteenth century workshop and factory systems were able to produce variety of output but were limited in the total scales that they could achieve, and whereas Fordist mass production freed industry from quantitative restraints but at the expense of product variety, modern flexible production systems.... are able to achieve considerable variety of output while they also often generate significant economies of scale” (Scott, 2000)¹.

The Cultural Fabric of the City

There exists, however, another approach to the role of culture for development, with a direct application to urban issues. Experiments establishing a link between culture and the city reveal some common traits: culture enhances a territory's image and gives it a new perspective, it strengthens social cohesion, and it causes the inhabitants to pay more attention to their territory and to undertake projects (Bianchini & Parkinson, 1995). In his 1996 study *The Art of Regeneration: Urban renewal through cultural activity*, Landry pointed in particular to the behavior of people who perceive positive effects from such cultural investments (Landry, 2000). By contrast, the idea that culture can have economic effects through developing a skilled renovation industry or spearheading the growth of creative industries is hardly mentioned. In this context, negative effects, such as the impact on real estate values, are underestimated, although this can be a two-edged sword: on one hand, higher property values will be regarded as a positive increase in assets, while on the other hand it has the negative effect of displacing low-income groups from their traditional areas of residence (Zuskin, 1991).

In this context, however, the works of Richard Florida are of utmost importance. Much further than Bianchini and initial Landry approaches, he developed both a reasoning and a recipe linking a near-deterministic process culture, creativity, and the creative city. A city is creative when it attracts creative people and creative people are attracted when there exists a cultural

supply of equipment, goods, and services. Many errors and pitfalls have been recognized, but the marketing dimension of the Florida approach has been such that the debate around creative cities and more precisely the contribution of culture to the creativeness of the city almost always starts from this Florida approach (Florida, 2005).

Does Culture Matter?

The Sectorial Approach of Creativity: The Creative Industries

Creative industries are defined by the British Department of Culture, Media and Sport as “those industries which have their origin in individual creativity, skill and talent (and) which have a potential for job and wealth creation through the exploitation of intellectual property”. Advertising, architecture, art, and antiques, computer games, crafts, design, designer fashion, film and video, music, performing arts, publishing, software and TV and radio were then defined as creative industries, and the list was extended later. To this list, Howkins has added toys and games, and more controversially the area of research and development in science and technology (Howkins, 2001). This loose definition has created many issues. What industries can escape from this scope? Why include the antiques trade since it does not generally involve production, except of reproductions and fakes? Moreover, we see a conflation between cultural and creative industries, since the latter appear as an extension of the former. This is very likely why Hesmondhalgh (2002) has reduced the list to what he terms 'the core cultural industries' of advertising and marketing, broadcasting, film, internet and music industries, print and electronic publishing, and video and computer games. Creative industries are those industries that create 'texts' or 'cultural artifacts' and engage in some form of industrial reproduction².

The synthesis proposed by Caves (2000) looks much more interesting than these accidental definitions. He considers three main criteria.

- The nobody knows principle: Demand uncertainty exists because the consumers' reactions to a product are neither known beforehand, nor easily understood afterward, which can qualify these goods and services as experience goods.

- The motley crew principle: For relatively complex creative products (e.g., films), the production requires diversely skilled workers. Each worker and his/her skills must be present and perform at some minimum level to produce a valuable outcome.
- The art for art's sake principle: Workers are willing to settle for lower wages than offered by 'humdrum' jobs. However, this last criterion is controversial since it harkens back to a traditional approach of artistic work that can be deeply argued.

Whatever these controversies, statistical studies on the size of cultural industries have developed, and an important one was the European study, *The Economy of Culture in Europe*, commissioned by the European Commission in 2006³. According to this study, 5.8 million employees in the various arts sectors (e.g., literature, film, music, architecture, performing arts, visual arts and dance and in the creative sectors like advertising, design and video games), accounted for a turnover of 654 billion Euros in 2003. The study pointed out the heterogeneity of the cultural industries but also their shared sense of belonging to the cultural and creative sectors. Their high share in the gross domestic product (GDP) of 2.6 per cent comes as a surprise even for many creative workers. Cultural industries contribute more towards the economy in Europe than, for example, the food industries (1.9%) or the chemical industry (2.3%). This conclusion was biased since any other comparison – with education and health for example – would have yielded results in the opposite direction.

Over the past few years, several organizations and authors have proposed a new division of the economy to better define its various sectors. When describing the content of new sectors, these are often presented as extensions or updated versions of existing activities, especially in the case of cultural activities. Hence UNCTAD's International Trade Center has drawn attention to three elements⁴.

- The nature of raw material or the mental skills and imagination required for the production of cultural goods;
- The fact that the economic value of a cultural good is based on inspiration and reputation; and
- The importance of intellectual property rights for realizing such economic value. UNCTAD has thus identified six creative industrial sectors: arts and

crafts, visual arts, performing arts, cinema and audiovisual media, multimedia, and books and publishing.

This classification expands the old classification of cultural sectors by including new sectors (e.g., multimedia) as well as traditional sectors such as crafts. The main problem arises from the fact that the association between crafts and visual arts is unclear. When you refer to a product as a craft product, it is not considered as a unique product but as a product that can be reproduced on a limited scale with negligible modification. In this sense, craft products are not usually considered as purely creative goods entitled to the benefits of copyright, unless their artistic qualities allow them to be considered as works of art and if national copyright law allows it. It is therefore logical that the common perception of creative industries should be broadened to include a simple and significant criterion, namely the strategic importance of intellectual capital in such industries and the specific methods of recognizing and remunerating it. For example, activities or industries where copyright protection plays an identifiable role may be referred to as 'copyright-based industries'.

According to WIPO, the creative sector gives rise to authors' rights mainly through the production of new protectable goods and services⁵. Creative enterprises, those engaged in the commercial exploitation of intellectual property-based goods and services imbued with symbolic meaning (i.e., books, film, and music), contribute significantly to the economic, social, and cultural development of nations. These enterprises form complex networks in content-driven sectors, which in turn comprise the creative industries. Their unique characteristics (i.e., original symbolic products) drive and sustain diverse cultural and customary traditions and enhance social values. At the same time, they generate wealth, increase employment opportunities, and promote trade, yet their true value and potential are often underestimated and insufficiently analyzed. Thus, there are three sub-sectors. The first is activities that directly produce copyright-protected material such as press and literature, cinema and video, radio and television, photography, software and data bases, visual and graphic arts, advertising services, and collective management organizations. Upstream of this sub-sector, there are other activities that provide the inputs to the above-mentioned activities: computers, photocopiers, television sets, photographic equipment, and various types of support material such as celluloid, tapes, and cassettes. All these industries are copyright dependent. Downstream

of the first sub-sector, there are activities producing decorative objects, designer and ready-to-wear garments, interactive video-games, designs, and all other forms of use and expression of heritage. These industries rely only partially on copyright protection.

Limiting the Scope of Creative Industries: The Approach of the Advanced Services

A debate has recently emerged regarding whether these industries, the so-called 'creative industries', are really creative. Are they drivers for new development? This debate results from one question: Are they dependent on local consumption, in which case they create some new effect? Can they be considered as serving the development of new exchanges between territories, in which case they may actually appear as the new drivers? The hint is that only so-called 'advanced services' matter for creativity since they act as new drivers, and they are illustrated by financial services, accounting, design, and advertising (Sassen, 2001). In the literature on global cities, they are seen as the anchor points (space and organizational) for the world economy, hence the interest in whether they can extend their local importance to the outside and in what proportion.

Let us consider the case of the cultural and creative industries. Three types of situations may arise: they are dependent on local producers serving global markets; they are inserted in an international production system; or they are simply dependent on the growth of local consumer spending. Only in the second case are the revenues generated for the local economy significant, and local culturally creative industries play the role expected. Several reasons underline their exceptional nature.

- Media aggregate and disseminate many activities (film, radio, television, and new media).
- If advertising is an intermediate activity, it appears as a productive service in advanced, iconic global cities.
- The film industry can be seen as a manufacturing industry, with a distributor playing the role of local agent. Recent works of Coe (2000) highlighted the way film production is both global and local in nature.
- New media are not penalized by prohibitive transport costs, which may weaken the explanations of the urban agglomeration.

- More generally, media and cultural industries are capable of a relatively autonomous and guiding role in the global cities, and they are not dependent only on local consumption.

The Sociological Approach: From Creative Class to Creative City?

The trend in creative industries has distilled another trend about the creative class. As we shall see, this delimitation of a creative class and its use as an argument for defining a creative city is very important, and it can be considered that the Florida approach is certainly the best known – or marketed – approach of the creative city. In *The Rise of the Creative Class* (2002), Florida argued that the transformation of the workforce – from industrial to service- and knowledge-based workers – has made creativity the driving force behind the new global economy and created a group of simultaneous producers and consumers that he refers to as the creative class (Florida, 2002c). What are the borders of this new creative class? Can we add applied knowledge workers? Can we even add other strata of technicians? For Florida two strata can be distinguished. The first one corresponds to the super creative: scientists, engineers, writers, artists; the second corresponds to the users of new technologies: the education and health related professionals.

Overall, Florida is making three big claims about the connections between diversity, creativity, and city performance.

- There is a creative class in Western societies, which wants to live in diverse, tolerant, cool cities.
- The creative class shapes the economy of many cities since jobs are moving where the skilled people are.
- Cities which attract and retain the creative classes do better. Creativity is driving their development.

All of these workers – most often young and very well trained – adopt original or marginal lifestyles that they intend to continue regardless of their place of residence. Then Florida immediately returned to the theme of the bourgeois-bohemians of the 19th century, but there may exist some differences, since instead of supporting their parents' "books-opera-museum" model (the BOM model), they support street art, coffee concerts, and interactive

videogames. At the same time, the creative is comprised to a large extent of cultural producers, who in turn adapt creative processes borrowed from the arts in their own production. It is this synergy that cities must recognize and exploit in order to thrive. Thus, the best way for cities to draw these workers and the businesses that follow is to encourage authentic, community-based, street-level culture. The capacity of the city to recognize the specific needs of these populations will play the determining role. These are needs where sport, sharing culture, entertainment, and edutainment are clearly recognized. For Florida, major industrial cities have failed to attract the creative class because they rely only on old recipes or imitate a few success stories, showing a genuine institutional sclerosis. The Florida approach stresses the importance of creating a new cultural atmosphere to attract the creative class, a step which has little in common with the day-to-day process of low-income neighborhood revitalization.

In a second step, Florida highlights the fact that the way of life of this creative class fits with some cities that appear then to be creative, too. To statistically demonstrate this correspondence, he analyzes the statistical relation between the level of development of various cities and their way of life characteristics. His argument uses four statistical indicators.

- a bohemian index, which compares the percentage of bourgeois-bohemians on the whole of the city population. The bourgeois-bohemians include musicians, artists, writers, fashion designers, photographers, and a number of artisans related to them. In general, these are the creators or producers of cultural assets.
- a talent index, which measures the share of the population with university-level training;
- a melting pot index, which measures the proportion of the population of foreign origin;
- a gay/lesbian index which measures the number of households where cohabiting persons are of the same sex.

Using a sample of data on US cities, Florida notes that there is a strong correlation between these indices (as explanatory variables) and high technologies or products with high value added (as explained variable). According to him, the coefficient is very strong (2.055) and statistically significant. Many methodological issues accompany this demonstration.

- At best, Florida is transforming a correlation between culture and creative people in a one-way causality: a cultural atmosphere will attract the creative class. It is very easy to see that the opposite view may be true, since a creative – and then a rich city – can produce the required budget for investing in cultural equipment and services!
- Businesses look for skilled workers when making location decisions, but skilled people also move to where the jobs are. Personal mobility in the US is much higher than in Europe. Rich and poor travel greater distances and make more moves during their lifetimes. Some jobs may follow people. However, even the most mobile workers are unlikely to make location choices without thinking about the different employment bases and career structures in different locations (Markusen, 2005). People follow jobs, too. Turok (2004) suggested that Florida “contradicts the overwhelming evidence that employment is the main determinant of migration patterns” – especially in the UK.
- Shops, bars, and buzz pull students and young professionals into big city centers, boosting the property market and the local service economy. However, this is not Florida’s “creative class”. First, most residents stay for a few years at most, and many move out to suburban areas when they decide to change their lifestyles. Second, consumerism is a driver as powerful as culture for moving people into city centers.
- According to the European Cities Monitor (CWHB, 2004), the availability of qualified staff is the single most important location factor but communications, low costs, access to markets, and good transport links are also essential. Quality of life is the least important factor, but very logically the best qualified, highest-paid workers are most able to choose where to live.

Much of Florida’s substantial work was done in the late 1990s, when high-tech and new media were a good proxy for employment growth. After the dotcom collapse at the end of 20th century, this works less well: for example, San Francisco lost 17% of its business services jobs and 9% of financial service jobs between 2001 and 2004 (Kotkin, 2005). Many firms and jobs are leaving big city centers and migrating to lower-density suburban “Nerdistans” (small cities and towns where many high-tech workers live). The city of San Francisco lost 5% of its higher-paying jobs between 1995 and 2004, while the surrounding

suburbs gained 3.3%. Overall, the cities Florida ranks as most creative created less jobs than the least creative over the 1980s and 1990s (Malanga, 2004). Glaeser uses a different measure, population growth, to look at the effects of diversity and bohemianism on city performance (Glaeser, 2004). Using Florida's own data, he finds a significant link between high skills and population growth, but the presence of artists, gays, or bohemian types has no effect. Moreover, the Gay Index is not as straightforward as it looks. Florida proxies "gay" households by the number of same-sex households, so university cities with a lot of shared student houses are likely to score high on "gayness" and human capital (in which case, the result simply reiterates the well-known relationship between high human capital and urban growth.)

Other studies have concentrated on some specific areas. A study of American metropolises (Rushton, 2006) is based on the distinction between city and peripheral areas⁶.

If there is a certain connection between city and peripheral areas;

- When the number of artists is more than the national average, the more the number of artists increases, the less their supposed effect on creative class members is.
- Cities that have experienced the highest economic and population growth over the last period (1990-2004) are non-bohemian cities (Las Vegas, Memphis, and Oklahoma City).

Another study on the French urban areas is germane to the position of Florida (Grefe & Bergé, 2006). If there exists a link between the economic dynamism of an urban area and the presence of a university-educated population, the causality relationship is undetermined; only cities of more than 500,000 inhabitants show a good correlation, and those cities are few in the case of France.

Finally, a recent Japanese study shows that the thesis is far from valid in this country, too. The number of artists has increased significantly during the outstanding Japanese growth, but not as strongly as other categories, including researchers and engineers. A statistical analysis of 252 cities with more than 100,000 inhabitants shows that the variable explained - real average available -

is less sensitive among artists (the link is then low) than among number of engineers, researchers, and employees in services and trade (Kakiuchi, 2010).

This is not to say that creativity, skills, or diversity do not matter. Florida's work could probably be best considered as an attempt to pull together many good ideas about diversity, talent, creative activity, and city performance. The only elements that can be supported (though many of these were already well known and checked by other studies) are the following.

- The quality of place matters. The right mix of physical, economic, social, and cultural assets probably helps some cities. Second, there should be some positive links between prosperity and creative activity. Clearly, richer cities and citizens are able to spend a greater share of their income supporting creative activities and industries.
- Skills and talent matter for the development of a city. Glaeser (2001) points to the well-known link between human capital and city performance. Ideas and knowledge flow more easily through urban space; a skilled population helps the economic base grow.
- Most cities would be better off starting elsewhere: developing the economic base; sharpening skills, connectivity, and access to markets; ensuring local people can access new opportunities; and improving key public services.

A Territorial Approach to Creativity: From Industrial District to Cultural District

The Traditional Industrial District Approach

Does creativity depend on a specific design of a cultural organization? The chapter from Marshall's *Principles of Economy* on the geographical concentration of specific companies has shown that such companies can profit from both external and internal economies (Marshall, 1890). Indeed these companies benefit from external economies thanks to the general development of their industrial sector, while also benefitting from internal economies due to the way in which they are organized. This being said, external economies primarily benefit companies which are clustered together within the same area. Their local contiguity allows for free exchange of ideas and information, a rapid recognition of the need to be innovative with their equipment and structure, the development of ancillary and intermediate services, and the creation of a local market of relevant skills. Although these arguments are mainly focused on the

production side, Marshall does not neglect the consumption side: he admits that such concentrations attract consumers, since high travelling costs are compensated for by the variety of goods offered. For a long time, this theory remained ignored or underestimated. Powerful factors had undoubtedly come into play at the time Marshall wrote, reducing transportation costs and widening labor markets. Over the last quarter of the twentieth century however, doubts expressed by Fordist organizations focused more on the district, which was considered to be a more flexible industrial organization, as well as on the concept of industrial atmosphere, which allows those who belong to it to understand and assimilate others' experiences much faster. Arguments like abstract knowledge, mutual confidence, or social capital were invoked to justify their interest in the district.

More recently, Michael Porter has claimed that clusters have the potential to affect competition in three ways: by increasing the productivity of the companies in the cluster, by driving innovation in the field, and by stimulating new businesses in the field (Porter 2000). It is then possible to identify various types of clusters: techno clusters are oriented toward high technology, and well adapted to the knowledge economy, as well as typically having renowned universities and research centers like Silicon Valley as a core; historic clusters are based on know-how that rely on more traditional activities and maintain their advantage in know-how over the years, and for some, over the centuries; and factor endowment clusters are created because of a comparative advantage they might have, linked to a geographical position. Whatever the type, however, three conditions must be fulfilled to have a cluster: amassing enough resources and competences in order to reach a critical threshold, holding a decisive sustainable competitive advantage over other places, or having world supremacy in that field.

Geographical contiguity or agglomeration is then presented as an organizational device that can reduce risks, which explains why many cities have created and/or supported economic districts and quarters. On a voluntary basis, local governments have designed new places or areas to host startups, expecting that they will benefit mutually from local labor competencies and services which they create; these areas include Sheffield (Audiovisual Quarter), Marseille (Friche Belle de Mai), and Torino (Lingotto). However, this phenomenon is not particularly new, and in various places cultural products have demonstrated important and efficient geographic clustering (Hollywood for

the movie industry; Kanazawa, Japan, for gilded products, and Ahmedabad, India, for high quality textile design).

The main contemporary issue is not so much about the relevance of the industrial district. It is much more about the underlying process of “localized learning” (Maskell & Malmberg, 2002), which is the problem of when and how economic activities cluster geographically as a result of learning processes. Economic geography literature has stressed how information flows within a cluster through “local buzz”, but how can information pipelines constitute a competitive advantage for a cluster? Can this information process stay informal or should it be organized? According to the Marshallian tradition, local (cluster-internal) information buzz should be primarily based upon informal relations among people, but pipelines of information crossing cluster boundaries should be mainly based on formalized network relations, such as strategic alliances among organizations (Bathelt et al, 2004). A kind of tension may exist between these two approaches, and we have to reconcile this contradiction.

In the Marshallian approach of districts (and clusters), so-called “collegial gossip” is an important channel for informal exchange of information. The cluster’s internal buzz is assumed to be created by individuals employed within the cluster. As for Marshall, the buzz is described as something “in the air” – talk over company lunches, private dinners, and in the streets. Buzz is seen as the consequence of frequent face-to-face interaction. Hence, in the context of the cluster, there is general agreement on the value of civic ties between people. The problem of the corresponding tacit-ness evolves around the issue of whether people are always aware of all aspects of their knowledge and whether they are able to communicate and explain their knowledge in a comprehensible manner. Because of these barriers to transference, tacit knowledge is considered best exchanged through relations of close proximity and thus the transfer is assumed to be sensitive to geographical distance. Tacit knowledge is therefore an important element of the localized learning within clusters.

On the other hand, some information can be codified, and that complex knowledge is best used by enterprises through network ties. Since geography need not be a barrier for knowledge transfer, there is an increasing emphasis on the need for district-external linkages, which are designated as pipelines. Pipelines bridge geographical distances and thus create social proximity between clusters. This concept of pipelines take its point of departure in the recognition that new and valuable knowledge will always be created outside any

district – no matter how innovative it is. Therefore, small and medium-sized enterprises (SMEs) must establish pipelines to global clusters of excellence in order to tap into this new knowledge and thus gain a competitive advantage. In contrast to district-internal buzz focused on individuals, the district-external linkages – information pipelines – are linkages between firms, made up of strategic alliances between firms and face-to-face interaction at conferences and trade fairs.

However, are these pipelines independent from tacit knowledge? Here again, the distinction between strong and weak ties between pairs of network or nodes (dyads) will be useful. Networks of strong ties resemble network “cliques” - substructures of networks where all nodes are connected. In networks of weak ties, there exist fewer connections in the sense that each individual is a gateway to new information. Pipelines of weak ties will break out of the densely clustered network of relations constituted by strong ties and will be more efficient. After Granovetter, Burt (date) has shown that weak ties often span both social and geographical distances. These bridging ties give benefits of both information and control. Strong ties can be bridges but this is rarely ever the case, given the closeness of people connected through strong ties, and hence bridges are most often weak ties. The combination of tightly knit clusters of (strong) ties and bridging (weak) ties create what is called a “small world”. The economically interesting aspect of small-world networks is that in such networks, actors in one community are able to access the resources in another community through just a few intermediate ties, even if both communities are tightly clustered and separated but for a few bridging ties. These small-world networks are connected through hubs which provide all nodes of the network with easy access to all other nodes through just a few links (Barabási & Bornabeau, 2003). As networks emerge, new nodes connect themselves to the fittest existing nodes – and one measure of being fit is having many connections. This process creates a scale-free network structure with a few hubs having an extremely high number of ties, some having several ties and most having just a few ties. The small-world network structure is extremely robust. No single node is indispensable no matter how central a hub it is, and several hubs must be removed simultaneously for the network coherence to suffer. Most networks are both scale free and modular with hubs bridging otherwise separated local clusters (Barabási, 2003). Ties to hubs are essential in order to reap the benefits of the small-world network structure. At the same time, however,

having many ties is “a mixed blessing” (Barabasi & Bonabeau, 2003). Although many ties equal many access points to information, these ties also demand considerable maintenance. This underlines the importance for those network nodes which are not hubs themselves to have ties to hubs among their relatively few ties.

Many interpersonal ties between people in specific districts or clusters aggregate to pipelines between the clusters and create the social proximity which allows knowledge to be exchanged across great geographical distances and diffuse into the local buzz. Some civic ties evolve into formalized alliances between firms, and others remain civic and informal. The two types of network ties coexist while fulfilling different needs related to the coherence and innovation in clusters and thereby reinforcing each other. However, through the network ties of pipelines, social proximity overcomes geographical distance (Gertler, 2003) and knowledge is transported between clusters. For the district as a whole, a small-world network structure will be beneficial because the district-internal buzz is fertilized through the pipelines. For firms, such a structure will provide both local buzz of high quality and direct links to information from knowledge hubs. For the individual, such a structure provides a challenging working environment combined with possibilities for pursuing careers at the innovative centers in their field.

For some observers, the creation of pipelines results from strategic alliances between companies, and this process will be catalyzed through trade fairs and conventions (Maskell & Malmberg, 2002). However, relevant pipelines also result from civic relations among people. The conjunction creates “small worlds” that Barabási (Barabási & Bornabeau, 2003) explained both by organic growth and preferential attachment. Social networks and small worlds will transform over time when new nodes join the network. By fighting the barriers against firms wanting to locate in the area, by upgrading possibilities for external people to participate to the local institutions, and by encouraging the locals to leave, much can be implemented. The crucial point is not to keep all competences within the districts or to attract only so-called creative people from outside but to make local people progress and upgrade their skills. District-internal buzz and external pipelines are not competing aspects, but mutually reinforcing aspects.

The Relevance of “Cultural Districts”

Since producers will have to quickly change the skills they need, it is in their interest to start up where artists live. Since artists will have to frequently move from one company to another, they must in turn settle where companies are located. This ad hoc dimension of the labor market has contributed to understanding the economic *raison d'être* of Hollywood (Scott, 2000). In addition to this, two other arguments support the relevance of geographical contiguity. First of all, it is frequently claimed that intangible components such as specific know-how or organization can play an important role along with tangible components (Limoges, Murano). However, this explanation does not imply any absence of creativity or innovation, and such areas have witnessed successive waves of creativity, as in the Parisian fashion industry, for instance, which embodies this idiosyncratic characteristic (OECD, 2005). Secondly, it is in the interest of many cultural enterprises to start up where potential demand is high, which explains the contemporary "metropolization" of cultural activities.

Very often the relevance of cultural districts relies on sociological or very empirical arguments. In a recent study (Grefe & Simonnet, 2010) we tried to assess this hypothesis by considering the effect of geographical concentration on the rate of survival of enterprises. We used for that a database from the French National accounts following the life of 3,000 SMEs from the cultural sector. Then we showed that the survival rate of cultural companies is to a large extent dependent on their geographical clustering. On one hand, a cultural company can suffer from the proximity of companies pursuing an identical activity, yet on the other hand it can benefit considerably from the presence of a large number of new cultural companies with diverse cultural activities. The latter effect is found to exceed the former, thus explaining the competitiveness of cultural clusters or districts. This result explains the tendency towards geographical concentration of many cultural activities that has been observed over the past few years.

More precisely, we compared cultural enterprises from different sectors, and distinguished six different sectors: visual arts (painting, sculpture and contemporary art); live arts (theatre, music, opera and dance); heritage (sites, monuments and museums); book publishing; audio-visuals (discs and cinematographic products), and cultural products (fashion, design, videogames, crafts). Our data cover the lifespan of 3,000 cultural start-ups (as weighted data). Through this model we obtain two coefficients: the first one shows the competition effect or the effect of a concentration of enterprises of the same

type on their survival, meaning that the higher direct competition is, the less the life duration should be. The second one shows an effect of synergy, meaning that the presence of others' cultural enterprises could help one another's projects to succeed, increasing the life duration of those firms. If the second coefficient is, in absolute value, higher than the first one, the synergy effect will be higher than the competition effect and we can conclude that the presence of a district should help cultural enterprises to survive.

We find that the direct competition effect significantly increases the instantaneous failure rate, whereas a high degree of diversity decreases the instantaneous failure rate significantly. An additional point of concentration in the same sector of the firm multiplies the hazard rate of the firm by around two (2.13), whereas an additional point of concentration of diverse activities generally divides its hazard rate by more than three (0.29). This shows that direct competition is harmful to the survival of SMEs, whereas a strong concentration of different types of SMEs is bound to be beneficial for the survival of identical firms. As shown in the rightmost column of Table 8.1, with the exception of the live or performing arts, positive synergy effect overrides the negative effect of competition, so cultural enterprises benefit from the presence of a cultural district.

Table 8.1. Determinant of the Cultural Enterprise Survival Due to Geographical Proximity

	Competition effect	Synergy effect	Net effect
Cultural activities in general	2.13	0.29	Positive
Visual Art	1.70	0.29	Positive
Live Arts	4.6	0.29	Negative
Book Publishing	1.48	0.29	Positive
Audiovisual	0.91	0.29	Very strongly positive
Other cultural products	2.31	0.29	Positive

Source: Greffe & Simonnet, 2010, p. 88

Which factors make cultural districts sustainable?

We can only give some indications about the types of factors most frequently cited regarding these issues.

- The land-use dimension. Cultural districts often originate in urban neighbourhoods where artisans once gathered, especially under the guild system. Located in the heart of the city, and thus immersed in its markets, their existence was closely linked to the availability of working and living space. In the meantime, urban development patterns have worked against them. The processes of speculation and gentrification have reduced available space and shunted their workshops beyond the cities or to their peripheries. These changes interrupted their traditional trading networks, in which they frequently dealt face-to-face with their clients. Artisans were obliged to work through intermediaries, and this gradually led some to become dependent on merchants who preferred to deal in standardised products that bore less and less of the artisan's personal stamp.
- Coping with technological innovations. Creative arts districts can today take two forms, with some intermediate gradations. In one case, such a district will rely initially on recently developed technologies, such as in the audiovisual industry, and then follow these up with further innovations. In the other case, the district will try to revive inherited know-how, and may then be confronted with the challenges of technology and competition. The simplest case is clearly that of a radical shift in production technology, as happened to the images d'Épinal (a predecessor of the comic strip). Another might be a product that evolves because some of its factors of production change sources, as in the case of perfume districts. Technological change might be such as to induce the district to invest in new product lines, using its know-how to recast its output, as the jewellery or watch-making districts have done. The introduction of microcomputers and micro technology plays a key role here, implying changes of a new kind -- the opening of interfaces with research, and the abandonment or at least the marginalization of skills that might otherwise still be employed. If these districts do not modernise, their cost structures may soon overshadow their quality advantage, which may in any case become less visible in comparison with fully industrialised products. If they do modernise, they may lose their originality edge over mass-produced goods of the same kind. Districts producing furniture, textiles, and

even cutlery thus find themselves balancing on the edge, and they must cope constantly with this dual risk. By the end of the process, the customized work that highly skilled artisans turned out for the carriage trade will have given way to making “personalized” products in small batches, and perhaps even to mass production.

- Protecting intellectual property rights. The protection of artistic property rights is a constant issue for products with a significant intangible content that can be readily copied as soon as they hit the market. Without the benefit of copyright or a patent, the producer has only his trademark to fall back on, and this is the weakest form of intellectual property protection. A question that is very much at issue today is how to protect a collective trademark, following the example of the appellations d’origine contrôlée. In many cases, producers have organized themselves in networks to come up with a logo or trademark, which they award only to members of the club, but this does not afford much protection, especially when those members are small enterprises or individual artisans. They will have trouble finding the means to enforce their rights, and in many countries they will have no chance at all. For many producers located in these districts, governments might try to win recognition of collective artistic property rights by the European Union and the WTO, but the debates currently underway suggests that the tendency is rather to reduce those rights where they exist (e.g., farm products) than to extend them into new areas.
- International openness. The confined nature of some districts may suggest that they are hardly interested in an international dimension. But in fact, their artistic dimension places them squarely in the flow of new ideas, from which they are unlikely to insulate themselves, and this is in itself enough to give them an international outlook. The real question is how their development can be linked to sales and investments abroad. Exports, particularly of luxury goods, can play a significant role: such goods are very sensitive to the domestic economic cycle and international markets can thus take up the slack when required⁷.
- The transmission of know-how. With the possible exception of self-training, apprenticeship is the dominant form of training in cultural districts. However, the more important the district becomes, the more likely firms are to introduce generic qualifications that require more standardised training systems. Training of this kind highlights the sharp distinction that exists in

many countries between art schools and applied art schools. There are many of these institutions, founded by local governments or, in the second case, by industry associations. Both types of institutions are today facing problems that are undermining their effectiveness. Art schools are often focused on purely artistic training, where the use of materials is overlooked in favour of the more traditional artistic instruction (history of art, drawing). Applied art schools often have trouble keeping abreast of technological developments and their financial base is threatened by weaknesses in the local economy. One of the most important issues today is to bridge this traditional divide, a holdover from the era of the fine arts academy, and to establish centers of excellence that can draw upon a broader economic base. There is yet another obstacle to this transmission of know-how. In many districts, what really counts is not a diploma or a professional degree, but competence. This means that the recognition of vocational skills and experience is becoming at least as important as the existence of formal education systems. Such a system of accreditation requires cooperation among businesses. Switzerland and France share a cultural and creative district, called the "time measurement district", which is attempting to address this problem in order to deal with the cross-border movement of workers. A cross-border directory has been prepared, and a common training program, leading to a watchmaking skills certificate, is available to firms. A charter was signed, introducing cross-border training in watchmaking.

- Business succession. The difficulty in the economic transmission of cultural activities of a creative kind lies in the fact that it often relies on family or occupational continuity. All of this means that the determining factor is less the transmission in itself than the environment of this transmission, and that the territory's stakeholders as a whole should be just as interested in that environment as are the entrepreneurs or the artisans directly involved. Preventive measures can create an atmosphere favourable to transmission, for example by setting up service centers to mobilize all those devoted to maintaining these activities, in order to assure the development of their territories. Assistance to young people can also be important. The point is to attract young people into the trade, rather than ensure continuity of the firm, although the first step may result in the second. In effect, the people in place will be more willing to hand their business on to a person whom they have

been able to observe at work, and in whom they can recognize professional quality and devotion to the culture of their trade.⁸

Synthesis

Unpredictability and synergy, redundancy and adaptability feature as central elements in the pathway towards creativeness and innovation. Therefore, it seems that we must attend to a change of perspectives: Simplicity and prediction have to give way to complexity, qualitative perception, and chance. Three elements have to be highlighted in this change of perspective:

- An associative thinking;
- A convergence between formalized, shared, and common knowledge, being exchanged on a worldwide dimension, and un-encoded, local; and
- A local fabric of knowledge, with its mainly tacit and implicit character.

Cities then matter as a framework for creativity since they are the most frequent framework adapted to play this potential role of associativity, management of complexity, and local fabric of knowledge. Culture matters as the engine of creativity since it gives more reflexivity, communicability, and self-confidence. For these two reasons, a city can be said to be creative, and this perspective encompasses many of the traditional views expressed above. In the same way, it means that culture is not considered only as an industry or as an input for creativity but as a specific type of relation between existing and newly arrived individuals and communities. Urban cultural policies must generate a new type of urban matrix and atmosphere; it is by starting with local people and adding new residents that we cumulatively add development and real liveliness to these places, not vice-versa. Paris would have never attracted the talents working around the design and fashion world thanks only to advertising about some stars' activities, without having the accumulation of artisan know-how and many artistic colleges.

Other Contemporary Approaches

The Smart City

A city can be defined as 'smart' when investments in human and social capital and traditional (transport) and modern (ICT) communication infrastructure fuel sustainable economic development and a high quality of life, with a wise management of natural resources, through participatory governance. More precisely, smart cities are identified along six main dimensions: a smart economy; smart mobility; a smart environment; smart people; smart living; and, finally, smart governance. Whatever these different directions, a first element is determinant: the approach of the smart city is focused on the role of ICT infrastructure; a second dimension stresses the role of education and human capital.

This usage is centered around the utilization of networked infrastructure to improve economic and political efficiency and enable social, cultural and urban development, where the term infrastructure indicates business services, housing, leisure and lifestyle services, and ICTs (mobile and fixed phones, satellite TVs, computer networks, e-commerce, internet services). These factors bring to the forefront the idea of a wired city as the main development model and of connectivity as the source of growth (Komninos, 2009). Here, a 'smart city' is taken to be one that takes advantage of the opportunities ICTs offer to increase local prosperity and competitiveness - an approach which implies integrated urban development based on multi-actor, multi-sector, and multi-level perspectives. This leads to an "underlying emphasis on business-led urban development" (Komninos, 2009), creating business-friendly cities with the aim of attracting new businesses. The data show that business-oriented cities are indeed among those with satisfactory socio-economic performance.

An alternative approach gives profound attention to the role of social and relational capital in urban development. Here, a smart city will be a city whose community has learned to learn, adapt, and innovate. This can include a strong focus on the aim of achieving the social inclusion of various urban residents in public services (e.g., Southampton's smart card) and emphasis on citizen participation in co-design (Schaffer, 2011). The move towards social sustainability can be seen in the integration of e-participation techniques such as online consultation and deliberation over proposed service changes to support the participation of users as citizens in the democratization of decisions

taken about future levels of provision. Environmental sustainability is important in a world where resources are scarce, and where cities are increasingly basing their development and wealth on tourism and natural resources: their exploitation must guarantee the safe and renewable use of natural heritage. This last point is linked to business-led development because the wise balance of growth-enhancing measures, on the one hand, and the protection of weak links, on the other, is a cornerstone for sustainable urban development.

Is this concept of the smart city rough? The idea of neo-liberal urban spaces has been criticized for the potential risks associated with putting an excessive weight on economic values as the sole driver of urban development. Among these possible development patterns, policy makers would better consider those that depend not only on a business-led model. As a globalized business model is based on capital mobility, following a business-oriented model may result in a losing long-term strategy: "The 'spatial fix' inevitably means that mobile capital can often 'write its own deals' to come to town, only to move on when it receives a better deal elsewhere. This is no less true for the smart city than it was for the industrial (or) manufacturing city".⁹

Similar to the approach of the smart city is the approach of the *intelligent city*, a city that integrates all of the dimensions of human, collective, and artificial intelligence available. This means not only individual but collective intelligences, which implies cooperation in knowledge and innovation. Fundamental knowledge processes which sustain intelligent cities are broadband communication, interactive services, use of smart devices and agents, intelligence gathering, creative behavior, collective intelligence, upgrade of skills, innovation, monitoring, and measurement. Integration is a key factor, enabling the above processes to work together and create environments more efficient in collaborative problem-solving and innovation. Around this approach, definitions vary. Some define the intelligent city as a virtual city or a cyberville mobilizing a wide range of electronic and digital applications related to digital spaces of communities and cities. Others define the intelligent city as a city that benefits from an intelligent environment with embedded information and communication technologies. Still others will stress here the existence of multi-layer territorial systems of innovation that bring together knowledge-intensive activities, institutions for cooperation in learning and innovation, and digital spaces for communication and interaction in order to maximize the problem-solving capability of the city. More generally, the concept of intelligent city integrates

developed knowledge-intensive activities, embedded routines of social co-operation, and a developed communication infrastructure.

Are there any differences between smart and intelligent cities? Whereas the concept of the intelligent city stresses the importance of digital networks, the concept of the smart city underlies the importance of the embeddedness of those networks. They are considered not only as a resource but as a pathway to more economic and social progress. This means, for example, that if on-line communication between a local government and local people is a potential resource, then these networks have to really create social welfare. Everything will depend here on the content of the new communication system. Will it be downstream oriented, which means that the citizens are only the recipients of services that may be decided on a non-participatory basis? Or will it be upstream oriented, which would enable co-creation and co-design services? Here it should be said that the rise of new Internet technologies promoting cloud-based services, the Internet of Things (IoT), real-world user interfaces, use of smart phones and smart meters, networks of sensors and RFIDs, and more accurate communication based on the semantic web open new ways to collective action and collaborative problem solving.

The Historic Urban Landscape

During the last decade, UNESCO has developed the concept of the historic urban landscape, which should be considered as a management tool for development.¹⁰ Three concerns led to the development of this concept: the protection of sites located in the center of the city calling for fresh thinking and action that can no longer be limited to the demarcation of the protected area but must cover the entire city and its suburbs; the need for conservation and development works to take the entire urban context into account; and the fact that cities are faced with numerous threats that contribute to the weakening of monuments and other vestiges of the past that symbolized social cohesion. In this context, the recognition of a heritage site should give rise to a new strategy of urban management (Bandarin & Van Oers, 2012).

In 2005, the World Heritage Committee wished to modify the operative provisions of UNESCO, particularly with reference to the conservation of historic urban landscapes and the links between contemporary architecture and the urban historic context. Since its declaration in 1976 that it was willing to

safeguard historical or traditional zones, UNESCO had not taken any action in this regard. There is considerable talk about historical cities (one could have also talked about artistic cities), but it only concerns cities defined as such because of their exceptional heritage and considered only from this viewpoint. Since 1992, there has also been extensive talk of cultural landscapes being “the combined works of man and nature” but without any specific reference to cities.

In 2005, a conference was held in Vienna to discuss in general the means of defining the correct relationship between conservation and plans for preserving the integrity of the historic urban landscape leading to a memorandum which formed the basis of the “Declaration on the Conservation of Urban Landscapes”. It considers the urban landscape from the viewpoint of human ecology and sustainable development and involves communities in the debate. Incidentally, the Vienna Memorandum defines the historic urban landscape as: “ensembles of any group of buildings, structures and open spaces, in their natural and ecological context, including archaeological and paleontological sites constituting human settlements in an urban environment or a relevant period of time, the cohesion and value of which are recognized from the archaeological, architectural, prehistoric, historic, scientific, aesthetic, socio-cultural or ecological point of view”.¹¹ This interpretation is supported by collaboration programmes between institutions and the position adopted by ICOMOS according to which the very essence of the historic urban landscape is “...the sensory perception of the urban system and its context. A system of tangible components and the relations between them ...resulting from a process going back in time and conditioned by social, economic, political and cultural constraints. The concept of (the historic urban landscape) contributes to linking elements of tangible and intangible heritage and evaluating and understanding the city or an urban space as a process and not as an object”. Several meetings of experts underlined the importance of interaction between natural and manmade environments. It might be impossible to protect monuments independently without a coordinated system for managing the larger urban area. Also zoning regulations in order to promote the principle of continuity would be needed. The need to evaluate the contribution of an iconic architecture which serves more often than not as a marketing tool rather than as a means of strengthening urban citizenship should be evaluated, and values should be identified. In order to conserve them, the help of tangible objects are necessary too. These exchanges have given rise to a very bold definition: “The historic

urban landscape is a state of mind, an understanding of the city, or its parts, as the result of natural, cultural and socio-economic processes which construct it from the spatial, temporal and experiential point of view. It is as much a question of buildings and spaces as of rituals and values that men bring into the city". (Van Oers, 2010)¹²

We are quite far from purely topographical or morphological approaches and closer to the notion that it is really our way of thinking that can be a useful instrument of analysis and action. In this context, values play a central role because it is as necessary to manage and assess as it is to conserve.¹³ Without playing down the importance of instruments traditionally used for managing cities, we have now been converted to the anthropological approach. The urban landscape is now considered more in terms of its future role as a legacy of the past and, as a result, conservation has assumed more importance than ever before. Values of sustainable development and the freedom of every community to express its cultural identity are considered essential, and this argument in support of intangible values encourages us to concentrate on the social processes that propagate these values or transform them. The historic urban landscape is a landscape that is experienced and the concept of conservation is derived from the meaning that one wants to ascribe to it.

An example of this much needed change in the manner of using the traditional tools of conservation can be seen in the management of buffer zones. Traditionally, these zones are considered necessary for protecting monuments and special architectural complexes. They protect the monument from the visual and tangible assaults to which it is subjected by urban development. According to a wider approach to landscape, it is not very advisable to overprotect a part of the city and neglect the rest. Although it is normal to adopt more flexible regulations to make space for development, this should be done so as to spread the desired values in the entire city and the buffer zone should be so conceived that it is free from rigid constraints even as it conveys a message. It would then be possible to eliminate buffer zones and introduce continuity in management in order to ensure enduring values. In this way, it would be possible to give adequate recognition to the various forms of heritage including vernacular heritage.

Cities are inherently creative environments, but not all cities are able to exploit these potentialities. Some elements matter here in a very important way, and culture is one of them. Among these possibilities, we find also cognitive

capital, (in the form of competence and knowledge, adaptability and capability of driving change), relational capital, and environmental capital. Up to a certain point, these other elements depend on culture, too. It may be said that thanks to culture all these forms of capital can be used creatively since culture distills and disseminates an ability to think in terms of projects, to make local actors self-confident, and to support their collective actions.

However, this means also that culture deals here with proactive cultural practices and not only with the use of arts as an element of consumption. Many contributions of culture can be identified here, from cultural tourism to creative industries, yet the central point is the ability of culture to make local people creative, too, since this is the best guarantee of the ability of the city to be creative.

Notes

¹ Scott, A. (2000), p.56.

² Hesmondhalgh, D. (2002), pp.12–14.

³ KEA (2006) : The Economy of culture in Europe, Brussels: EU, DG XXII.

⁴ UNCTAD (2008).

⁵ WIPO-WTO.

⁶ Rushton, M.J. (2006).

⁷ The lace industry in Calais sells as much to America and to Asia as it does in Europe. Other products are more difficult to export: Quimper sells 40% of its faience output within the region, and only 20% is exported beyond France. When clusters invest abroad, they generally do so by setting up partnerships, mobilizing more fair trade networks. Such investments often involve the purchase of stores in major cities, which may not offer a continuous or significant outlet.

⁸ For Salone & Segre, the issue of creativity cannot be addressed directly. It deserves to be considered in terms of processes that contribute to increasing the creative capacity of any territory. The central theme here is the knowledge, and the authors underlie the relevance of a “knowledge-culture circuit”. The starting point is the 1997 article of Morgan in *Regional Studies* (Morgan, 1997). Morgan considers that interactive innovation is the main characteristic that can guarantee creativity, the interaction linking social and economic innovation and

creating learning regions (i.e., regions that can distill their own experiences and reinvest the results into new processes and projects). Everything can then be reinterpreted in terms of information, which is available at a low price, falls into obsolescence rapidly, and is long-distance exchangeable. However, this information has to be screened and transferred, which supposes coding and decoding. Through these information exchanges, a collective learning (knowledge and know-how) is produced for each territory, and this last one allows some individuals to enlighten unusual connections among different fields of activity and to discover new opportunities and new serendipitous paths. However, the urban organization will make this dynamic more or less intensive. Five years before Morgan, Aydalot, followed by other researchers of the Gremi School, had proposed two main factors designing specific dynamics: the homogeneity of the size of the existing companies (a monopoly will disseminate less information than a vibrant network of SMEs) and the existence of places of information exchanges between the companies and between the enterprise worlds and civil society (Aydalot, 1992; Camagni, 1999). Moreover, when considering the relationship between the information institutions and the local milieu, two alternative logics may appear. The first one is anchorage: A city will develop by mobilizing existing resources. The second one is embeddedness: A city will develop by creating new resources for the local milieu. This additional perspective makes this general approach more realistic. Institutional and organizational factors matter for creativity.

⁹ Komninos, N. (2009), pp.337-355.

¹⁰ Conseil de l'Europe, 1975. *Charte européenne du patrimoine architectural*. http://www.icomos.org/docs/euroch_f.html_____. 1995. Recommandation sur la conservation intégrée des paysages culturels dans le cadre des politiques paysagères. <https://wcd.coe.int/View> ICOMOS. 1964. *Charte internationale sur la conservation et la restauration des monuments et des sites*. Paris, Conseil international des monuments et des sites. http://www.icomos.org/venice_charter.html

¹¹ WHC (2005).

¹² Van Oers, R. (2010), pp.135-47.

¹³ Rodwel, D. (2011), pp.231-236.

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