

**CREATIVE CITIES:  
CONCEPTUAL ISSUES AND POLICY QUESTIONS<sup>1</sup>**

Allen J. Scott,  
Department of Public Policy,  
University of California – Los Angeles  
E-mail: [ajscott@ucla.edu](mailto:ajscott@ucla.edu)

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## **Abstract**

This paper represents a broad and occasionally polemical meditation on the nature and significance of creative cities. I seek to situate the concept of creative cities within the context of the so-called new economy and to trace out the connections of these phenomena to recent shifts in technologies, structures of production, labor markets, and the dynamics of locational agglomeration. I try to show, in particular, how the structures of the new economy unleash historically-specific forms of economic and cultural innovation in modern cities. The argument is concerned passim with policy issues, and above all with the general possibilities and limitations faced by policy makers in any attempt to build creative cities. The effects of globalization are discussed, with special reference to the prospective emergence of a world-wide network of creative cities bound together in relations of competition and cooperation. In the conclusion, I pinpoint some of the darker dimensions -- both actual and potential -- of creative cities.

## **1. Introduction.**

The notion of creative cities has moved sharply onto the research agenda of urban theorists of late (cf. Landry and Bianchini 1995), and there has been much debate in both scholarly and policy circles about its various meanings and practical applications. The recent widespread mediatization of prescriptions for successful urban regeneration and growth based on “the creative class,” as proposed by Florida (2002), has brought a new and intensified urgency to the need for clarification of this debate.

In the present paper, I seek to accomplish three main goals. The first is to describe the mainsprings of the urban economy in general, and to show how, in the context of the so-called new economy, a number of historically-specific forms of the creative city seem to be on the rise. The second is to use this description as a foundation for assessing what policy-makers can realistically seek to achieve in the search for enhanced urban creativity and local economic development. The third is to situate these issues firmly in the context of globalization and to show how creative cities function increasingly within a world-wide system of economic competition and cooperation. My objective overall is to achieve a critical overview of the reflexive interactions between urbanization and creativity in contemporary society, and to highlight both the positive and negative tendencies that are set in motion consequent upon the emergence of creative cities as distinctive elements of the contemporary global scene.

## **2. The urban order in contemporary capitalism**

## Competition, cooperation, and the urban collectivity

Let us begin with the contestable but defensible proposition that the origins of urban development and growth in modern society reside above all in the dynamics of economic production and work. These dynamics govern the shifting fortunes of each individual urban area, just as they account in significant degree for the wider systems or networks of cities scattered over the landscape of contemporary capitalism. To be sure, actual cities are always something vastly more than just bare accumulations of capital and labor, for they are also arenas in which many other kinds of phenomena -- social, cultural, and political -- flourish. We might say, to be more accurate, that localized production complexes and their associated labor markets constitute proto-urban forms around which these other phenomena crystallize in various concrete ways. As this crystallization occurs, moreover, multiple processes of recursive interaction are established in which all the different dimensions of urban life continually shape and reshape one another. Still, in the absence of the basic genetic and functional role of production and work, cities would be immensely different in scale, extent, and substantive expression from the way they are today, perhaps nothing much more than simple service centers or small communities of like-minded souls. As it is, the complexities of modern cities are compounded by the fact that the dense many-sided human interactions that make them up are the source of endless, but always historically- and geographically-specific forms of creativity and socio-economic change (Hall 1998).

In the light of these comments, we can identify contemporary urbanization as a doubly-faceted phenomenon in which individual cities are constituted as systems of internal transactions embedded in a wider system of transactions binding all cities

together into a grid of complementary and competitive relationships (cf. Berry 1964). This identification, in turn, raises issues of the logic of agglomeration (why and how clusters of capital and labor come into being in geographic space in the first place), and of the overall spatial division of labor in society (how cities come to specialize in particular economic activities in the second place). For policy makers concerned with promoting economic development and growth in given cities, this initial identification of a key field of forces points to a further question, namely, how do the competitive advantages (including capacities for creativity) of cities emerge, and how might they be enhanced by public action? Two points are of special note here. First, cities are complementary to one another in the sense that they are caught up in mutual exchanges of specialized products; but second, they also compete strongly with one another in that each urban community is concerned to secure its own collective interests in a world of finite resources. Each, as a community, has a direct interest in securing new inward investments, in widening external markets for its products, and in attracting visitors from outside (Camagni 2002). This interest exists because of the increasing returns effects and competitive advantages that accrue to the urban community as a whole, and that are jointly appropriated as externalities by all firms and residents within any given city. Externalities, by definition, are susceptible to severe problems of market failure and misallocation, and hence management of their genesis and allocation constitutes a further concrete interest that emerges at the communal level. In brief, there is always in principle a positive role that agencies of collective decision-making and behavior can play in rationalizing the qualitative and quantitative attributes of intra-urban externalities, and most especially, for present purposes, in enhancing their effects on creativity (Scott,

2005a; Scott and Leriche, 2005). It is in this double sense – the existence of a localized economic commons and the imperative of strategic intra-urban coordination – that we can say that cities (as distinct from, say, firms) compete with one another.

### Urbanization and the new economy

The different phases of development that characterize the economic history of capitalism can be described at the outset in terms of specific combinations of technologies, leading sectors, employment relations, and forms of competition (Boyer 1986). By the same token, each phase is associated with particular forms of urban development. Nineteenth century capitalism gave birth to the classical factory town, as found in Britain, France, and Germany. The rise of fordist mass production in the twentieth century was associated with the growth and spread of the large industrial metropolis, as epitomized most dramatically by Detroit in the United States. The peculiar forms of economic order that are in the ascendant today represent a marked shift away from the massified structures of production and the rigid labor markets that typified fordism, and they appear to be ushering in an altogether new style of urbanization that is posing many unprecedented challenges to policy makers around the world.

Numerous attempts have been made to characterize the essential features of this new economic order. It has been variously evoked in terms of post-industrial society (Bell 1973), flexible accumulation (Harvey 1987), and post-fordism (Albertsen 1988), among other labels, though none of them is entirely satisfactory. Perhaps the best way of alluding to what is at stake here is to say simply that the leading edges of growth and innovation in the contemporary economy are made up of sectors like high-technology

industry, neo-artisanal manufacturing, business and financial services, cultural-products industries (including the media), and so on, and that these sectors in aggregate constitute a “new economy.” Among the complex attributes of these sectors, three are of special importance. First, the work of production typically occurs in extended networks of firms, dominated in many cases by large corporate entities, but also incorporating a proliferation of many small firms operating in a manner that Piore and Sabel (1984) have called “flexible specialization” in which producers focus narrowly on one type of output (e. g. shirts, microprocessors, or insurance services) but where the output’s design specifications are constantly changing. Second, the labor markets associated with these same sectors tend to be extremely fluid and competitive, with many individuals being engaged in part-time, temporary, and freelance forms of work, and where the intra-firm working practices of the most creative fractions of the labor force are frequently coordinated within temporary project-oriented teams (Grabher, 2004). Third, and as a corollary of the destandardization wrought by both flexible specialization and proliferating consumer niche markets, final outputs compete with one another not only on the basis of cost but also and increasingly on the basis of their qualitative attributes. As we shall see, a derivative feature of many sectors in the new economy is that they have a marked propensity to assume geographic expression in the form of specialized locational clusters. Examples of this phenomenon abound: Silicon Valley, Hollywood, the City of London, le Sentier in Paris, the industrial districts of the Third Italy, and so on. Moreover, clusters of these sorts are by no means confined to the more economically advanced countries. Many different segments of the new economy can also be found in agglomerations in various parts of Asia and Latin America, as exemplified by the

burgeoning craft industries of South China, the advanced electronics and software complexes of Beijing and Bangalore, or the telenovela production clusters in Bogotá, Caracas, Mexico City, and São Paulo (cf. Christerson and Lever-Tracy 1997; Nadvi and Schmitz 1994).

The so-called Los Angeles School of urban studies was an initial and in some ways premature attempt to come to terms with the impacts of the new economy on the city and to show how these are expressed in an urban development process that engenders high levels of creativity and innovation but that is also rife with numerous social tensions (Soja and Scott 1986). Certainly, it has been fairly clear, from the start, that the forms of production and work associated with the new economy have a rather distinct proclivity to engender sharp social bifurcations in cities. On the one hand, many clusters of new-economy industries are associated with large underbellies of sweatshop factories employing masses of low-wage, low-skill workers, very often immigrants from different parts of the world periphery. On the other hand, many clusters also employ large numbers of highly qualified workers, including professionals, managers, scientists, technicians, designers, artists, skilled craftworkers, and so on. Varying mixes of these two strata are found in different sectors and different cities today. Los Angeles can be cited as a rather vivid illustration of an urban area with strong representation of both, as exemplified by its clothing industry focused overwhelmingly (though not completely) on the lower employment stratum, and its film industry on the upper. There are, then, considerable inequalities in the cities where new-economy sectors have flourished, and especially in major metropolitan areas, in regard to incomes and access to the amenities of urban space at large. This point needs to be kept firmly in mind as we begin to explore more fully the



notion of the creative city and the privileged role that highly qualified and well-paid workers play in its efflorescence.

Even before the concepts of the new economy or the creative city had been formulated, Gouldner (1979) used the expression, “the new class,” to allude to an early manifestation of something like the upper employment stratum identified above. By this expression, Gouldner meant an intelligentsia-cum-technocracy composed of individuals whose interactions are based on a sort of critical rationality governing their practical engagements in work and life. Florida (2002) has suggested more recently that something like this same stratum (which he defines operationally in terms of a wide swath of professional, managerial, technical, and cultural workers) constitutes a “creative class,” a label intended to convey the sense that its members are the fountainhead of innovative energy and cultural dynamism in modern urban society. Certainly, in whatever manner we may identify this upper stratum, cities, or parts of cities, where its presence is strongly apparent tend to display a certain kind of developmental syndrome, as manifest in their employment structures, their cultural life, and their physical make-up. Thus, employment in these places tends to be dominated by high-end segments of the new economy; cultural amenities (in the guise of museums, art galleries, concert halls, multifaceted entertainment districts, and so on) are almost always present in some abundance; and the visible form of the city is generally dominated by up-scale streetscapes, expensive shopping facilities, and well-appointed residential enclaves, the latter frequently coinciding with gentrified inner city neighborhoods. Combinations of attributes like these within urban areas represent an increasingly potent source of localized competitive advantage, and are a critical element of the contemporary creative city. It must be

emphasized again, however, that actually-existing creative cities are also places in which what Gouldner called “the dark side of the dialectic” is usually much in evidence.

### **3. Economic mainsprings of creative cities**

In the light of this overarching perspective on contemporary urbanization processes, my objective in this section is to sketch out in more concrete detail a few of the main economic mechanisms that underlie creative cities. These mechanisms are in practice common to cities in capitalism at large, but they assume particularly intense manifestations in places where the new economy is well developed. Our inquiries here will also begin the task of identifying some key variables that policy-makers must wrestle with in any attempt to build viable creative cities.

#### Networks of producers

There are doubtless cities here and there in which producers exist as locally disconnected atoms of economic activity, though such cities would seem to be few and far between, and they assuredly do not coincide with the large metropolitan areas of the more economically advanced countries in the world today. In fact, thriving cities in contemporary society are almost always places in which producers are caught up in deep and constantly evolving social divisions of labor that in turn constitute functionally distinctive complexes or clusters of economic activity. To adapt the terminology of Durkheim (1893), cities tend to be places where economic life is subject to the rule of organic rather than mechanical solidarity.

The social divisions of labor that lie at the root of these clusters are expressed in the first instance in vertically disintegrated networks of production units tied together in relations of specialization and complementarity. Creative sectors as diverse as advanced microelectronics, biotechnology, the fashion industry, the film industry, or business services, are in significant ways organized as networks of this type. In the new economy, the vertical disintegration of economic activities and the organizational reintegration of producers within extended inter-firm networks is all the more strongly developed because final markets are apt to be extremely unstable and risky. Vertical disintegration in these circumstances is a strategy that makes it possible for firms to reduce the inefficiencies that would otherwise be transmitted through their internal chains of operation. The high levels of instability and risk that prevail in the new economy reflects in part the competitive strategies of individual firms and their pursuit of insistent product differentiation; they also reflect in part the tendency for consumers to diversify and individualize their demands. In these circumstances, producers are prone to change their process and product configurations at frequent intervals, prompting in turn continual shifts in their linkages to other producers. Dense networks of specialized and complementary firms offer precisely the flexibility that enables individual production units to operate in these ways. When, in addition, producers are located in close mutual proximity, their multifaceted network connections make it relatively easy for them to find new procurements of just the right kind within a limited time frame. They can thus maintain stockpiles at low levels and in this manner economize on immobilized capital. As already noted, these networks are frequently but by no means always dominated by big firms that play a role in financing and coordinating the activities of the large numbers

of small- and medium-sized units that typically constitute the majority of nodes in any localized web of interrelated producers. The Hollywood motion picture industry is paradigmatic in this respect (Scott 2005b).

These modes of interdependent network operation are susceptible to various forms of market failure, and appropriate policy responses can often help greatly to improve their performance. Breakdowns are especially liable to occur where firms are dependent on complementary producers for non-standard inputs such as high-quality customized parts, or specialized technical services. Obviously, failures at one level in any network (because, say, of inadequate worker skills or managerial know-how) can jeopardize overall functional capacity at other levels. General upgrading in networks, then, often depends critically on the presence of policy-making bodies capable of identifying and dealing with their weakest links. Inter-firm networks are also subject to another kind of failure, one that occurs when linkages are structured in ways that impede the flow of information and ideas through the production system as a whole. Cut-throat competition, low levels of trust, or a failure to recognize the mutual interdependence of all upon all, can lead to dysfunctional outcomes like this, but relevant agencies, such as industry associations or some sorts of private-public partnership, can sometimes provide frameworks for remedial action. Much recent research on this particular issue has suggested that efforts to educate interrelated producers about the benefits of improved levels of cooperation and collaboration can be of critical importance, notably in cases where networks are composed of many small firms (Rosenfeld 1992). As we shall see later, inter-firm networks characterized by a relatively free flow of information are deeply significant elements of the innovation process at large in creative cities.

### Local labor markets

Whenever groups of interrelated firms gather together in clusters or agglomerations in geographic space, extended local labor markets invariably develop around them. This is a fortiori the case in the new economy where so many sectors are engaged in relatively labor-intensive forms of productive activity. Moreover, and given the often strikingly multifaceted nature of the firms that constitute these agglomerations, their labor demands as a whole tend to range over a wide palette of worker skills and sensibilities. This implies, in turn, that much social variation is likely to be found in surrounding communities of workers, though two main fractions can usually be identified in practice. On the one hand, hordes of low-wage, unskilled workers are almost always in strong demand in these agglomerations, e.g., in the assembly operations of high-technology manufacturing, in the manual-labor phases of artisanal industries like clothing, furniture, or jewelry, or in low-level service functions generally. On the other hand, large numbers of professional, managerial, and technical workers are also typically required, and this is especially the case in metropolitan areas in the more economically advanced societies where much of the high-quality, innovative production characteristic of the new economy is concentrated. The pools of highly-qualified labor that form in these areas are reinforced by the continual in-migration of talented individuals from less favored areas who recognize that these are the privileged places where they can best realize their career ambitions (Menger 1993).

The more-qualified individuals that make up the work-force of new-economy sectors in creative cities are increasingly involved in labor processes that can best be

characterized as project-oriented forms of work. Here, workers form temporary teams that combine their different skills and talents together in the quest for synergistic outcomes. Teams, in other words, are instruments for boosting each individual worker's creative abilities by means of collaborative interaction with others in a structured work environment. According to Grabher (2004) much of the creative work in the more advanced segments of the advertising and software industries is carried out in this manner. As given projects come and go in any firm, so the composition of relevant teams is adjusted, sometimes quite radically, in order to promote project-specific synergies. This manner of working, in fact, runs roughly parallel to the ways in which inter-firm production networks are organized in the Hollywood motion picture industry. High-budget films, in particular, are made in Hollywood by temporary coalitions of specialized firms (generally under the aegis of a major studio), which break apart again as any project is completed only to re-form in some other configuration as subsequent projects come along. The net result is a flow of final products that capitalize on the idiosyncratic combinations of expertise that are temporarily distilled in any given project network.

In harmony with this organizational flexibility, many of the most creative and innovative workers in the new economy are more inclined to pursue careers that span multiple firms and work experiences over the course of time than to commit themselves to long-term employment within a particular firm. The job-hopping habits of engineers in Silicon Valley are a familiar example of this inclination (Angel 1991). As a corollary, part-time, temporary, and freelance work is much in evidence even within groups of high-wage workers. For many individuals in these groups, self-management substitutes for the more traditional personnel supervisory functions of the firm. Careers are hence

typically focused on the building up of personal reputation and the acquisition of multiple useful contacts. One consequence of this trend is that these types of workers tend to be inveterate joiners of professional organizations and other work-related associations, mostly to gain knowledge about fluctuating job opportunities, but also to keep abreast of new developments in their field. They are participants in what Ursell (2000) calls an “economy of favors,” in which useful information is traded back and forth through multiple relations of reciprocity. For example, in an empirical study of labor markets for new media workers in Los Angeles, I recorded an extraordinary variety of professional organizations, all of them functioning in various ways as bridges across critical information and training gaps (Scott 1998). In view of the recurrent incidence of such gaps in the labor markets associated with the new urban economy, private-public investments in enhancing the circulation of information and in vocational training for workers can be expected to reap high dividends.

The labor markets that take shape around any given agglomeration of producers are liable with the passage of time to acquire a patina of place-specific color in that they become a locus of peculiar traditions, sensibilities and norms that hang, as Marshall (1919) put it, like an atmosphere over the local community. The atmospherics that materialize in this manner are of prime significance as sources of unique competitive advantages. This attribute of localized industrial communities and their associated labor markets is obviously of great importance in the case of sectors that generate outputs with high levels of aesthetic or semiotic content, but it also carries weight in other types of sectors (including technology-intensive manufacturing) where informal know-how and tacit forms of knowledge play a major role in production. Similarly, the urban social

environment constitutes a milieu that often boosts the smooth habituation and socialization of workers, easing their circulation through regional structures of employment, and helping to maintain the idiosyncratic advantages of the local production system.

### The creative field

Creative cities in the modern world are typically organized around production systems marked by shifting inter-firm networks and flexible labor markets of the sorts described above. These structures provide an essential framework for high levels of information generation and interchange and for frequent experimentation by individual firms in regard to industrial processes and products. The very fluidity of the economies of cities like these means that the firms and workers that make them up come constantly into contact with one another in ways that help to unleash diverse innovative energies.

Numerous studies have shown that such multifaceted processes of contact and interchange are a critical factor in the generation of new ideas, sensitivities, and insights in industrial agglomerations (see for example Edquist 1997; Lundvall and Johnson 1994; Russo 1985). As extended formal and informal exchanges of information occur in any cluster (e.g. in situations where subcontract orders are being negotiated, or in project-oriented work teams) considerable learning and sensibilization are liable to go on – much of the time unselfconsciously – about different aspects of product design, production technology, the general business environment, and so on. This information, in turn, may then be incorporated in small innovations and marginal improvements in local productive practices. Few of the concrete forms of upgrading that flow from this process are likely to



be so dramatic that they are systematically recorded in formal texts or patents, but an accumulated stream of them can be of major significance in helping to maintain the competitive edge of an agglomeration of interrelated producers.

I have referred elsewhere to the structures within industrial agglomerations that encourage these sorts of learning and innovation effects as a “creative field” or a structured set of interrelationships that stimulate and channel individual expressions of creativity (Scott 2005a). At one level, this phenomenon coincides with the networks of firms and workers that make up any given agglomeration, and with the multiple interactions that go on between these different units of decision-making and behavior. At another level, it is partly constituted by the infrastructural facilities and social overhead capital, such as local schools, universities, research establishments, design centers, and so on, that complement the innovative capacities of these networks. At yet another level it is an expression of the cultures, conventions, and institutions that come into existence in any agglomerated structure of production and work. Each of these levels of resolution of the creative field is susceptible to functional blockages and failures of various sorts, and policy-makers can play a significant role here in helping to improve general system performance. Note, in addition, that neither cultural homogeneity nor exaggerated forms of heterogeneity appear to be conducive to high levels of learning and innovation in the creative field, but that a mix of strong and weak ties and/or inter-personal signals is more likely to maximize overall synergies (Elfring and Hulsink 2003; Granovetter 1973; Noteboom 1999). In this fashion, the information load on any individual combines reinforcement of the familiar with just a sufficient degree of the unfamiliar as to spark off meaningful self-examination about established habits of thought.

#### **4. Creative cities**

##### Externalities, product-differentiation, agglomeration

The diverse conditions described in the previous paragraphs lead on in many cases to a process of large-scale agglomeration, which by definition is one of the conditions necessary (though not sufficient) for the emergence of creative cities as distinctive geographic units on the contemporary global landscape. Two main points must be made in this connection. First, the costs of the many, varied, and constantly changing transactional relations (involving both traded and untraded exchanges) between producers in the kinds of sectors under scrutiny here provide an incentive for selected groups of firms to converge locationally together around their own center of gravity. Where these transactions are small in scale and rich in information content (so that face-to-face mediation is necessary for their successful completion) the incentive to cluster is all the greater. Second, networks of specialized and complementary producers, together with their associated labor markets, tend to generate copious flows of positive externalities. These externalities can often best be actualized and appropriated where firms transform them into agglomeration economies by congregating together in geographic space. Agglomeration economies have their roots in a great diversity of phenomena, but among them the networks, local labor markets, and creative field effects described earlier are of major importance. Duranton and Puga (2004) have suggested an alternative but complementary way of categorizing agglomeration economies in terms of sharing (e.g. infrastructural facilities), matching (e.g. specialized input and output relations, or jobs and workers), and learning (e.g. inter-firm exchanges of information). Certainly, negative

externalities due to dense local development can also occur, and represent a definite disincentive to agglomeration. The history of advanced urbanization hitherto, however, is one in which municipal officials have usually worked continually to bring negative externalities under some sort of control and hence to unleash fresh rounds of urban development and growth.

The locational pressures that set in as networks of firms and workers come into existence and as positive externalities begin to flow, work strongly together, therefore, to encourage agglomeration and to generate proto-urban forms on the landscape. Indeed, the inducements to agglomeration can be so intense that different types of producers concentrated in any given city sometimes disaggregate out at a yet more detailed level of spatial resolution to form discrete – though usually overlapping -- industrial quarters. In large metropolitan areas, there may be several of these quarters, each with its own specialized category of product, and each associated with a relatively distinctive local labor market. Positive externalities may also spill over persistently from quarter to quarter in intra-urban space. Los Angeles, which is an emblematic case of the contemporary creative city, has specialized quarters arranged in a wide zone that encircles the central business district, each of them focused on a different cultural-products industry (film, television-program production, music, advertising, clothing, furniture, jewelry, and so on). Each, too, generates fashions and images that are then in various ways appropriated by firms in the others. As such, all of these quarters participate in a design paradigm that is peculiarly Southern Californian, and that is sometimes described in terms of an overall style embracing the flamboyant, the demotic, and the transitory (Molotch 1996; Scott 1996).

I should add that above and beyond the case of large metropolitan areas, there are also many small and specialized creative agglomerations all over the world, as exemplified by places like Limoges with its porcelain industry, the second-hand book center at Hay-on-Wye along the Anglo-Welsh border (Seaton 1996), or the craft communities of the Third Italy (Becattini 1987). The continued survival – indeed, the remarkable proliferation in recent years – of places like these can in part be accounted for by the powerful economic advantages conferred on them by the articulation of specialized agglomeration processes with insistent product differentiation. These advantages allow them in many cases to flourish notwithstanding the competitive pressures that flow from larger and vastly better endowed centers of production. Whatever type of output may originate in any one of these places -- technology-intensive or craft-intensive, utilitarian or cultural, mobile or immobile – its chances of continued competitive success are often strongly contingent on its distinctive place-specific characteristics. Today, consumers tend to discriminate between different but competing products as much on their qualitative aspects as on their relative prices. One kind of computer, one kind of chair, or one kind of tourist resort, is rarely a perfect substitute for any other computer, chair or resort, respectively. Rather, competition is becoming ever more monopolistic in the Chamberlin-Robinson sense, meaning that competition proceeds increasingly not only on the basis of price but also on the basis of the specific qualitative attributes of final products, including their place-specific origins (cf. Chamberlin 1933, Robinson, 1933). This circumstance injects further significance into the notion of creative cities, both large and small. The particular traditions, conventions and skills that exist in any given urban area help to infuse local products with an

exclusive aura that can be imitated by firms in other places but never completely reproduced. In the new cultural economy, in particular, products sometimes possess a cachet that is associated directly with their points of origin, as in the cases, say, of Paris fashions, London theater, Nashville music, or the pottery of Caltagirone in Italy. Place of production in these instances represents a unique component of the final product as well as an authentication of substantive and symbolic quality, and the economic value of these properties is so great that localities frequently seek to protect them by means of trade marks or certificates of geographic origin (Santagata 2002). The relation between place and the qualitative aspects of final products is actually subject to recursive intensification, for just as elements of place enter into the design specifications of outputs, so the changing symbologies of the outputs themselves become in turn assimilated into the cultural assets of the places where they are made. The intimate connections built up over almost a century between Hollywood, the place, and Hollywood, the industry, is a powerful illustration of this particular point (cf. Scott 2005b).

### Prospects for urban creativity

In cities where large cohorts of creative workers are employed in different sectors, we can often observe something like an emerging equilibrium between the production system on the one side and the urban cultural environment on the other. In ideal circumstances, each side of this duality enhances and potentiates the qualitative functioning of the other, and together, they constitute a further important foundation of the creative city. Policy makers around the world are beginning to recognize this interdependent duality by pressing ahead with local economic development programs in

combination with cultural promotion efforts of various sorts. The latter efforts are often expressed in place-making and place-promotion activities and in elaborate programs of urban environmental renovation. Cities that are already well-endowed with strong historical and cultural associations clearly have a marked advantage in this respect (cf. Philo and Kearns 1993), but even where past historical experience would appear to militate against the formation of a new creative economic and cultural dispensation, there is often a great deal that policy makers can accomplish. One of the more outstanding illustrations of this kind of shift is presented by the Ruhr region where much of the old heavy-manufacturing infrastructure and plant has been recycled to accommodate new cultural projects and alternative uses like media and business service production (Gnad 2000). Similar, if less ambitious projects can be found in the Northern Quarter of Manchester, the Cultural Industries Quarter of Sheffield, or the Westergasfabriek in Amsterdam. The re-imaging and rebranding of places is increasingly – though perhaps over-optimistically in some instances – being resorted to by policy makers as a tool for attracting flows of tourists, for generating new inward investments, and for raising local economic expectations generally. The Guggenheim Museum in Bilbao is one of the more dramatic recent examples of this phenomenon. In the light of these remarks, it is scarcely surprising to note that many major metropolitan areas around the world are more and more drawn to a developmental formula that combines a focus on the new economy, investments in cultural resources, and an attempt to create a vibrant sense of place. Cities like Hong Kong, Osaka, Singapore, and Sydney, have staked out a future for themselves that incorporates at least part of this vision, which they see not only as a means to

achieving higher income and quality of life, but also as a way of expanding their global influence (cf. Hong Kong Central Policy Unit 2003).

Florida (2002) has alluded to some of these same issues in his work on the “creative class” and its alleged role in fostering a new urban dynamic based on learning, innovation, and the cultivation of modish lifestyles. He has suggested, most notably, that a significant positive correlation exists between the incidence of the creative class in different cities and local economic growth. Accordingly, Florida’s advice to city officials is that they should focus on mechanisms for drawing as many creative individuals as possible into their jurisdictions. This advice boils down in turn to the recommendation that cities with creative ambitions need to invest heavily in creating a high-quality urban environment, rich in cultural amenities, and conducive to diversity in local social life. Florida’s argument seems to identify a number of recurrent elements of the contemporary creative city, but once this has been said, he fails signally to articulate the necessary and sufficient conditions under which skilled, qualified, and creative individuals will actually congregate together in particular places and remain there over any reasonably long-run period of time. The key to this conundrum lies in the production system. Any city that lacks a system of employment able to provide these individuals with appropriate and durable means of earning a living is scarcely in a position to induce significance numbers of them to take up permanent residence there, no matter what other encouragements policy makers may offer. Concomitantly, the mere presence of “creative people” is certainly not enough to sustain urban creativity over long periods of time. Creativity needs to be mobilized and channeled in order for it to emerge in practical forms of

learning and innovation, which is why I have insisted above on the notion of a creative-field effect.

I should add forthwith that an ingredient of Florida's argument hinges on the idea that once a creative class has been brought together in any particular place, its innate entrepreneurial and cultural energies will automatically be activated in the construction of a vibrant local economy. Not to put too fine a point upon the matter, the basic idea here can be expressed in its bald essence as  $\underline{X} \rightarrow \underline{Y}$ , where  $\underline{X}$  is the creative class and  $\underline{Y}$  is local economic development. Again, however, this argument neglects to take into consideration the complex synchronic and diachronic interrelationships that must be present before a dynamic creative environment is likely to emerge. Above all, in modern cities, virtually all dimensions of urban life evolve recursively in association with one another. This means that any viable developmental program focused on building a creative city must deal – at a minimum --with setting up a local production system, training or attracting a relevant labor force, appropriate programming of urban space, and ensuring that all the different elements involved work more or less in harmony with one another. No one of these elements can function as a simple independent variable, though from the arguments laid out above, the production system must surely be seen as representing an especially critical nexus of relationships in this regard. Certainly, neither Hollywood nor Silicon Valley sprang forth as the creative centers that they are because a creative class was already in place in advance of the specific forms of economic development that characterize these clusters. Even if they had done so, what would have accounted for the unusually high proportion of writers, directors and actors in the former case, and the unusually high proportion of engineers and scientists in the latter? Florida's



euphoric policy recommendations about the new creative class and its miraculous powers of urban regeneration turn out on due scrutiny to have some of the same whiff of over-hasty and meretricious packaging as the nostrums put forth by many consultants in the 1980s about “growing the next Silicon Valley” (Miller and Côte 1987).

What, then, can policy-makers realistically seek to accomplish in this regard, and how should they set about the relevant tasks? I have no intention of attempting to lay out a detailed bill of specifics here, but only to broach this question in the first instance as a matter of principle. In fact, I have already dealt with a number of the specific task domains that policy makers must confront in any effort to build competitive cities, and I have insisted that whatever policy levers they may choose to pull must be put in the context of an urban dynamic where cumulative causation and system-wide interdependencies are the order of the day. The specific tasks to be undertaken in any given instance depend very much on the specifics of time and place, and it must be emphasized that boilerplate approaches are not calculated to produce much in the way of satisfactory results given the historical and geographical idiosyncrasies that haunt each individual case (Storper and Scott 1995). Nevertheless, the theoretical ideas laid out above suggest that many of these tasks will in one way or another revolve around such elements of urban work and life as production networks, labor markets, and local learning and innovation processes. In all of these spheres of action, policy-makers can help to manage externalities, resolve free rider problems, ensure that necessary infrastructures and built forms are in place, and provide critical services (such as labor training or technological advice) that would otherwise be lacking or undersupplied. Additionally, and in view of the path-dependent trajectories of evolution that large agglomerations

almost always follow, appropriate agencies of collective coordination can sometimes help to steer any given urban system through critical conjunctures in its forward course. Urban planners, too, have an important role to play in these matters, both in fostering positive urban synergies through appropriate land-use controls, and in helping to clear away the bottlenecks and diseconomies that appear constantly as cities expand.

Once all of this has been said, the tempting but elusive vision of a steady march in the world's cities toward some sort of creative utopia needs to be held strongly in check. Much can be accomplished in specific and well-positioned cases, and it may well be that the disruptive relations that have often raged between life and work in capitalist cities are becoming somewhat less abrasive in today's more creative urban environments. However, many negative features remain stubbornly indurated in the contemporary urban experience and may even be exacerbated by the advent of the creative city as it is understood here. At the best of times, the search for the creative city is inevitably going to be vitiated in some degree so long as there are countervailing trends generating massive numbers of unstable, low-wage jobs and concomitant economic polarization and social marginalization in urban communities. A few fortunate centers perhaps may achieve something that approaches a creative, high-quality environment across the board, but in most metropolitan areas, developments of this type will most likely continue to exist only as enclaves in an urban landscape where poverty and social deprivation still widely prevail. The formulation of specific policies to ameliorate those parts of urban space that continue to lie outside the more privileged foci of production, work, and social life must therefore be a high priority in any effort to build thorough-going creative cities.

## 5. Creative cities in a globalizing world

The discussion so far has focused overwhelmingly on issues of the internal structure and functions of urban space. We need now to turn our attention to some critical issues of inter-urban relations, and, above all, to the impacts of globalization on contemporary urban development in general and on creative cities in particular. In today's world, the reach of many cities extends well beyond immediate national boundaries, and cities with a strong incidence of creative sectors -- especially new-economy industries like high-technology production, business and financial services, media and cultural-products industries, or neo-artisanal manufacturing -- are generally in the vanguard of this trend. The fortunes of these cities are tied up with an escalating process of globalization in four distinct but interrelated senses.

First, with the extension of markets due to globalization, trends to urban agglomeration are actually intensifying across much of the new economy, because growth of output allows divisions of labor at the point of production to deepen and widen, just as it leads to the amplification of external economies of scale and scope. One consequence of this reassertion of agglomeration -- above all, in the guise of large metropolitan areas -- is that the modern world system can at least in part be described as a mosaic or archipelago of complementary and competing regional economies (Veltz 1996).

Second, the forms of economic competition that exist between different cities, especially creative cities, are increasingly tending to varieties of monopolistic/imperfect competition à la Chamberlin and Robinson. Competition of this sort plays to the advantage of cities with distinctive creative capacities, and even those that are handicapped by relatively small size can often find sustainable niches for themselves on

world markets provided they can offer sufficiently distinctive goods and services. By contrast, if we lived in a world of decreasing product variety with generally increasing substitutability between different producers' outputs, the localized increasing returns effects that set in as places expand would tend eventually to result – over the very long run, to be sure -- in a situation where the global supply of each particular type of good was steadily monopolized by a particular agglomeration. This observation is of special significance in regard to the cultural economy. For example, whereas it is often claimed that the modern world is moving toward standardized patterns of cultural consumption fed by the dream factories of Hollywood, a plausible counterargument can be advanced to the effect that there is no reason in principle why alternative centers of cultural production generally, and cinematographic production in particular, cannot co-exist with Hollywood. One important caveat behind this remark is that these alternative centers must also be capable of mounting effective systems of commercialization and distribution of their outputs. This, of course, is another area in which policy makers can play a decisive role. My argument, if it can be sustained, points here to a possible future world that is considerably more polycentric and polyphonic than the cultural pessimists of today would have us believe. The recent resurgence of film and music industries in different parts of the globe outside of North America would seem to be consistent with this point.

Third, and as a corollary, many of the most dynamic firms in creative cities all over the world are engaged in building international networks of creative partnerships with one another, such as joint ventures, strategic alliances, co-productions, and so on. In a polycentric and polyphonic world these arrangements reflect the synergies that can be obtained by bringing together unique combinations of talents, skills, and ideas from

different agglomerations with different cultural traditions and creative capacities. From this perspective, the cities of the global mosaic offer many and no doubt rapidly increasing opportunities for complementary interaction.

Fourth, and despite my earlier comments about the reinforcement of agglomeration under conditions of globalization, an opposing trend toward decentralization is also in evidence in certain segments of the modern economy. As the costs of world-wide communication and transport continue to decline, it becomes ever more feasible for producers in major creative cities to dispatch certain kinds of work tasks, or packages of tasks, to satellite centers that offer advantageous production conditions. These tasks generally consist of relatively standardized operations that can be disarticulated without undue damage to more skilled and creative operations (which usually remain concentrated in major agglomerations) and then dispatched to low-cost locations (Henderson and Scott 1987). The clothing industries of cities like New York, Los Angeles, London, and Paris, for example, are now deeply caught up in relations of this sort with subcontractors and manufacturers in many different parts of Latin America, Asia, and North Africa (Kessler 1999). In the same way, more and more of the film shooting activities of Hollywood production companies are being detached from more creative front-end and back-end functions and then transferred to studios in Australia, Canada, Eastern Europe, South Africa, and other places where advantageous cost conditions can be found (Goldsmith and O'Regan 2005).

Globalization is thus fraught with both threats and opportunities for creative cities, and policy makers need to be alert as to what actions might (and might not) allow them to hem in the former and to capitalize on the latter. But we need also to cultivate a due sense

of just how imperfect our understanding of the relevant issues is, and hence of our capacity for remedial action. A simple illustration will suffice to underline this point. On the one hand, then, in Hollywood and the state of California generally, a series of initiatives are in preparation with the aim of reining in job losses due to runaway film production, and of reasserting the locational advantages of California for shooting activities. We may ask, what precisely can be achieved by such initiatives – and at what expense? – given the advantages of alternative locations and the rapidly diminishing transactions costs between Hollywood and diverse satellite centers? On the other hand, as far-flung satellite film-production centers emerge on the basis of runaway production from Hollywood, there is always some possibility that at least a few of them may start to acquire significant competitive advantages as a result of increasing agglomeration economies. Policy-makers in the Canadian cities of Montreal, Toronto, and Vancouver have obviously been betting on just such an outcome as they try to entice more and more film shooting activities away from Hollywood by means of new studio construction, tax breaks, worker training programs, and so on. An unanswered question thus far revolves around whether or not policy makers really can push the development of the film industry in any one of these satellite centers to the point where a virtuous circle of agglomerated growth is set in motion. Clearly, the competition between the three Canadian centers for runaway production from Hollywood militates in some degree against this outcome. Equally, can the critical threshold of growth be achieved in any given center before Hollywood production companies themselves move on to yet greener pastures elsewhere?

The stakes in all of this are high, and yet our present state of knowledge makes it extraordinarily difficult to formulate viable policy approaches to deal with all the

complex cross-currents that are involved, and even more difficult to assess with any degree of confidence the likely outcomes of the policies that are currently being put in place.

## **6. A concluding comment**

The new economy of post-fordism has ushered in many far-reaching possibilities for creative forms of production and work, and these possibilities have come to ground above all in the great metropolitan regions of the new global order. In some of the more advanced of these regions, strenuous efforts are now going forward to enhance the creative environment by complementary transformations of the local social and physical fabric. Certainly, at no previous time in the history of capitalist urbanization do there seem to have been such pregnant opportunities for bringing the dimensions of economy, culture, and place back into some sort of practical and humanly reasonable harmony. The idea first put forward by Debord (1967) of the “city of the spectacle” can perhaps be seen as an early anticipation of some of these developments, especially in the matter of the new production spaces, cultural complexes, and dramatized visual environments that are proliferating in major metropolitan areas around the world (Mommas 2004; Zukin 1995).

At the same time, it is appropriate to recall some of the acerbic qualities of Debord’s commentary (not to mention Gouldner’s strictures on the new class), and to note, once more, that for all its attractions, the idea of the creative city provides at best a rather one-sided view of actual trends and latent possibilities in urban development patterns. As I have repeatedly stressed in this discussion, large cities today may well harbor unprecedented creative capabilities, but they are also places where striking social,

cultural, and economic inequalities prevail, and there can be no truly final achievement of the creative city where these stubborn problems remain. This is not simply a question of income distribution, though more equitable economic conditions for all must surely figure prominently on any agenda of reform. It also involves basic issues of citizenship and democracy, and the full incorporation of all social strata into the active life of the city, not just for its own sake, but also as a means of giving free rein to the creative powers of the citizenry at large. In the last analysis, any push to achieve urban creativity in the absence of a wider concern for conviviality and camaraderie (which need to be distinguished from the mechanical conception of “diversity”) in the urban community as a whole is doomed to remain radically unfinished. More to the point, and again with apologies to Florida, creativity is not something that can be simply imported into the city on the backs of peripatetic computer hackers, skateboarders, gays, and assorted bohemians, but must be organically developed through the complex interweaving of relations of production, work, and social life in specific urban contexts.



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