

## SMALL AND MEDIUM SIZED CITIES ENTER THE STAGE OF THE CREATIVE ECONOMY WITH URBACT 2.

**Until recently, global trends, like the growth of knowledge based and creative activities, have been seen as the exclusive preserve of the biggest and most powerful cities on the world stage. But with URBACT 2, a series of small and medium sized cities have emerged with the intention of showing that they too can play an important role.**

In January 2009, a new URBACT network called Creative Clusters chose to launch this message in Óbidos, a fantastic medieval walled city of just over 10,000 inhabitants, under an hour to the North of Lisbon<sup>1</sup>. The resonance from other cities, urban policy makers and researchers was electric. On the day of the conference, the city received 1,000 hits on its website. Among the two hundred participants, an impressive array of small and medium sized Portuguese cities exchanged experiences with their counterparts from around Europe. They were supported by European Commission and National Government representatives responsible for the Lisbon Strategy and the European Year of Innovation and Creativity, as well as some of the most experienced international experts in the field.



At the end of the first day, 25 European mayors and local political representatives signed the so-called “Óbidos Charter – a Pact for Creativity”. This commits them to involving other small and medium sized European cities in a broader network to turn the creativity of their citizens into one of the corner-stones of future, sustainable urban development. Telmo Faria, the mayor of Óbidos, said that the results of this first conference should be seen as “work-in-progress” designed to respond to three major challenges: how to build creative territories and not just creative capitals; how to involve creative people in a new model of development which builds quality jobs, knowledge and wealth even in times of crisis; and how to reinvent values and politics at a time when people need practical solutions more than fine speeches.

<sup>1</sup> For the main findings and conference papers - <http://urbact.eu/thematic-poles/growth-and-job-creation/thematic-networks/creative-clusters/news-events.html>

## From innovation to creativity.

So what is the creative economy and what chances does it have of responding to these ambitious challenges – especially in smaller cities? While this is clearly the major hypothesis that the cities in Creative Clusters will have to test in the future – the conference speakers already laid down some strong foundations for future developments.

Firstly, José Amaral Lopes, dealing with European Year of Innovation and Creativity at the European Commission and Jan Runge from KEA, the organisation which wrote the influential report “*The Economy of Culture in Europe*” for the Commission, explained the relevance of the sector for cities. There is agreement that the concept of “creativity” is broader than that of “innovation” and, in many ways, underpins it. However, definitions vary from Richard Florida’s very wide concept which categorises nearly all professional workers and many others as creative (almost a third of the US workforce) to far more over estimates.



But even by the European Commission’s more conservative figures, the importance of the sector is clear. Together creative industries were calculated to have a turnover of more than €654 billion in Europe in 2003, equal to 2,6% of GDP and employing 5.8 million people. This is considerably more than the car industry and ICT manufacturers. In addition, before the crisis, the sector was growing considerably faster than the economy as a whole (12,3% from 1999-2003). Moreover, creative industries can have a huge multiplier effect on the rest of the economy in their role as creative input to other sectors and because of their growing link with digitalisation.

What, however, has all this to do with charming walled towns like Obidos? Josephine Burns from the UK went on to explain. Her company, BOP Consulting, has carried out a rigorous analysis of the size and growth of creative activities in low density areas of the East Midlands. They found that the fastest growth (around 9%) was occurring in and around small towns. This was made up of self-employed people or micro enterprises working mainly from home, highly reliant on ITC and strongly value driven (the natural and built environment, education, the community, etc).

An impressive array of small and medium sized Portuguese cities went on to provide examples of how this is happening in practice. Portalegre explained how it was developing a “cluster of firms working on virtual reality”; Guimarães how it is using its cultural heritage as a

“strategic asset” and converting an old tanning neighbourhood into a creative district in its proposal to be European capital of culture in 2012; Montemor-o-Velho described how it was promoting creative clusters related to cultural routes both within and outside the city; Paredes its strategy for outdoor furniture design.

## **So can all small and medium sized cities do well in the creative economy?**

Despite the examples, the answer that came from the experts and city represented gathered at Óbidos was definitively - no. While all cities would do well to encourage creativity not all are in a position to make it a central part of their development strategy.

Size itself does not seem to be the main criterion for success. In fact the cities that form part of Creative Clusters vary in size from Barnsley in the UK with 218,000 inhabitants to Enquera in Spain with just over 5,000. However, accessibility to a major urban hub does appear to be crucial (preferably no more than an hour’s travel). In addition, the existence of high quality natural and/or built amenities is an important magnet. So it is essential for each city to take stock of its strengths and weaknesses in a realistic way.

But over and above these base line conditions, the strategies open to cities can be as varied as creativity itself. As the mayor of Óbidos said “the Urbact Programme allows us to go beyond the recipe books and to approach our territories as spaces of imagination and confidence in the future”. Óbidos itself is a living example of the range of alternatives that are available to cities. Despite having no tradition in the subject, they created a national chocolate festival which now attracts a huge number of visitors from all the Country; they are working to promote creativity in local schools with four new educational facilities designed to provide students with an environment where they can experiment with new ideas; they have built a technology park and are launching a programme of “creative housing” to attract young talented people back into the city walls.

Further examples were provided by some of the partner cities of Creative Clusters. Barnsley is supporting the growth of a new digital media cluster and using both the renovation of historic buildings and festivals “to make the journey from an old mining city to a 21<sup>st</sup> century market town”. In Reggio Emilia, Italy, the University is helping to strengthen and provide visibility to a growing but informal network of new creative entrepreneurs. Hódmezovasarhely, Hungary, is broadening its strong tradition of ceramics into new creative fields. Viareggio in Tuscany, the Puccini’s hometown, is also using its famous carnival and a series of new and regenerated cultural facilities related to opera as spring board for economic development.

## **What lessons should cities bear in mind when approaching the Creative Economy?**

Miguel Rivas, the lead expert of Creative Clusters is adamant about the dangers of uncritically following the latest fashionable theories of the creative economy. The big change, he says, is a shift of emphasis from attracting investments in infrastructure and footloose companies towards “placing people at the core”. But it is important to ensure that the people are not as fickle as some of the companies have proved to be in the past.

So in order to help cities to adapt their strategies to local realities Creative Clusters is using a framework provided by one of their partners, INTELI, a Portuguese think tank on innovation

and creative industries. Their representative, Catarina Selada, explained that the framework allows the network to deal with city strategies from three points of view – from the attraction and retention of creative people, the support and promotion of creative industries, and the transversal actions required to build a creative place.

Using this framework, the partners of Creative Clusters will be exploring the ways in which different kinds of small and medium sized cities can promote the cultural economy in five main fields. Over the next thirty months we can expect the network to provide lessons on how small and medium sized cities can:

- Use creative clusters to diversify the economy and create opportunities for young people;
- Use events and cultural agendas as catalysts;
- Develop a new range of facilities and infrastructures for the creative economy;
- Attract and retain talented people;
- Build creative educational environments at local level.

## Next Steps: from local creative clusters to European creative networks

José Parreira, who coordinates the project from Óbidos, explained that during 2009 the network will hold its first thematic workshop facing creativity as a driver for both new emergent activities and re-thinking mature industries. In addition it will be launch a “creative schools contest” and presenting a position paper to the Green Paper on Innovation and Creativity that will be produced by the Commission later this year.

This will be backed up by the “Óbidos Charter” signed by the mayors both of Creative Clusters and of other cities. The charter includes a number of interesting specific requests including the consideration of the role of small and medium sized cities in the future Green Paper, a proposal for an innovation and creativity voucher scheme, the creation of a broader European Network for Creativity and a competition for “Creative Territories”.

In the closing session, Victor Campos of the Portuguese Managing Authority (DIOGTU) also stressed the importance of following through these ideas in the work on the Leipzig Charter. Finally, Carlos Zorrinho, the coordinator of the Lisbon Strategy in Portugal and the Portuguese representative of the European Year for Innovation and Creativity promised to promote the charter. “Small cities can be global locations in the sense of offering a high quality of life and being connected world wide”.

One of the main tasks of Creative Clusters will now be to link its work into the growing number city networks dealing with similar issues in each country and the EU as a whole.