From Creative Industries to the Creative Place
Refreshing the Local Development Agenda in Small and Medium-sized Towns

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“Creative industries must move from the margins to the mainstream of economic and policy thinking”
Creative Britain - New Talents for the New Economy [2008]

The article draws attention to the potential role of creative industries [and creativity-based business models] in building the new post-crisis economic landscape, and how this is promoting a re-view of local development strategies in most innovative cities. Few urban issues deal simultaneously so deeply with both space [physical dimension] and economy as creative industries. Indeed that is why these innovative cities are creating a sort of meta-projects or “local creative ecosystems” which deal with people (creative class), the economy (creative industries and entrepreneurs) and places (creative quarters or the very idea of the creative city) – all at the same time. This trend opens a window of opportunity for many well-positioned medium-sized urban agglomerations and is also a driver for re-thinking the current basis of rural development.

Envisioning creativity in post-crisis urban economies.

“In the knowledge and creative economy, regional advantage belongs to places that can quickly mobilize the talent, resources and capabilities required to turn innovations into new business ideas and successful commercial products” ¹. This basic assumption, rapidly diffused thanks to the successful work of Richard Florida, is re-shaping many working agendas in urban economic development around the world, especially in the OECD area. Attracting and retaining creative talent, which is comparatively more mobile than the average, is becoming a key driver for many place-based economic development strategies. This vision, strongly based on the seminal work of Jane Jacobs in the 60`s about the role of the community life, updates several other key ideas which all reinforce the concept of creativity as a cross-cutting driver for a new generation of local economic development strategies.

The first of these ideas refers to the growing importance of clusters built around creative-based activities going beyond the cultural sector. These clusters also comprise fashion, design, video, computer games, software, architecture, etc. This set of activities currently accounts for around 5-6% of EU’s GDP, but they are growing faster than the average for industry as a whole ². The implication is that the creative class is much more than artists and people from the cultural word and now includes professionals, tech-people or scientists. Moreover the creative cluster is revealing itself as a powerful source of innovation, although most of such innovation remains ‘hidden’ from the light of traditional innovation indicators, as the think tank NESTA has reported in research on a number of British creative industries such as videogames, product design, advertising


² Years ago some talked about the TIME cluster: Technology, Information, Media, Entertainment.
and broadcast production. The key role of creative activities in the diffusion of innovation is likely to have consequences in terms of spatial development.

A second major idea comes from the field of business management, where creativity is increasingly seen as a new driver for growth in all industries [creativity-based business models], once knowledge has already been assumed as a main feature. A recent report commissioned by the British HM Treasury states that "the intelligent application of creativity and design allows businesses of all sizes to access new, global markets by increasing the distinctiveness of products and services and competing on the basis of the added value of their unique appeal to consumers".

As a result it is now mainstream to recognize that creative industries are called to make a significant contribution in building the post-crisis economic landscape. The “European Competitiveness Report 2010”, drafted by the European Commission, refers to the “transforming role” of the creative industries for the future of EU’s economy. The last communication from the Commission to the European Parliament and the Council on the state of economic and social cohesion in the Union is entirely devoted to innovation and creativity as key drivers. The new productive model, still to be shaped, will be green and low-carbon, tech-based and creativity-based.

Here it is important to give a warning about the major influence of Richard Florida, over urban economic thinking and performance nowadays. Florida himself was probably the first to be surprised with what was initially an excellent essay on labour sociology but which was rapidly raised to the category of urban theory. This shows how in need policy-makers are of a general theory of the city in the era of globalization. Indeed, for a decade we have witnessed an over simplification of the most popular explanations related to urban and regional dynamics. A kind of “weak thinking” in regional economic development.

We should avoid interpreting Florida’s ideas about the city in a simplistic way. In fact, it is difficult to consider his “three T’s model” as a serious urban theory. It should rather be considered as an inspiring idea, which is very useful for refreshing urban policies. In other words, if we address Florida’s thinking on the creative city as an inspiration and not as a new urban pattern, and if we listen to his critics at the same time, we can go beyond the trendiness of his ideas and assess the importance of the creative driver in the economic development agenda in a more balanced way. Following this line of approach, it is possible to see that considering creativity as a key driver of both business and local development allows one to put people at the core of both.

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6 As an example on this too much simplified interpretation of the urban-regional dynamics, see the success of Kenichi Omahe as a regional scientist [The End of the Nation State: The Rise of Regional Economies, 1995, Free Press].

The creative ecosystem: people, economy, places, policies.

Based on these premises the URBACT network Creative Clusters [http://urbact.eu/en/projects/innovation-creativity/creative-clusters/homepage/] has developed the concept of creative ecosystem as a basic analytical tool. The creative ecosystem is an environment of excellence focused on creative-based activities. It comprises people [creative class and entrepreneurs], the economy [creative industries] and place [ranging in scales from creative-oriented facilities to creative districts and the city]. It is supported by specific policies, mainly at local level but framed by regional-national-EU creative-oriented strategies.

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8 We have used that concept as developed by INTELI, a think tank on innovative spatial development based in Lisbon. INTELI is partner in the URBACT network on Creative Clusters.
People. People who work in arts, music, entertainment, culture... but also in science, engineering, architecture, design... In other words, the creative class is much more than the people working in the creative industries. And it also covers a range of creative occupations which account for a significant portion of the workforce, such as 30% in Holland or 21% in Hungary. In this context, the concept of creative entrepreneurs is gaining force. As a result, smart cities and regions are increasingly competing to attract and retain not only companies but talents. And that competition is already global.

The economy. The concept of creative industries emerged in the 1990s through the Department of Culture, Media and Sport (DCMS) of the UK government. Its first report on the issue included a definition of creative industries which is still used and very popular: “activities which have their origin in individual creativity skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property.” Other definitions and conceptions emerged later and spread, within multilateral institutions such as the OECD, UNCTAD and the World Intellectual Property Organization, and in Europe. At a European level, it is worth mentioning the “Nordic approach”, linked to the concept of the “experience economy”, which includes creative industries, the toys/amusement industry [with the Danish company LEGO as the benchmark], “edutainment” [entertainment & education] and the so-called wellness sector.

It is important to distinguish the debate on creative industries from the debate on the economy of culture. In the former, the framework is not culture and cultural policies. We are not so interested in Takashi Murakami as an artist but rather as an entrepreneur, who from his holding Kaikai Kiki Corporation, with about a hundred collaborators between Tokyo and New York, designs, produces and sells worldwide everything from his works of art to his line of merchandising products. The scope creative industries is not limited to arts or culture, it extends to fields where creative individuals, managers and technologists meet together.

Place. Creative clusters generally emerge organically in specific urban frameworks with distinctive features, namely: community life and vibrant cultural agendas; fuzzy borders between work and leisure, between working space and private residential space in a sort of 24/7 lifestyle; knowledge-oriented facilities; affordable housing; informal networks [see diagram on Reggio Emilia] or hyper-accessibility, which does not necessarily mean living near an international airport but being able to gain easy access to it by train or motorway.

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High collaboration in figurative arts

Linkages between creative firms and professionals in Reggio Emilia.

Spatial framework: places

Creative clusters in space: a model. Source: INTELI, Grupo TASO
Nevertheless a number of creative clusters are being promoted in a top-down approach by regional and local authorities across Europe, who recognize the relevance of such initiatives as part of a new spatial development strategy. Examples include: the Cultural Industries Quarter in Sheffield, specializing in music, cinema, TV and radio www.ciq.org.uk; Arabianranta in Helsinki, which is focused on arts and design www.arabianranta.fi; the Digital Hub in Dublin, based on media and ICT www.thedigitalhub.com; the “22@bcn” district in Barcelona, which deals with media, ICT and health www.22barcelona.com; or the Museums Quarter in Vienna, related to digital culture, fashion and design www.mqw.at.

In most cases, specific organisations are established to implement these creative-based strategies. For example, the Digital Hub Development Agency, owned by the Irish government, cooperates with the Creative Dublin Alliance, www.creativedublinalliance.com, a unique partnership between the city’s key institutions committed to creativity and innovation. Led by the Dublin City Council, the alliance includes as members the city’s universities, the business sector, the Chamber of Commerce, and the Industrial Development Authority. Through events, local and international networking and awareness-raising activities, the alliance connects institutions and actors in the fields of innovation, arts, design, ICT and urban development.

Policies. Truly effective policies to boost creative ecosystems find themselves at the crossroads between industrial and SMEs policies, cultural policies and urban planning. At European level, the policy framework for this kind of initiatives has emerged only recently, at a very modest pace, even though the first diagnoses to support policy-making were carried out in 2006 14. In 2010, a Green Paper on Cultural & Creative Industries ["Unlocking the Potential of Cultural and Creative Industries"] was produced by the European Commission’s Directorate for Education and Culture, while the Directorate for Enterprise & Industry will launch the so-called European Creative Industries Alliance as a pilot experience in the first months of 2011.

Such initiatives arrive a little late, as many EU cities and regions already have strategic frameworks and specific agendas to promote creative clusters, for example, in the UK or the Nordic Countries 15. In Britain, the pioneering work of the Creative Industries task force [Department of Culture, Media and Sport] was elevated to the status of national strategy in 2008 [“Creative Britain-New Talents for the New Economy", http://www.culture.gov.uk/images/publications/CEPFeb2008.pdf ]15 and a strong think tank, NESTA, was established with the mission of providing strong analytical fundamentals and policy guidelines for a range of knowledge and creative-based industries. At the same time, regions and cities in Northern England relied heavily on creativity-based drivers to re-make their declining coal mining and heavy industry-based economies.

14 European Commission. 2006. The Economy of Culture in Europe. DG for Education and Culture. Study prepared by KEA http://ec.europa.eu/culture/key-


16 It happened during Labours in power. But also the current Coalition Government in the UK has adopted Richard Florida as one of their gurus for envisioning future country opportunities.
A window of opportunity for many medium-sized urban economies.

It is not difficult to identify plenty of relevant experiences related to creative-based strategies among big cities and metropolitan areas. However, there is also scope for medium-sized cities to position themselves on creative and cultural industries, in a way which, to some extent becomes an opportunity for them to counter risks of marginalisation in the future.

Many European cities have already taken this path. Óbidos in Portugal is a small village, 70 km north of Lisbon, with a powerful strategy based on creativity [they are the lead partner of the URBACT network on creative clusters]. Also in Portugal, Paredes, a small town in the Porto city-region, is trying to revitalize its role as an industrial district in furniture manufacturing by locating downtown new functions related to design and innovation. The “Paredes design city project” is basically a physical regeneration project serving a strategy for industrial development which uses creativity as key driver.

In Germany, the nine cities of the Ruhr Metropolis are developing “Creative Quarters” as a decentralized programme to house artists and creative people in vacant industrial buildings. Currently the programme offers 33 buildings with an area of near 100,000 m². In Belgium, the Flemish town of Kortrijk [76,000 inhabitants] is actively using design and open innovation to “contaminate” a number of city features, from the University to the central district of Buda; meanwhile, Liege is working upon the so-called strategy Creative Wallonia. In Italy, Reggio Emilia, an URBACT Creative Clusters partner and a world-class benchmark in creative education, is applying the innovative concept of “educational city”. Terni [120 km north of Rome] is promoting the old quarter of Città Giardino as the city creative district using a new cultural facility, CAOS, as a seminal point. The British Council is supporting an ambitious programme in Eastern Europe aimed at the development of creative-based local strategies in medium-sized urban areas.

These cases are concrete expressions of the relevance of creativity in local development, beyond the specific context of the main urban hubs and core cities. This is basically the vision of the URBACT project Creative Clusters, which is currently investigating how to transfer the “creative city model” to small and medium-sized towns. In other words, to transfer a range of attributes like accessibility, cultural life, hi tech facilities, competitive clusters or global networking which have, up to now, been considered the domain of large cities. “Think small in a big way” is the motto of the Barnsley Strategic Development Framework 2003-2033 [also a URBACT Creative Clusters partner, in the UK] and it illustrates perfectly this ambition.

The findings of Creative Clusters are important at EU level because they show how creativity can lead to a sort of leapfrogging in terms of social and economic development in small and midsize towns. They also offer an opportunity to re-think rural development, which is often constrained within a narrow triangle made up of ecotourism-agrofood-craftmanship. By introducing the concept of creativity, a new more contemporary idea of rurality can emerge in Western countries. Óbidos in Portugal is an excellent benchmark of this approach.

However not all spatial contexts enjoy the same conditions for success with such strategies. In this sense, a combination of two spatial concepts can be very useful. First, the OECD concept of “intermediate regions”, that are neither rural nor urban and which are basically composed of small and medium-sized towns. Secondly, the

17 At EU level it is remarkable the ACRE project [Accommodating Creative Knowledge–Competitiveness of European Metropolitan Regions] carried out under the 6º FP, covering cities such as Helsinki, Amsterdam, Barcelona or Budapest. See also Currid, E (2007), The Warhol Economy: How Fashion, Art and Music Drive New York City, Princeton University Press.

18 In this exploration about the movement from a traditional rural pattern to a more sophisticated one, see: Developing and Revitalizing Rural Communities through Arts and Culture, an International Literature Review and Inventory of Resources. A report prepared for the Creative City Network of Canada, 2009.
remoteness/proximity duality or accessibility to a main urban hub. Combining both criteria, the intermediate regions close to a main urban hub account 36% of population of the EU27 \(^{19}\). This is precisely the kind of spatial context dealt with by the URBACT Creative Clusters project.

### Refreshing the working agenda in local development.

An integrated approach based on the model of a “local creative ecosystem” mentioned above can be an important tool for opening the window of opportunity in middle-sized towns. The experience of partners in “URBACT Creative Clusters” shows that transforming this vision into a working agenda means considering five main working areas at local level.

1. **Creative industries within a new cluster reading of the local economy.**

A new cluster reading of the local economy [no matter what dimension] has to be seen as an exercise to refresh or re-think urban economy in order to: i) identify and encourage new emergent realities, knowledge and creative-based, such as the new media clusters in Reggio Emilia [Italy] and Barnsley [UK]; ii) build new competitive advantages in existing mature industries using creative drivers like design as Hódmezővásárhely [an URBACT Creative Clusters partner, in Southern Hungary] is doing with its traditional ceramics sector. So, the challenge is not only to promote new emergent clusters based on creative industries, but also to activate creative drivers to imbue mature local industries with new growth potential\(^ {20}\).


\(^{20}\) Recent researches have underlined the symbiosis [co-location] between the creative industries and other clusters such as the knowledge intensive business services (KIBS). See: Chapain, C. et al. 2010. *Creative Clusters and Innovation. Putting Creativity on the Map*. NESTA.
2. City strategies for attracting and retaining creative professionals and entrepreneurs.

There is a role to play by local governments [in alliance with regional strategies] in packaging support measures specifically adapted to the nature of creative entrepreneurs. These can include tax reductions [like the “Tax free Óbidos” system], real estate facilities, financial tools covering intangible assets, networking activities, venture capital systems or effective linkages to business angel networks.

The Creative London programme is a scheme delivered by London Development Agency providing support in advice, business incubation, access to financing, protection for intellectual property rights and access to production studios at attractive rates. It also comprises a venture capital fund for individual equity investments starting from a minimum of £70,000. In Northern England, CIDA, the Creative Investment Development Agency, has assisted over 3,200 individuals and over 2,500 businesses since its launch in 2000. In Holland, the Dutch Creative Industry Fund, created in 2006, offers support ranging from 20,000 € to 40,000 € to support start-ups in creative industries.

Such as initiatives have to be properly diffused, inside and outside the city, through a focused communication policy. However, branding and communication should be a link in the chain of a creativity-based local strategy not the starting point. Credibility must be a key-word in this kind of city intervention. Moreover, branding should be approached as a process aimed at the production of a new vision of the city, a sort of re-thinking of local identity around creative-based narratives. The work recently carried out in Óbidos [“Óbidos Criativa”], Barnsley [“re-making Barnsley”] or Jyväskylä in Finland [“the human technology city”] are impressive examples of this approach.

Attracting and retaining creative talent in medium-sized towns. The strategy of Barnsley, UK

Attracting and retaining creative talent in Barnsley is set against a backdrop of a deprived post-mining economy, with a small but emerging creative sector. Located inside the triangle Manchester-Sheffield-Leeds, in Northern England, regeneration investment in Barnsley has provided key venues for culture and creative industries locally but these have struggled to attract occupants and audiences and there is a clear need for more focused activity, building on from a current mapping exercise and strengthening this emergent economic sector by understanding its needs and the challenges it faces.

Sector development is already happening, and over the last few years a stronger connectivity across the sector has been helped by social media. This ‘conversation’ has enabled individuals in the sector to connect naturally, and the public sector to ‘tune in’ to what is going on, and contribute where appropriate. Key to this has been creating environments for discourse and allowing free use of this - both cost and restriction free! The sector has been able to stimulate its own informal skill sharing and networking via these platforms.

There is a need to animate the sector if it is to grow stronger and keep talent local. This includes animating the places and spaces that we have built with cultural and sector development focused events such as networking, and encouraging sector led ‘guerilla’ activity across all venues and places as well as programmed activity.

The networking programme gives access to speakers, ideas and spaces that wouldn't usually be freely available and brings interested parties from outside of the area to experience first hand a positive event and atmosphere. The events also encourage a sense of ownership of the sector and its physical assets, which in turn builds confidence, pride and word of mouth promotion. High profile events developed locally but for a local, regional and national audience are also important – Northern Futures, Small World and Barcamp Barnsley present the town in a positive and proactive way.

To summarise, we are aiming to attract creatives with the animation of our spaces, and our openness to ideas, and retain them with a strong, supportive infrastructure and a sense of ownership. The sector is encouraged to have its own voice, be confident and connected, get on everyone’s radar and be a friend to many. It isn’t about just throwing money at the sector – providing an ecosystem to encourage creativity is fundamental.

Tracey Johnson
Sector specialist creative and digital industries
Barnsley Development Agency
3. The space of the creative class: new urban working environments.

There can be no truly creative-based strategy in local development without a specific spatial framework. So, the question is what spatiality for a creative-based city strategy? Well, from regional and urban planning to architectural design, different scales have to be considered in providing functional urban space for creative-based businesses and entrepreneurs.

At neighborhood level creative quarters can be promoted also as part of regeneration processes in deprived central areas or peripheries. Creativity can also be used to re-activate flat public spaces. In these cases, it is important to manage the mix of work/housing/retail/leisure land uses in a balanced way, as well as the continuum private-work life of creative professionals.

On the other hand, a new generation of creative-based facilities driven by flexibility, hybridation and interaction is emerging. Examples include: incubators for creative-based teams and firms (see the image below of the so-called Digital Media centre in Barnsley), thematic business parks for creative activities like the Parco della Citadella in Viareggio for carnival artisans (Viareggio is partner in URBACT Creative Clusters), spaces for co-working, fab-labs, creative programmes in conventional business centres, artists residences, culturally outstanding facilities such as the Casa da Musica in Porto - in an impossible design by Rem Koolhaas or “low-cost” alternative cultural spaces in the other side.

An important challenge in all these new kinds of initiatives is to avoid elitism. Rather than creating isolated avant-garde urban hotspots the aim should be to promote the aforementioned “local creative ecosystem”, where the hotspot becomes a functional tool, a coherent piece, in the framework of a city meta-project. The new facility must be also coherent with local creative capabilities and context. Indeed a credible creative-based strategy should try to link existing heritage with contemporary trends. In this way, it is possible for different visions and interests to converge around the creative-based facility and new formats of local project-based micro-agreements can be used for that purpose.

Creative-based incubator and business centre: Digital Media Centre Barnsley, UK
4. Events and cultural agendas as catalysts.

Cultural events and agendas can not only help to build the local creative ecosystem but also to establish a real connection between cultural policy and economic development policy at city level. Beyond the “put-on-the-map” effect, singular cultural events must be used to establish credibility, by engaging the local creative fabric as much as possible including in post-event activities. Hämeenlinna (Finland), Óbidos (Portugal) or Viareggio (Italy) are associated with distinctive summertime opera festivals spread through word-of-mouth. Other examples of small or medium sized towns linked to unique, creative experiences or events include: Sundance-independent cinema, Sitges-fantastic cinema, Glastonbury-rock music, Avignon-theatre, Montreaux-music festival, Basel-modern art and so on...

5. Incubating future talent: creative educational environments at local levels.

One of the key findings from the preparatory phase of the URBACT project on Creative Clusters was that many cities taking a serious approach to the creative paradigm were also developing innovative and creative local education systems at primary and secondary levels. These cities are incubating the talented local people of the future.

Thus, the “Escolas d´Óbidos” programme [a comprehensive local scheme which not only deals with the school curricula but also with new school designs] is formally part of the Creative Óbidos strategy. In building such programme the city is using open innovation methods, collecting inputs from stakeholders from a 360° circle around the

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22 On this issue see: Creative Learning & Innovative Teaching: Final Report on the Study on Creativity and Innovation in Education in EU Member States. Joint Research Centre-Institute for Prospective Technological Studies. The final report, commissioned by DG Education and Culture, will be delivered in early 2011.
school. In fact they have learnt the idea of the “educational city” from Reggio Emilia. The famous Reggio approach to education is the result of combining teaching methods, architecture [school design], families, children themselves, specialized public agencies [Reggio Children], firms... leading to the concept of “the educational city”, a local ecosystem focused on education.

In conclusion, a comprehensive approach that could be called “from creative industries to the creative place” has great potential for re-thinking urban strategies. It requires a clear vision and strong leadership. It also involves a high level coordination between cultural policy, economic development policy and urban planning. But for this city size does not matter. In fact, a medium to averaged size can be an added advantage in this type of innovative urban policy.

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URBACT is a European exchange and learning programme promoting sustainable urban development. It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants.

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