

[Andy C. Pratt](#)

Innovation and creativity

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Cities, Innovation and Creativity

By Andy C Pratt

LSE Urban Research Centre, and Department of Geography and Environment, London School of Economics

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Introduction

Innovation and creativity matter: whether it is in terms of economic opportunity, social problem solving, or simply the generation of new ways of understanding or the codification of old ideas. From an historical point of view, more innovation and more creativity has emerged from cities than from rural areas. Moreover, huge cities appear to be more favoured with innovation and creativity than smaller ones. This is suggestive of the fact that cities may have a significant quality that generates innovation and creativity. If more innovation takes place there is a greater chance that a proportion of it will be translated into novel products, and economic growth. Clearly, size alone is not an adequate explanation of the absolute and relative positive performance of cities.

Comment [PH1]: Kind of obvious to us - but would examples or references be useful to establish the creativity of cities?

The work of Jane Jacobs seeks to characterise cities as the primary origin of economic and social change. First, based on archaeological evidence, she reverses the commonly held notion that cities and administration came after rural development (Jacobs 1969, see also Soja 2000). Second, she argues that cities are the primary movers of innovative action, not states (Jacobs 1984). Peter Hall's (1998) *Cities in Civilization* provides a series of case studies to illustrate how particular cities have, at different times, been the crucibles of creativity, innovation and planning. Hall's examples (of creative cities) are idiosyncratic but indicative: Athens, Florence, London, Vienna, Paris and Berlin; his innovative cities are: Manchester, Glasgow, Berlin, Detroit, San Francisco and Tokyo. Hall's point is well made, namely that cities are not either creative or innovative forever, but their fortunes and capabilities wax and wane. His survey, although primarily descriptive, is suggestive of the subtle balancing acts that cities, their people and institutions, must constantly negotiate.

The Modern movement in arts and literature that flowered in the early 20th century is a good example of how social changes are interwoven with economic ones, and cross cut with migration and governance issues. Within this change a number of cities became key nodes: Paris, Vienna, Berlin, New York and London (see Bradbury 1991). It was these cities in particular that became the sites of migration and meeting, exchange and debate: they became the site of a new 'buzz'. If we roll the debate forward to the present we can all debate which cities are 'hot'. However, I think that the lists that we might draw today would reflect European-American, colonial and post-colonial heritages, as well as the emergence of new social, economic and cultural spheres of influence in the global East and South. On drawing up such lists we might be careful to distinguish which cities are actually innovative and

creative, and those that have the economic power to promote themselves as such. Such a judgement is often easier with hindsight.

The explanation of precisely how, why and where creativity and innovation occurs is complex and contentious, not least because the key terms are slippery themselves. For many, the most obvious concern is economic growth, although many would accept that innovation and creativity may also make cities more 'liveable', either as more interesting and stimulating environments, or, as better governed and more organised places. Innovation and creativity are processes that take place around and across production processes and the practices and organisation of social life. Many writers have highlighted the informality of this dimension, moreover, they have pointed out that cities offer ample opportunities for the informal and serendipitous meeting. The nub of this issue is the nature of social and informal economic interactions, which are commonly, termed 'buzz'. Buzz, it is claimed, commonly provides an important 'antennae' for local market and non-market shifts in perception. Research suggests that buzz is usually experienced in intermediate or neutral places (seldom actually in the work place, although workplaces are increasingly being designed to incorporate 'neutral' places); the classic case is the coffee bar or salon, in recent times it is as likely to be a restaurant or a club. It is common for cities to aspire to the qualities of innovation and creativity – but the questions remain, can they be encouraged, or undermined, through policy-making? To be clear, a creative and innovative city is not simply a place with a few trendy bars and restaurants, nor one with some controversial architect designed buildings. The relationship between innovation, creativity, and the city is at once both a simple and a complex one. On one hand, it is simple in the sense that it trades on a common assumption that cities are the hub of enterprise and culture: of course, such an assumption remains just that if we cannot point to evidence that links creativity and the city. On the other hand, it is a complex issue because there is a considerable degree of confusion or fuzziness about what creativity and innovation are. Moreover, picking up on the common sense notion already mentioned, we need to question whether cities are necessary or sufficient for the promotion, and exercise, of innovation and creativity. The answer to this point is surely that innovation and creativity can be found in rural and peripheral areas as well.

What then is the role of cities? We might qualify this question by suggesting that cities simply have more of 'it' and thus set in train a process of cumulative causation: more begets more. In this case, the 'it' may be (amongst other things) a bigger market, or more co-creators that may constitute a critical mass. We may further want to question the precise mechanics of causality: is it a simple diffusion process, or one that is structured? Which direction is causality and in what way do say, innovation and cities relate? It is clear that the innocent assumption of the relationship between cities, innovation and creativity is rather difficult to unravel.

This chapter explores this question by first clarifying what might be understood by innovation and creativity. The former term does have a social science literature related to it, and has long been debated primarily because

of its perceived economic importance. However, the term creativity has been less commonly deployed. It is tempting to conflate creativity and innovation; however, I want to keep them apart in order to examine the assumptions and tensions within the terms. By examining this tension we will arrive at a more satisfactory understanding of the relationship of both with urbanisation.

A romantic interlude

Romanticism may not seem, at first sight, to have much to do with our topic, however, I want to argue that notions of creativity and innovation are shaped by Romantic ideas. Underpinning much of the debate and potential policy is a question: is creativity a personal trait, or a collective outcome? Ultimately, the answer to this comes down to a judgement call derived from one's notion of the nature of social action. Those who hold the view that the world is made up of random and isolated individuals favour the former and those who argue instead for the structured social nature of action favour the latter. Of course, as always, people have sought to have both sides of the argument seeing a recursive relationship between individuals and social structures. I want to argue that such a decontextualisation reifies concepts and draws our attention away from the practices that constitute them. My point here is to depart from the usual line of discussion on this topic so as to contextualise these logical points as well as positioning them in the context of an intellectual history. When we read about creativity it is important to understand how the author is positioning creativity. In short what I am suggesting is that what may be required is not just a critical approach, but a genealogy of creativity and innovation (Osborne 2003).

There is not space to more that sketch the parameters of this debate here. Suffice to say that a robust notion of creativity can be found in 'romantic thought' - an artistic and cultural movement prevalent in Europe in the late 18th C and early 19thC. The precise interpretation was varied, but in Britain it was positioned as a reaction to rationalism and neo-classical values. The core ideas concern the importance of the individual's subjective experience, which it was argued, offered unique insight into 'truth' and 'beauty'. Romanticism challenged the dualism of imagination and judgement by proposing that imagination is self-validating (Welleck 1963). The conscious rationale of the romantic artist was to break with accepted forms to gain the freedom of personal expression. It is from this body of thought that we get the notion of 'art for art's sake'; and as embodied in the play Chattertonⁱ: the artist who is willing to sacrifice all to 'art' (Easton 1964).

Within such a notion, which has come to inform public understanding of the subject, we get the idea of the lone genius who (necessarily) exists on the margins of society, and the attendant mirth that meets any suggestion that art, creativity or innovation can be planned or guided. Nonetheless, practical attempts to harness creativity can be found, for example, in advertising agenciesⁱⁱ where the objective has been to acknowledge the otherness of artists/creatives, and to incorporate them into a commercial process. Historically, this has been achieved through management of the division by physically separating workplaces, and having different dress, and time-

keeping, requirements (Warlaumont 2001). Society has also managed, and re-produced, this dualism by seeing artists as 'separate' and 'apart': offering financial support that seeks not to taint the art. Art, the output of creatives, is venerated as a thing in and of itself that improves society (by giving us access to 'higher things'). It will be clear that such an ur-Romanticism cannot be brushed aside: it constitutes a structure of thought for much Western literature (disclosing an ethnocentrism as well). These concepts and values underpin a notion of individual creativity and innovation as normal, and favour the interpretation of practice through such a lens despite the contrary evidence.

The Romantic notion also applies to science; again the figure of the sole pioneer battling against social norms and structures is widespread, as is the 'eureka moment' of discovery (which is, of course, only the beginning of a process, brilliantly explored in the work of Latour (1988)). We can note in the same way that artists have been constituted by a distinct division of labour, and spatiality, so have scientists (Latour and Woolgar 1986; Massey. et al. 1992). The classic formulation is the laboratory (or, for artists the studio) as the site of 'genius'. Scientistsⁱⁱⁱ also, are distinguished by cultural stereotypes of image (white coats, etc). Whereas creatives are stereotyped for their chaotic genius, scientists are celebrated for their order. Both cultural and scientific myths are reinforced by social institutions^{iv}. The two are not equal, but different. In contrast to creativity, innovation is commonly discussed in an instrumental economic framework; the equivalent of 'pure art' in this context is 'blue skies research'. However, in Western societies the economic value and political legitimacy given to the latter out-weighs the former although both are intrinsically 'useless' until application. In conclusion, the question of whether creativity and innovation are individual or collective enterprises is not simply a choice between alternative logics, but it is one imbricated in society. It is important to bear this in mind when discussing these concepts.

Creativity

The term 'creative', as an adjective applied to processes, is relatively new. It has certainly received two quite distinct boosts in the last decade. The first of these occurred in 1997 as the UK government turned its focus on policy making in relation to the cultural industries (Pratt 2005). For a variety of reasons the term 'creative industries' was used instead of cultural industries. However, in practice the same elements of the economy were indicated (film, television, design, high fashion, publishing, architecture, the visual and performing arts, new media and computer games, and advertising). The publication of data on employment and output surprised many by the scale of its general contribution to the economy. Searching round for an explanation for the economic growth indicated by cultural mapping surveys many sought to conflate the creative economy with the information/knowledge economy (Garnham 2005). The latter notion draws upon the work of Bell (1973), in particular his work on 'post-industrial society' which others have sought to restyle as 'the knowledge economy'. Details aside, this has positioned the creative economy as the cutting edge of the post-industrial knowledge economy: in other words as the 'new thing'. Bell argued that the developed

Comment [PH2]: when did this occur? relate to New Labour. How about elsewhere - how widespread is this rhetoric in US/Europe?

nations were increasingly dominated by people involved in the manipulation of ideas rather than things. Moreover, he argued that scientists, and what others have called the symbolic analysts (Reich 2000), would add value to products; in fact they would be the key element in future production. Following this line of argument 'creativity' is the source of competitive advantage in the post-industrial economy. Hence, it is understandable that policy makers should seize upon the 'creative industries' both as a label and as a panacea. Of course, we can find creative activities outside the 'creative economy' (in the car industry, in administration, etc.). This clearly makes the concept unwieldy. At a government level this has led to the exploration of the ways in which creativity can be promoted via the education system (Naccce 1999). The notion quickly travelled across Europe and around the world as policy makers sought some of the 'magic dust' of creativity. It was an idea that made all the right connections. There is an irony in the embrace by the global South and East of a global North and Western concept of culture by cities that were in other ways seeking to stake out their separateness and individuality.

A second and significant rise in the popularity of creativity can be noted in the use of creativity as spectacle and entertainment; put simply, as a means of attracting visitors and customers to a place. The notion of creativity as a selling point draws straight from business studies, namely that of the entertainment economy, or experience economy: the classic example is the redevelopment of Baltimore harbour (Hannigan 1998; Pine and Gilmore 1999). Retailers and city managers have caught on to the fact that a good experience helps to open people's wallets. In part, this is a response to the fact that shops are increasingly similar; and malls are too. The differentiator proposed here is 'the experience'. Such a notion is very attractive as it arguably requires no latent resources and, with investment in the right labour force and setting, it could succeed anywhere. An early version of this spectacle is embedded in the idea of urban tourism; where the unique assets of a city – its heritage – are the attraction, and hotel bed-nights and consumption are represent the benefit gained. In recent years attempts have been made to attract the 'cultural tourist' to cities with the hope that they will be well off and well behaved, in contrast to the archetypical 'sun and sand' tourism (for example, Barcelona compared to the Costa Brava) (Pratt 2000a).

[Box 1 about here]

Both cultural tourism and the entertainment economy have been used to justify investment in urban cultural infrastructure. This has extended to the creation of new architectural icons to attract visitors and investors (the classic example being Frank Gehry's Guggenheim art gallery, Bilbao). The more controversial such schemes are the more they attract publicity. Cities have long competed against one another for foreign direct investment and the nature of environment, or the cultural attractiveness, are heavily implicated in such promotion (Harvey 1989). Not surprisingly, a number of indexes have been developed that rank cities on liveability or even creativity (see Box 1). The latest and most explicit linking of these aims can be found in the work of Florida (2002). Richard Florida has argued that the three drivers of the creative class are technology, talent and tolerance. That is, cities that score

highly on these become magnets for high-tech investment and growth (based upon the notion that the high-tech sector is the current touchstone of economic growth). Florida's study of US city regions offers the following top five: San Francisco, Austin, San Diego, Boston and Seattle. Florida's point is not that creativity, but that the presence of creative workers (the 'creative class, a very widely drawn concept), makes a successful city. These workers themselves then become a magnet for high-technology, high growth, firms seeking to employ them (see also an important critique of Florida by Peck 2005). From the point of view of the argument developed in this paper a central point about all of these insights is that they are about consuming culture, and not about its production. As noted above, the new mapping studies of the cultural sector have pointed out that it is a growth area in its own right, and are not simply entertainment 'candy floss'. Florida's creative cities not about innovation (product or process), nor are they about cultural production (or creativity).

A trio of less publicised, but none the less important, perspectives on creativity and the city have been discussed and deployed as the basis for policy making. The first of these concerns creativity being used in a socially instrumental manner in cities. The argument being that the pursuit of creative activities can be distracting and engaging, as well as a means of building understanding and mutual respect. There are many examples of socially innovative projects that use creativity to reinforce social cohesion (Bianchini and Santacatterina 1997). Those evaluations that have taken place point to significant success (in terms of social cohesion) (DCMS 1999). Another-related – use of creativity has been in social problem solving. The work of Charles Landry (2000) is a testament to the possibility of innovative and socially embedded problem solving through the use of local social and cultural resources. Inter alia it achieves social cohesion, and sometimes produces artful outcomes as well. A striking example of this is discussed in Landry's book, the Emscher Park in Essen. This is the case of a run down coal mining region that was developed into an eco-tourism area and design centre. It is a remarkable example of lateral thinking, social and economic regeneration.

Thus far we have the dominant notion of creativity as a magic bullet that leads to competitiveness, followed by creativity as a 'honey pot' to boost consumption and attract investment, and creativity as a new cultural resource for problem solving. A final application draws upon a different conception of creativity, one that concerns the creative industries themselves; that is one concerned with cultural production. As noted above, the notion of the creative industries does itself cover a wide range of industries. Those that have commonly been focused on as providing economic growth in themselves, as well as providing important inputs into other areas of social and economic life, are: High fashion, design, new media and advertising. These, and other creative industries, are unevenly distributed in cities around the world; considerable advantages are conferred by their location. However, it is not clear precisely why they are located where they are (see, for example, Scott's 2005 work on the Film industry and its shifting locational dynamics). The work of Becker (1984), and Peterson (1976), challenges the individualist reading of creativity, as well as the dominant reading of consumption and culture (Pratt

2004b;a) and offers an alternative in the identification of an institutional framework that stresses the interconnections and feedback between processes of production, referred to elsewhere as the production system or chain (Pratt 1997). Robinson articulates this process well (see Box 2).

[Box 2 here]

Innovation

The study of innovation is a much more familiar couplet with cities and it is a staple of urban and regional economic analyses; although much work is surprisingly a-spatial in its expression. The individual-social dualism is also found in the work on innovation. It is considered in the context of diffusion versus more structured processes of transmission of ideas. Whilst first discussed in the economic realm, recent studies have stressed the social dynamics too. As I will note, an important argument here is that in some cases (and in the creative industries in particular) the social dimension is the key to explanation.

The early study of the process of innovation was characterised by a crude linear flow chart that began with an innovation, passed through patenting and ended up as product in the market place. From such a perspective one is drawn to 'blockages' to the flow, and to measures such as 'patents' as a surrogate of innovation. Research written from an institutional perspective opened up importance of the organisational setting of innovation and raised the question that it may not be the number of innovations but the means of translating them into products and sales that might be the key issue. This is a huge literature which I can only sketch out here (see Simmie 1997; Simmie 2003;2004).

Perhaps most significant in this body of work has been that which derives from Lundvall (1992) on National Systems of Innovation (NSI). The point here is that the institutional context of innovation can enable or constrain new ideas turning into products, or of them being successful in the market place. A more recursive notion still is provided within the context of the study of the social shaping of technology (Mackenzie and Wajcman 1999). Whilst the NSI material is focused on the nation state it has applications at the urban level as demonstrated by Amin and Thrift's (1994) notion of institutional thickness.

This concept of a dense variable and interlocking social and economic network has also been used by writers such as Grabher (1993) to explore innovation and its relationship to space; here it refers to embeddedness. The notion of embeddedness draws on a legacy of work that can be traced back to Karl Polanyi who stressed the material interactions, and tacit nature, of economic life. Tacit knowledge requires interaction in situ; codified knowledge can be conveyed remotely in a text. It is not surprising that this approach holds attractions for urban researchers. Grabher (2004), for example, argues that these network interdependencies are exaggerated with groupings of project-based enterprises; that is firms with a limited life, or firms that deal

with limited life projects. Classic examples are the film and television industries and advertising (for example for film the 'A' list includes Los Angeles, London and Paris as well as Mumbai, Hong Kong, Tokyo, Seoul, and Manila).

Analyses of the social dimensions of economic life have pointed to a range of silences in traditional economic accounts of innovation and cities. To understand why, it is important to appreciate that a key strand in this work is that of formal neo-classical accounts of agglomeration. From this perspective agglomeration happens in part as a consequence of the monopoly advantages afforded by space (many want to be in the same position at once). Moreover, it is argued that close proximity produces externalities or 'spill-over effects'. The problem for neo-classical analyses is that these phenomena are really 'residuals' (that which is not formally explained by the model). Formally, technology and innovation are also exogenous factors too. This is a common trait of formal economic reasoning that draws the limits to explanation so narrowly, and proposes unrealistic simplifying assumptions, such that the practical value of explanations are minimal, despite their algebraic sophistication. Arguably, in many cultural and creative industries the 'residual' is of greater explanatory power than the 'core'.

Early classical economic accounts such as those of Marshall (1920) referred to this externality as 'secrets of business in the air', others have pointed to 'trust' (Gambetta 1988). This notion has been formalised in the concept of the innovative milieu (Camagni 1991; Moulaert and Sekia 2003). Formal economic analyses have sought to account for this within a framework of a minimization of transactions costs (TCA) that occurs under proximity, contacts can be agreed through trust rather than lawyers (Williamson 1987). Cost savings ensue. Thus innovation is externalised and available to those who are proximate. Such a frame work has been deployed by Scott (2000) in his work on the 'image producing industries'.

There is a large debate about the origins and meaning of 'new industrial districts', and yet another body of work on the social and economic transformation of the economies that they are indicative of (Amin 1989;1994). However, there is no space to revisit these debates here. The key point made in particular by those influenced by Flexible Specialisation (FS) accounts of economic development stress the interaction of producers of part-finished goods who not only provides supply and demand (Piore and Sabel 1984; Pratt 1991), but also allows ample opportunity to experiment with production and switch suppliers to produce novel/innovative items. Storper (1997), building upon both FS, TCA and the embeddedness literature points to what he terms 'untraded' dependencies. A more recent debate has sought to specify such dependencies more clearly via the notion of 'buzz' (Bathelt, Malmberg et al. 2004; Storper and Venables 2004).

Comment [PH3]: explain what buzz connotes here - intensity of creativity via f2f meetings

Yet another large body of work on innovation draws upon the work of Schumpeter. The notion of 'creative destruction' (nothing to do with creativity as discussed above) summed up how firm formation is not a linear or continuous process but one that has distinct upsurges and ruptures. The

bunching of new innovations in an economic downturn generates an expanding market, and likewise how many firms go bust as markets overcrowd with 'old' innovations and margins are reduced. Schumpeter saw necessary value in this destruction of obsolete productive capacity as he argued that it cleared the way for the new. This cyclical notion of economic processes have been linked to innovation in two ways. First, the idea of business cycles; closer examination of actual production processes has cast doubt on the utility of such an idea (to the extent that any product goes from immaturity to maturity without mutating).

Others have focused on 50 year (Kondratieff) business cycles founded upon transformative technologies: coal, steam, steel, electricity, the internal combustion engine, and semiconductors (Marshall 1987). It is argued, that new technologies (and innovations) create an upsurge of growth. Hall(1985) has argued that different waves produce different regional fortunes; as I have already noted, in an extension Hall (1998) uses a similar debate to account for the rise and fall of creative cities. Neo-Schumpeterian (Dosi 1983; Freeman 1986) writers have sought to pull back from the technological determinism of long waves and offered institutional arguments for 'lock in' to particular technologies and processes to explain a similar process.

In summary, innovation is linked to various forms of organisation. In all processes it involves a division of labour between thinking and doing. The precise nature of this relationship is the nub of the question. As I have already argued, this question must be answered in relation to specific industries and forms of production. Arguably, more formal and codified processes can be carried out at a distance or in separate units. However, this does not account for all processes; critically, many genuinely novel innovations arise not from bureaucratically controlled firms but a looser association. This can be 'internalised' or 'externalised'. In a sense the ideal type is of the mixed use urban core that facilitates the social 'buzz' and informal interactions. So, cities are innovation hubs not because they have a particular technology or social group; rather that they offer the opportunity for experimentation and the interweaving of production and use. An extreme version of this can be found in the work of 'cool hunters', social anthropologists employed by large corporations to both seek out new trends and to see how existing trends and usage are mutating so that these can be fed back into the next product (Quart 2003).

From the discussion above we can conclude that there is a 'cultural' reading of innovation and creativity that emphasises individuality and individualism. Analytically, this is matched by the a priori assumptions of neo-classical economic analysis. Not surprisingly, innovation and agglomeration are some of the most poorly-understood areas of neo-classical economics. Approaches critical of this norm that take a more balanced perspective on both the social and the economic, as well as on the individual and the collective have been more successful in offering robust explanations of innovation and creativity. This research tends towards a greater attention to the inter-relationships of process and the spatial-temporal embeddedness of action. We should be wary of committing the error that all processes will be socially or spatially

embedded or disembedded. The latter notion led to a well-known error called the 'death of distance' (Cairncross 1998), where it was assumed that with the development of electronic communications people would no longer need to be co-present. In many areas of economic activity, just the opposite has happened, and clustering and agglomeration became more rather than less pronounced (Pratt 2000b). Moreover, we should be sensitive to the fact different industries have various processes that will be more or less sensitive to these processes. Arguably, the creative industries are more influenced by the need to be socially embedded within a particular milieu than many other activities. One of the insights from work on the cultural industries is that they have an urban focus. Indeed recent work has pointed to the fact that creative industries are now the third major sector in the London economy (Gla 2002).

The city

The city is the obvious place to engage with the situatedness of innovation and creativity. It stands to reason that if innovation and creativity are favoured in dense social and economic networks, that cities must be important. But, not all cities, or every part of a city, will support these activities. As theorists of the global cities have pointed out, the modern corporation usually locates its head quarters and research and development in major cities (Sassen 2001). On one hand, activities that can be codified are less sensitive to co-location with other parts of the production chain, or with co-producers. On the other, those processes that are more flexible and fluid, and require tacit knowledge exchange, and require diverse and overlapping networks of expertise are more likely to be locationally limited. Moreover, if they need to be close to final consumption, as 'chart industries' such as music, fashion clothing, film and television, then cities will be a necessity. An interesting example is the relocation of major design studios into urban cultural hubs: Ford and Volkswagen are two recent examples in London's Soho. Whereas the production of designed vehicles can be done remotely (as information is sufficiently codifiable) the subtleties of design require a recursive social and physical proximity to other creators, as well as decision makers.

Comment [PH4]: can;t recall if tacit vs codified knowledge has been defined before - do so now??

Research does point to the need for industries that rely upon a diverse, freelance labour market to be located in a large city where there is a large labour pool (likewise employees need to be in a large city to attain more or less continuous employment). However, it is the need for various forms social networking that favours places where there are a number of 'neutral' meeting places such as bars, cafes and restaurants (which provide situated 'buzz'), or the latest award ceremony^v. In many cultural industries information leading to the next job and new ideas circulate through word of mouth and by 'hanging out'. Proximity to other producers and workers, as well as proximity to consumers is an essential part of keeping 'in the loop'. This is an exceptional group of industries in this respect, but for these the quality of scanning and processing of knowledge at precisely the right time is the factor that delivers potential success or failure for their products.

The city will inevitably be attractive to those engaged in consumption: either due to proximity or as a consolidated big market. However, this is to assume that mass production takes place in the city. As I have shown elsewhere mass production activities in the cultural sector, such as printing for example, are moving out of cities (Pratt 1997), in much the same way that de-industrialisation generated out-migration of manufacturing. However, what this leaves in the city is a growing concentration of innovative and productive activities that are heavily co-dependent. This co-dependence may be skill, knowledge, product or market based. For example, industries that are project based tend to draw upon a freelance labour market of common occupations. Consumption does still matter. Whilst we have seen the hollowing out of mass consumption from cities to shopping 'centres' on the peripheries of cities that retail which remains in the centre tends to be elite and high fashion retailers. The city centre has become an entertainment space – increasingly dominated by eating and drinking. But above all it is a performance space for purchasers (either the street, or the bars and clubs)^{vi}. Writers commenting on the birth of the modernist city also discuss the anomie produced by the metropolis in negative dimensions (by counterpoising it to community and order in rural areas) (see CHAPTER). We might reinterpret this as a reason why cities are so popular with creators and innovators as cities may free people from some of the limitations of social norms (Bradbury 1991). This, in turn, facilitates new forms of production, new ideas, and the possibility of challenging the views of others. Of course, this possibility is much enhanced by the wider mixing of backgrounds and experiences that international migration flows afford (Saxenian 2002). This mix of ideas and investment that constitutes migration is of tremendous benefit. Cities, especially trading cities, generate a vital resource for the innovator or creator, providing both a stock of investment and a relatively rich market place that acts as both the financier and consumer of new products and ideas. Finally, money and power, producers and consumers operate within a set of legal and regulatory conditions subject to various governance structures usually located in major cities. Innovators need finance, but they also need lawyers and regulators to protect their inventions, and states to invest in, or promote them. The same point can be made in the creative field.

Comment [PH5]: much the same = teh same? if different, what are the differences?

Although it is problematic to draw up a simple checklist of creativity and innovation there do seem to be three core processes that sustain the majority of cases around the world:

1. **Migration:** a significant and diverse flow of migrants with high skill levels that both expands diversity and tops up existing education and training. Critically, this group are a source of new ideas and know how.
2. **Rules and Flexibility:** creativity and innovation require rules, even if they are to be rebelled against. Rules can be modified but they create norms. Thus, a subtle balance of social, economic and political tolerance, as well as rules, are required, as well as the foresight to manage the flux.
3. **Institutions:** a collective memory and soft infrastructure of know how is required if a critical dialogue of new and old ideas can take place. Some infrastructure is necessary to move ideas into realised innovations; social institutions are then needed to sustain innovations.

All three processes are tied to times and places, and critically, to people. This leads to three final reflections. First, creative and innovative initiatives primarily based upon hard infrastructure have a short life. Second, the most sustainable and successful ideas grow out of the people and ideas rooted in places, initiatives 'parachuted in' that have little if any local resonance are also doomed to failure. Finally, creativity and innovation are risky and prone to failure; living in creative and innovative cities can be necessarily unsettling.

Conclusion

The relationship between cities, innovation and creativity rests on a set of specificities about the production process, the exchange, and the role of, tacit and codifiable knowledges. The physical locations and infrastructure are important as places to facilitate interactions, it is unlikely that they can create them de novo. We have noted that some industries, and parts of producers and retailers, have moved out of urban cores; however, others, cultural producers, have moved in. Correspondingly, creativity and innovation in the form of the cultural industries has become relatively more important in cities. Yet, not all cities share this re-valuing; the organisation of cultural production is structured in a variety of ways. National markets remain important and thus capital cities attract much of the higher value creative activities and secondary cities within the national system tend to act as 'feeder' cities. Likewise, the cultural industries are international, and every nation does not have 'national champions' in all cultural industries. Most, like film, are the preserve of a few select cities in the world (Scott 2004).

Whilst creativity and innovation are to be found in all areas of social, economic and political life some of the most intense interactions are found in the relatively new, and fast growing, cultural industries. The cultural and economic impact of these activities makes them significant. With the dispersal of manufacturing, and much retailing, from cities, those activities that require tacit, face to face, diverse and uncoded interactions have come to dominate the urban core. The creative industries are one of those industries. They are different to most other industries, not because they are 'symbolic', but because they are 'chart industries'. By this I mean that they are very sensitive to what is fashionable at any one time, that the shift of fashion is swift, and that it is a market where winner takes all. To be a winner one has to release a lot of ideas and on average have hits; success comes from having more hits than average.

Given the importance of these innovative and creative activities in cities, what has been the policy response? First, as we noted above, there is a dominant Romantic notion that suggests that policy and guidance is not only inappropriate but also inimical to creativity. However, the social scientific understanding of these processes challenges such a notion, it points instead to the value of managing the setting or context, primarily the brokering of relationships. Have policy makers applied such knowledge? Generally not. There are five dominant strands of policy making. Unfortunately, they are often mixed together with no clear, or even with conflicting, objectives. First, those that focus on cultural consumption. These have as their objective the

generation of tourism and consumption. A recent twist on this is to attract 'creative workers' to such consumption sites who will be the future labour force for innovative industries (Florida 2002). The policy commonly recommended is that of establishing 'cultural quarters' or heritage centres (Mommaas 2004). Second, are those that have as their objective attracting foreign direct investment; the objective is to mark out a city from its competitors. Policies proposed commonly seek to generate such resources from scratch, such as large infrastructure projects (new galleries, bridges, buildings, etc.). An important sub-category of these policies are the 'mega-event'; policies that seek to attract a major sporting event or world fair. The attraction is a moment in the global media eye; the challenge is to create a sustainable legacy use for the special purpose buildings. Third, are those that seek to create idealised physical production spaces that match creative or innovative environments. Examples are science parks and 'creative hubs'. Fourth, a developing area of policy, that seeks to focus on the strategic assessment of creativity and innovation (Jeffcutt and Pratt 2002; Pratt 2005). Examples are policies that seek to promote design, or film and TV production not through simple locational subsidy but through the building of network resources. Recent examples are the design-focused initiatives in Toronto and Barcelona. The hope is that such socio-economic embeddedness will create a degree of inertia, or future proofing, for what are in other senses mobile activities. Finally, a less discussed perspective is that of creative policy making. As Landry (2000) notes, this involves not only lateral thinking but also listening to people and creating appropriate institutions and networks that facilitate a vision. The illustration (see Box 3) of the main components of an arts and culture based Creative City policy in Yokohama, Japan is indicative of the complexities of creative city planning.

Box 3 here

This chapter has sought to examine the relationships between, and processes underlying, creativity, innovation and cities. Cities are neither necessary nor sufficient for innovation and creativity to flourish. Moreover, innovation and creativity are not simple 'magic bullets' that can be added to the mix of cities to deliver competitive advantage. Innovation and creativity are processes; they are ways of doing that are always present. However, for some activities innovation and creativity are the 'core business'; for others they are less so. Innovation and creativity are most intense where there are a flow, and proximity, of challenging ideas and practices. Under such conditions ideas or practices can 'arc' from one area to another in a productive fashion. However, this usually requires close interaction of cognate activities. Critically, the means of transfer is through embodied practice: people moving, talking and do; learning and mis-understanding. These environments are more often than not found in cities. We should not see an artificial separation between production and consumption; as with the practice of the cool hunters, there is a constant two-way flow. Cities, especially the more avant-garde, fashionable, areas as well as the bars and restaurants are important spaces where such leaning to take place. However, as I have already noted. An idea is insufficient on its own; the real challenge is to consolidate and to develop an idea and convert it into a product or practice: rules and institutions are vital here.

Finally, ideas need audiences or markets as a 'sounding board'. Audiences are the fire in which products or practices are destroyed or annealed: cities provide immediate access to audiences.

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Boxes

Box 1

The Most Livable City?

“Luxembourg ranks as the world’s top city for personal safety and security, according to a quality of life survey by Mercer Human Resource Consulting. The city scores

122.5 followed by Helsinki, Bern, Geneva, and Zurich which take joint second place with scores of 120.

Scores for personal safety and security are based on relationships with other countries, internal stability, and crime, including terrorism. Law enforcement, censorship, and limitations on personal freedom are also taken into account.

Cities are ranked against New York as the base city, which has a rating of 100. The analysis is part of a worldwide quality of life survey, covering 215 cities, to help governments and major companies to place employees on international assignments”.

The world's top 55 cities offering the best quality of life
(New York is the base city with a score of 100 points)

2004 Rank				
City	Country	Points	2005 Rank	
Geneva	Switzerland	106.5	1	
Zurich	Switzerland	106.5	2	
Vancouver	Canada	106	3	
Vienna	Austria	106	5	
Frankfurt	Germany	105.5	5	
Munich	Germany	105.5	5	
Düsseldorf	Germany	105.5	5	
Auckland	New Zealand	105	8	
Bern	Switzerland	105	8	
Copenhagen	Denmark	105	8	
Sydney	Australia	105	8	

Mercer Consulting

http://www.citymayors.com/environment/eiu_bestcities.html

Note: A similar survey is regularly conducted by the Economist Intelligence Unit: The EIU's Liveability Ranking.

Box 2

Box 2: What is creativity?

“We all have creative abilities and we all have them differently. Creativity is not a single aspect of intelligence that only emerges in particular activities, in arts for example. It is a systemic function of intelligence that can emerge wherever our intelligence is engaged. Creativity is a dynamic process that draws on many different areas of a person's experience and intelligence. We need to look at what it is in companies and organisations that blocks individual creativity. But this is only half the job. Creativity and innovation must be harnessed and not just released. Creativity is not purely an individual performance. It arises out of our interactions with ideas and achievements of other people. It is a cultural process. Creativity prospers best under particular conditions, especially where there is a flow of ideas between people who have different sorts of expertise. It requires an atmosphere where risk-taking and

experimentation are encouraged rather than stifled. Just as individual creativity draws from many different skills and expertise across organisations. Creativity flourishes when there is a systemic strategy to promote it. The cultural environment should be modelled on the dynamics of intelligence. Many organisations stifle creativity in the structures they inhabit and the ethos they promote. If ideas are discouraged or ignored, the creative impulse does one of two things. It deserts or subverts the organisation. Creativity can work for you or against you.”

Robinson, K (2001: 12) **Out of our minds: learning to be creative**, Capstone, London

Box 3: A proposal for a creative city of Art and Culture, City of Yokohama
See <http://www.city.yokohama.jp/me/keiei/seisaku/bunkageijutu/english/outline.pdf>

QuickTime™ and a
TIFF (LZW) decompressor
are needed to see this picture.

ⁱ *Chatterton* was the play and book written by A.deVigny in 1835, (immortalised in H.Wallis's painting *The Death of Chatterton*, 1856) about an idealistic young poet compromised by an acquisitive society who seeks to redeem his soul through suicide. The notion of 'art for art's sake' was coined at the same time by T.Guatier. (see (Easton 1964))

ⁱⁱ For many advertising should not be considered in the same sentence as that of art.

ⁱⁱⁱ We could add 'entrepreneurs' as well.

^{iv} Of course they create a mutually reinforcing couplet/dualism that is often referred to as the 'two cultures' (of art and science).(Snow 1987; Latour 2006)

^v Award ceremonies are very important for cultural producers as reputation is the vital indicator of employability (Pratt in press).

^{vi} This is not a new phenomenon, Benjamin wrote about the *flaneur* in the 19thC city.