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Creative Cities . . . the latest urban economic fad

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Every so often there comes a study that so reflects its time that it “appears” to provide policy makers with solutions to problems facing their cities. In this case a recently released study called “Imagine a Toronto...Strategies for a Creative City”, (www.imagineatoronto.ca) portends to have unlocked the secrets to a thriving, dynamic urban environment. The study, prepared over two years by 17 experts in the arts, media and business sector, says that if your local economy is stagnating and needs a revitalizing shot in the arm, you can have it all by financially supporting the creative and cultural sector the economy. By unlocking the creative talent latent in our cities, not only can we have prosperous urban centres brimming with talented, industrious workers, Canadian cities we will be at the forefront of international competition and increased productivity.

For you see, as the study reminds us, “...many cities around the globe have come to recognize the economic and social benefits that flow from the creative economy”. And if we pay attention to our “creative” inner child, we’ll be in the ranks of other thriving metropolises such as London, New York, Berlin, San Francisco, Barcelona, Austin and Newcastle/Gateshead. Although the study was written for Toronto – and London England, this \$600,000 report portends to have

lessons that can be applied to all major cities in Canada.

And the lesson from this study is clear; support the arts and creative industries, and your city will attract talented workers and the rest is all, as they say, within our grasp: jobs, prosperity, and let’s throw it in anyway, happiness, contentment and harmony.¹

If all this sounds familiar, you are not far from the mark. We’ve heard it before in the work of Professor Richard Florida author of the popular book “Rise of the Creative Class”, who has told us that making a city welcoming to bohemians and gays will bring considerable economic benefits. In fact the Project Director of this study was Florida’s co-author in another similar Canadian project of the same theme a few years ago. This Creative Cities study is similar in vein with a slightly different emphasis in that it recommends nurturing homegrown talent rather than importing it. And how do we do this? By funding local artists – and here we mean everything from book publishing to hip hop

¹ David Olive, writer for the Toronto Star called the study the wrong report about the wrong topic at the wrong time. He said it had too little imagination filled with too many platitudes. Unfortunately he called for bigger, more audacious government spending programs. (See T.O. needs a Department of Fun, Toronto Star July 30, 2006.)

bands – through an array of subsidies and government support programs such as rental accommodation, designating certain areas of the city as artist colonies, promoting city aesthetics, and so on. In short, anything that keeps the kids off the streets.

So, what are we to make of this study that the authors claim they don't want to see as just another report that collects dust on shelf? The disappointing reality is, not much. (I take no pleasure in saying so since I know personally a number of the people involved in the project.) This report started collecting dust the moment it left the printers, another supposed creative sector of the economy. Why?

The first problem is how the study defines the creative sector worthy of attention and support: architecture, agents and independent artists, advertising, publishing, performing arts, motion pictures and video industries, broadcasting, sound recording and so forth. Then it compares this grouping of disparate "creative sectors" to others sectors of the economy including business services, medical and biotechnology, financial services, fashion and apparel, information and communication technology and tourism. It tells us that from 1991 to 2004, creative industries grew faster and performed better than the overall economy in terms of employment: 3.1% to 2.3% respectively. On top of that, Toronto's creative industry growth rate has been faster than that in other cities in North America such as Montreal, Los Angeles, Chicago, New York, and Seattle. On the surface it appears Toronto's creative and cultural industry is doing much better than those other sectors and better than in other cities. (If it is doing so much better, then why the emphasis on government support? But that's a question for another time.)

The study so narrows the definition of a creative industry that it undermines the very basis of the report. It seems to assert that creativity is the sole domain of the arts, or industries that service it. If creativity is the basis of the new economy, you can't limit the concept to any sector of the economy. It may be true that the creative industries have performed well, but which ones? If the sector is dominated by the publishing industry, it could easily swamp that of other sub-creative categories. Besides, is the publishing

business really a creative business? It can't be classified as a creative sector simply because it publishes fiction writers. I see it as a business pure and simple. And then we have advertising. Does anyone really think this belongs here next to filmmakers and local rap singers from Regent Park? Advertising is a big business because it is hired by big business such as the auto sector, the pharmaceutical industry, McDonald's, banks, and insurance companies.

That brings us to perhaps the greatest definitional error in the study. Where does creativity reside in the economy? The study implies creativity is only found in so-called "creative industries". But this is pure nonsense. All sectors of the economy have creative and talented workers and can't be restricted to any one area of industry or business. Some of the most creative ideas and workers come from sectors that aren't traditionally defined as creative such as parcel delivery. Perhaps the most creative and dynamic sector in the past 10 years has been financial services, health care, management, retail, tourism and the food and beverage industry. These, and many other sectors of the economy, have dramatically changed the way they deliver products and services to consumers. Creativity can't be restricted to film and television, music, design and sound recording. To do so would be to deny the imagination that goes into all things made and delivered in our world and to bifurcate the world into creative and non-creative sectors. To limit creativity to selected and highly defined sectors shows a lack of imagination, and dare I say, creativity.

What this means for Policy Makers

It's no surprise that the report calls for more money, or risk capital, to support the cultural/creative sector. In fact, it calls for more money for a lot of things including advancing Toronto as a centre of design, support for a convergence centre of science and creative enterprise; affordable living space for artists or "creative practitioners"; heritage preservation; and help for something related to infrastructure that would bring clever people together and their creations. And finally, more money for centres of creative community hubs. There are so many recommendations that it's hard for a policy maker

or municipal politician to know where to start, or finish for that matter.

Notice though, most of the recommendations are for supporting “place’ rather than “people”. All this is pure Florida talk where the arts and design plays a big role in saving or supporting economic development. The premise of the study is if we chase the artists out, the core of development and jobs will collapse. Really? In New York City, for example, actors and artists have been driven out of traditional haunts and dispersed throughout the city. Yet 30 percent of all actors in the US, and I assume other artists, continue to flock to New York City somehow managing to accommodate to changing living patterns. Protecting districts and sectors of a downtown for a “creative” workers only entrenches and encourages rent-seeking and the bureaucrats who benefit from such programs. If policy makers have learned anything, it’s that supporting places rather than people is a bad thing from an economic policy perspective.

What is the proper role of the state in supporting the arts and creativity? Since I believe ingenuity and creativity aren’t restricted to any given sector, the best policy is the easiest to follow, and that means using the tax system instead of a thousands silver bullets hoping to hit the mark. If you want to help struggling creative businesses, use the tax system and not the clumsy policy of picking key sectors of the economy. This simple principle applies as much at the local level as the national level.

But my preference for government policy is different. The government’s role shouldn’t be to encourage the production of the arts, but to make us better consumers of art through more education. And since this is one of many recommendations of the report, it’s the only one that makes sense.

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Other AIMS publications of interest:

[*Contestability: The Uncontested Champion of High-Performance Government*](#), by Andrea Mrozek and Don McIver

[*Organization and Opportunities: local government services production in Greater Saint John*](#) by Dr. Robert Bish

[*Financing City Services: A prescription for the future*](#) by Professor Harry Kitchen

[*Do Cities Create Wealth? A Critique of New Urban Thinking and the Role of Public Policy for Cities*](#) by Patrick Luciani

[*Show me the money: Conference Board study another attempt to justify more tax dollars to big cities*](#) by Patrick Luciani