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How to attract Creative Workers in cities and firms ?

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1. Introduction

In the context of an economy based on knowledge and symbolism, researchers are increasingly interested in the “creative society” and the essential role of creativity as a major resource for professional and recreational activities. It is postulated that creativity plays a fundamental role in economic and social growth since it “allows a competitive edge to be gained by organizations as well as for the development of new social forms and entry into a social process of knowledge accumulation.” (Sacco, 2005)¹ (translation)

This paper will develop on the theories of the creative class, the creative city and cultural districts. On this basis, we will then present data from interviews done in order to determine what attracts creative people to Montreal and what retains them there.

First, a few words on the concept of the creative city are in order. This concept was developed in the early 1960s by urban critic and sociologist Jane Jacobs. She was the first person to talk about “creative cities”, i.e. cities which are particularly innovative, diversified and driven towards innovation. Her book *The Death and*

¹ Quotation of professor Pier Luigi Sacco in January 2005 during the course “economy, institutions and management” for the Master of Arts and Culture Management program, TSM (Trento School of Management, Italy). Economist Sacco is Professor of Cultural Economics and Director of DADI (Dipartimento delle Arti e del Disegno Industriale), IUAV (Istituto Universitario d’Architettura di Venezia). He writes for numerous Italian daily newspapers, including *il Sole 24 ore*.

Life of Great American Cities (1961) examined in particular urban areas of the North American city and the conditions influencing urban diversity. Jacobs maintained that diversity and exchanges of ideas play an important role in the creation of a powerful and dynamic urban vitality, which are in turn important for innovation and dynamism within firms, and particularly SMBs.

The presence of different ethnic and economic realities in a local context is also an advantage for the community since diversity is a source of innovation. According to Jacobs, the city possesses its own “personality” with some districts developing as a result of individuals spontaneously gathering together for a common purpose.

To build an “urban climate” conducive to attracting new human capital, essential to its community, the city and its cultural policies must be able to stimulate this interaction between individuals, support creativity and be enriched by cultural diversity. According to Jacobs (1961), in most cases, the “bulldozer approaches” to planning lead to unpopular results and major development projects, based on the top-down approach – or decided by the administrators for the population –, constitute a major aspect of the problem, with catastrophic consequences for cities and for the attraction of qualified and creative workers to these cities. Jacobs thus considers that creativity and exchanges of ideas play an important role in the socio-economic development of cities and thus of firms.

Moreover, in his book *The Rise of the Creative Class* (2002), American economist Richard Florida maintained that ideas, knowledge and information exchange² are the tools needed for the production of new innovations (new technological artefacts and new production methods) and are as essential to economic prosperity as natural resources and financial capital. Thus, products of the creative economy³ involve several fields: technology, business and the cultural milieu.

2 On the knowledge economy, see Tremblay and Rolland (ed. 2003) or writings by Peter Drucker or Jean Gadrey.

3 On the creative economy, see Howkins, John (2001). *The Creativity Economy*. New York: The Penguin Press, 2001.

Through his book and recent publications (2004a, 2006), Florida has attracted the attention of the great majority of specialists in urban studies and local and regional development in North America and Europe (Florida, 2004b) by suggesting that the cities most likely to attract what he refers to as the “creative class” are those which offer the best natural, social and cultural living environment. Florida’s theory on “creative cities” is centred on the idea that attracting and retaining talents (professionals, people from cultural and artistic communities as well as the education and training sectors) are key processes for the economic development of today’s cities. This class tends to gather together into communities, in specific sectors of the city, generally in affordable housing. Florida affirms that, based on their particular lifestyle, the creative class prefers urban centres, and in particular *cool* city-centres where the population is open to multiculturalism and is tolerant of gays and lesbians.

While Florida’s studies have mainly focused on the link existing between creativity and urban economic prosperity, other authors such as economist David Throsby⁴ (2001) and Sacco (2005) have argued that the purpose of a creative city goes beyond the economic dimension. This is all the more true given that culture depends on a degree of attention to local and global concerns while not being destructive of local solidarity. Therefore, it may become an asset for the territory and a source of social cohesion for the community. Several British and North American cities have fostered the development of districts dedicated to artistic and cultural activities, unique and creative urban revitalization projects with quite surprising results in urban areas (Tohu in Montreal or Newcastle Gateshead in Great Britain, to cite but two examples).

The main critics of Florida’s theories are, among others, Kotkin at the University of California and Glaeser at Harvard University, who argue that *The Rise of the*

Creative Class defends new citizens of the Internet era. These critics maintain that the most prosperous American cities are not those in which the creative class is particularly important, but rather those in which taxes are not too high and the bureaucracy and size of government are less intrusive. In his article *Save Us From City Saviours* published in *The Globe and Mail*, Patrick Luciani arrives at the same conclusions, adding that “Entrepreneurs and businesses create wealth by risking capital on new markets and ideas, not by governments enticing firms and talent with trendy ideas of global cities, clusters or creativity indexes”. There is therefore quite a debate on how to attract qualified and creative personnel to firms and SMBs and whether this can or should be done by cities through various programs to attract the creatives.

Apart from Florida’s theories, which have nevertheless brought to the forefront the elements associated with culture and creation, several successful cases of territorial development are being achieved thanks to the strategic creation of a culture-driven model of excellence. Economists Sacco and Ferilli (2006) rely on a model of cultural clustering which is implemented through a form of horizontal integration of different systems. The authors refer to the “proactive cultural district’,” integrated at a third level,⁵ a model which emerges from the limitations of the single-system cultural district and which is achieved through strategic complementarity between cultural systems and production systems, a synergy defined through a territorial specialization and a new spatial organization. Based on this concept, the production and supply of culture are not perceived as profit centres, but are perfectly integrated into the new post-industrial “value chain”⁶ (Sacco and Petrini, 2003); this represents a major chain by virtue of its symbolic

4 Throsby’s studies focus on culture and the field of “economics of culture.” He gained institutional recognition in this field by publishing an important article in the *Journal of Economic Literature* (1994).

5 The first level of the “cultural district” model is conceived through top-down planning interventions; the second level operates through a bottom-up self-organization process. See Sacco and Blessi (2005). *Distretto culturale e aree urbane*. Economia della cultura – a. XV n. 2. p. 156.

6 Michael E. Porter’s “value chain” analysis allows “a decomposition of the firm’s activity into sequences of basic operations and an identification of the potential sources of competitive advantages” (translation) See *L’avantage concurrentiel* by Porter (1986).

content. The local system must have the capacity to attribute meaning to cultural experiences. The “value” is part of the post-industrial economy; it becomes a characteristic of individual well-being and constitutes a necessary factor for consolidating a socially recognized and sustainable identity model.

In the literature review referred to in Pilati and Tremblay’s article (2007 forthcoming), the “ industrial district” and the proactive form of the “cultural district” were described; it was explained that the high density of companies – independent from and complementing each other -, becomes a competitive factor for a territory (Marshall, 1900). In this integrated system of small businesses, the industrial (cultural) “atmosphere” and information exchanges with the community contribute to ensuring the self-fuelled growth of the district (Becattini, 1961). The organization then relies on the tacit knowledge of the community and the exchange and accumulation of social capital. In this context, individuals identify with and develop a sense of belonging to the local culture and the cultural production of the district.

Sacco and Ferilli’s study (2006)⁷ refers to modern economic theory and cites international cases to identify the most important factors of development. Thus, quality of life, the level of innovation, and capability are three highlighted elements. These effects are translated into three vectors of development for the “proactive cultural district’,” these being, the localization of the creative class, found in Florida’s theories, the development of innovation, associated with Porter’s theories⁸ and, finally, Sen’s concept of “capability”⁹ (Sacco and Ferilli, 2006 :20). The success of the “proactive cultural district” is based on a strategic complementarity of these three elements (idem) and a series of combined bottom-up and top-down elements (Sacco and Blessi, 2005).

7 For data, consult Sacco and Ferilli’s working paper *Il distretto culturale evoluto nell’economia post industriale*, DADI, Università IUAV WP_4/06

8 See Michel Porter (1999). *La concurrence selon Porter*.

9 See Amartya Sen *Un nouveau modèle économique. Développement, justice, liberté* (1999) p. 12.

Based on these premises, our research sought to better understand the sources of attraction of creative workers to cities. In order to analyse this, we conducted some interviews with artists and creatives in Montreal. This paper will present the first analysis of the data collected in this research.

Our interviews will contribute partly to highlight the essential role that cultural activities can play in the attraction of creative workers to some cities, and this may be crucial for some urban revitalization processes in the context of culture-driven revitalization more specifically.