The concept of creative industries is now well established in both academic and policy discourse. Historically, it had its roots in the policies of Tony Blair’s “New Labour” governments of the United Kingdom during the late 1990s and 2000s. Its creative industries policies were in turn influenced by culture-led urban renewal strategies in major UK cities such as Manchester, Sheffield and Glasgow, as well as by economically-oriented cultural policy strategies such as the Australian government’s 1994 *Creative Nation* program (Flew, 2012a).

In the 2000s, there was a significant process of international diffusion of creative industries policies. Tafel-Viia *et al.* (2013) identified such policies being developed in 11 leading European cities: Helsinki, Oslo, Stockholm, Amsterdam, Barcelona, Berlin, Birmingham, Tallinn, Riga, Vilnius and Warsaw. There have also been important regional and national policies developed in European nations including the UK, the Netherlands, Portugal, Germany, Sweden, the Czech Republic and Russia, and creative industries have been at the forefront of the European Union’s *Creative Europe* strategies as part of the Horizon 2020 program (EC, 2010; Power, 2011).

The urban dimensions of creative industries were particularly significant in Asia, where there were important initiatives linking creative industries to global city strategies in cities such as Seoul, Singapore, Bangkok and Hong Kong. Importantly, the concept took off in China, with the 12th Five-Year Plan looking to double the contribution of culture to China’s GDP, from its current level of 2.6 per cent to over 5 per cent by 2016, with much higher figures in leading urban centres such as Beijing, Shanghai and Guangzhou (Keane, 2013). Internationally, leading agencies such as UNCTAD (2010) and UNESCO (2013) have now identified the creative economy as providing an
alternative development pathway in the Global South, able to link local cultural practices and creative talents with global digital markets.

Creative industries has its roots in policy discourse rather than within the academy. This has meant that there has been some contestation, and even conceptual confusion, among academic researchers working with the concept. Terms such as creative industries, cultural industries, cultural and creative industries, copyright industries, cultural-cognitive industries and cultural-products industries have been variously used. As a result, as the geographer Jeff Boggs has observed, ‘when viewed collectively, these terms appear as an imprecise muddle’ (Boggs, 2009, p. 1484).

The field also crosses over the divide between the humanities and social sciences, meaning that tensions between the ‘critical’ and ‘administrative’ research traditions also play themselves out in scholarly debates. Commenting on the decision of the Netherlands Organisation for Scientific Research (NOW) to prioritise the funding of creative industries research in its 2010 funding round, Jan Simons (2015, p. 4) has noted that such a decision ‘attracted easy and obvious criticism [that] in a Faustian manner, the humanities sold its soul to the demon of corporate, capitalist interests’. Simons observes that ‘from this point of view, creative industries research was criticised as the latest neoliberal attack on … universities in general’ (Simons, 2015, p. 4). There is certainly a strong critical humanities trope that creative industries is simply a Trojan Horse for a neoliberal, pro-corporate agenda (see e.g. Miller, 2013; Oakley & O’Connor, 2015; on neoliberalism in general, see Flew, 2014).

That said, there are obvious and ongoing points of intersection between the industry and policy development discourses of the creative industries and the scholarly research community. Three areas of common interest are particularly worth noting. First, the rise of creative industries, and knowledge-based industries more generally, point to a need to rethink the sources of innovation in the economy, and the importance of insights associated with the HASS (Humanities, Arts and Social Sciences) disciplines as well as those of the STEM (Science, Technology, Engineering and Mathematics) sector. While traditional approaches to innovation and R&D have focused upon the role played by the ‘hard’ sciences in identifying new products, they are less well equipped to understand what Paul Stoneman has termed soft innovation, or ‘innovation in goods and services that primarily impacts upon aesthetic or intellectual appeal rather than functional performance’ (Stoneman 2010: 22). Since current measures of innovation fail to account for innovation in the arts, design, media and creative practice, and hence are not capturing the full scope of innovation. Examples are many and varied, and include the products of the games industry (and ‘gamification’ more generally), the role of product design in the success of companies such as Apple, and uses of big data in service innovation as seen among social media giants such as Facebook.

Second, the creative industries provide an important bridge between the traditional liberal arts and humanities, and the creative arts, media and design disciplines associated with writing, communication, production and performance. Programs that offer the opportunities to engage
in creative activity, and to apply that creativity in ‘real world’ environments are in high demand worldwide (Davies & Sigthorsson, 2013), and this marks a more general move towards the need to acquire multi-literacies for the digital world, and an associated shift from what Gunther Kress (1997) termed ‘from critique to design’, or from understanding culture and the social world understanding not simply through abstract analysis and critique, but through application and design. Young people worldwide have had unprecedented opportunities to create and experiment using low-cost digital tools and software, and the creative industries provide outlets for such creativity.

At the same time, as there is considerable awareness of the scope for exploitation of personal enthusiasm in the creative industries, where lines between ‘work and ‘play’ are blurred and there is widespread experience of precarious labour (Neff et al., 2005; Gregg, 2011), there is also the need for a grounded conceptual understanding of the creative industries, their boom-and-bust cycles, forms of work organisation and production practices. There is also the need for dialogue, that involves the industries themselves as well as policy makers, trade unions, NGOs and academic researchers, about the scope to organise and undertake work that is personally meaningful, socially responsible and practically ethical (Davies & Sigthorsson, 2013, pp. 59–68, 114–20).

Finally, creative industries have provided important bridges between humanities and social science knowledge. While the focus on industries implies a focus on economics and business, it has been noted that the dominant strands of economic theory, such as neoclassical microeconomics, are not well equipped for understanding digital media and culture, and economists such as Wildman (2006), Earl and Peng (2012) and Ballon (2014) have pointed to the need for the field to be more open to so-called ‘heterodox’ tradition: Ballon (2014, p. 76) has argued that ‘an economic approach to the media needs to be more informed by information economics, and network economics, institutional economics and evolutionary or innovation economics.’ In particular, there is a need to identify consumer choices as arising not simply from the decisions of isolated, self-interested individuals, but as emerging out of complex group dynamics, pervasive cultural influences and the use of ubiquitous digital technologies to create ‘social networks ... that enable coordination to be achieved by the sharing
of information’ (Hartley & Potts, 2014, p. 158).

In this sense, digitally networked markets and the creative industries take us back to some older critiques of the economic mainstream, such as Thorstein Veblen’s attack on methodological individualism. In a heretical argument at the time, Veblen proposed that economics as a social science needs to engage more actively with the economic roles played by social and cultural institutions, and the forms of custom and habit with which they are associated. Emphasising the role of institutions and culture in shaping identities, he argued that ‘it is ... on individuals that the system of institutions imposes those conventional standards, ideals, and canons of conduct that make up the community’s system of life’ (Veblen, 1909 [1961], p. 38).

**Creative Industries and Cities: Creative Clusters and Agglomeration**

Creative industries have been associated with a resurgence of interest in creativity and cities, and an important role being played by geographical perspectives in academic and policy debates. In contrast to early prognoses that the global proliferation of the Internet and digital media technologies would see location being of declining importance, there has been an energetic search among artists, entrepreneurs, investors, policy-makers, journalists, cultural animateurs and many others to uncover the well-springs of creativity and its relationship to place. This was associated with the underlying assumption, found most strongly in the creative cities writings of authors such as Charles Landry (2000) and Richard Florida (2002) that creativity as a distinct human talent had to be nurtured in supportive communities characterised by high degrees of social tolerance and an underlying ‘soft infrastructure’ of dense networks of trust and mutual support. As Elizabeth Currid put it, in discussing the centrality of New York City in the global creative economy, ‘people find success in creative industries by casting a wide net through their networks of weak ties, and by being open to the structured randomness that such ties bring... By engaging their networks, creative people instigate the dynamics that propel their careers and bring them some measure of economic success’ (Currid, 2007: 85–86).

While there was once much talk of the crisis of cities, faced with the shift of manufacturing to lower-wage economies, what has become apparent is that globalisation, the rise of digital media networks and industries, and the need to develop post-industrial urban development strategies have all contributed to cities becoming resurgent motors of the global economy (Scott, 2008). This has been reinforced by trends in global population distribution: in 1950, less than 30% of the world’s population lived in cities, but by 2007 the percentage of the world’s population living in cities exceeded those living in rural areas, and it is predicted that by 2030 70% of the world’s population will live in cities (Worldwatch Institute, 2007).
Geography provides us with a number of important concepts through which the economic dynamics of cities, and their intersections with culture, can be understood. The first framework used to understand the relationship between creative industries and cities was that of clusters. As noted above, an interest in clusters among economists and geographers can be dated back to the work of Alfred Marshall on industrial districts in the late 19th century, where he identified the positive externalities that can arise from a clustering of related firms and industries in a particular location (Marshall, 1990[1890]). The cluster concept experienced a resurgence in the 1990s through the work of business management theorist Michael Porter (2000), who argued that the dynamic and sustainable sources of competitive advantage derived less from lower costs and production efficiencies, than it did from elements of a place that promote productivity growth and innovation over time. In particular, and following Marshall, Porter was interested in the spillover benefits that can emerge from being in particular locations, such as related and supporting industries emerging around large firms in a city or region.

With regard to the creative industries, much attention has been given to the role played by creative clusters. Economic geographers such as Allen J. Scott have argued that a ‘tight interweaving of place and production system’ (Scott, 2008: 94) is characteristic of the cultural economy of the creative industries. But it varies from place to place, and there is evidence that it tends to scale up i.e. the larger a city, the more innovations per resident it tends to develop. Lorenzen and Frederiksen (2008) have argued that while incremental innovations tend to characterize traditional industrial districts based around industry clusters, more radical product innovations arise more typically out of city-regions that combine creative clusters with the wider attributes of global cities.

This is due in part to the locus of innovation in such urban centres. In a traditional industrial district, it is the direct producers themselves who drive innovation, meaning that it typically involves innovations within an established field. In large cities, there is a strong supportive infrastructure of providers of inputs and services to the creative industries, so that innovation is distributed more widely across the value chain. Global cities are typically also characterized by densely developed social network markets (Potts et al., 2008), and become places where the flows of knowledge, new information, and original products and ideas are most rapid. In this respect, global cities also benefit from populations that are typically both highly diverse – in terms of nationality, ethnicity, lifestyle, preferences etc. – and highly educated, so these local flows of knowledge tap into both global knowledge networks and circuits of global trade.

Creative cluster development has often been associated with strategies of culture-led urban regeneration, that have become a feature of post-industrial cities worldwide, and particularly in Europe, through initiatives such as the European City of Culture program (Mommaas, 2009). Cluster development also has a strong intuitive appeal to urban policy-makers, and this was consistent with city governments increasingly becoming engaged in cultural policy in an era of economic globalisation (Landry, 2012;
Isar, 2012). As the creative cities literature has often been characterised as being ‘heavily reliant on proxies but light on theory or hard evidence’ (Evans 2009: 1005), cluster theory generated no shortage of international exemplars, such as the Hollywood film and TV cluster, the high-technology cluster of ‘Silicon Valley’, the design and advertising clusters of London, and the fashion districts of Paris and Milan. It also seemed to generate a strong momentum in countries where a collectivist ethos has long been cultivated by governments, most notably those in China, where the focus on interdependence, reciprocity and trust resonated with both state ideologies and Confucian ideas that promote working together around shared problems and common goals.

“Creative industries have provided important bridges between humanities and social science knowledge.”

Creative Cities, Global Cities and Regional Opportunities

The resurgence of cities in the 21st century arises from the degree to which cumulative forces associated with agglomeration, proximity, and density are more significant for the production of knowledge, information and innovation. There are distinctive sources of competitive advantage that favourable urban location can bring to businesses in the global economy. For professional services industries, such as business, financial and legal services, these locations enable ready access to key clients and markets. There are also the various lifestyle attractors to professional and managerial workers, including access to a diverse range of cultural and entertainment options, as well as the benefits arising from proximity to government decision-makers and public sector institutions such as universities and research centres. Finally, there are also opportunities for knowledge sharing, innovation and new entrepreneurial ventures that can arise from proximity to a diverse range of people, skills and industries (Amin, 2003).

Creative cities form an element of what Michael Storper has termed locationally specific assets, which include ‘the conventions, informal rules, and habits that coordinate economic actors under conditions of uncertainty’ (Storper, 1997: 4). These untraded interdependencies can be found in regions as well as cities, and they are particularly powerful for those industries where specialist products and services are an important part of the global market, where skilled and
specialist labour are required in their creation and development, and where production and distribution are contingent upon include specific practices, routines and relationships that have evolved over time in particular locations. What is distinctive about cities, however, is the higher propensity for new forms of untraded interdependencies to emerge, whether out of new patterns of corporate investment, public policy initiatives, or serendipitous interactions, as they promote face-to-face contact and enable new forms of trust to emerge. Cities are also sites for the large-scale migration of people, and they tend to have more diverse populations, both in terms of race and ethnicity and in terms of identity and lifestyle factors.

Allen Scott (2000, 2008a, 2008b) has argued that such locationally-specific assets based in cities are particularly important in the creative industries, or what he terms the *cognitive-creative economy*. Core elements of these locational resources that are central to creative industries include:

(1) The contractual and transactional nature of production in knowledge-intensive and creative industries, which involves ongoing relationships between shifting networks of specialized but complementary firms. Geographical proximity reduces the transaction costs of joining and maintaining such networks across projects and over time;

(2) Specialist workers engaged in these industries are drawn to such urban agglomerations as the centre of activity, thereby reducing job search costs, and as “talent magnets” for those aspiring to work in such industries;

(3) The resulting local system of production, employment and social life in turn generates learning and innovation, and a “creative field” or a structured set of interrelationships that stimulate and channel various kinds of creative energies’ (Scott, 2008a: 313);

(4) This dynamic is further promoted by the existence of complementary forms of ‘social overhead capital’ that includes the role played by universities, research centers, design centers, and other sites that generate specialist knowledge capital that can be applied in these sectors;

(5) Provision of key institutional and infrastructural resources by public sector agencies, and an evolving relationship with local and regional governments that goes beyond either cultural development or industry development models, to ongoing relationships focused upon the economic benefits of creative industries but also recognizing their specificities both in cultural terms and in terms of their unique resourcing requirements. Such forms of assistance can range from the relatively mundane, such as assistance with procuring and managing sites for location shoots, to more sophisticated forms of assistance with film marketing and the provision of specialist business services.

There has been an extensive literature on what are variously termed *global cities* or *world cities*. Economic globalization and new information and communication technologies have simultaneously promoted global integration and concentration of resources and the global dispersal of activities. The rise of global cities is thus integrally linked to economic globalization (Sassen, 2002), as they consti-
tute command points in the organization of the world economy, key locations and marketplaces for leading industries, most notably in the finance and professional services sectors, and major production and innovation sites in high-value-adding services sectors. Cities are various ranked as global cities on the basis of their being headquarters for multinational corporations and financial institutions, centres for international institutions, hubs of global transport and communication, political capitals and manufacturing centres (Taylor, 2004). Global cities also tend to have disproportionate influence in regions to which they are geographically proximate (Timberlake and Ma, 2007).

The focus of global cities literature has typically been upon their place within networks of economic globalization. But this leaves open a question of whether cities that are centres of commerce and corporate power are also centres of culture and creativity. There is often a mutually reinforcing relationship between global cities being centres of business, finance, professional services and government and being centres of arts, cultural and entertainment activities. Culture is also a vitally important element of the relational assets that are key resources for vibrant urban environments, such as reflexivity, trust and sociality.

This is the much talked about (but notoriously hard to quantify) “buzz” factor that arises out of extended opportunities for face-to-face interaction with a diverse network of people that cities can enable and which cultural activities may facilitate (Storper and Venables, 2004). The city itself, and its urban amenities and cultural and entertainment activities, become something that can be consumed, extending the vision of the city as a site for cultural tourism and experience. All of these elements feed into and reinforce the significance of cites as the primary sites of cultural production, and the spatial relations associated with cultural production chains. As cultural production becomes more complex and spatially extended through global production networks, as has occurred in other industries, these command points of the global cultural production networks become increasingly important, as they do in other spheres of the global economy (Pratt, 2009).

Creative Cities and their Discontents

Despite all of these apparent advantages, there are potential diseconomies of scale in large global cities. There is the perpetual danger of gentrification and the shortage of affordable housing driving artists, musicians and other cultural workers out of major cities, thereby destroying the loosely-formed social and cultural networks that had constituted the ‘soft infrastructure’ of urban creativity (Hamnett, 2003). There is also the argument that regions and smaller cities can concentrate cultural resources more effectively than larger ones, as they can focus on a smaller number of core strengths. It has also been noted that many of the world’s leading creative cities are also among the most socially divided and unequal. Urban theorist Joel Kotkin has argued that:

An economy oriented to entertainment, tourism, and creative functions is ill suited to provide upward mobility for more than a small slice of its population... they are
likely to evolve ever more into “dual cities”, made up of a cosmopolitan elite and a large class of those, usually at low wages, who service their needs (Kotkin, 2006: 154).

Storper and Scott make a similar observation about new economy-based cities:

The emerging new economy in major cities has been associated with a deepening divide between a privileged upper stratum of professional, managerial, scientific, technical and other highly qualified workers on the one side, and a mass of low-wage workers—often immigrant and undocumented—on the other side. The latter workers are not simply a minor side effect of the new economy or an accidental adjunct to the creative class. Rather, high-wage and low-wage workers are strongly complementary to one another in this new economy (Storper and Scott, 2009: 164).

Reasons for this are many and varied, and relate in part to both the attractiveness of global cities to both rich and poor migrants, the often “winner-take-all” nature of the creative industries themselves, and the functional requirements of such cities for ‘janitors, security guards, transport workers, short-order cooks, child-minders and so on, who maintain the networks, infrastructures and services that help to keep the entire urban system in operation’ (Storper and Scott, 2009: 164). Cities such as Los Angeles, Paris and London have all seen rioting in recent years that may be seen as a reaction on the part of those perceiving themselves to be socially excluded from the wealth of the urban metropolis of which they are a part. In this respect, policies that focus on the provision of services and amenities aimed primarily at highly educated, high-income and highly mobile individuals may exacerbate urban economic and social divides, particularly if funded as an alternative to investing in jobs, education and the provision of basic infrastructure. Cities that seek to project themselves as being global and creative run the risk of doing so at the expense of significant segments of their local population, in ways that may ultimately threaten their social cohesion.

There is also a policy problem that relates to the centralization of cultural institutions and infrastructure, and the resulting “halo effect” that can prevail in large urban centres. The fact that such cities are typically magnets for tourism means that there is a built-in tendency for governments to lavish more expenditure upon upgrading their facilities and building new buildings and infrastructure around them. Taken in its own terms, the cost/benefit analysis of such developments generally looks good, since they are building upon success. In the case of the UK, the largest cultural white elephants are typically not situated in London, but in places where culture-led regeneration failed in one-time industries centres, such as Stoke (Jayne, 2004) and West
Bromwich (Speight, 2013).

The “halo effect” often extends to policy-makers themselves. In our own work on “creative suburbia” in Australia (Flew, 2012b; Gibson et al., 2016 forthcoming), we found that even thought the vast bulk of creative workers lived in the suburbs of Australian cities, urban culture was intuitively understood as their natural domain, and concentrated inner city areas were appealing to creative people than that of the suburbs. At the level of official culture, large cultural icons are also intuitively appealing to cultural policy-makers, as they provide highly visible symbols of governments investing in culture, as well as featuring prominently in tourism and city branding strategies. At the same time, urban activism is typically associated with sub-cultural identity formation and resistance, whether it be the racial/ethnic community enclaves of major cities, the development of predominantly gay and lesbian urban zones, or the reclaiming and occupying of urban spaces by artists and activists. By contrast, suburban cultural policy suggests a focus on bike paths, pram ramps, libraries, Master Planned Communities, community theatre groups and outdoor cinemas. It is both too governmentalized and ‘safe’ to be seen as resistant and therefore interesting to cultural critics, who equate the suburbs with what David Harvey termed ‘pacification by cappuccino’ (Flew, 2011), and too small-scale and decentralized to interest cultural policy makers.

The Regional Opportunity

I have focused thus far on the advantages of location in major cities for creative industries and the creative economy, that arise from a combination of clustering, agglomeration effects, and global city status. But the downsides of this agglomeration, such as unaffordable housing, deteriorating quality of life, and extremes of wealth and poverty, has been generating a counter-reaction, and a turn to smaller cities and regions among creative people.

In her collection of essays on Creative Economies in Post-Industrial Cities, Myrna Breitbart (2013) discusses the turn among artists on the U.S East Coast and elsewhere away from cities such as New York and Boston, and towards places such as Burlington, Vermont, Hartford, Connecticut, Providence, Rhode Island, Newport, New Hampshire, and Belford Falls, Mass., as places where these artists can ‘cultivate new economic and social relationships’ (Breitbart, 2013, p. 21) with a diverse community, rather than co-habitating in expensive and crowded ‘creative clusters with fellow artists. In Australia, Burnley and Murphy (2004) tracked the rise of ‘sea change’ and ‘tree change’ locations, such as the North Coast of New South Wales, the Macedon Ranges in Victoria, and Noosa in Queensland, which they associated with both a relatively youthful counter-culture seeking new experiences, and relatively affluent professionals who could increasingly take advantage of high-speed broadband networks to locate outside of urban centres. In the U.K., the case of Salford Media City showed how a state-led redistribution of jobs – in this case a transferring of significant BBC production facilities from London to Salford, on the
outskirts of Manchester – would bring into play the opportunity for ongoing work in television and related industries that did not require the move ‘down south’ to London that previous generations have invariably had to undertake.

Opportunities therefore exist for the development of regional, and city-regional, strategies to develop creative industries and the cultural economy outside of major urban centres. It can be anticipated that major events, and associated event/destination tourism, will be one driver of such developments (Rojek, 2012). But there are many other opportunities to develop location-specific resources, and harness these to strategies to attract creative workers, particularly if they can be linked to high-quality transport facilities and communication infrastructure. We may be living in the “century of cities”, but there are many pathways to regional creative economies that go beyond the now-familiar creative cities urban script.
References


