Hurricane Florida: The false allure of the creative class

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Introduction

In an earlier article in this journal, I examined the concept of the New Regionalism (NR) and the way that it has been applied in the Australian context. My major criticism (beyond NRs incipient Third Wayism) was that NR too easily reverts to a simple business driven policy formulation as the social element is put in the too hard basket in favour of job creation and business support. The argument that I wish to develop here is that much of the good intentions of NR committed regional development people has been swept aside by the the apparent progressive nature of Florida's Creative Class thesis, with its gay and bohemian indices and talk of the importance of tolerance. I want to argue that this superficial gloss actually conceals a retreat to a far more orthodox and exclusionary policy agenda which will have important implications for the nature of exclusion and inclusion in both metropolitan and non metropolitan regions.

The New Regionalism: Three Virtues

For all its manifest problems and contradictions, NR wants to talk about inclusivity, and in three distinct ways. Firstly, knowledge economies under the new regionalism are about knowledgeability.

That is accessing the gold in the head of *all* workers based on an understanding that everybody has got something to offer. This is essentially confronting the problems that Taylorism had constructed in its attempt to separate conception from execution within the labour process and positing control over the former, as far as was possible, in the hands of (scientific) management. In this way NR can be seen to be incorporating some of the softer managerialist rhetoric that emerged in the empowerment, involvement and quality debates of the latter end of the twentieth century.

Secondly, in developing regional strategies, it is vital to be inclusive, to give voice to those historically excluded. NR is a top down AND a bottom up approach - very much a bottom up approach. For people like Ash Amin and Ray Hudson, it's not just a nice idea to include people, under notions of association of democracy. Amin (1999) argues that it is necessary, indeed it is a *sine qua non*, that people hitherto excluded are included. This is so even though the new models of regional development are Third Wayish in their concentration on questions of inclusivity and associationism rather than class, race or gender.

Thirdly, NR has something to say also for less favoured regions. New Regionalism acknowledges that it is going to be tough and that less favoured regions are unlikely to grow at the same rate of growth as more favoured, metropolitan areas. And furthermore they cannot be left to their own devices. It is not a question of disguising some sort of new Liberalist policy under the guise of talk of empowerment and individuation, and saying

basically, 'it's down to you - get on with it'. This is a danger of much of the rhetoric currently surrounding the notion of social capital. It can be a Trojan horse to smuggle neo-liberal notions of individual responsibility (albeit at a community or regional level) disguised by a cuddly language of involvement. There is under NR a vital role for State and Federal Government in promoting development within less favoured regions. But it is possible to harness the energies of communities, of towns and regions.

So we have three positive elements of inclusivity within the notion of new regionalism. I have been very critical in the past of the new regionalism (Rainnie and Grobbelaar forthcoming), however there was some evidence that some government structures were struggling slowly, pitifully, but willingly to take this notion of inclusivity on board. The newly structured Department for Victorian Communities is a case in point, and we cite other examples in Rainnie and Grobbelaar (forthcoming). But whilst this complex matter was unfolding in 2002 a book was published, written by Richard Florida, who has been an American commentator for some time and an academic for a considerable length of time. The book *The Rise of the Creative Class* sold over 250,000 copies in the US alone in the first two years of publication. In 2003 the UK journal *Regeneration and Renewal* reported that: 'But if he is a mad professor, he's a pretty rich one. He regularly commands $10,000 for civic speeches and will receive at least twice that for his visit to London later this month...' (Walker 2003, p. 15).

This is a bandwagon of quite enormous size and apparently unstoppable momentum (but then again all fads are, albeit briefly). A web search on Richard Florida, reveals that major newspapers in practically every city in the United States recording their area as inviting Florida to come and tell them the secrets of how they can revitalise their run down city areas and ranking their cities in the order of merit in the US. And it's not just a United States phenomenon. Its implications have been felt already in Australia - the new Ballarat Economic Strategy has got ideas drawn from Florida, Brisbane focuses on its creative industries and Geelong talks about its clever quarter. In May 2003, the UK based *Financial Times* proclaimed that 'Today Manchester is acclaimed as our premier Bohemian city containing the most potential - thanks to its gay community' (26.5.2003, p. 3). As we have seen, the 2002 and 2003 *State of the Regions Reports* were modelled on the ideas put forward in Florida's book. Most regions, cities and towns are searching (desperately) for their creative or clever quarter/population. Florida

argues that it is not knowledge or knowledgeability that is important in the new economy, but rather *creativity*. Creativity is taken to lie in the hearts and minds of a few talented individuals for whom the search is now on. Regional development is about attracting and retaining these creative workers, not about attracting and retaining the companies that will then get the workers, but attracting the workers who will attract the companies.

The Rise of the Creative Worker

Unsurprisingly, many of the ideas in *The Rise of the Creative Class* are not entirely new. The debate about the changing nature of work and the management of highly skilled workers has a long lineage. Castells (1996), in promoting the concept of the 'informational economy', argued that labour markets were experiencing a fundamental shift in direction insofar as there are now taken to be three emergent positions:

- *networkers,* who set up connections on their own initiative and navigate the routes of the network enterprise;

- the *networked,* workers who are on line but without deciding when, how, why or with whom; and

- the *switched off* workers, tied to their own specific tasks, defined by non-interactive, one way instructions.

Castells also differentiates between the *deciders,* who make the decision in the last resort; the *participants,* who are involved in decision making; and the *executants,* who merely implement decisions. Robert Reich initially posited the emergence of symbolic analysts as the carriers of the knowledge economy (Reich 1991). The supposed rise to pre-eminence of symbolic analysts has come in for concerted criticism (see Thompson and Warhurst 1998), pointing instead to the dominance of low paid, low skill service sector jobs as the dominant form of job creation in the 21st century. Criticism notwithstanding, by 2001, Reich had abandoned the term 'symbolic analyst' arguing that analytical skills alone would not prepare anyone for the new economy. Instead, he now argued, rather than analytic powers or the ascribed characteristics of 'knowledge workers', peoples value would derive from their creativity - what can be done in a particular medium and in a particular market and how best to organize work in order to bring these two perspectives together (Reich 2001, p. 48).

We can then trace Florida's creative class back through debates on the 'new', 'knowledge' or 'learning' economy. In all of these approaches innovation and creativity take centre stage. What Florida does that has attracted so much attention is to ally this analysis with locational dynamics that apparently ties together hi tech company location (and crucially relocation) with the existence of cosmopolitan and open city cultures. There is an apparently progressive ring to this argument which also (fortuitously in an era of fixation with balanced budgets) suggests that tax breaks and similar financial bribes are not necessary for successful regional development. However all is not what it seems. But let us pause for an examination of just who the creative class and the 'also rans' are (see Table 1).

Table 1: Defining the Classes

Creative Class:

The Creative Class has two major sub-components: a Super-Creative Core and Creative-professionals.

Super-Creative Core
- Computer and mathematical occupations
- Architecture and engineering occupations
- Life, physical, and social science occupations
- Education, training, and library occupations
- Arts, design, entertainment, sports, and media occupations

Creative-professionals
- Management occupations
- Business and financial operations occupations
- Legal occupations'
- Healthcare practitioners and technical occupations
- High-end sales and sales management

Service Class:

The Service Class is composed of the following major occupational categories:
- Health care support occupations
- Food preparation and food-service-related occupations
- Building and grounds cleaning and maintenance occupations
- Personal care and service occupations
- Low-end sales and related occupations
- Office and administrative support occupations
- Community and social services occupations
- Protective service occupations

Agriculture
- Construction and extraction occupations
- Installation, maintenance, and repair occupations
- Production occupations
- Transportation and material moving occupations

Source: Florida 2003, pp. 328-329.

In many ways this is a chaotic concept. As we can see from Table 1, creative workers in the US are taken to be around one third of the workforce and comprise of two subgroups. The super creative group emerge from science, engineering, architectural design and so on and create meaningful new forms. Then come the creative professionals who are engaged in creative problem solving. It may be argued that some creative professionals in business and finance have been far too creative in recent years, but that's another argument. It is worth pointing out at this stage that Florida also argues that the proportion of the workforce who it counts as creative is higher in the United States than it is in other countries.

Regional Development is now about attracting and retaining these new mobile rare gods:

> Leading regions establish competitive advantage through their capabilities. They are vehicles for resource mobilization that can almost instantaneously bring together the resources required to launch new businesses and turn innovations into successful products. For these reasons, the nexus of competitive advantage shifts to those regions that can generate, retain, and attract the best talent. This is particularly so since knowledge workers are extremely mobile and the distribution of talent is highly skewed. (ALGA/National Economics 2002, p. 1.8)

How is this to be done? Well, the answer is that creative workers apparently need places that are diverse, tolerant, and open to ideas. Florida argues that companies move to where creative people are and creative people move to cities where they can be themselves, no matter how unconventional:

> ...regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas. Diversity increases the odds that a place will attract different types of creative people with different skill sets and ideas. Places with diverse mixes of creative people are more likely to generate new combinations. Furthermore, diversity and concentration work together to speed the flow of knowledge. Greater and more diverse concentrations of creative capital in turn lead to higher rates of innovation, high technology business formation, job generation and economic growth. (Florida 2003, p. 249)

And in many ways this sounds very, very positive indeed. There is however a much darker side to this

as we shall see. For Florida there are now the three Ts of economic development

*Te*chnology, which primarily means research in the sense of major research based universities, *Ta*lent by which we mean creative workers and *To*lerance. It is not good enough to score highly on one or two of the Ts. There are essential synergies that demand all three. The indices that Florida and his researchers have developed are the Gay Index and the Bohemian Index amongst others, and are taken together as a strong predictor of both high tech industry concentration and high tech growth in regions. The *State of the Regions Report* 2002 (ALGA/National Economics 2002) ranked regions in Australia by their standing on some measure of this sort of index. (Gippsland in South East Victoria, where I live and work came very close to the bottom of the Bohemian Index.) However it's worth looking at what the *State of the Regions Report 2002* had to say about tolerance and diversity because it sums up very well in the Australian context all the points that Florida is making about the nature of creativity and innovation and the sorts of areas that are likely to win out in the debate that is taking place at the moment.

> ... A city's tolerance and acceptance of diversity - its level of tolerance for a wide range of people - is key to its success in attracting talented people. Diverse, inclusive communities that welcome unconventional people - same sex households, immigrants, artists, and free-thinking 'bohemians' - are ideal for nurturing the creativity and innovation that characterize the knowledge economy. (ALGA/National Economcis 2002, p. 6.5)

There are enormous problems with Florida's approach, not least the confusion of correlation with causality or even the reversing of the flow of cause and effect. David Sawicki argues that Florida's casual style lies at the heart of the confusion he demonstrates between causation and correlation and this can lead to inappropriate policy. Sawicki further suggest that although 'tolerance is important to Florida, his arguments for its connection to the actual processes of regional development are virtually non existent' (Sawicki 2003, p. 93). Other critics have pointed out that the most significant region (and Florida presents no coherent and consistent guide to what a region might actually be) in the US in terms of job creation is Las Vegas, hardly a centre of creativity, technology, talent and tolerance in the sense that Florida gives to these words (Malanga 2004).

However, leaving the problems of method and theoretical thinness aside, if we accept the drive of Florida's argument, then as, SGS Consulting (an Australian development consultancy group) have argued, 'the tyranny of distance is back'. And what they mean by that is Florida's argument that an attractive place does not have to be a big city but it has to be cosmopolitan. For Sandra Yin (2002/3) Florida rests his argument on city/regions with a population of at least one million people. And in the Australian context Florida has himself suggested that this country's creative class is concentrated almost exclusively in Melbourne and Sydney with the rest of the country completely disconnected (*The Age* A3 22.3. 2004, p. 3). This echoes research which records the concentration, particularly in Sydney of Australia's cultural economy.

> Spatially, patterns of uneven development in Australia, including metropolitan primacy within states, are reflected in the business location and employment data for cultural production. Sydney dominates in terms of total numbers of jobs and businesses. (Gibson *et al.* 2002, p. 187)

So if we go back for a second to the three elements of inclusivity that are talked about when examining the new regionalism, we can see we've got problems.

Firstly, it would appear that a Florida driven regional development policy is not only metropolitan focussed, but is going to attempt to attract and reward those who have essentially already won in the labour market conditions of the late twentieth and early twenty first centuries. We just simply accept the unequal divisions that have emerged, divisions that the *State of the Regions* reports (ALGA/National Economics 2001, 2002, 2003) have so admirably recorded. Development policy therefore will focus, in cities above the minimum threshold population level, in trying to attract and retain the very people who have benefited most from the stretching of the earnings ladder and subsequent soaring inequality in the 1990s and early twenty first century. The implication is that the best that the rest can hope for is some sort of trickle down.

Florida has disputed this interpretation of his argument and he does argue for cohesive, open and tolerant communities. However, he also suggests that American society is Balkanizing into two segments with different economies, social and religious organisations, orientations and politics.

One is cosmopolitan, open and creative. The other is a closer knit, church based older civic society of working people and rural dwellers. This growing geographic separation of the classes, between haves and have nots, is being etched ever more deeply into American society (Florida 2003, pp. 281, 320).

This leads into his argument against policy based on premises of building social capital. For the creative class it is the strength of weak ties that is important. It follows that trying to build Putnamesque policies can only reinforce the attitudes and behaviours that have brought older civic societies of working people and rural dwellers to the sorry state they exhibit. Classic or high social capital communities score low on diversity, innovation and high tech industry and show a strong preference for social isolation and security and stability (Florida 2003, pp. 274-5). Creative class communities and social capital communities are moving in opposite directions. Creative class communities are centres of diversity, innovation and growth whilst social capital communities are not. On the other hand Florida (2003, p. 323) acknowledges that it is not possible to sustain a creative economy in a fractured and incoherent society, whilst also arguing that the disruption that the move to a creative economy demands is inevitable and trying to stop it through social capital type interventions is counterproductive. He further acknowledges that dead end low pay, low tech service sector jobs providing for the needs of money rich but time poor creatives, is the order of the day for the majority of the working population.

So how then are these powerful forces driving in the direction of a fractured two class, have and have-not society to be controlled? Group attachments are apparently breaking down, so resort to trade unions would seem to hold out little hope. The answer would appear to lie in these self directed, individualistic, high achievers evolving into a more cohesive, responsible group. In short they must move from being a class in itself to a class for itself. They must cease to be cyberselfish and grow up (Florida 2003, p. 316). The creative class has three fundamental issues to address:

- Investing in creativity to ensure long run economic growth;

- Overcoming the class divides that weaken social fabric and threaten economic well being;

- Building new forms of social cohesion in a world defined by increasing diversity and beset by growing fragmentation.

This will be done by creating creative communities. Strong communities, not the institutions within them, are the key to cohesion and the community itself must be the social matrix that holds us together. Communities need to be strong and cohesive whilst also accommodating mobility and change. Quite how is never made clear. For the new service class, Florida's policy is to have as few service class jobs as possible and redirect people towards more creative work that adds value and is more rewarding!

It would appear that the forces driving modern economies into ever more unequal and elitist modes are to be overcome simply because the creative class will suddenly see the necessity of team work (Florida 2003, p 326). This is a utopian elitist wish list arising from a form of analysis which, in the absence of this leap to community consciousness on behalf of the creative class, simply reinforces the exclusive and unequal form of development that lies at its heart. In effect, the re-distributive and inclusive elements of the new regionalism disappear. Not only is regional development strategy now about attracting and retaining the beautiful people, these people who are the people at the top end of the salary scale who've done so well out of the market driven distortions of the 1990s and 2000s, but any notion of inclusivity in terms of the new service class disappears out of the window. Florida can argue that working class people are indeed talented but stymied, but there is no role for them in this new world other than trying to upgrade their occupational status. There is an understanding that working people are knowledgeable, but unlike in the case of the New Regionalism, no conclusion to be drawn that people should be included for that reason alone in the processes of planning and strategy and workplace and community level. In Florida's world, it is only a miraculously reborn creative class who have the understanding and the ability to create the communities we need.

Secondly, it would appear that non metropolitan regions have little more than a sub-ordinate role, as SGS Economics and Planning (2002, p. 7) have argued:

> Non metropolitan regions can profit from the
> success of regions with large talent pools by

offering a diversity of lifestyle and recreational opportunities. Day and getaway tourism and part-time housing strategies can be developed to capture some of the consumption spending otherwise trapped in the metropolitan areas.

Florida (2003, pp. 287-8) argues that cities are coming back, for four reasons:

- Crime is down and cities are cleaner and safer;
- Cities are the prime location for the creative lifestyle and the amenities that go with it;
- Cities benefit from the demographic shift toward people staying single longer and becoming more lifestyle orientated;
- Cities have re-emerged as centres of creativity and incubators of innovation.

However with a nod in the direction of the problems we have already alluded to, Florida does acknowledge that an influx of relatively wealthy bourgeois bohemians can cause tensions with existing populations, as the process of gentrification creates rising housing costs and displacement.

At this stage for non metropolitan regions, their only future lies in accommodation to the lifestyle or leisure needs of burnt out beautiful people. Exacerbated by the growing digital divide, the future lies in selling yourselves, your culture and your region. The creatives can help you out with this, but the creatives will be in Sydney or perhaps Melbourne unless they have a nice little beach house which they will come down to for the weekend. That is not a sustainable future in any sense of the word. It fails on two out of three counts of inclusivity and on any measure of sustainability.

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