

# From Creative Economy to Creative Society

*A social policy paradigm for the creative sector has the potential to address urban poverty as well as urban vitality.*

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Can the creative economy ameliorate urban poverty? The contemporary U.S. city is witness to an increasing proportion of its residents denied active participation in the local economy, social institutions, and broader civil society. While many a metropolis have weathered the transition from an industrial to an information-based economy, most urban neighborhoods bear the persistent physical and social manifestations of economic inequality and social exclusion.

Urban policy-makers generally agree that regional economic development and job growth are the solution to urban poverty and its associated blight and pathology. The creative economy is one of today's most popular remedies for ailing cities. What is the creative economy? According to Karen Davis, Arts & Business Council of Greater Philadelphia President and CEO:

The creative economy is defined as the sum of economic activity arising from a highly educated segment of the workforce encompassing a wide variety of creative individuals—like artists, architects, computer programmers, university professors and writers from a diverse range of industries such as technology, entertainment, journalism, finance, high-end manufacturing and the arts.

The logic is that attracting the “creative class” to the region will generate jobs and tax revenue, a trickle down of benefits to all citizens. Unfortunately, it appears that growth of the creative economy is exacerbating inequality and exclusion. The creative economy is contributing

to *both* the renewed prosperity of the city *and* the inequitable social and geographic distribution of its benefits.

So what's wrong? Public policy promoting the creative economy has two serious flaws: one, a misperception of culture and creativity as a product of individual genius rather than collective activity; and, two, a willingness to tolerate social dislocation in exchange for urban vitality or competitive advantage. In this brief, we recap current culture and revitalization research and policy and propose a new model—a neighborhood-based creative economy—that has the potential to move the 21<sup>st</sup> century city toward shared prosperity and social integration.

## The Creative Sector and Urban Policy

The creative economy represents the latest wave of interest in culture as a post-industrial urban revitalization strategy. Beginning with the 1983 landmark study by the Port Authority of New York and New Jersey, economic impact studies have quantified the contribution of the nonprofit cultural sector to a regional economy based on the multiplier effect of organizational and audience expenditures. In time, policy-makers realized that economic impacts are magnified when bounded spatially. So the planned cultural district came into vogue, along with the development of major cultural facilities like museums or performing arts centers, as catalysts for downtown revival.

The creative economy literature has examined a wider set of industries in which “creativity” is viewed as an asset and spur to productivity. Studies by the Rand Corporation of the performing and media arts took the lead in treating nonprofit and commercial cultural firms as a single sector. Richard Florida's work—with its claims about the role of the “creative class” in global competitive advantage—encouraged the trend to treat nonprofit and for-profit firms as a single sector and expanded definitions of culture to include design and related fields as part of the creative economy.

The excitement among public and corporate executives about the creative class has overshadowed a growing literature on the community benefits of the arts and culture. Like the creative economy, the community-building literature has moved beyond the focus on official nonprofit cultural organizations. But rather than

## New York City's Creative Economy, Total Workers, 2002

Industry	Description	People Working Within Firms With		
		Employees	Sole Proprietors	Total
Publishing	Periodical, book, newspaper publishers	48,872	3,747	52,619
Film and Video	Motion picture and video production, distribution	11,987	3,761	15,748
Music Production	Record production and distribution, sound recording, music publishers	5,969	908	6,877
Broadcasting	Cable networks, television and radio broadcasting, news syndicates	37,592	0	37,592
Architecture	Architecture, landscape architecture services	10,807	2,925	13,732
Applied Design	Specialized design, photographic services	14,112	13,872	27,984
Advertising	Advertising agencies, direct mail, display, other services	33,175	4,745	37,920
Performing Arts	Theater, dance, performing arts companies and musical groups	22,847	1,764	24,611
Visual Arts	Museums, art dealers	9,929	1,195	11,124
Other	Independent artists, writers and performers in creative industries	3,337	46,844	50,181
<b>Total Workers in Creative Industries</b>		<b>198,627</b>	<b>79,761</b>	<b>278,388</b>

Source: Center for an Urban Future, 2005

While economic impact analyses compute expenditures and consumption, creative economy studies focus on employment and production. The Center for an Urban Future with Mt. Auburn Associates identified nearly 280,000 workers—200,000 nonprofit and for-profit employees and 80,000 sole proprietors—in NYC's nine creative industries. An additional 31,000 creative workers are employed in other sectors.

seeking to integrate culture with global economic change, community arts researchers have focused on the integration of grassroots cultural practices and informal arts with contemporary urban community. Economic geographers have developed a third stream of literature, which explores production-driven cultural clusters and the social networks underpinning productivity. It is this cultural cluster perspective that has the greatest potential to meet the dual policy goals of economic equality and social inclusion.

### SOCIAL COSTS OF THE CREATIVE ECONOMY

Neither the creative economy nor the community building literature has focused on the possible negative effects of culture-based revitalization. Gentrification remains the most commonly raised objection, although what evidence there is hardly justifies the concern. Indeed, the tendency of artists to trigger population turnover appears to be counterbalanced by their role in stabilizing ethnically and economically diverse neighborhoods.

A less commonly discussed drawback of culture-based revitalization, but one for which there is more

evidence, is the expansion of inequality. Economic inequality—attributed to structural changes including globalization, the decline in unions, and deindustrialization—has exploded in the United States over the past thirty years.

Of particular relevance to the arts is the emergence of “winner-take-all” labor markets. Robert Frank and Philip Cook, who developed the concept, show that changes in the American labor market have expanded the number of job categories in which the most skilled members reap a disproportionate share of rewards. The archetypical winner-take-all labor market is professional sports, where the most talented members receive salaries far higher than those of the average member. Frank and Cook suggest that what used to be a relatively rare feature is now common in a great number of occupations, serving to accelerate economic inequality.

Within the creative economy, artists are especially vulnerable to the winner-take-all dynamic. The handful of opera singers, concert pianists, dancers, and authors seen as the best in the world garner incomes that dwarf those of gifted practitioners who are seen as less extraordinary. Indeed, SIAP's 2005 study of artists in six U.S. metropolitan areas

between 1980 and 2000 found artists consistently among the occupations with the highest degree of income inequality.

In his 2005 work, Richard Florida acknowledged that the growth of the creative class has contributed to the rise in economic inequality and its social and political repercussions.

Perhaps the most salient of what I consider the externalities of the creative age has to do with rising social and economic inequality. Less than a third of the workforce—the creative class—is employed in the creative sector of the economy. ... Even more discouragingly, inequality is considerably worse in leading creative regions. ... The creative economy is giving rise to pronounced political and social polarization...

Florida's newfound concern about income inequality is striking. Since its publication in 2002, *The Rise of the Creative Class* has been used by city officials from New York to Spokane as a how-to manual for stimulating economic growth. The realization that pursuing creative class strategies will actually exacerbate the divisions between rich and poor should give public officials pause.

The job mix within the creative economy offers both promise and concern for its role in promoting economic revitalization. Overall, the creative industries are dominated by jobs with high educational requirements. Empirical research indicates that as culture increases its share of the metropolitan economy, increasing inequality is a much more significant downside than gentrification. The expansion of both arts occupations specifically and the creative economy overall will create more opportunities for highly-skilled workers than for urban residents with modest educational qualifications.

#### SOCIAL BENEFITS OF COMMUNITY CULTURE

A significant number of studies have altered our understanding of the role that culture plays in urban communities. Research conducted over the past decade across the U.S. has shaped the field by:

- articulating an ecological view of the cultural sector—with nonprofit, public, and commercial providers and independent artists—and its relationship to communities;
- shifting attention away from formal organizations toward non-chartered groups and other “informal” cultural and creative practices;
- exploring the links between “informal arts” and other parts of the cultural system; and
- focusing on the contribution of the arts and culture to social network and community building.

*SIAP's research on Philadelphia suggests a relationship between cultural engagement and "collective efficacy"—the term used by Felton Earls to explain why some poor neighborhoods are safer than others—that is, "social cohesion among neighbors combined with their willingness to intervene on behalf of the common good."*

Much work on community culture is concerned with the inclusion of historically marginalized populations. The Urban Institute has developed a broad framework for tracking community cultural vitality—which it defines as “evidence of creating, disseminating, validating, and supporting arts and culture as a dimension of everyday life in communities.” The informal arts sector, in particular, is associated with minority, immigrant, and other out-of-the-mainstream communities. *Informal arts* include participatory, hands-on creative activity in *informal settings* as well as the *informal economy* of under-employed professional and traditional artists.

Ethnographers in Chicago and the Silicon Valley have documented the community building potential of the informal arts. A recent study, for example, found that Mexican immigrants in Chicago “use artistic and cultural practices to break down social isolation, create new social networking relationships, strengthen ... bonds among group members, and ... create local and transnational ties with [outside] institutions ...”

Cultural engagement contributes to the quality of community life by reflecting and reinforcing social diversity. Ethnic, economic, and/or household diverse urban neighborhoods are more likely than homogeneous communities to house cultural programs, cultural participants, and artists. Likewise, culturally-active neighborhoods are more likely to maintain demographic diversity over time.

SIAP's research on Philadelphia neighborhoods has documented links between cultural engagement, social diversity, and community capacity-building. Residents who participate in the arts and culture tend to engage as well in other types of community activities. Moreover, the presence of cultural organizations in a neighborhood stimulates local community participation overall. This kind of community cross-participation helps stabilize heterogeneous communities as well as enhance overall community capacity.

SIAP has documented a connection between community culture and child welfare: low-income block groups with high cultural participation were more than twice as likely to have very low truancy and delinquency as other low-income neighborhoods. The child welfare indicators reflected not the number of kids in arts programs but rather the relationship of cultural engagement to *collective efficacy*—that is, according to public health researcher Felton Earls, “social cohesion among neighbors combined with their willingness to intervene on behalf of the common good.”

### REGENERATION POTENTIAL OF CULTURAL CLUSTERS

Cluster economic theory appears to offer the greatest potential for the creative sector to regenerate distressed cities. Production-driven cultural clusters, which occur at both the neighborhood and regional scales, arise out of the social networks developed to meet common needs among producers in a given sector.

Clusters, says economist Michael Porter, are geographic concentrations of inter-connected companies, specialized suppliers, service providers, and associated institutions in a particular field. Famous industry clusters include Hollywood and “Silicon Valley.”

Clusters affect competition ... by increasing the productivity of companies based in the area; ... by driving the direction and pace of innovation, which underpins future productivity growth;

and ... by stimulating the formation of new businesses, which expands and strengthens the cluster itself. A cluster allows each member to benefit as if it had greater scale or as if it had joined with others formally—without requiring it to sacrifice its flexibility.

In a study of the craft, fashion, and cultural products industries of Los Angeles, Allen Scott observed that clustering is a critical feature for cultural producers to improve the quality of work produced and benefit economically from the work. L.A.'s small-scale, labor-intensive crafts firms cluster in dense industrial districts throughout the inner city and region to reduce costs through “agglomeration economies.” Moreover, the spatial proximity of individuals and firms facilitates intense

*A cultural cluster perspective highlights the social organization of the creative economy, and it is this socio-economic dimension that is culture's link to neighborhood revitalization.*

social networks, which spur a cross-pollination of ideas and innovation. Manuel Castells calls this organizational structure a *network enterprise* and the location where proximity generates synergy a *milieu of innovation*. “Social networks of different kinds powerfully contribute to the consolidation of a *milieu* and to its dynamics.”

The cultural cluster literature, therefore, reinforces the creative economy focus on production and cross-sector interactions. At the same time, however, a cluster perspective steps out of standard economic concerns to explore the social relations that spur innovation and investment. Thus, clusters highlight the social organization of the creative economy, and it is this socio-economic dimension that is culture's link to neighborhood revitalization.

Community arts researchers have found direct connections between culture and revitalization. In a study of ten Chicago neighborhoods, Grams and Warr identified social networks as a key mechanism by which community arts contribute to neighborhood improvement. By developing social networks, low-budget arts programs leverage local and non-local assets that result in direct economic benefits for the neighborhood—new markets, new uses of existing facilities, new jobs for local artists—as well as broader community engagement.

SIAP has developed empirical methods to measure the arts' impact on the broader socio-economic processes of urban neighborhoods. Indeed, SIAP's research on Philadelphia shows a strong and long-standing relationship between cultural assets and neighborhood regeneration. During the 1980s and 1990s, low-income neighborhoods with many cultural providers or participants were three to four times more likely to revitalize as other at-risk areas. Between 2001 and 2003, distressed neighborhoods rich in cultural assets were more likely to see a dramatic improvement in their housing markets.

How might we explain a connection between cultural engagement and poverty decline? SIAP's analyses of metropolitan Philadelphia demonstrate that cultural production and participation reinforce one another, both within communities and across the region. Cultural providers (nonprofit and for-profit), individual artists, and participants tend to locate in similar communities. Moreover, neighborhoods rich in cultural resources send participants to programs throughout the city as well as draw outsiders into the neighborhood. Even among small grassroots arts centers, nearly four-in-five participants come from other neighborhoods. Unlike most community activities, culture builds bridges across the divides of geography, ethnicity, and social class. By building social networks within

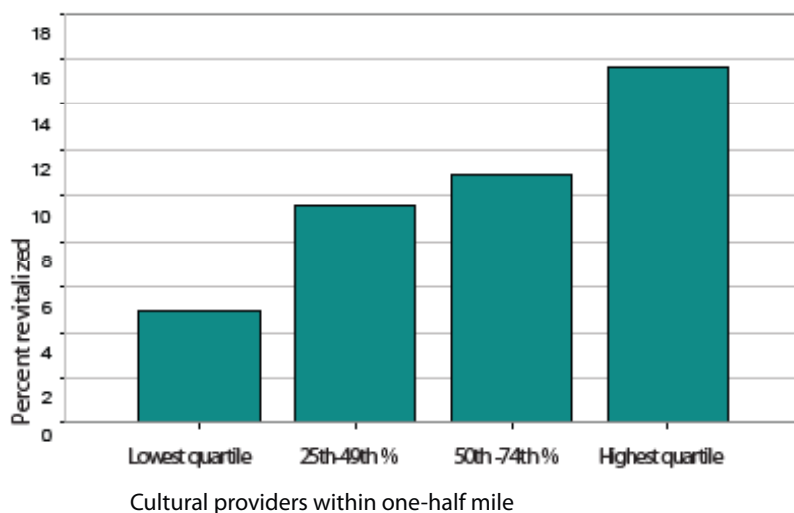
and between neighborhoods, cultural engagement fosters collective capacity, especially in low-wealth communities.

SIAP's findings demonstrate a clear correlation between cultural engagement and community well-being, but there remain several empirical holes. We have yet to:

- measure directly the link between cultural participation and neighborhood change—the “collective efficacy” hypothesis;
- collect comparable data on other forms of community engagement to assess the relative effectiveness of culture in promoting neighborhood revitalization; or
- sort out the temporal relationship between cultural engagement, civic vitality, and neighborhood regeneration.

In addition, it would be useful to do case studies of neighborhood cultural clusters—what SIAP calls “natural” cultural districts—to look at the social and spatial dynamics of cultural production and participation and their implications for neighborhood revitalization.

### Percent of block groups revitalized (above average population increase and poverty decline) by number of cultural providers within one-half mile, Philadelphia 1990-2000

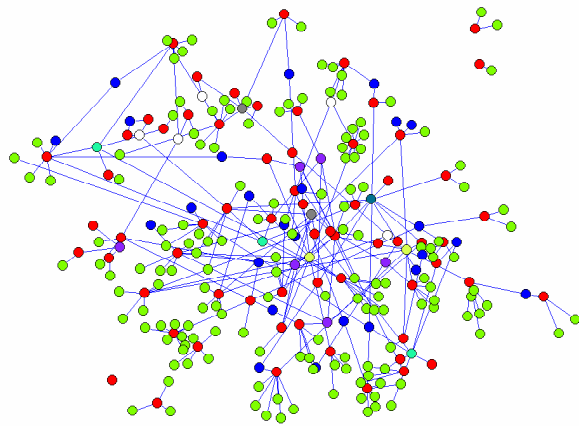


In Philadelphia, during the 1980s and 1990s, the odds that a neighborhood would revitalize were highly related to presence of cultural resources. Even among the most at-risk neighborhoods, those with many cultural organizations within one-half mile were three to four times more likely to see their poverty decline and population increase as those with few groups.

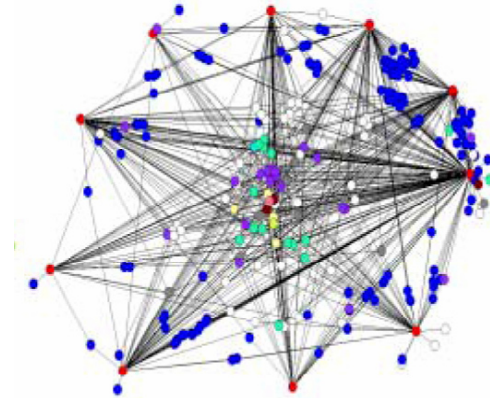
Source: SIAP

## Culture fosters community capacity by building social networks. Philadelphia, 2001.

Cultural engagement builds networks within and between neighborhoods. Neighborhoods with a critical mass of cultural assets—and a dense web of social networks—are more likely to experience stable social diversity as well as economic revitalization.



Artists (65 red dots) and organizations with which they worked in one year.



Community cultural providers (10 red dots) and non-arts organizations with which they worked.

Source: SIAP

## A New Model: A Neighborhood-Based Creative Economy

Can the creative economy expand economic opportunity and social inclusion without generating the inequality and displacement that its critics have noted? The answer, we suggest, lies in linking the creative economy, community-building, and cultural cluster literature in an alternative model for low-wealth urban neighborhoods. The three perspectives share an interest in moving beyond traditional nonprofit models of the arts and in focusing on a community's assets rather than its deficits. All view cultural organizations not in isolation but as "network enterprises" in which their connections to wider systems are more important than their internal organization.

*A neighborhood-based creative economy is an ecosystem approach to culture-based neighborhood revitalization that integrates urban residents with the regional economy and civil society.*

At its core, the creative economy perspective misunderstands creativity. Proponents don't recognize the collective nature of the creative process and, in particular, the social organization of the creative and cultural industries. The productive as well as the revitalization potential of the creative sector depends upon an infrastructure of social and spatial networks. Here we propose a *neighborhood-based creative economy* as a framework for strengthening the social and spatial networks of creativity from the bottom-up.

We begin with a model of the community cultural sector as an ecosystem. The model highlights how the capacities and impacts of the sector as a whole are greater than the sum of its parts. Other features include:

- the sector's variety of agents, some operating "under the radar"—nonprofit cultural organizations, informal arts groups, for-profit cultural firms, and community-based programs;
- the interdependence of community and regional agents and of producers and consumers;
- the essential but often invisible role of artists and cultural workers as connectors;

- the under-appreciated role of cultural patrons and practitioners as cross-participants and community connectors.

An ecosystem approach to the community cultural sector views the connections and flows between agents and resources—their institutional and social networks—as more important than individual entities.

An effective revitalization strategy should be both place- and people-based—that is, it should be grounded in a given locale but have active connections with other neighborhoods and economies throughout the city and region. A neighborhood-based ecosystem approach to the creative economy is a way to integrate urban neighborhood residents with the regional economy and civil society.

#### FROM CREATIVE ECONOMY TO ECONOMIC OPPORTUNITY

The concept of the community cultural ecosystem fits uneasily with current interest in the creative economy. At least in its American manifestations, the creative economy is thoroughly market-oriented. The profit motive is the “change agent” and cultural and social arrangements are expected to respond accordingly.

**Creative Class Myopia.** Florida’s work is based on a reasonable and important insight—that the role of creativity has become a central element of a region’s comparative economic advantage. His contribution is to hone in on the particular skills and knowledge that contribute to innovation and to see these skills as relevant across a variety of sectors.

But there is a dark side to the creative class argument. As Saskia Sassen noted years ago, the global economy tends to “valorize” particular jobs while it “devalorizes” others that are equally important to the overall functioning of the economy. In his enthusiasm for the role of the truly creative in stimulating economic growth, Florida values particular workers—typically high-wage, well-educated workers—which has the effect of devaluing those who make a less visible contribution.

But if we make life better for the creative class, in a world of limited resources, we make life less good

for the less “gifted.” In his latest book, Florida bemoans that creative places have high levels of social and economic inequality. Yet, it is difficult to see how his conceptualization of creativity could have any other consequences.

The unhappy denouement of the creative class raises a provocative implication that has been largely unexplored. In his seminal work, *Art Worlds*, sociologist Howard Becker made a compelling case that the image of the artist as a genius existing outside of any social organization was fallacious. Individual creativity—even in its most idiosyncratic form—is tied to patterns of organization of social activity that allow the genius to play that role. “Works of art,” Becker explains, “are not the products of individual makers, ‘artists’ who possess a rare and special gift.”

[Works of art] are, rather, joint products of all the people who cooperate via an art world’s characteristic conventions to bring works like that into existence. Artists are a small subgroup of the world’s participants who, by common agreement, possess a special gift, therefore make a unique and indispensable contribution to the work, and thereby make it art.

Like Sassen, Becker is as likely to see the stage hand, the printer, or the guitar string maker as critical to art as the famed actor, author, or singer. Becker’s point was to shatter the idea of creativity outside of social organization and to revalue the role of cooperative activity in creative production.

Much recent work on the creative economy and creative class turns Becker’s insight on its head. Where Becker showed how art requires the contribution of an ensemble of people with different skills and aptitudes who can successfully coordinate their activities, creative class advocates take the classic idea of the artist—a gifted individual with unique vision and skill—and generalize it to all creative workers. Where Becker sought to demystify creativity, many creative economy writers seek to generalize the artists’ aura to encompass stockbrokers, scientists, and university professors! It appears that we should subordinate our own well-being to that of the geniuses among us, the true font of our collective well-being.

### A Creative Sector Workforce Development

**Strategy.** Could the creative economy have implications for an urban workforce development strategy? What if we take Howard Becker's insight and turn the creative economy back on its feet? If the sector's success is based on the social organization of people with different skills and aptitudes, the creative economy might provide the foundation for a variety of new jobs and skills not covered by current definitions of creative worker. Someone has to lay the fiber optic cable for the web designer, someone has to sew the costumes for the dancers, and someone has to create the drawings for the architect. From this perspective, the creative economy could provide opportunities for young adults who have not been successful in pursuing traditional academics.

*Howard Becker's book, Art Worlds, shatters the idea of creativity outside of social organization and revalues the role of cooperative activity in creative production ... providing the foundation for a creative sector workforce development strategy.*

The valuation of the creative class, in fact, flies in the face of a profound reorganization of work life at the beginning of the 21<sup>st</sup> century. The trajectory of work organization during the 20<sup>th</sup> century was the separation of mental and manual work. During the course of industrialization, work restructuring was devoted to the removal of knowledge from the "hands" who did the work to the engineers and managers who oversaw and directed the process.

By the end of the century, however, the pendulum had begun to swing back. In sector after sector, information technologies permitted a reduction in the minute division of labor and a reintegration of manual and mental labor. The reorganization of occupational classifications for the 2000 census, for example, focused increasingly on the functions associated with particular occupations rather than their level of formal education or remuneration.

Indeed, the reintegration of mental and manual work required for creative and cultural production provides a fertile ground for examining opportunities for the urban work force. To do so we have to identify the range of skills that—while

not creative in the conventional sense—are critical to the social organization of the creative industries. With the digitization of audio and video production, for example, it has become almost impossible to distinguish where the "technical" work stops and the "creative" work starts.

Digital media production presents only the most obvious illustration. Philadelphia's Charter High School for Architecture and Design has developed a curriculum that combines traditional academics with design skills and hands-on training in carpentry, building trades, and structural systems.

Across the creative sector, we need a thorough inventory of the actual work involved and the paths for entering these occupations. U.S. localities can look to the United Kingdom and Canada, where workforce development planning for the creative and cultural industries is underway (see page 9).

### FROM ECONOMIC OPPORTUNITY TO SOCIAL CITIZENSHIP

Can a neighborhood-based creative economy combine wealth-creation and social inclusion?  
Can cultural engagement foster an open society?  
Can we leverage a creative economy to a creative society? Yes, but not by avoiding the lessons of past experience.

**The Limits of Trickle-down Prosperity.** As we have noted, a market-driven creative economy is remaking the world, or at least the U.S. Government's job, according to this perspective, is to set intellectual property rules that encourage entrepreneurs but don't hamstring innovation and otherwise get out of the way. As Sassen would say, the rest of us are "devalorized" to the point of invisibility.

Much of the literature on culture-based revitalization focuses on large-scale projects and districts as a means of reanimating downtowns. Significant public investment in culture is directed at others—tourists, conventioners, high-income downtown residents, and suburbanites. The case for benefits to residents of modest means is typically the creation of service sector employment and the trickle down of economic advantages to the region.

The development potential of the regional creative economy is characterized more by intriguing possibilities than proven facts. By comparison, the social benefits of the arts are persuasive and



## CREATIVE AND CULTURAL INDUSTRIES WORKFORCE DEVELOPMENT

To develop a creative industry urban workforce development strategy, we can look to the UK and Canada. The few US localities thinking about creative sector “workforce development” focus on facilitating labor markets.

### UNITED KINGDOM

In the UK workforce development plans are part of the national education agenda. All industrial sectors, reorganized into 25 Sector Skills Councils, develop a framework of common interests, issues, and interventions needed to close skills gaps. Creative & Cultural Skills, operative since June 2005, is the skills council for advertising, crafts, cultural heritage, design, music, performing, literary and visual arts.

The **Music Industry Workforce Development Plan**, completed in December 2004, set the tone for the creative industries. The plan specified professional development, organizational, and “entry-to-the-workforce” objectives that included “a structured dialogue” between industry and education and workforce diversity that reflects the demographics of the country.

The **Museums Libraries and Archives Council** and **MLA London** published workforce development strategies. Priorities are to improve access to training and development and diversify the workforce so that museums, archives and libraries reflect the communities they serve.

London’s **Innovation for Success** is a workforce development program for creative, cultural and media professionals and companies to develop networks and build technical, management, and leadership skills. The accredited program is free or subsidized for creative professionals trading from 10 inner London boroughs. “We are particularly keen to work with Black, minority ethnic and disabled-led businesses, freelancers or employees.” Funding is by London Development Agency, European Union, and Ravenscourt Media.

### CANADA

The **British Columbia Cultural Sector Development Council** focuses on issues of human capital and the infrastructure workers navigate to earn a living. Its goal is to build long-term creative and economic sustainability for individuals, cultural organizations, and industries by working with existing networks and resources and, where gaps are identified, coordinating stakeholders to achieve effective solutions.

The **City of Vancouver, Office of Cultural Affairs** documents the local creative sector by occupation and industry (cultural and information industries & arts, entertainment, and recreation). The City tracks changes in its culture labor force, demographic and minority characteristics of culture workers, and creative industry employment by neighborhood.

The **Saskatchewan Motion Picture Association** completed a workforce development plan for the province’s growing film and video industry, which benefits from a Film Employment Tax Credit. The plan has several components: training and employment programs for women and aborigines, so that the workforce represents the diversity of the populace; an occupational survey to determine the number of entry- and upper-level jobs and their training needs in film, television, and new media; and a skills data base of individuals working or wanting to work in the industry.

### UNITED STATES

**Oregon Creative Services Alliance**, a public-private partnership with the Portland Development Commission and City of Portland, is working to foster a network infrastructure among Portland’s creative service groups and to address workforce quality by developing partnerships with local colleges and universities, art schools, and workforce development agencies.

The **Santa Fe Arts and Culture** website, a project of New Mexico CultureNet, is designed primarily for residents and visitors. The portal uses three parts for workforce development: Classifieds—a listing of employment opportunities and individuals looking for work; Arts Directory—a listing of businesses and individuals doing business in Santa Fe; and Google Search—a unique URL for each Arts Directory listing.

**Creative New York**, a December 2005 report by the Center for an Urban Future, recommends that New York begin to address its creative core’s workforce development needs. “City leaders and industry stakeholders ... [should] align workforce organizations, industry leaders, trade associations and unions to coordinate the skills development needed for creative industries [... and ...] collaborate with the city’s network of workforce training providers and educational institutions to develop programs to meet these multiple needs.”

relatively well-documented. Virtually all social impact studies find a consistent set of positive neighborhood effects associated with community arts and culture. They bridge long-term barriers of class and ethnicity as well as age and gender. They foster social and institutional connections both within and between neighborhoods. They animate public spaces. They create value in the form of physical amenities and quality of the built environment. SIAP's research provides evidence that the social benefits are connected to wider trends in community capacity-building and economic well-being.

The regeneration potential of cultural clusters demonstrates that the economic *vs.* the social impact of the arts is a false choice. If policy-making were a rational decision-making process, the lessons of the past 20 years would be loud and clear. Large-scale cultural projects—under the right circumstances—can generate significant economic return, but the bulk of these benefits accrue to high-wealth populations. By contrast, small-scale projects entail modest investments and yield modest direct economic return. However, clusters of even low-budget arts and cultural resources generate significant spill-over effects that contribute to the quality of community life, which in turn can trigger long-term economic benefits.

**Creative Economy as Social Inclusion Strategy.** To succeed on social—and economic—justice grounds, a neighborhood-based creative economy must integrate economic opportunity *and* social inclusion. For the creative economy to become a creative society, we need to see people as more than cogs in the economy. We need to see people simultaneously as workers and citizens and develop an approach that recognizes both.

*For the creative economy to become a creative society, we need to see people simultaneously as workers and citizens.*

The starting point would be a political ideology that acknowledges, rather than denies, the potential for exclusion. The British experience might be a guide to reassessment of the social and economic value of culture-based development. The priority given to social inclusion—by Creative London, for example—is an attempt to combine market principles with social purposes.



Scribe Video Center in Philadelphia provides training in all aspects of film, video, and audio production for novice, emerging, and established media artists.



Photos: Scribe Video Center

Scribe gives area residents of all ages the equipment and skills to make documentaries and chronicle their community histories.

The ideology of the creative economy is a significant barrier to such a shift. If the competitive advantage and economic prosperity of our cities and regions is dependent upon a creative class, it is difficult to make a case for the welfare of the mass of ordinary citizens.

Earlier, we used Howard Becker's discussion of "art worlds" to turn the creative class on its head. Becker's insight provides the foundation for development of a creative economy workforce. If a successful creative economy is based on social organization—not individual endowment—then a strategy of social inclusion would identify opportunities for social mobility and wealth-creation across the sector, not just at its top. Such a strategy would have implications for education and training and create a virtuous cycle of orienting urban kids toward jobs that really exist and re-valuing those jobs within the creative economy.

A social inclusion strategy would develop renewable resources to support emerging and innovative community-based and community-serving creative and cultural programs and artists. Relatively modest but sustained local investment, especially with technical and resource network support, could foster cultural participation that in turn builds social networks within neighborhoods, across the city, and throughout the region.

A social inclusion strategy would support urban neighborhood-based creative businesses and sole proprietors. For the Los Angeles craft industries, Scott and Rigby recommended a policy framework that would "not involve 'picking winners' [but rather be] based on a bottom-up and industry-wide approach directed toward improving localized external economies [by] stimulating the entrepreneurial and creative capacities of all local firms." We should invest in producer and provider collaborative networks to enhance institutional infrastructure and social capital. Scott and Rigby "envisage the creation of communities of firms, workers, and public agencies engaged together in reconstructing the collective competitive advantages of the region's craft industries."

In any case, we need a hard-headed strategy that takes both market realities and the very real human, social, and cultural impacts of the arts into consideration. Such a strategy would likely be characterized by smaller investments, smaller risks, and more gradual change than most cultural facility and district plans. But a social inclusion strategy must also have a bigger vision and commitment to the integration of all local residents with the regional economy and civil society.

## "NATURAL" CULTURAL DISTRICTS AS ANCHOR OF NEIGHBORHOOD-BASED CREATIVE ECONOMY

The community cultural ecosystem model described above suggests a neighborhood-based culture approach to community revitalization, urban regeneration, and regional economic development. The model illustrates the interdependencies of cultural producers, providers, and participants and the network flows between community and regional entities.

UK cultural planner Chris Murray recognizes neighborhoods as cultural entities that are both sustained by and sustaining of the contemporary urban economy.

Provision for cultural needs helps to develop and sustain communities, but local communities also have a function in sustaining and developing the culture of societies as a whole. It is at the margins that innovation often occurs: the blending of culture, the expression of individual identity, alternative lifestyles. 'Cool Britannia' packages and sells popular culture on a global level, but much of this product originates 'on the street,' in neighbourhoods.

Murray promotes "taking neighborhoods out of the cycle of 'urban problem' [and] rethinking them as special, individual cultural centres that are the life's blood, the atomic nuclei of cities." All urban neighborhoods have the potential to become "cultural hubs," says Murray, but not without coordinated action. He advocates an approach that engages both artists and citizens in planning and design processes and provides for community appropriation and ownership of space. "Artists tend toward flexible, open-minded approaches; innovation; critical and questioning methods; and people-centered solutions. Artists also have a role in facilitation and keeping the debate open."

While all urban neighborhoods have the potential to become cultural hubs, some have the potential to become "natural" cultural districts. Many low-wealth neighborhoods possess a critical mass of cultural assets—cultural firms and organizations, workers and participants, artists and creative entrepreneurs. As an alternative to top-down planned cultural districts or as a complement to local community development, planners and developers could identify these grassroots nodes as leverage points for public, private, and philanthropic investment. In this model, "natural" cultural districts would be centers

Community artists facilitate dialogue and foster social inclusion.



Coleshill Shelter completed

Youth Space Project, Midlands Architecture and the Designed Environment, 2006

Community design projects can offer young people voice as well as skills and the opportunity to improve their environment. Youth Space was a project in West Midlands, UK where young people, artists, and architects collaborated to design and construct six youth shelters.

Photos courtesy of [www.communityplanning.net](http://www.communityplanning.net) (case study No. 4).



Warndon completed



Coleshill Shelter in use

of social and economic development and serve as neighborhood anchors of the creative economy.

A natural cultural district could reinforce a creative sector workforce development initiative, for example, as the site for a design technology school, a music industry training program, or an artists' center. Artists' centers, in particular, appear to be generative in terms of stimulating creative work and careers as well as neighborhood and regional economies. Regional economist Ann Markusen, based a Minnesota study, found that dedicated spaces for artists to work and convene "help to maximize artistic spillover" within a local community. Artists' centers enable residents to interact with artists and participate in the creative

process; contribute to the social, cultural, and commercial lives of local neighborhoods; and "pay economic dividends for the region."

A neighborhood-based creative economy—anchored by a network of "natural" cultural districts—provides an inclusive vision of an expanding urban economy. The concept addresses three types of market failure intrinsic to the creative economy that contribute directly to inequality and exclusion: one, growth of winner-take-all artist and creative-class labor markets; two, proliferation of informal arts, although a source of energy and innovation, also a symptom of the informal economy; and, three, neighborhood displacement of residents and entrepreneurs who have initiated revitalization.

Ultimately, we have no choice. If we don't work on economic equality and social inclusion, the creative economy unabated will accelerate inequality and exclusion. Florida highlights the issues "hindering the rise of a more fully creative society":

Though the creative economy generates tremendous innovative, wealth-creating, and productive promise, left to its own devices it will neither realize that promise nor solve the myriad of social problems facing us today. ... And, far from inequality being the only creative-age social concern, the creative economy generates other related externalities: [decline in] housing affordability ..., uneven regional development ..., sprawl and ecological decay ..., and mounting stress and anxiety ...

Ironically, policy-makers cite Florida in promoting the creative economy as a strategy for urban regeneration and regional competitive advantage. Given their narrow focus on regional economies, these policies—if successful—will feed broader social dislocation.

Economics alone won't get us to inclusion. If we see the creative sector only as a market, the logic will be to increase inequality and exclusion. We need a vision that possesses a social and political, as well as economic, rationale.

Culture *can* foster social inclusion—but it isn't automatic. With political will and coordinated action, we can stem a divisive tide and channel the promise and prosperity of the creative economy toward innovative economies, remunerative employment, social citizenship, and dynamic communities—toward a creative society.

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## A cultural planning approach to neighborhood revitalization

UK community planners use art workshops help local people get involved in the design of their environment. People of all ages, backgrounds and abilities work closely with community artists and sculptors in studio workshop sessions to generate design ideas. Architects, landscape designers, and technical experts ensure that the designs are buildable. The community chooses which designs should be built, usually by voting at an exhibition. Installation of the artwork is often marked by a celebration.

The Community Planning Website

[www.communityplanning.net](http://www.communityplanning.net), Nick Wates Associates (2007).



### Community Art

Street lights designed by local residents with community artists.

Photo by Free Form arts Trust. Courtesy of [www.communityplanning.net](http://www.communityplanning.net) (method, Art workshop).

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### About The Reinvestment Fund

TRF is a national leader in the financing of neighborhood revitalization. A development financial corporation with a wealth building agenda for low- and moderate-income people and places, TRF uses its assets to finance housing, community facilities, commercial real estate and businesses and public policy research across the Mid-Atlantic. TRF conducts research and analysis on policy issues that influence neighborhood revitalization and economic growth both to help it identify opportunities to invest its own resources and to help public sector and private clients with their own strategies to preserve and rebuild vulnerable communities.



### About Social Impact of the Arts Project

SIAP is a policy research group at the University of Pennsylvania's School of Social Policy & Practice. Since 1994 SIAP has conducted research on metropolitan Philadelphia to explore the structure of the creative sector, the dynamics of cultural participation, and the relationship of the arts to community well-being. SIAP leads the field in the development of empirical methods for studying links between cultural engagement, community-building, and neighborhood revitalization.