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Creativity as an engine of prosperity for any member of the workforce

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Gaye Naismith runs a design company, Gaye Abandon, that makes homewares from recycled fabrics at River Studios in West Melbourne. Picture: Aaron Francis Source: The Australian

WHEN Richard Florida's book *The Rise of the Creative Class* was published in 2002, it was received simultaneously as a cultural snapshot, a flattering social portrait and a plan of action. It put forward the intoxicating idea that where creativity gathers, economic success follows.

Florida's book helped explain what people were already noticing in their cities: the sprouting of cool cafes and small bars, the emergence of technology and design businesses, the rise of property values in previously run-down parts of town.

For those who work in architecture, media, science or performing arts, for example, Florida's book was a pleasing ego trip.

"Just as the feudal aristocracy derived its power and identity from its hereditary control of land and people, and the bourgeoisie from its members' roles as merchants and factory owners, the Creative Class derives its identity from its members' roles as purveyors of creativity," Florida wrote.

He tracked the urban concentration of creative workers with what he called a "Bohemian Index". For policymakers and city planners in Australia and elsewhere, Florida's work seemed to be a blueprint for urban regeneration and smart, sustainable industries.

Melbourne Lord Mayor Robert Doyle keeps a copy of Florida's book in his office. And while the federal government's national cultural policy is yet to appear, the stated intention that it will embrace creative industries as economic drivers will be very familiar to Florida's readers.

"Australia would be one of the places where I think the book had a little bit more influence than other places," Florida, an American who has visited all of Australia's mainland state capitals since his book came out, tells The Australian.

Born in New Jersey, Florida is head of the Martin Prosperity Institute at the University of Toronto and is a senior editor at The Atlantic magazine. He has published several books on the theme of the creative class including, last June, *The Rise of the Creative Class Revisited*, a substantial revision of his 2002 volume.

The thrust of Florida's thesis is unchanged: growth of creative industries depends on the "3Ts" -- technology, talent and social tolerance. But he has refined his arguments and updated statistical evidence. And he answers his critics and the misconceptions that have arisen in the decade since *The Rise of the Creative Class* was published. "It's quite shocking to me that people still hear the word 'creative' and they tend to believe it's hipsters and artists and musicians," he says by phone from Toronto.

"That's where the confusion comes in. People think I'm talking about artistically creative . . . What makes all these groups similar is that in different ways they use creativity in their job."

Critics have accused Florida of pandering to an inner-city elite, and for giving gay people all the credit for driving creative industries. He saw it as necessary, in his revised text, to make full disclosure of his lifestyle and preferences: he is a white, middle-aged, Italian-American, heterosexual male, is married, and has voted at different times for Democrats, Republicans and independents. Part of Florida's work has been to widen the definition of what constitutes the creative class. Traditional measures of the knowledge economy include the number of people with tertiary education.

Florida is more interested in "economic creativity" or entrepreneurship: the ability to come up with ideas that generate income.

Considered in this way, the creative class is no longer a caste of conservatorium-trained violinists or software designers in skinny jeans, but potentially everyone in the workforce given a chance to exercise their initiative.

Estimates of the numbers of people doing creative work vary widely. The 2012 edition of *The Rise of the Creative Class* estimates there are 300 million creative workers in 82 nations for which data is available -- double the number from 2002. Australia ranks fourth in the world for its high proportion of creative workers, with 44.5 per cent.

Local research on the creative industries is growing. The Creative Industries Innovation Centre says creative industries generated revenue worth \$65 billion in 2010-11.

The sector comprises about 122,000 businesses, most of them being small enterprises or self-employed people, turning over less than \$1 million a year.

These businesses may include such things as design firms, publishers and online retailers, and governments want to help them. Federal Arts Minister Simon Crean speaks about the arts and creative industries contributing to national productivity.

At city level, too, local governments give incentives to small business to help enliven urban-industrial areas and produce a more diverse economic mix.

Local councils such as Sydney and Melbourne offer cheap studios to start-up companies. Sydney's Fishburners provides office space (a desk for about \$300-\$350 a month) to about 50 start-up technology companies.

In West Melbourne, River Studios was converted from a former warehouse that had been vacant for 20 years into 57 studio spaces for artists, designers and artisans.

Among the tenants there is designer-maker Gaye Naismith, whose company Gaye Abandon makes homewares from recycled fabrics including op-shop jumpers. Because of the storage she needs for materials, Naismith says her business would not be viable if she had to pay commercial rents.

She pays \$380 a month for her space at River Studios.

Does government investment in arts and creativity actually produce a dynamic economy?

Florida in his book is slightly critical of investment in traditional culture: what he calls the SOBs, or symphony, opera and ballet companies.

Creative workers who drive economic growth, he says, are less interested in heritage arts than an organic, street-level culture where they can "experience the creators along with their creations".

But he concedes that the arts contribute to the economy in ways that may not be fully understood. "Clearly, investing in arts and culture over the long run makes our economy stronger, but we do not know the exact mechanism through which that works," Florida says.

"At the very crudest level of correlation, there is a strong association between the concentration of arts, design, media and entertainment occupations in a jurisdiction and its level of prosperity."

Perhaps not surprisingly, given his focus on cities as places where creative potential may be unlocked, Florida argues that local rather than national governments may be best equipped to stimulate creative industries.

"The age of creative capitalism, in my view, is premised on the city as the social and economic organising unit," Florida says.

"I think the real key to the future is giving cities much more jurisdiction and revenue-building capacity . . . We have to empower cities and neighbourhoods: that would seem to be the shift that's hard. How do we get cities to have the necessary power to shape their destiny?"

The Rise of the Creative Class Revisited is published by Basic Books.