



Reflecting on the future of the ”creative class” in regional development

[10 August 2022](#) [Richard Florida](#) [Employment](#), [Jobs](#), [Local Development](#), [Regions](#), [Rural](#) [Leave a comment](#)

In a recent *OECD Dialogue on the future of regions: Getting creative about regional development*, world-renowned expert on place-based development and author of [The Rise of the Creative Class](#), **Dr. Richard Florida** shares his expertise on the relationship between a creative workforce and regional economic development. He encourages cities and regions to consider how diversity, creativity and innovation can contribute to attracting creative talent and investment, and shape inclusive and sustainable development. He then unpacks how non-metropolitan areas can benefit from a greater influx of creative people and capital, especially in the wake of the pandemic. You can watch the talk in full, [here](#).

The dialogue and this follow-up blog interview are part of the OECD/CFE’s work on [Regions in Globalisation](#).



Can you give a snapshot of what you mean by the “creative class”? Moreover, can you reflect upon the importance of this group for regional development, and particularly for non-metropolitan areas?



The creative class describes a new class whose economic function is to create new ideas, new technology and new creative content. It includes occupations such as science and engineering, architecture and design, programmers, education, arts, music and entertainment. These types of creative occupations have increased exponentially in recent decades and are today accounting for roughly half of all jobs in OECD-countries. In the creative economy, cities and places have replaced firms and companies as the core unit that organises economic and social activity. As such, it can be argued that the core function of the city is shifting from organising firms to organising talent.



In your view, how has the COVID-19 pandemic influenced the evolution of the creative class? Might centres of creative class concentration be more likely to shift from large metropolitan areas to other locations? If so, what benefits – or risks – could be foreseen?



The shift from an industrial to a creative economy continues at pace, a shift accelerated by the pandemic and increasingly talent-led. Remote working opportunities have empowered the creative class by giving them more autonomy, and the leverage to increasingly choose how and where they want to work. Whereas the USA in the 1990s was the centre for investments in innovation and technology hubs, the rest of the world has now largely caught up. Innovation and creativity today is an increasingly shared and globalised activity – a development that some describe as the “rise of the rest”. This presents enormous potential for regions and cities that have often been referred to as [‘left-behind’](#).

Take rural areas, generally speaking, as an example. Creative talent and innovation – the fuel of economic growth – have in the past often concentrated and clustered in large cities and metropolitan areas. However, a wide [body of research](#) now indicates that creativity is even more

important to rural development. This is because the presence of the creative class tends to translate into a greater presence of innovative firms, paying higher wages and leading to the creation of new firms as well. The marginal benefits for rural areas, which are generally less innovative (in absolute terms) than their urban counterparts, is therefore greater.



You define *talent, technology, tolerance* and *territorial assets* as four primary ingredients for creative class-driven economic growth. Can you elaborate more specifically on these territorial assets and what challenges (or benefits) this might present for non-metropolitan areas and how these might be overcome?



Prosperous places have Talent (skills, quality education institutions and research universities); **Technology** (research and development and science); **Tolerance** (communities characterised by open-mindedness and diversity); and **Territorial assets** (available land for development, as well as other environmental and cultural amenities). These four assets combine to influence the attractiveness and enhance the **quality of place** — a factor strongly linked to attracting and retaining talent. Policy-makers should ask themselves if the policies, investments and programs — at all levels of government — strengthen (or not) these critical foundations. If the answer is no, they may need to course-correct.



To wrap up, what can policy-makers do to more effectively attract creative talent and investment for more inclusive and sustainable local development in the future?



Rural innovation depends to a larger extent on the presence of a creative class. Natural and cultural amenities are more important to the prosperity and economic growth of non-metropolitan than metropolitan areas. Quality of life, notably arts and culture, are key to attracting and retaining the creative class and to harnessing their innovation and creativity – *planting the seed for innovation, creativity, arts and cultural progress outside the big cities is critical.*

Booming rural and non-metropolitan areas today are those that laid strong foundations prior to the pandemic, through, for example, investments in arts and culture and enhancing their regional attractiveness assets, thus improving the overall quality of place. *While places lacking the assets to attract the creative talent are finding it increasingly difficult to catch up, it is never too late to start.*

Non-metropolitan areas that are successful in attracting the creative class are not immune to potentially negative impacts, including rapidly increasing land, rental and housing prices, and growing inequities and inequalities between successful areas and those falling behind. This can lead to polarisation across and within communities; a challenge that requires strategic, place-based solutions that foster inclusive growth. This implies investing in active policies to make the most of latent potential and improve the prosperity and life prospects of non-metro areas.