

Book Reviews

Richard Florida (2002), *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. New York, Basic Books. 416 pp, ISBN 0465024769.

Richard Florida (2005), *The Flight of the Creative Class: The New Global Competition for Talent*. New York, Harper Collins. 320 pp, ISBN 006075690X.

What is the main source of economic growth in the twenty-first century? If we listen to today's analysts and politicians, the answer to this question comprises something like 'competition', 'knowledge' or 'technology'. According to the American economist Richard Florida, however, none of these three factors are fundamental growth drivers: in the end, he says, economic growth is driven by human creativity – and because creativity flourishes best in an urban environment, it is a vibrant city that will be the ultimate powerhouse of future economic development. Roughly speaking, this is the main message of the two international bestsellers under review. Since the publication of his first book, *The Rise of the Creative Class*, Florida has been on the road across the world. Mayors, policy makers and scientists ... they all ask him for his vision on the city. The popularity of Florida has only grown with the publication of his second book, *The Flight of the Creative Class*, in which he takes a more global perspective on the relationship between creativity, cities and economic growth.

The Rise of the Creative Class

Interestingly, Richard Florida tells the reader that he got inspired for his theory on the creative class in his native old-industrial city of Pittsburgh when he helped to get the city's impoverished economy out of the dumps. One day he read, much to his surprise, in the local newspaper that the Internet search engine Lycos, a successful Pittsburgh university spin-off, had decided to move to Boston – despite all the efforts of the city of Pittsburgh, the university and investors to build a sound infrastructure for R&D and start-ups. The main reason for Lycos leaving, however, turned out to be the lack of talent. The company wanted to have access to a large pool of creative spirits

and that was what Boston – in contrast to Pittsburgh – could offer. Extensive research into other American cities brought Florida to the conclusion that today's economy is largely built on creativity which is found in people who favour the city as the place to be. This so-called 'creative class' includes writers, innovators, scientists, engineers, consultants, media people, authors, architects, designers, musicians and artists – in short: people that earn their money with creative thinking, designing and producing. Creativity, in turn, results in the well-known Schumpeterian 'creative destruction' process, leading to innovation and subsequent economic growth. According to Florida, the creative class meanwhile comprises more than 30 per cent of the American workforce. In order to test the attractiveness of a city for members of the creative class, Florida comes up with a Creativity Index. He finds that the cities that prosper economically in the index (such as Boston, Austin and Seattle) all have a mix of Talent, Technology and Tolerance. Florida regards these three Ts therefore as the determinants of urban competitiveness in the Creative Age. This means that there is not only the hardware (technology) side to cities, but also the software (talent) side. In the creative economy, cities need a healthy business climate and a vibrant people climate with an exciting night life, cultural facilities and other lifestyle amenities that match the tastes of the creative class. In such open environments, entry barriers to outsiders are low and the development of creative ideas is stimulated. For policy makers this argument may imply a complete turn of thought: urban competitiveness is served by a liberal cultural policy rather than a conventional policy of subsidizing business R&D and supporting local spin-offs. Unsurprisingly, Florida's argument has caused a great deal of controversy, which may explain the popularity of his theory.

The Flight of the Creative Class

Three years after *The Rise* Richard Florida published *The Flight of the Creative Class*. In this book Florida, meanwhile a professor at George Mason University in Washington (as a member of the creative class he left boring Pittsburgh), writes about the new 'global competition for talent'. In his view, the main competitive threat to the United States does not come from low-wage countries, but from tolerant and liberal places across the globe that are able to attract and keep creative people. As a result of post-September 11th immigration restrictions and growing conservatism in the United States, Florida fears that 'our country – for generations known around the world as the land of opportunity and innovation – may well be on the verge of losing its creative competitive edge'. To ground his argument he cites statistical and anecdotal evidence. For example, over the last two years visa delays have cost US companies \$30 billion, while the Bush administration quasi-ban on public stem-cell research has chased away biotechnology scientists to countries such as the United Kingdom, where governments fund their research. To be sure, in Florida's 'Global Creativity Index' – assuming that Talent, Technology and Tolerance induce economic growth – the United States still ranks fourth behind Sweden, Japan and Finland. If we may believe the author, however, this score will not last if the American government sticks to its restrictive immigration policies and culture wars. Florida expects the creative class to move to both 'global talent magnets' and 'global Austins'. The first group of urban centres is likely to compete with New York and includes tolerant cities with a high percentage of immigrants, such as London, Toronto, Sydney and Amsterdam. The second group of places – after the success of Austin in Texas called 'global Austins' – comprises cities such as Tel Aviv, Singapore, Bangalore and Shanghai, which all aggressively invest in R&D, higher education, culture and lifestyle amenities. These creative cities increasingly succeed in retaining homegrown talent that in previous years would have gone to the United States for study and career. In order to turn the tide in this global competition for talent, Florida recommends that the US government should adopt more liberal policies, such as less strict immigration visas (to attract, for example, Indian computer scientists), the allowance of same-sex marriage (to recruit, for example, gay designers from Australia) and support to stem-cell research (to prevent the

further brain drain of bio-tech researchers to Western Europe). Only with such radical solutions, Florida writes, can 'the flight of the creative class' from America to other places be stopped.

Praise, Criticism and Recommendation

Although it is far too early to denote the two books by Richard Florida on the creative class as classics, they undoubtedly have had a large impact, both in scientific circles and in policy making. This wide attention to Florida's work is justified: after all, he convincingly shows that economic growth is not just a matter of production factors such as capital, resources and knowledge. In the end, Florida says, economic activities take place somewhere and depend upon men of flesh and blood, their creativity and their tastes. To him, economics is a social science par excellence. That is a refreshing voice in a time in which the best economists are seen as the ones that are capable to master the most sophisticated mathematical techniques. At the same time, one may criticize Florida for his misty definition of the creative class. It is unclear which professions are part of this group and which not. This conceptual elasticity and the associated measurement problems hamper research on creativity, cities and economic growth. Another point of criticism is Florida's lack of attention to the image a city evokes in people's mind. For years, many cities, especially in old industrial regions, have invested in amenities to attract and please the creative class, but still the people have not and do not come. Perhaps creative cities are only creative if people perceive them as creative. Therefore it might be useful to add a fourth 'T' to Florida's (Global) Creativity Index: besides Talent, Technology and Tolerance an urban centre should also have a positive Trademark. These critical remarks, however, do not alter the fact that the work of Florida touches important points that should get more attention in science and policy. And even if policy makers will not like Florida's statement that the best innovation strategy is a liberal immigration and cultural policy, they should buy the books and study them. In short, the works of Richard Florida deserve a wide audience, not for the agreement or disagreement they provoke, but for their sparkling thoughts.

Gert-Jan Hospers
University of Twente, The Netherlands