RESEARCH OF CREATIVE ROLE OF CITY IN ATTRACTION OF GLOBALIZING INVESTMENT FLOWS

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Abstract

The popularity of creativity came about because of the increased recognition that the world and its economic, social and cultural structures was changing dramatically. This was driven in part information technology revolution. The old way did not work sufficiently well. Education did not prepare students for the demands of the new world; organization, management and leadership with its control ethos and hierarchical focus did not provide the flexibility, adaptability and resilience to cope in the emerging competitive environment; cities whose atmosphere, look and feel were industrial and where quality of design was low were not attractive and competitive. Coping with these changes required a re-assessment of cities’ resources and potential and a process of necessary re-invention on all fronts.

Methodology of the study is based on dialectical method of the scientific cognition of the economic processes and phenomena: theoretical generalization; comparative; the method of the system analysis and syntheses; economic modeling.

Keywords: globalization, creative cities, innovations and investments.

Introduction

Today scientists can estimate that in 1800 only 3% of the world’s population lived in cities, even though cities had been around since about 6,000 BC. By 1900 it was 14%. At the turn of the century, exactly in 2007, the half the world’s population lived in cities and by 2050 it will be 75% [3]. Thus cities will be our future: they are cradles for innovation because they are where knowledge, culture and selfgovernance come together.

The popularity of creativity came about because of the increased recognition that the world and its economic, social and cultural structures was changing dramatically. This was driven in part information technology revolution. The old way did not work sufficiently well. Education did not prepare students for the demands of the new world; organization, management and leadership with its control ethos and hierarchical focus did not provide the flexibility, adaptability and resilience to cope in the emerging competitive environment; cities whose atmosphere, look and feel were industrial and where quality of design was low were not attractive and competitive. Coping with these changes required a re-assessment of cities’ resources and potential and a process of necessary re-invention on all fronts.

Cities encourage mass innovation and investment flows as people learn new habits from one another, observing what their fellow citizens are doing. Everything propagates faster in cities: disease, fashion, ideas. Especially in world cities that are control centers and knots of globalizing economic processes and flows. Cities are experiments in how to live together creatively. Lots of scientists have been working on the concept of creative city as a product of new informational age including V.F. Eckhardt, Ch. Landry, R. Florida, J. Kao, F. Bianchinni, H. Perloff, C. Mercer, N. Garnham, M. Macluin, Ph. Kern,Ch. Leadbeater and other their foreign colleges. In closest foreign countries and national scale the question of creativity as engine of economic growth was deeply worked out by M.-C. Siciu, S. Dzyuba, N. Mashina, M. Sazonova, T. Orlova, A. Vysokovsky, V. Rybalko, A. Zyev, L. Myasnikova, A. Kokcharow and others. As the result of their collective impact into this sphere the main principles, conditions, examples and meaning of creativity in urban scale is defined, but the actual action steps in establishing and governing urban creativity still seem to be obscure. Thus the goal of this article is to review the methodological concerns of urban creativity worked out by all prominent scientists and to add the practical aspect with methodology based in world cities concept.

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In fact the first mention of the Creative City as a concept was in a seminar organized by the Australia Council, the City of Melbourne, the Ministry of Planning and Environment of Victoria in September 1988 [12]. Its focus was how arts and cultural concerns could be better integrated into the planning process for city development. A keynote speech by David Yencken former Secretary for Planning and Environment for
Victoria spelt out a broader agenda stating that whilst efficiency of cities is important there is more: "It should be emotionally satisfying and stimulate creativity amongst its citizens".

The pioneers who launched the notion of creativity were physiologists P. Torrens and J. Gilford as “characteristic of originative abilities of personality reviling in readiness to produce principally new ideas” and as “level of constructive talent, ability to create which is relatively constant feature of a personality” [12]. The American businessman and professor of Harvard business school – specialist in sphere of creativity – J. Kao determinate this notion as a process of ideas generation which is followed by their embodiment in values characterized as entrepreneurial and innovative [1]. The another American economist R. Florida estimates creativity as the base of new economy and explain it as “production of new forms and models which can be easily widespread and used, for example construction of new mass consumption product or finding out a new theorem or strategy of universal use” [15]. Due to his opinion the creativity of new economy lies in mixture of three spheres: technical innovation, business and culture. However M. Macluin state that creativity is just a “technology of creation organization”[11]. Meanwhile Russian advanced researchers of creativity T. Orlova interpret it as “originative potential of conscience, resulted by socio-economical orientations, goals and tasks of personality” [13], A. Vysokovsky – “not only ability to create new products, but the schemes and algorithms to produce them, as well as schemes and algorithms to upgrade old schemes and algorithms” [8], A. Zyev and L. Myasnikova – “as ability of personality to bring informational usefulness or to create added informational value” [9].

Continuing the connection between creativity and innovation, it is necessary to admit the appearance of new notions like “creative city”, “creative industry” which depict new aspects of social life. Ch. Landry, the author of book "Creative city: A toolkit for urban innovators” highlight the connection between creativity and urban area. An important player was Comedia, founded in 1978 by Charles Landry. The first detailed study of the concept was called Glasgow: The Creative City and its Cultural Economy in 1990, this was followed in 1994 by a study on urban creativity called The Creative City in Britain and Germany. The Creative City concept was developed by him in the late 1980’s and has since become a global movement reflecting a new planning paradigm for cities.

The Creative City when introduced was seen as aspirational; a clarion call to encourage open-mindedness and imagination implying a dramatic impact on organizational culture. Its philosophy is that there is always more creative potential in a place [14]. It posits that conditions need to be created for people to think, plan and act with imagination in harnessing opportunities or addressing seemingly intractable urban problems.

The Community of scientists Partners for Livable Places founded in 1977 was important in the trajectory of the Creative City idea. Partners initially focused on design and culture as resources for livability. In 1979 Harvey Perloff encouraged by Partners launched a program to document the economic value of design and cultural amenities. The Economics of Amenity program illustrated how cultural amenities and the quality of life in a community are linked to economic development and job creation. This started a significant array of economic impact studies of the arts across the globe.

Core concepts used by Partners were cultural planning and cultural resources, which they saw as the planning of urban resources including design, architecture, parks, the natural environment, animation and especially arts activity and tourism. The terms were introduced into Europe by Franco Bianchini in 1990, who coming from Italy was acquainted with their notion of resorsí culturalí and into Australia by Colin Mercer in 1991. Bianchini based his notions on Wolf von Eckhardt, who in 1980 in The Arts & City Planning noted that "effective cultural planning involves all the arts, the art of urban design, the art of winning community support, the art of transportation planning and mastering the dynamics of community development", to which Bianchini added "the art of forming partnerships between the public, private and voluntary sectors and ensuring the fair distribution of economic, social and cultural resources". Mercer added cultural planning has to be "the strategic and integral use of cultural resources in urban and community development." Bianchini elaborated the term cultural resource in collaborative work with Landry. They stated: "Cultural resources are the raw materials of the city and its value base; its assets replacing coal, steel or gold. Creativity is the method of exploitation of these resources and helping them grow" [2].

From the late 1970s onwards UNESCO and the Council of Europe began to investigate the cultural industries. From the perspective of cities it was Nick Garnham, who when seconded to the Greater London Council in 1983/4 set up a cultural industries unit put the cultural industries on the agenda – as “activity in base of which there is lying an individual creative source, skill or talent, which is able to produce added
value or working places by intellectual property exploitation”. Drawing on, re-reading and adapting the
original work by Theodor Adorno and Walter Benjamin in the 1930s which had seen the culture industry
as a kind of monster and influenced too by Hans Magnus Enzensberger he saw the cultural industries as a
potentially liberating force [12].

The contemporary researches and publications of John Howkin's The Creative Economy and
Richard Florida's book The rise of the Creative Class gave the movement a dramatic lift as global
restructuring was hitting deep into the US. Its timing hit a nerve with its clever slogans such as "talent,
technology, tolerance" and interesting sounding indicators like the "bohemian or gay index", that gave
numbers to ideas [15]. Importantly it connected the three areas: a creative class – a novel idea, the creative
economy and what conditions in cities attract the creative class. Florida concluded that economic
development is driven in large measure by lifestyle factors, such as tolerance and diversity, urban
infrastructure and entertainment.

Critics argue that the Creative City idea has now become a catch all phrase in danger of losing its
meaning. Cities also tend to restrict its meaning to the arts and activities within the creative economy
professions calling any cultural plan a creative city plan, when this is only an aspect of a community's
creativity. There is a tendency for cities to adopt the term without thinking through its real organizational
consequences and the need to change their mindset. The creativity of the creative city is about lateral and
horizontal thinking, the capacity to see parts and the whole simultaneously as well as the woods and the trees
at once [4].

The authors of this article suppose that the concept of creative city should be overlapped with the
concept of world cities and advanced services. It was worked out by P.Taylor and the GaWC community
scientists [7]. He bases his theory on workouts of M.Castells and S.Sassen about the new globalizing
informational economic paradigm: while the material productions widespread around the world, services
more and more concentrate in relatively small number of cities [5]. In M.Castells assessment that world
cities are process, "by which centers of production and consumption of advanced services, and their
ancillary local societies, are connected in a global network" [10]. The world cities have such
characteristics as high concentration of world corporate headquarters and are centers of international
financial system; they also house an international elite of professionals in the trans-national producer
services sector (law, advertising, insurance, accounting, management consulting, etc.). World cities are
produced by and reproduced by what flows between them (information, knowledge, capital, labour, etc.),
rather than what is fixed within them [6].

Thus to add the notion of creative city it is necessary to admit the prior meaning of advanced
economic services establishment, attraction and cultivation, and finally concentration as a practical
opportunity to force the new creative economy. These advanced services are accountancy, banking/finance,
insurance, law and management consultancy which are purely intellectual industries. The authors highlight
that classic Taylor’s analyzed range of advanced services should be added by informational service such as
mass media and internet.

At least the motivation for city creativeness and indisputable resulting attraction of investment flows
depends on the understanding of this meaning by government and citizens. In the “narrow” account is a
mixture of the aesthetic and the economic. If a city creates the conditions for aesthetic creativity – tolerant,
open, diverse – then it will also create the conditions for economic success because it will attract high skilled
knowledge workers. Economic self-interest and cultural value go hand in hand. The “broader” account starts
from a wider range of motivations. Crisis, frustration and the struggle for survival have all played their part
in city creativity: fires and disease lead to new approaches to building and public health. Civic creativity –
the creation of parks and libraries for example in 19th century cities – stemmed from a reforming middle
class zeal. Civic creativity is spurred by a sense of pride, belonging and attachment to a city. Creativity can
come from any source including anyone who addresses issues in an inventive way be it a social worker, a
business person, a scientist or public servant.

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