Competition Behind Creativity: A Southern European Perspective

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Abstract: *Analyses of global cities and competitiveness have become dominant in urban studies debates in recent years, putting the focus on the identity of the city and the global economic processes in which it is involved. This attention has been misleading because it has taken attention away from ordinary cities and other aspects of the urban process. The analytical frame for this city renaissance can be described as a combination between the 'hard' laws of the new and classic urban economy with 'soft' elements of other, often geographical, approaches. 'CreativeCity' analyses in mainstream versions, such as those of Florida regard immaterial elements as knowledge and creativity to be essential dimensions for success in post-industrial cities, and can be considered the perfect synthesis of the approaches quoted above. In this paper the methodological and theoretical bases of these mainstream policies will be challenged. The case of Rome will be analysed, in order to demonstrate that the CreativeCity narrative can be applied as a label to secondary cities, but that it fails to understand the very core of social mechanisms in a city.*

Keywords: Creative city; economic competition; knowledge; IT; RD.
Cuvinte-cheie: oraşe creative; competiţie economică; cunoaştere; IT; CD.

Introduction: the epistemic problems with economic competition

Analyses of the Global City and Competitiveness have become dominant in Urban Studies, in recent years. This debate focuses on the link between the City and the global economic changes that impacted upon Western economies from the early 1970s onwards. The theoretical perspective usually adopted to interpret this revolution emphasizes the capability of cities and urban territories to attract the basic resources of the new economy (knowledge, innovation, and more recently, as Florida's theories took the scene, creative people), or to produce these resources directly by connecting institutional and private actors in order to build governance networks. In a certain way, both neo-liberal and critical scholars agree in identifying the economic dimension (number, quality, dynamism and level of internationalization of the firms) as the distinctive feature of the urban scenario of the new millennium. Expressed in a formula, we could say that the dominant interpretation is that the Schumpeterian function of the entrepreneur has been assumed by the city or by a network of public and private actors presented as specifically urban. After the dominance of theories explaining the role of cities in

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technological innovation and economic growth, Creative City (Florida, 2002, 2005; Landry and Bianchini, 1995) represents a similar framework taking into consideration the consumption of leisure classes (Veblen, 1912) and the cultural turn in economic geography (Thrift, 2000). Between the two discourses there is a continuity, which has at its very base urban economic competition. There are two common points, in the popularized discourses quoted above and in any contemporary theory about urban competition: first, the boundaries of the problem taken into consideration, which concerns almost exclusively localization of firms; and second, the temptation to conduct analysis with an implicit or explicit normative attitude, which has the predetermined task of proposing a universal solution application in principle to any context.

In terms of the first point, it can be argued that restricting the analysis to how many international firms are localized in a city makes it impossible to recognize that the social foundation at the base of the economic composition of each city is diverse. Most contemporary scientific literature in Urban Studies is no longer concerned with *how* people live in cities, but with *what* cities produce. The field is obsessed with the classification of the productive capacities of the cities in a hierarchical order, forgetting that the geographic dimension of production has a qualitative aspect connected with the social composition of the place where the firm is located. While analyzing places where, first, the economy is based on family-managed firms and, second, where local investments and labour force are employed in labour-intensive industries (for example clothing, handcraft industry, etc.) and, third, where retailing is still distributed among single shop-owners, we must recognize that the opportunity for these local productive systems to connect with the global economy will be different from the possibilities in one of the main financial centres. Similarly, other comparable cities will display a different mix of these elements. If this is indeed the case, we might wish to question the usefulness of compiling a ranking order of cities as if they could be classified and counted as the same object. Although the CreativeCity discourse starts from the life-style of an unclearly defined creative class, specifying only in a second moment that they facilitate localization of advanced IT firms, the scientific object is the localization of economic activities and the economic success of firms located in single cities. This way of proceeding in the analysis has been misleading, because it ignores the simple fact that the great majority of the cities in the world confront other elements of urban processes (Amin and Graham, 1997). This does not mean that the issue identified by mainstream authors (i.e. globalization processes and urban territories) is misleading in itself. It does mean, however, that there are also other sides of the urban realm that are undergoing a profound transformation, stimulated by the same process of internationalization. Most of the cities where peoples live are not able to guide these processes even if they are involved in the transformation (McCann, 2004). All cities are pushed by a force moving in the same direction, but in being driven by this force each city follows its own distinct pattern.

The second critical point about the urban competition framework is in some sense a consequence of the first. If you standardize your scientific object, you are authorized to suppose policies could work in the same way in many places. CreativeCity discourses are shaped by this presupposition. While celebrating the renovated economic roles of the cities and the end of the conflict between marginalized urban social groups (such as artists) and capitalism, they in fact promote a precise 'script' or prescription to boost the urban economy. The renovation of central

neighbourhoods and spreading of amenities (leisure activities) all over the cities does not happen casually; rather, they are politically directed (Hackworth and Smith, 2001). Since the end of the nineties, the supply of all sorts of leisure has started to be seen as key-activities necessary to "run" in the urban global competitive race. In exactly the same way, the creation of R&D centers in collaboration with clusters of small IT firms in the Silicon Valley model was repeated as a *mantra* during the 1990s regarding the strategy how to generate innovation (Saxenian, 1994). The prescriptions of Creativity-counselling (just like the ones designed to improve Innovation and IT results) are in some sense fictitious. They will result in any case in policies causing gentrification of the city centre but it will not affect deeply the pattern of social reproduction of a city and its ability to produce urban wealth. Competition, which is the real theoretical core behind Creativity, not only fails to understand social differences; it is rather, more strongly, an ideological guide for urban policies, prescribing the same cure for different illnesses.

I will elaborate and substantiate these criticisms in this paper. I will first try to show how the 'CreativeCity' paradigm is the legitimate heritage of two very different economic geographical strands of the 1990s: the 'World Cities' approach (Knox and Taylor, 1995) and 'New Regionalism' (Amin, 1999, MacLeod, 2001), and their epistemic fallacies. Even if there are major differences between these approaches and between them and the CreativeCity approach itself, they share a common theoretical dependence on economic agglomeration factors and a solid articulation between new economic geography and new growth theory. In other words, the emphasis on economic agglomeration and competition is fruit of geographical attempts to read places according to the basic equilibrium market paradigm and of economical perspectives that aim to insert some social elements inside the market paradigm. In the first part of this paper, I will contest some central elements of the framework underlying these approaches.

In the remainder of the paper, starting from the case of Rome, I will try to show how CreativeCity analyses fail to comprehend 'ordinary' cities, whose economic composition is path dependent with their social and economic history. There are important reasons for choosing a Southern European city as an empirical case study. In that context, the qualitative importance of the public sector job market for providing high-skilled positions is central, while the weight of autonomous workers and small firms in private labour markets is overwhelming. Finally, Tourism represents the main source of economic competition and the real task for all the creativity narratives in such 'second-rank' cites.

The Antecedents: WorldCities and New Regionalism

The analytical frame for the city renaissance since the 1980s can be described as a union between the "hard" laws of new and classical economic geography underlining scale economies and the advantages of concentration, and the "soft" elements of some geographical authors stressing the role of knowledge, social networks and cultural elements located in a territory. The "hard" laws illustrate the importance of the cities in the new economy as centers of cumulative advantages. The "soft" elements are supposed to provide explanations about the localization of the cities and territories where development begins its positive circle and creativity is deposited. Even if the two discourses have strong points of contact, they should nonetheless be treated separately, as they use different explanatory factors. Illustrating both the

explanations, I will use two geographical strands that are usually mindful of the social consequences of globalization (even if they are not properly critical of this process), in order to emphasize how the open problems in looking at urban competition go beyond the neoliberal celebration of global markets.

When the category of "world city" was used for the first time at the beginning of the 1980s (Friedman, 1986), the purpose was to describe the new capitalist system according to its impact on cities. The geography derived from this approach conceptualized capitalism as a series of flows of various sorts (of commodities, of persons, but especially of finance, and then – in the second half of the 1990s – of information and technology). Inside this framework, cities are conceived as the 'basing points' of these flows.

Cities are supposed to attract the corporate head-office, because international firm localization is connected to the development of advanced services, which are a typical urban function and supply most of the highly paid positions. At the local level, core financial economic activities are supposed to be located in the inner-city business districts, impacting greatly on their renovation.

The network of these services – according to these authors – constitutes the real government of globalization. The power (privilege) to connect the different centers where decision-making ability is located displaces cities from their own countries, making global cities more similar among themselves than to other urban centers of the same country (Sassen, 2001). The concrete empirical research of this approach is based on the compilation of a hierarchical roster of cities based upon the number of head-offices of international firms that are located within them. Not surprisingly, central head-offices are still located in the leading cities of the leading countries of the global economy: New York, London and Tokyo work together as capitals of macro-regions rather than of a unified global economy (Beaverstock et al., 1999). Genuinely new is the group of second or third rank cites, working as gates to important market of consumption or out-sourcing of manufacturing activities, with an important role also for the cities in new industrialized countries (Taylor et al., 2002). These results confirm the hypothesis of some authors (Daniels, 1985) about the new role of production services. International advanced services are localized according to a hierarchical disposition regulated by economies of scale on a global level, just as classic authors, such as Christaller (1933), at the beginning of the last century, analyzed consumption services at a regional level. The same results dismiss the hypothesis of a horizontal network of global cities floating away from their national states and including as equivalent nodal points both ex-third-world megalopolis, such as Sao Paulo and international financial capitals, such as New York.

In other words, global services locate – shaping the city – where other global firms are already located and where there is the greatest number of potential costumers. In this way – with a circularity typical of the original neo-classical economic geography – global cites are the ones with global functions and global functions locate in global cites. The problem with these results is that they consider the presence of large-sized international firms to be exhaustive of the social nature of a city, which, in fact, tells us nothing more than an important – but still limited – economic geographic problem of localization.

In addition to this, there is a methodological problem of conceptualization. These authors undertake a top-down passage from the analysis of global flows to the urban ground, simply assuming the hypothesis of a competition of local actors striving for a scarce resource, like the

location of the corporation global head office, which nevertheless remains, despite its geographical placement, 'located' at a higher level in the geographical conceptualisation. In this way, two distinct geographical scales are immediately conflated (Beauregard, 1996).

A reversed perspective, but inside the same theoretical frame, has been the one taken by some scholars stimulated by a more European sensibility and other geographers (Aydalot, 1986), coming directly from Europe, who have conducted research on clusters. Even if I use the label 'New Regionalism' – taken from Amin (1999) – in order to cover all these authors, I want to emphasize that I regard as belonging to this group all those authors who, during recent years, have renovated geographic analysis of localization by beginning from the cultural and social assets of territories. This approach initially describes actors, their culture and resources available on the ground, and only in a second moment positions the urban position at a global level. Partly as a consequence, they usually have a bottom-up procedure of research, apparently opposite to the top-down way of conceptualization contested above.

We can illustrate the typical logic of explanation of this group of authors by taking the example of two fields of research treated by their analyses: the business districts of financial capitals and the specialized Italian high-quality industrial clusters. The basic question from which they start is: why does physical place still matters so much in a synchronic world? Shouldn't distance be nullified by Information and Communications Technology?

In terms of global cities, the first answer given is that directive functions, both private and public, are, in fact, located in the city. This is because reserved information, personal networks and face to face contacts are essential elements of success among members of the new professional class; the so-called "know who" (Storper, 2003) cannot be transferred through technological channels.

In the same way, the typical high-quality craft-based Italian district overlaps family units with the organization of the production chain. This coincidence of family and firm socializes the know-how of productive traditions rooted in a place in order to customize products, as the market needs more and more flexibility. In this way, small-size firms have been able to compete for a period and have been regarded for a long time as a possible resolution to the vertical disintegration of Fordist enterprise (Piore and Sabel, 1984).

These two examples (business districts and 'Third Italy'), so different from each other, have been used as research fields to validate the same thesis. Knowledge and Information are essential factors of production beyond the technological device on which they circulate. This means implicitly that, according to these authors, contemporary labour is much freer than before, independently of the use of new technologies and distinguished by features such as the ability to learn, flexible quality, etc. In brief, we are confronted by an upgrading of labour-skills. This is a transformation that contradicts the hypothesis theorized in the 1970s regarding dequalification (Bravermann, 1974): workers require increasing qualification and there are more and more productive sectors based not only on simple manual skills but on knowledge-intensive activities. This upgrading implies a dimension of autonomy and ability to choose and discover solutions in concrete work. This dimension has not only to be learned on the ground but also stimulated by the surrounding environment. We thus arrive at the role of territories, which has been well defined as 'neo-Marshallian' (Amin and Thrift, 1992). Local scale is important and is still able to produce agglomeration economies, because it is where know-how,

networks of personal relations, etc. are deposited (Storper, 1996). In other words, the new labour force finds in the territories competencies necessary to get connected with the other knots of the network – especially in urban territories. For this second branch, the classic reference is Marshall and not Christaller; factors used to explain the new agglomerations are not scale economies based on market size and position inside the global system, but some kind of agglomeration economy, based on immaterial elements.

It is evident how the CreativeCity approach has taken up elements from the two geographical strands. On the one hand, there is the idea that real wealth is a nebulously defined 'Creativity', so much necessary to New Capitalism as to give enormous power to its lucky owners (Florida, 2002). Upgrading of skills and the intellectualization of work have gone so far that it is no longer job demand (in other words, capital) that decides the productive composition of a place, but rather, job supply (in other words, labour) that decides the productive destiny of a city, as an unintended consequence of where creative people choose to live. Once upon a time, you had to catch financial flows of investments, in order to compete. Now, you should attract flows of creative peoples in their unending migration from one place to another. From a logical point of view, not very much has changed. Urban competition for something external to the city is always at the centre. The empirical evidence of Florida's research usually consists in another rank of cities. This rank is formally quite similar to the "global city" one, but based upon the share of creative jobs, number of gay residents (taken as an index of tolerance), and number of IT firms located in a city, instead of the corporations' head-offices and specialized services firms that are counted by the world city research. This is the main similarity with the world city approach. Creative people are conceptualized as just another global flow[1] that cities must attract, in order to increase their wealth. They are not conceived as a real social group.

There is also an explanatory side inherited from those researchers exploring cluster and city regions, and taking the role of institutions into account. It regards, instead, the importance of the immaterial environment and its mechanical connection to economic growth and the conception of labour. Labour is very often viewed as an intellectual activity in the service of some private advanced firm employing skilled persons who change jobs many times in their life without problems. This volatile elite is supposed to be characterized by a liberal attitude (once corresponding precisely to the image of minor liberal groups) and is ready to reside where the most culturally stimulating environment is offered. The cultural features of a place are important as well as its technological infrastructure in creating a positive environment for economic growth. When Florida tried seriously to test this hypothesis he was only able to find a quite loose connection between his creative index and the registered patents rates of metropolitan areas. Moreover, they were both explained by another variable: the level of urban density and not by the technological infrastructure and professional composition of any single city (Knudsen et al., 2007). Other researchers (Raush and Negrey, 2006) found that the share of the creative class was not a good indicator of the economic strength of a place. Educational attainment, on the other hand, proved to be a more reliable predictor of potential for economic growth. In theoretical terms, nothing genuinely new was added to many classic and contemporary authors sustaining that urban agglomeration stimulates innovative capacity of urban-based firms because it feeds diversity (Glaeser et al., 1992, Jacobs, 1969). In some sense, CreativeCity theory joins the soft factors of

localization used by New Regionalism and the economies of scale used by classical geography. But what is the real theoretical core of this literature?

Cities trapped inside the market paradigm: how the cities became runners

I have examined two branches of geographic research in which agglomeration has the central role. One starts its analysis from the "top", the other from the "bottom". I have argued that both constitute the conceptual foundations of the debate about creativity. We are now combining them with the geographic turn that economists have taken since the beginning of the 1990s in order to provide clearer examples.

Since economics is the most formalized of social sciences, as Paul Krugman wrote (1991), more attention has been paid to geographic agglomeration only when increasing returns have been inserted inside the market equilibrium models justifying the possibility of spatial scale economies without denying the axiom of perfect concurrence. The problem for liberal economics founded upon the market paradigm[2] is that it has never been clear from where these advantages come and when and where they stop exercising their positive effects (Arrow, 1974). The economists have always left this part of the question in the mythical "black box". These economic models put a strong emphasis on the idea of spatial concentration in order to explain why some spatial units are growing and others are not, but they still fail to explain why the cumulative growth originally happened in a particular place. In order to illustrate how and why these geographic approaches unconsciously fill this explanatory deficit, I need to add something about the most recent theoretical developments in growth theory.

New Growth Theory (Romer, 1994) has established knowledge and other intangible inputs as normal endogenous factors of growth. Until the 1950s, neo-classical economic models considered the level of technology as a common resource. In other words, in economic theory, a factor of production was available for free for all competitors at its most technologically advanced stage. Nevertheless, differentials in GDP and divergence in the technological progress among countries remained unexplained. In order to solve these issues, Growth Theory (Solow, 1956) connected the residuals of GDP that could not be explained by physical capital (raw materials and instruments) to the technology and the know-how inserted into the production processes. Economic models started to use R&D expenses as a credible proxy of the quantity of knowledge inserted into the "black box" of the production process. More R&D expense was supposed to have always a positive effect on the technological level and through this on increase in productivity. The New Growth Theory completed this discourse in the 1980s, concluding on two points: first, technology does not have to be considered as a public good and it is not available for all competitors; second, the level of technological development cannot be strictly connected to R&D input – as in previous explanations – because it is in some sense endogenous and, after the first investments, comes from the knowledge spill-over. Knowledge and not technology is indeed a public good. This last point is central. When applied economic research (Acs and Audretsch, 1988) discovered small size firms could even show better innovation results (measured by patents) than the firms spending more on R&D, the open question was: from where do the small firms gain knowledge and specific know-how, if not from investment in R&D?

In my opinion, a sort of disciplinary division of scientific work among all the geographic approaches cited before – the new economic geography and the new growth theory – is giving in some sense a solution to this problem. New geographic approaches stressing the soft elements of localization are able to identify the centers from which agglomeration can begin. There are places where propensity for entrepreneurship, trust or creativity are territorial characteristics, public goods from which no one can be excluded. The theory of endogenous growth and the new economic geography are able to justify at this point, respectively, how the social qualities of a territory cited above could transform these social elements into a self-feeding growth measured by GDP, number of IT firms, or patents, and why this process causes cumulative advantages that are spatially concentrated.

Urban places described by Florida are creative, liberal and tolerant. These qualities have a positive effect not only on general economic growth but also specifically on the IT industry. Even if Lucas, Romer, Solow and the other economists are quoted in Florida's books only in footnotes (maybe so as not to spoil the *pop* tone of his book with more explicit academic quotations), Florida's discourse is extremely indebted to their theory.

Misunderstanding the Social: the Failures of Creative and Competitive City

I have argued that soft factors of localization (included creativity) have been used to support the deficiencies of an economic geography theory stressing the importance of agglomeration economies inside a theoretical framework where cities are involved in a competition on the market place. I now want to illustrate how this framework fails to comprehend the social specificities of a place. It uses analytical tools which have the effect of providing an economic reading of urban cultural and social characteristics that result in a *desocializing* of the social, which appears only as functional to the urban economy, and de-economizes the economy, describing it in a simplistic manner. This position is coherent with many previous criticisms of the CreativeCity, and attempts to shed light on their implicit epistemological assumptions.

Jamie Peck has argued that Creative City has nothing to do with creativity (Peck, 2005), but the real task of this narrative is the promotion of urban development by a group of consultants strongly interested in participating in the projects of city marketing, urban redevelopment, etc. founded by the local authorities. Of course, cultural features of a place matter in its economic and productive destiny. However, it is still not clear how it is possible to promote immaterial elements such as creativity. The problem is that the creativity these authors write about is not a natural feature deposited in a place, but must be, in some sense, "built" by the cultural policy initiatives of the city officials[3].

Urban projects concerning creativity, Peck reveals, are, instead, about inter-urban competition. If it is questionable that something like free-market competition exists (Mingione, 1991), it is even more questionable that cities, or regions, or territories are conceived as subjects running to win this economic competition, because they have neither the features to be the object of the market (Logan and Molotch, 1987), nor the characteristics to be subjects acting on the market. Even if we personalize cities with the neo-Weberian category of 'collective actors', it should never be forgotten that collective actors, in the case of the city, implies incomplete societies (Le Galès, 2003). In other words, there is not a unique clear

rationality, but unstable coalitions of many actors with different resources of power, trying to pursue their own interests and trying to build hegemony around ideas and projects of development. Every model of urban development most probably will in fact advantage a part of the urban elite against the others, or central zones, rather than peripheries. This means that in order to reaffirm its hegemony, this model of urban development has to become a shared idea among the urban elites through discursive practices (McCann, 2002), such as the CreativeCity narrative has become, with an endless series of book presentations, Report-writing about any single city and so forth[4]. In this sense the real existence of a Creative City is also a self-fulfilling prophecy, depending on the chance of being diffused among local authorities because, as Peck ironically notes, "outside Youngstown and Enid most cities do have hope, at least once they have recognized the creativity imperative" (Peck, 2005, 747).

If there is an international market of place, it is obvious that any city should be allowed to compete. This rhetoric immediately authorizes the debate about creativity to turn into a normative discourse, universally valid (Gibson and Kong, 2005), and to urge city officials to apply the creativity 'script'. As Peck notes, the universality of the 'script' or prescription is guaranteed by the ease of its applicability. "Investments in the soft infrastructure of art and culture are easy to make, and need not be especially costly, so the creativity script easily translates into certain forms of municipal action. Whether or not this will stimulate economic growth, however, is quite another matter" (Peck, 2005, 749).

The small engagement that cultural policies require has been one of the reasons for their success. The organization of a musical event or of an art exposition represents the only chance to link – at least – the name of a city to global circuits, which is, perhaps, the non-manifest but still concrete task of these policies. In most cases, improvement of the creative environment is not really directed towards international or national competition, which is not a realistic target for medium-size cities, but will result in renovating the image and attracting some more tourists.

Most of the places are not candidate to attract any corporations, even if restructuring of regional economies and the transformations of the role of local institutions are not leaving these places unchanged. The central role of Municipalities and local Government has strong effects on the urban labour markets of the cities. They don't simply attract creative people, however; in some way, they create "creative" job places. Lovering (1999) had already noted in a polemical article dedicated to New Regionalism, that the conceptualization of the economic, in urban literature, is, in some ways, reduced to productive sectors based on international export, whose material production is very often abroad, and whose high productivity is able to pay high-waged services in the metropolises. It is true that the growth of these kinds of services, in fact, makes Value-Added measurements increase. Rarely is it recognized, however, that the very growth of productivity of the economy allows other types of activities characterizing urban labour markets to grow. The public administration sector and social services, as well as consumption services and big retail chains, are also growing in size and employing more and more people. Very often, their employment is not creative at all. These sub-sectors (health and social service and retail trade) impact deeply upon the life-style of people living in the cities, but are not considered in Florida's indexes. Creative City indices exclude almost all public jobs from the analysis, while they add to the usual analyses about advanced services and IT firms a mix of economic activities considered creative, going from

professionals (lawyers, engineers, etc.) to researchers and higher education workers, including also the workers of cultural industries. Florida's analysis does not consider if professionals are really employed in cultural activities, in order to include them among creative workers (Markusen and Shrock, 2006). Other analyses of cultural economy, on the other hand, which include only workers engaged in artistic tasks, arrive at more reliable conclusions about the boundaries of the cultural economy. According to many analyses, it includes roughly 5% of the labour force. If it is true that, behind any occupational definition of creative economy, there is a set of implicit values (Markusen et al., 2006), then by diffusing figures which show that more than one third of the population entered into the Creative age, Florida is almost suggesting that all non-industrial job places are shaped by creative traits.

This way of interpreting the urban division of labour represents a significant step backwards in reading cultural economy, compared to a voluminous debate underway since the beginning of the 1990s. Its main results have been to try to put cultural production in its place, by subtracting it from a vision of individual creativity (Scott, 1999). There has been both a vertical and a horizontal contextualization of cultural economy. Vertical integration and interconnection of the different sub- sectors of the cultural economy was analyzed, for example, by Pratt, who first quantified the activities involved in economic production of meaning (Pratt, 1997), as nested together in an entire integrated sub-sector, and further explored ongoing technological and organizational integration between once separated segments of the media industry (Pratt, 2000). Any cultural industry has then its own specific localization pattern (Rantisi et al., 2006, Power, 2002). Many localization patterns rely on a local *milieu* constituted by dense interaction expressed by cooperation or competition, but the success of local creative economy is not mechanically connected to the presence of this creative groove constituted by interpersonal relationship. It also needs a consolidated institutional regulatory framework to promote economic profit-oriented competition, and an organizational infrastructure to connect the local level to global actors (Power and Hallencreutz, 2002).

We also have to consider that the organizational and locative model of every creative industry has to be rooted in socially specific place. Some industries are able to exploit creative workers, notwithstanding the traditional reluctance to become salaried workers (Santagata, 2004). It nonetheless makes a great difference if a large part of the cultural economy is constituted by autonomous workers, not only because they are not able on their own to project themselves into the economic space, but because their attitude could even enter into conflict with economic constraints. Ann Markusen (2006) notes how, contrary to this approach, social-sensitive and open to any outcome, Florida places professionals, artists and IT technicians in the same group, thereby immediately conflating creativity with technological progress and economic growth. Using social elements to explain economic success, however, could result in a positive bias in analyzing local productive systems (Hadjimichalis, 2006). Research attention is usually focused on success stories. Cities are supposed to give evidence of their success when some very general economic indexes (growth of the gross urban product, employment in the labour market, etc.) are positive. In this case, trust, creativity, sociability and other immaterial elements are used to explain why the field is fertile for entrepreneurship and economic investments. New Regionalism and CreativeCity approaches don't contest, at the root, the idea that the destiny of an urban place is reaching economic

success through competition to attract economic resources and/or exporting more than other territories. Both CreativeCity and New Regionalism authors try, rather, to demonstrate that some immaterial and social elements are responsible for economic success, and that the economic model of development has to be respectful of the social equilibrium of a place, in order not to damage its own growth.

No one would deny the social embeddedness of economic production, but this confusion between correlation and causality of the role of non-economic factors is theoretically and empirically weak. It is also what allowed the economic theories quoted above to be the real explanatory tool supporting rather than limiting the analytical and political strength of the market competition paradigm applied to cities. At the same time, social and cultural features of a place appear desocialized and constrained in a sort of functionalism, which consigns them to the positive effects they are supposed to have on productive systems and obscures their own autonomous dynamic.

It is not simple to demonstrate, for example, that social relations have positive effects for labour markets and employability, because sometimes, as some sociologists note, social capital can descend into negative circles (Portes, 1998). To summarize it with the words of one of the most prestigious exponents of contemporary regionalism: "In these senses, then, place, culture and economy are highly symbiotic with one another and in modern capitalism this symbiosis is re-emerging in powerful new forms as expressed in the cultural economy of *certain key* cities" (Scott, 1997, 325). That is the critical point. If the crucial node of contemporary capitalism is the inter-linkage between cities, culture and economy, why should it emerge only in certain cities? As Polanyi (1944) explained, the embeddedness of the economy in a local culture or in a social network is a general feature of human activity and not of a specific place. If production of symbols is so intermingled with human activity (Amin and Thrift, 2007), should it be attributed to cultural distortions, the marginality of places suffering of uneven development? It sounds much more like it was to justify *a posteriori* the role of these emerging key cities often used as examples, than a real explicative connection between culture and economic outcome[5].

Until now, we have presented CreativeCity as a paradigm of urban analysis that intermingles the social and the economic to underpin the idea of economic competition between cities. We will now show through short empirical illustrations how much this paradigm obscures the differences between cities, taking Rome as a case study. Even if Rome has recently been classified in different ways as an example of a Creative City, it is, in reality, as distant as possible from the model, in terms of economic composition and pattern of social reproduction[6]. A Southern European perspective is appropriate to show how urban creativity and regeneration plans are not necessarily related to economic development in advanced sectors, growth of highly paid jobs and residence of new creative professionals.

Beyond Competition and Creativity: a Southern European perspective

Until two years ago there had been a certain attention, even at an international level, for the economic performance of Rome. Some international newspapers wrote positive descriptions about the changes underway in the city (Bozonnet, 2006, The Times, 2006) and its political leadership, and one of the research centers (Censis, 2006) heavily engaged in constructing the creativity narrative in Italy

has called the resources from which Rome took advantage "the three Is" (Innovation, Internationality and Entertainment [*intrattenimento*]). The most striking point was that Rome appeared as a rising urban economy in a declining country. The usual data[7] about urban economy were as follows: in Rome from 2001 to 2005 (the best economic years for Italian capital), employment increased by 2.7% per annum, while in the same years the GDP (best economic indexes for Italian capital) grew by 6.7% against the 1.7% of the Italian average. From 1995 to 2002, the growth of Gross Value Added was around 12.5%. These numbers are doubtless meaningful if we consider that in Italy the concentration of economy is moderate given the Italian polycentric urban system. Rome represents 6.5 % of the national population and it has 7.6% of the jobs of the Italian labour market and 8% of GVA of the Italian economy. So if Rome was "the most creative Italian city" (Corriere della Sera, 2006), the paradigm of Creative Economy was the most appropriate way to stimulate the slow pace of Italian economic growth. The thesis has been obviously reinforced with the publication of a report about the state of the Italian Creative Economy, called "Italy in the Creative Age" (Florida and Tinagli, 2005) and financed by 7 local authorities (Municipalities and Counties both from the North and the South of Italy). Rome was the Italian city with the highest scores in the Talent indices (measured as the share of population with a higher-education degree and the ratio of researchers to population), and in tolerance indices (measured as the rate of foreign residents, their educational level and the numbers of countries from which they come). It even came fourth in the technology index (measured according to the number of patents registered, persons employed in IT industries and the diffusion of broadband). Rome was nonetheless the city with the highest share of creative workers (24% counted including – as in Florida's criteria – professionals of various sorts) and was dubbed the ItalianCreativeCity. Unfortunately, the data provided by Florida himself did not confirm this optimistic assessment. In particular, there was a disconnection between the high percentage of the creative class and the bad results in the technological field, confirming, in some way, the idea of a Capital lagging behind the other productive cities located in the industrialized Northern part of the country. Rome was in the sixth place for the diffusion of broadband andin the fifth place for High Tech activities localized in the city (though there is a strong presence of the software industry, Rome almost completely lacks a hardware industry, and both the telecommunications and chemical industries are weak or went into crisis during the 1990s). However, the most striking result was that firms located in Rome registered so few patents that the city resulted number seventeen in the ranking of Italian cities. Things could even be worse if European patents registered at a continental level were taken into consideration: less than 15 of the 374 European patents registered by Italian firms in 2001 were attributed to Rome's inventors. How could a city populated by such talented people perform so badly? The reason lies in the fact that Florida's criteria classify the creative class according to educational achievements and professional status (with the deciding variable being the position of worker as either researcher or professional). Having a University degree and a job as a researcher does not mean, however, either working for a competitive firm or working on the private market itself. According to the 2001 census data, 87% of Rome's researchers work for public institutions that derive their position from the fact that Rome is the site of the Italian National Council of Research and of one of the largest (in terms of number of students)

public universities in the world. The latter fact is, of course, the same reason for which Rome has the highest share of highly educated people. It could be objected that, if Rome's labour market were as depressed as I am describing it, there would be no reason to stay there for these talented people. The point is that even if Rome's labour market is not as dynamic as those of other cities, more than 25% of its job places (roughly 120,000 in public administration and more than 120,000 in health services and educational systems) are in the public sector of the urban economy, which is obligated by law to hire its workers by means of public competitions in which educational titles are evaluated. Notwithstanding the direct labour demand of public sectors, we must consider that the changed organizational pattern of public administration (Dogan, 1997) and the increased possibility for central and local authorities to buy services on the market is fostering private markets of advanced services firms, making some of them dependent on public resources. This is, in many respects, similar to what occurred in England (Coutts et al., 2007).

Recent studies of the Chamber of Commerce regarding the technological sector reported that the biggest problem of IT entrepreneurs is finding new customers and consolidating their markets (Chamber of Commerce, 1997, 2005). According to the same research, only 10% of them cooperate with other firms of the same sector or is considering merging with another firm. The international literature demonstrates that this is a particularly low figure, compared to other cities.

It is not only the IT industry that suffers from small dimensions and weakness on the international market. Most of the workers working in the Media industry (Radio, Television and Movie production, etc.) are concentrated in the National Broadcaster RAI (a public company owned by the Ministry of the Economy that cannot be included in the public sector only in a formal sense), and in *Cinecittà* Institute, which is the recently privatized authority that governs Rome's film studios. Looking at those professionals who represent the majority of Rome's creative labour force, instead we find that 62% exercises its professional activity in the capacity of an autonomous worker[8]. The numbers of large associated firms is very low. It is hard, in this context, to describe Rome's professionals as creative internationalized workers. More likely, this large percentage of professionals is partly the fruit of middle class attempts to find an adequate position, in terms of social status.

If we look at the private labour market and analyze the new employees required by private firms in terms of occupational sector and qualification, we do not see "the increase of jobs and professions in which anyone can put in practice the knowledge he acquired during his life" announced in the preface of Florida's report on Italy.

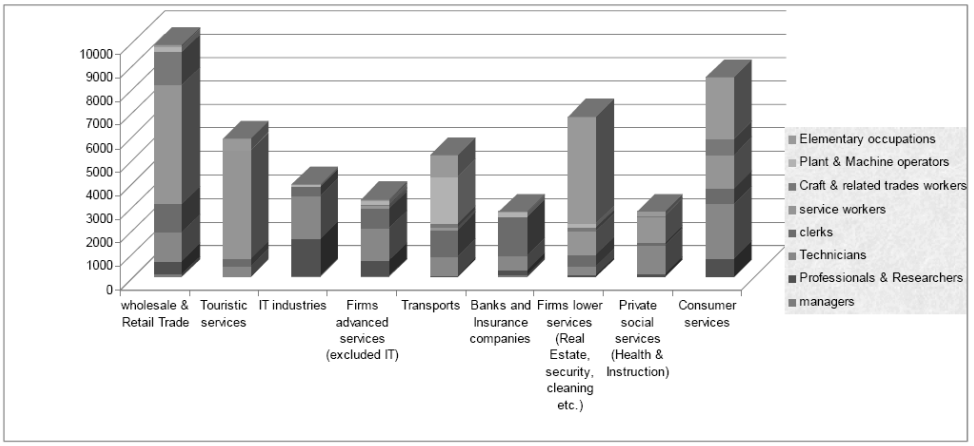


Figure 1: *Labour market distribution*

The bulk of new jobs are in commercial and low service sectors. Not only are the sectors concentrating the high-qualified positions (like IT and Banks) smaller than in other big European cities, but even the classic service sector shows a lower qualification profile than usual.

Where do the occupational increases come from? Basically, they come from the impressive increase of tourism, which, in 2005, attracted almost one quarter more visitors than in 2001, and in the same years displayed an increase in employed persons of around 18%. Rome is a typical case of tourism-led regeneration (Fainstein and Gladstone, 1999).

We will now try to dissect the creative economy on a local scale. Descriptions at the urban zone level are central to cultural economy analysis, even before CreativeCity took the scene due to the discovery of Zukin (1982) and other authors of a phenomenon of unintended artist-led gentrification. CreativeCity only stressed the supposed preferences for leisure inner-city activities of all the members of the creative class. In this way, every city center embellished with the typical cultural amenities falls within the category of a creative place. The point is that by illustrating cases in the "CreativeCity way" (Landry, 2000) it is always possible to show case studies of regeneration plans worked out at the neighbourhood level and then to find systematically close similarities. As McCann (2007) demonstrates in Austin's case, however, urban politics at the neighbourhood level make sense if they are not separated from the broader social, productive and geographical context in which they are inserted.

I used data from Services & Industry census 2001 aggregated by urbanistic zone[9]. I examined the five occupational sectors considered in various ways by the authors quoted above: Research, Tourism, Cultural Economy (Entertainment & Media Production), Firm Services. Running a PCA, after a screeplot test, results demonstrated a suitable solution in three components. Two of them are correlated respectively with Research and IT industry[10]. The first component instead represents Firm Services, Cultural Economy and Tourism with less clear correlation indices, as a sign of a less definite location pattern.

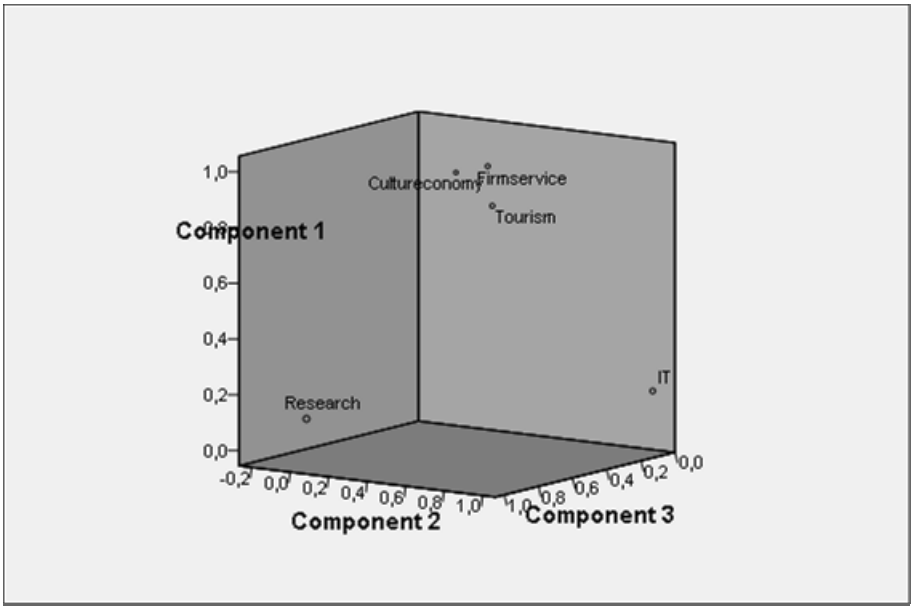


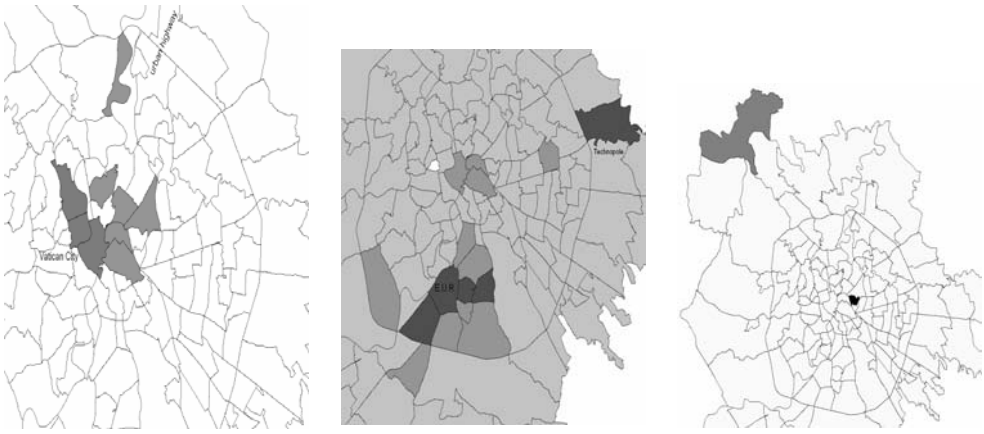
Figure 2: *Component Plot in Rotated Space*

In order to see how the differences of the location patterns of sectors explored by PCA were spatially disposed, I drew choropleth maps with the score of each urbanistic zone for each component, divided in three classes by equal intervals. The component associated with Service, Tourism and Cultural Economy has a clear central pattern of localization. The areas with the highest scores are represented not only by the historic centre, but also by all the central urban zones, and especially those at the north of Vatican, which are not only the location of the usual touristic infrastructure, but also of the Courts, and therefore also of many lawyers' firms. The only urban zone in the periphery with meaningful scores for the first component is the National Broadcaster's production site. Rome has a traditional monocentric developmental path (Violante, 2008). It is therefore not a surprise that we find in the inner city most firms and cultural services, and of course tourism, whose increase in the identified areas has not been by chance. In Rome, the whole renovation strategy of the inner city center was tied to the large event of 2000's Jubilee and cultural policies. In order to increase immediately tourist supply and with a flexibility adapted to all kinds of tourist demand, a large number of licenses for renting rooms were allowed. In some areas around the Vatican (Borgo Pio and Monteverde especially), many residential dwellings shifted to this function. Central squares were renovated, temporary night dormitories were established to clear the central railway station area of homeless people and there were special fiscal exemptions for home-owners to induce them to renovate every building façade, so that the whole built-environment of the city centre looked different, after 2000. The great increase of

tourist arrival was fed by various supplies of cultural events of all sorts, from the big free concerts of international pop-music singers under the Colosseum to the Italian version of the Parisian *La Nuit Blanche,* as well as specialized events targeted at highly educated people interested in Cinema and Jazz music. Of course, this helped to reinforce the housing price boom to the extent that the centre of Rome has become one of the most expensive places in Europe. Certainly, it is full of cultural amenities, but its rent prices are no longer affordable for anyone who is not already an established artist.

A totally different localization model, governed by proximity to the few big private companies, characterizes the IT industry. Neighbourhoods with the highest scores are those around *E.U.R.* (the darker spot in the south: a mainly corporate area, which can be considered a sort of Roman C.B.D.) and the ones outside the circular highway that overlaps with the neighbourhood of Alitalia. The urban zone on the northeast border of the circular highway where the Technopole is located represents an outlier (both statistically and geographically). Rome's Technopole was promoted by the Chamber of Commerce and local authorities of Rome, in order to feed localization and possibly clusterization of IT firms. The financial engagement of the local authorities in public company was not as strong as in other activities, and there were difficulties in renting the Technopole's plots to really technologically advanced firms. The turn point arrived when Rome was elected as the Italian city to detect the signals of the new European positioning system currently in a test phase. Many firms connected with that project and a global GIS software company placed their activities there.

The Research location pattern is the simplest to decipher, because, in the absence of any significant R&D private activity, it is entirely dependent on the University and National Council of Research sites.



Factor 1 Factor 2 Factor 3

Figure 3: *Choropleth maps with the score of each urbanistic zone for each component, divided in three classes by equal intervals*

Conclusions

CreativeCity inherited qualifying analytical tools from more established geographical strands of the 1990's, vulgarizing them in a sort of universal 'script' to be sold to city officials all around the world. Rome has been argued to

be a case of a CreativeCity. While this may well be the case according to Florida's (loose) categories, it reveals the scarce capacity of a similar framework to comprehend social processes lying behind very general economic statistics. The upgrading of the educational level is not due to a reversed skill-pyramid, but, rather, to the importance of work in the public sector. Public jobs are not subjected to any localization choices of global firms similar to those considered in mainstream theories. They don't attract creative workers; in places characterized by the absence of big vertically integrated corporations and by a weak labour demand, they literally create creative workers! A high educational level has had no significant effect on the strength of the IT industry. Technological firms are disconnected from the other sectors of the Cultural Economy and from Tourism, by a different logic of organization, and they furthermore have a different location pattern. Grouping together under the label of 'Creativity' such different thing like the Software Industry, Entertainment and Art, is arguably merely a simplified version of New Growth Theory in which anything (except manual industrial labour) turns into economic growth.

The last point to be made regarding the case of Rome is that if the creativity script is universal, its validity in secondary cities like Rome is limited, since it has succeeded in attracting nothing more than tourists. Florida (Florida, 2006) argued that Rome was living proof that post-industrial development allowed cities without the burden of an industrial heritage, more so than other 'post-industrial' cities, to compete solely on the basis of 'Talent'. He promoted unrealistic notions of the videogames and High Tech industries as opportunities for development. However, in reality, the growth of Tourism in Rome has not been complementary to developments in other industries; on the contrary, it is the main productive sector. It is the only real 'T' behind the narrative of Rome as a CreativeCity; Technology, Talent and Tolerance have played much less important roles.

As McCann (2004) suggested, we need to move beyond any temporarily dominant narrative based upon a dualistic approach dividing the urban world into main centres winning the international urban competition and medium, second ranked cities disconnected from the 'race' of the global economy. The Cultural Economy and its related Tourism constitute real possibilities for secondary cities to connect to the flows of the global economy. Further research on these sectors on the basis of this theoretical perspective will be needed, in order to comprehend the connection between creativity and competition.

Notes

1. High-qualified labour force is indeed more mobile than the less qualified labour force in every country, but major differences rest in the rate of mobility among different countries. In Southern-Europe, even qualified workers cannot change their place of residence easily.
2. By market paradigm I mean, following Mingione (1991), an analysis approaching reality according to two basic prescriptions: the methodological individualism of rational choice (*homo oeconomicus)* and free economic competition.
3. It is no wonder that authors convinced of more classic liberal and non-interventionist positions, such as Malanga (2004), find themselves among the critics of Florida on this point. Creative cultural policies need the active role of local authorities.
4. Gibson and Kong (2005) noted the strangeness of the fact that the mission of spreading cultural economy became a cultural activity itself representing, better than anything else, the contiguity of the production of sense and profit making.
5. The analytical bias sometimes concerns – as explained by Ugo Rossi for the Southern Italy

case (2004) – both the terms of the problem and also the cause. The institutional level is overemphasized and the effect (economic success) is imagined to be a necessary outcome that must exist and which is described even where there is no proof of it.

6. Social reproduction is a level of analysis greatly undervalued in current analysis (Krueger and Savage, 2007) and strictly connected with the diverse social foundations of occupational compositions we are describing here.

7. Data from "National Statistical Institute" (source: "Enquiry on Italian Economic Data") referred to metropolitan areas. It has to be considered that economic indices are usually better for Rome's Municipality alone and lower for the metropolitan area.

8. In Rome, around 40% of private firms are constituted by the owner alone.

9. Urbanistic zone is an administrative sub-district unity used by Rome's Municipality.

10 The second component associated with the IT industry shows a statistically insignificant negative correlation with the Cultural Economy and – far from the image of the small IT firm exploiting knowledge spill over (Simmie, 2001) – no association with Research.

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Appendix

Occupational sectors were aggregated as follows using Nace Rev 1.1 at three digit. The occupational sectors chosen represents 14% of Rome's labour market.

Table 1: *Sectors considered in Principal Component Analysis*

Occupational Sectors	Nace rev 1.1 groups	Employment	% of total
IT Industries	721, 722, 723, 724, 726	66,019	6.0
Research	731, 732	10,623	1.0
Cultural Economy	744, 921, 922, 923,925	35,531	3.2
Tourism	927, 551, 553, 554, 927	46,792	4.3
Advanced Firm Service	741, 742, 743	47,387	4.3

Note: Data are referred to Rome's Municipality.

After a screeplot test three components were chosen and a Varimax Rotation was applied. The three rotated components explained 85% of variance. Communalities of single variables were as follows:

Table 2: *Communalities*

	Initial	Extraction
Research	1.000	.999
Tourism	1.000	.671
Cultureconomy	1.000	.753
IT	1.000	.981
Firmservice	1.000	.877

Extraction Method: Principal Component Analysis.

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