

Creativity, Tourism, Economic Development in a Rural Context: the case of Prince Edward County

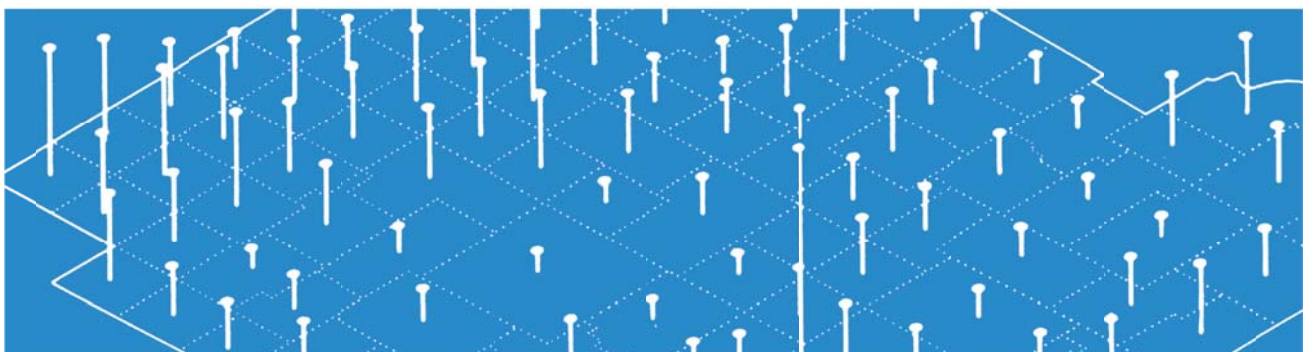
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Abstract

Located on Lake Ontario, Prince Edward County, Ontario, Canada is equidistant (about 200km) from both Ottawa and Toronto. Described by its own web site as “A beautiful island adventure, the County is a mecca for artists, nature lovers and anyone looking for a beautiful island adventure ... for a weekend break or for life. Renowned for its sailing, fishing and giant sand dunes, The County also offers live theatre, artists’ studios and galleries, unique regional cuisine and a flourishing wine region.” Prince Edward County is an outstanding example of a rural community that has leveraged its natural resources with a focus on the creative economy including gastronomy, enology, culture and heritage, and the visual arts to create not only a desirable tourist destination but also vibrant regional economic development. In this paper, we use a combination of quantitative and qualitative data to examine the underlying intentions and strategy of this development focus along with the actual performance, growth, and underlying economic and demographic changes in the region. We demonstrate the impact of both planned, intended changes and serendipitous events, conditioned on a willingness to adapt, in creating lasting advantage for the region. We conclude by offering insights on what other rural communities can learn from the Prince Edward County case in terms of revitalizing their tourist economies and enhancing overall regional economic development.

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Introduction

Rural communities and peripheral regions across North America face significant challenges when it comes to promoting economic development and encouraging continued economic growth. As Henry and Drabenstott (1996) point out, the challenges rural communities face in promoting economic growth stem from two prominent features, their remoteness and small scale. This is often provided as the explanation for why rural economies tend to trail behind their larger urban counterparts. Beginning in the early 1990s, the economic landscape of rural and peripheral communities across North America began to change. The combined processes of political and economic restructuring resulted in declining economic activity in rural communities due to the restructuring of the agricultural sector, the loss of manufacturing and the exodus of young, educated workers to larger metropolitan centers (Briedenhann and Wickens, 2004). These challenges rural communities face, due to declining economic activity, have only become further augmented by the importance knowledge-based industries and larger metropolitan centers garner in the emerging service driven economy. To maintain economic activity and encourage continued prosperity, rural communities have had to respond by searching for alternative opportunities.

In order to prevent the complete collapse of their local economies, rural communities have turned to tourism as an alternative strategy to promote job creation and respond to declining social and economic circumstances (Briedenhann and Wickens, 2003). Rural communities often realize their potential as tourist destinations through the development of local natural resources, culture and heritage (MacDonald and Jolliffe, 2004). Despite the varying levels of success rural communities experience in undertaking such endeavors, they are seldom able to achieve the same level of success, economic diversity and self-sustaining momentum that is often taken for granted in larger metropolitan centers (Terluin, 2003). In addition to this, tourism based development strategies seldom generate the kind of value-added economic activity and new demand required to lessen the inequality that exists between urban and rural areas (Fleischer and Felsenstein, 2000; Fredrick, 1993; Hoy, 1996; Iversen and Wren, 1998). This is because service sector jobs, which comprise a large portion of the tourism industry, are seldom capable of supporting the kinds of wages that were once provided by manufacturing employers and successful agricultural industries (Iversen and Wren, 1998). Promoting growth in rural communities, therefore, has become especially difficult in the current economy given the attention garnered by larger metropolitan centers with well developed knowledge-based and high-technology industries. The challenges faced by rural communities are only exacerbated when recessions hit.

However, opportunities do exist for rural communities to rebuild their economies and promote continued prosperity. As larger metropolitan communities become centers for successful knowledge-based industries, they have discovered the importance of creative workers in fueling the engine of economic growth and prosperity. Together these creative workers comprise the Creative Class, one of four employment categories based on unique occupational groupings defined by Richard Florida (2002). The Creative Class includes people employed in science and engineering, architecture and design, education, arts, music and entertainment occupations. The primary economic function of the Creative Class is to generate

new ideas, new technology and/or new creative content. The three other employment categories that coincide with the Creative Class are the Service Class¹, the Working Class², and people employed in Fishing, Farming and Forestry³. Florida promotes the idea that new business investment is attracted to locations which demonstrate a rich concentration of individuals from the creative class. These creative class individuals are, in turn, attracted to places that can provide a heightened sense of quality of place, often found in the presence of local amenities, such as cultural and historical festivities, recreational opportunities and an abundance of outdoor, natural resources. As a result, investment in and promotion of the cultural and recreational economy has become the new competitive strategy in larger metropolitan centers. While the general premise presented in this argument appears to apply most directly to large urban centers, it can also be applied to small rural communities. In fact, rural communities are often endowed with an abundance of local resources found attractive by the creative class.

This paper suggests that the same kinds of place-based marketing tactics used by rural communities to promote themselves as desirable tourist destinations can also be applied in the attraction and retention of the creative class. Many of the qualities which cities so often try to replicate in order to attract the creative class, such as a heightened quality of place, local pristine natural amenities and unique cultural and heritage opportunities, exist in abundance in rural communities. However, such opportunities are often less obvious in rural communities, or may arise spontaneously and require slightly more upfront investment. In order to recognize and benefit from these opportunities, rural communities can remain responsive to both planned and serendipitous events. The importance of remaining responsive is due to the limited resources and population found in rural settings. Without these limitations, larger metropolitan centers possess a self-sustaining critical mass which tends to reproduce and promote new economic activity.

This paper draws on the success of such an approach in Prince Edward County (PEC), a rural region within Eastern, Ontario, Canada. Located halfway between the cities of Ottawa and Toronto, Prince Edward County is home to a thriving tourism industry centered on one of Ontario's newest wine and culinary-making regions. What sets PEC apart is that in addition to offering a unique mix of culinary, artistic and heritage amenities and experiences, the county demonstrates potential to grow a knowledge-intensive creative rural economy.

Economic Development in Rural Communities: Contemporary Strategies the Challenges

In an examination of contemporary approaches to rural economic development, Morgan, Lambe and Freyer (2009) suggest three strategies rural communities use to promote economic growth. The three approaches include: (1) Place-Based Development; (2) Economic Gardening; and (3) Cultivating Creativity and Talent. Place-Based approaches attempt to capitalize on distinct local characteristics which define a particular place, including local cultural

¹ The Service Class includes occupations in food service, custodians and groundskeepers, retail, personal care attendants, secretaries and clerical workers, and security guards.

² The Working Class includes occupations in manufacturing, construction and transportation.

³ Fishing, Farming and Forestry includes occupations in resource extraction, farming and fishing.

heritage and historical traditions as well natural resource amenities. Such amenity-led development strategies are often involved in the marketing of rural communities as tourist destinations. Such place-based marketing strategies often use images of a peaceful countryside to depict rural communities as places offering authentic experiences and relaxing settings (Hopkins, 1998; Marsden, 1999). Economic Gardening, on the other hand, focuses on the importance of approaches to economic development that promote entrepreneurship. Entrepreneurial activity is widely recognized as an important component to growing a dynamic economy. Such strategies suggest rural communities should support local entrepreneurs and nascent firms as these activities create a local embeddedness that fosters continued and self-sustaining economic activity (Gertler, Wolfe, Garkut, 2000; Maskell and Malmberg, 1999; Morgan, 1997). Their third strategy, which is also the kind of strategy this paper seeks to emphasize, is the benefits derived from cultivating creativity and talent in rural communities as a way to promote continued economic growth. The creative economy in rural areas is typically based upon the presence of arts and culture. Morgan, Lambe and Freyer (2009) suggest that creativity driven economic development in rural communities can cultivate from these artistic talents and occupational targets apprenticeship and training programs in crafts and design. They provide the example of New York Mills in Minnesota which hosts an artist-in-residency program to attract talented artists to the area. The community provides artists with accommodations in exchange for teaching or mentoring commitment for local residents. However, the processes driving economic development in rural communities, particularly when it comes to identifying new opportunities and local assets, is far more complex than eluded to in these strategies.

Building successful strategies for economic development in rural communities means realizing the numerous ways in which different parts of the economy interact to generate new opportunities and stimulate growth. According to Blakely and Bradshaw (2002), local economic development is a community's attempt to generate growth by mobilizing their local capacity, including their economic, social, technological and political capacity, and their resources, including natural resource availability, location, labour, capital, entrepreneurial climate, infrastructure and industrial composition. Undertaking such a task in rural communities can be a challenge for multiple reasons. First, regional assets and potential opportunities tend to be dispersed over a large area in rural communities, and for that reason they can be easily missed or never realized. When resources are spread over such large areas, it can also be hard to see how they connect or can be used together to create new and successful economic opportunities and ventures. Secondly, because rural communities tend to be smaller in size, they also face the challenge of drawing together and generating the different types of capital required to invest in various strategies, new ventures and opportunities. Together these challenges rural communities face in generating economic activity are a result of the difficulty they experience in building local community capacity, an essential characteristic in coping with economic uncertainty (Morgan, Lambe and Freyer, 2009). Finally, success stories in other communities are far and few between. This does not mean they do not exist but that they may not be documented nor prove easily transferable into similar strategies in other regions. Just like their much larger urban counterparts, rural communities are not homogeneous, meaning economic development policies and strategies may not produce the same results in all

communities. While some resources and assets may be the same from one community to the next, the context in which they are situated can be different and how they are marketed and developed may require significantly different approaches.

As a result, it is important that economic development strategies in rural regions recognize the various ways in which all parts of a community interact to promote growth. While economic development strategies that target very specific components of the local economy, such as education, industry attraction or amenity upgrading, are useful and serve a purpose, they can also be a weakness. Such targeted strategies run the risk of overlooking alternatives to achieving prosperity and may also dismiss other potential outcomes that could be achieved through spill-over effects. New economic opportunities and ways to strengthen regional prosperity may exist in providing a closer examination of these spill-over and side effects that can be missed if development strategies are defined too narrowly. For example, using a Community Capitals Framework (CCF), Emery and Flora (2006) discuss how community led economic development efforts can be achieved by recognizing how regional assets and investments interact and can impact all assets and investments in a community. Through their work in Valley County, Nebraska they examine how community transformations occur and economic growth can be achieved by recognizing how the different capital stocks and flows within a community affect each other. In Valley County they show how carefully targeted resources and inputs directed at building human capital and social capital had influenced other forms of capital such as political, financial, natural, cultural and built. The importance in recognizing how capital investments in certain areas can result in spill-over effects that both generate and propel growth need to be transferred to the economic development strategies used in rural communities.

Tourism in the Country-side – A Road to Recovery or Dead-end?

Tourism development is a tool used by many rural communities to counteract the decline in economic activity experienced in more traditional industries such as agriculture and manufacturing. Rural areas have seen tourism as a way to promote local jobs and raise the level of economic activity within their communities (Briedenhann and Wickens, 2004; Fleischer and Flesenstein, 2000; MacDonald and Jolliffe, 2003). Most often the use of tourism as a tool for economic development is chosen due to the lack of resources available to fund new economic ventures and the lack of alternative opportunities that are available to provide rural communities with a realistic goal for future development (Fleischer and Flesenstein, 2000). Tourism within rural communities is often based upon existing local resources such as the natural environment, cultural activities and heritage preservation. Such resources have become especially important in rural tourism development as the motivations behind why tourists visit places have changed. With the emergence of the postmodern tourist and cultural consumer, standardized experiences, like those provided by large entertainment venues, no longer satisfy the demands of these consumers. Instead, these postmodern tourists and the cultural consumers now seek opportunities for authentic and unique experiences through expressions of culture, heritage, recreational activities and natural landscapes. Such local amenities have become paramount for rural communities in successfully attracting tourists in search of new, authentic and unique experiences and/or the peaceful tranquility of the countryside.

Local amenities play an important part in tourism development in rural communities. “As America has become more urban the resources that rural areas offer, like open space, natural amenities, and ‘small town values’, become more valuable” (Deller, Tsung-Hsiu, Marcouiller and English, 2001: 352). A number of studies have documented the importance of local amenities in rural economic development and how these amenities are used to attract tourists. Local characteristics such as a natural environment and cultural and heritage activities are central to rural tourist destinations such as St. Jacobs, Ontario, Prince Edward Country, Ontario or Huron County, Ontario. In a study on rural communities in Southern Ontario, Jeffrey Hopkins (1998) found that place-based marketing was prevalent. Place based marketing strategies in rural communities often take the form of image promotion, where selective images of the local community are chosen to portray local attributes associated with a more relaxed and heightened quality of place (Hopkins, 1998; Roberts and Hall, 2004).

Tourism routes are another example of how rural communities have used regional amenities with success to stimulate growth, prosperity and economic rejuvenation. In addition to the clustering of a number of amenities and attractions, the establishment of easily accessible information offices and standardized, user-friendly signage, rural tourism routes have provided a way for local communities to stimulate entrepreneurial activity and the development of new services to provide a range of goods to tourists (Briedenhann and Wickens, 2004). In Europe such routes direct visitors from one community to the next, showing them a number of local highlights related to cultural, historical, artistic and social themes (Briedenhann and Wickens, 2004). These routes have become well known in Europe and are now referred to as Cultural Tourism Routes. In the United States such routes have become known as Heritage Trails and have stimulated a number of economic benefits for communities located on their paths (Briedenhann and Wickens, 2004; Hill and Gibbons, 1994). The success of such routes has come about as a result of community participation both amongst and within different locales, in addition to cooperation from regional and state level support (Briedenhann and Wickens, 2004). Such strategies are examples of successful amenity based approaches that have been used in rural communities to attract visitors and promote growth.

The Creative Class and the Country-side

The creative class has come to play an important role in current economic development activities and is now regularly seen as an important contributor to the success of particular regions. There is growing recognition of the role quality of place plays in both attracting and retaining highly educated workers. Recent studies (Florida, 2002, 2008; Van Den Berg, Pol, Van Winden and Woets, 2005; Trip, 2007) have demonstrated that specific local characteristics and amenities do in fact play a role in the locational decisions of educated and creative workers. These characteristics include, but are not limited to, local amenities and festivities, recreation facilities, consumption opportunities, environmental quality, and communities that are diverse and socially aware. Through a number of interviews with Creative Class workers, Florida (2002) found that such workers value an experiential life. Creative Class workers are in search of places to live that provide an abundance of opportunities for unique and authentic experiences and an active outdoor lifestyle. As a result, cities have begun to realize that in order to succeed and

attract new business investment they must create places which are attractive not only to businesses but more importantly to the highly mobile creative class.

The creative class thesis has only recently been applied, and in a limited way, to furthering our understanding of economic development theory in rural communities. In a recent paper written by McGranahan and Wojan (2007), the authors rework the creative class thesis to address the issue of creative class theory as it applies to rural communities. In doing so they explore the validity of two of Florida's key arguments in a rural context: (1) that the size and growth of the creative class is a source of employment growth in rural communities; and (2) that creative class workers are attracted to the local amenities found in rural areas. The authors begin by slightly recasting the creative class framework and definition to address two salient characteristics of rural communities that can distort the presence of the creative class. The first issue stems from Florida's use of occupations to define employment that require a high level of creativity. They point out that there are some occupations in Florida's creative class breakdown that are defined as creative but in actual fact demonstrate relatively little creativity. Secondly, they point out that some of Florida's reportedly footloose creative class workers include individuals employed in essential services and the social reproduction of society. High employment shares in occupations such as those found in education, training and libraries, and healthcare practitioners and technical occupations, can lead to a perverse result of high employment shares in the creative class. In recasting their creative class composition, McGranahan and Wojan (2007) drop these occupations from their analysis.

The results of their recast creative class show that the presence of relatively low creative occupations and employment in essential services in rural areas has a large impact on their measurement of creativity. Despite this impact, McGranahan and Wojan's research shows that, even when using the recast framework of the creative class, non-metropolitan areas with higher proportions of people in creative occupations are a strong predictor of employment growth (McGranahan and Wojan, 2007). However, while they find that creative workers are attracted to areas rich in amenities, low population density and potential for commuting appeared to be a stronger predictor of growth in the creative class. They suggest that rurality appears to be the driver of growth in metropolitan centers, as the creative class seeks the quality of life found in lower-density environments as a place to live. In other words, creative workers are slowly moving outwards from large metropolitan centers to less dense, rural communities. They are, however, first attracted to rural communities within commuting distance to larger urban centers and to those rural communities that possess attractive amenities associated with a more rural life-style. However, the authors find that the creative class in rural communities do tend to be older and more likely to be married than those found in larger metropolitan centers.

In the case of rural communities, the presence of knowledge-based or high-tech industries is not always a necessary precursor for economic growth. In many regions, 'artistic havens' have become mechanisms to attract other creative people and generate economic expansion. It is common for rural areas to have youth retention problems, as high school graduates leave for large metropolitan centers in search of higher education and employment. This loss in human capital can be reversed by attracting population groups which map well onto

rural lifestyles. McGranahan and Wojan suggest attracting families, midlife career changers, and retirees can maintain the rural talent base. This means that as much as marketing a place based on its quality of life, presence of natural resources and cultural and heritage activities is important for rural communities, it cannot be done at the expense of focusing on the fundamentals of quality of education, health care and infrastructure present within the community. For this more mature group of creative workers, these local characteristics are just as important as the other amenities that originally attracted them. McGranahan and Wojan support the possibility that the same initiatives used to promote rural areas as tourist destinations should also increase the attractiveness of an area to creative workers and the citizenry at large.

Cultivating the Creative Class in Rural Communities

What often gets overlooked by many rural communities is the capacity they have to attract creative class workers, and generate new economic opportunities, through the same kinds of general strategies used to promote the development of tourism based industries. In other words, tourism is a means to economic development in rural communities, not simply an end goal in itself. Just as tourists are attracted to rural areas due to the quality of place they promote, the cultural and historical activities they provide and the natural amenities they possess, creative class workers are also attracted to these very same attributes. However, acting upon these strategies to take advantage of them when they arise requires rural communities to be responsive to both planned and serendipitous events.

Tourism is increasingly becoming a competitive strategy used by rural communities to promote economic development and stimulate growth. As more cities, regions and communities compete with each other by (re)producing and promoting themselves as tourist destinations, based on the presence of natural resources, local cultural and historical amenities and a heightened sense of place, “their ability to create ‘uniqueness’ arguably diminishes, often assumed to lead towards the ‘serial’ reproduction of culture” (Richards and Wilson, 2006: 1210). In order to remain competitive, rural communities must become creative in identifying unique opportunities that present themselves and be prepared to act when they arise. This means they must constantly be on watch for nascent markets that can be used to create new authentic experiences that not only attract tourists but creative class workers and their families. They must also be able to act upon any opportunities which show potential to be developed into successful new strategies to promote job growth and economic development.

In searching for new and creative opportunities in which rural communities can use their local resources to attract the creative class, there is much that can be learned from the ideas presented in Blue Ocean strategies, integrative thinking and community capacity building. First, Blue Ocean strategy is a business approach to creating new markets by looking for opportunities where demand is created instead of fought over (Burke, Stel and Thurik, 2008). Blue Ocean strategies emphasize the benefits realized by firms seeking unrealized nascent market space through unique innovations and new products. Such strategies are in opposition to the intense competition of Red Oceans, which refer to highly competitive markets where competition rests solely on the ability of a firm to keep costs low and attract the greatest

market share away from competitors. Blue Ocean strategies “provide a generic option for management because they take an empirical view that through ‘value innovation’ firms will be able to find sufficient untapped markets, thus creating consumer demand and ultimately growing while avoiding competition” (Burke, Stel and Thurik, 2008:4). Given the nature of markets, blue ocean strategies dominate in the short term while red ocean strategies dominate in the long term. This is because over time other firms are able to replicate strategies and gain market share. Such Blue Ocean opportunities can provide rural communities with a competitive advantage that helps to promote their local economies and generate greater returns on investments. Searching for these blue ocean opportunities enables rural communities to avoid the ‘serial’ reproduction of culture and forge the kinds of new and authentic opportunities that the creative class seeks in a place to live.

In order to realize new opportunities in rural communities for promoting economic development, locals can act as integrative thinkers and realize answers that have not been considered. Integrative thinking is the process through which we sort through two or more, sometimes conflicting, problems in our mind to forge a single superior solution (Martin, 2007). This solution, reached through integrative thinking, is not simply the result of having to quickly choose and settle for one solution or another but it requires also understanding how problems work to produce a synthesis of all possible solutions that are better than any one solution on its own. In rural communities, such thinking is integral to working through problems and finding solutions, particularly in recognizing unrealized opportunities for promoting economic development. In order for blue ocean strategies and integrative thinking to be a success and benefit rural communities, communities must be able to respond quickly and creatively to different opportunities as they arise.

Finally, the significance of Community Capacity building in rural communities stems from the importance of being agile and responsive to sudden planned or unplanned events. Responding to such events can provide rural communities with new chances to promote local economic development. However, while community capacity building is an essential component in identifying opportunities and coping with economic uncertainty, achieving such capacity is a regular challenge faced by rural communities (Morgan, Lambe and Freyer, 2009). This is particularly important given that local communities are often responsible for initiating local economic development initiatives (Morgan, Lambe and Freyer, 2009). Capacity building seeks to bring about organizational expertise by forging new skills within rural communities related to leadership, mediation and conflict resolution, group processes, understanding the business of government, and the articulation and achievement of a shared vision (Murray and Dunn, 1995). The goal of capacity building – and in this way it is a sub component of community led economic development – is that it seeks to empower those living in rural areas to better manage their own affairs, reducing dependency on state intervention (Murray and Dunn, 1995; Simon, 2001). As a result, building local capacity to manage economic change is important in rural communities in helping them to connect valuable ideas, resources and opportunities to achieve prosperity.

The Case of Prince Edward County

Prince Edward County (PEC) is located in Eastern Ontario, directly south of Ottawa, half way between Montreal and Toronto, on the shores of Lake Ontario⁴. Between 1996 and 2006 the population of Prince Edward County was virtually unchanged at just over 25,000 (Figure 1). The demographic composition, however, did significantly change over the same time period (Figure 1). The percentage of the population aged 65 and over increased from 18.8% of the population to 21.8%. Conversely, the share of the population under the age of 20 went from 24.9% in 1996 to 21.0% in 2006. While this trend is similar across the province of Ontario it is more pronounced outside of the major urban regions where 16.1% of the population was 65 years or older in 2006 as opposed to 12.7% within the larger urban regions.

Figure: 1

	Canada		Ontario		Prince Edward County	
	1996	2006	1996	2006	1996	2006
Population	28,846,761	31,612,897	10,753,573	12,160,282	25,046	25,496
Ages 0-19	27.2%	24.4%	27.1%	25.0%	24.9%	20.9%
Ages 20-64	60.5%	61.9%	60.5%	61.4%	56.2%	57.3%
Ages 65+	12.2%	13.7%	12.4%	13.6%	18.9%	21.7%
Employment	13,318,740	16,021,180	5,077,670	6,164,245	11,195	11,815
Employment Rate	58.9	62.4	60.2	62.8	56.6	55.4
Creative Class	29.5%	33.2%	30.7%	34.7%	24.5%	30.9%
Service Class	44.0%	41.9%	44.1%	41.5%	41.7%	38.6%
Working Class	22.6%	21.9%	22.8%	22.1%	25.3%	24.9%
Agricultural Class	3.9%	2.9%	2.4%	1.7%	8.5%	5.7%
Avg FT Employment Income (2006 \$)	\$ 46,085	\$ 51,221	\$ 49,429	\$ 55,626	\$ 39,695	\$ 46,092

Source: Profile for Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 1996 and 2006 Census – Statistics Canada 95F0181XDB96001 and 94-581-XCB2006001

For a rural municipality outside of a major urban region, the population of Prince Edward County is relatively highly educated, with 17.2% of its population between the ages of 25 and 64 holding a university degree. This compares to 12.3% for other areas of the province that are not part of a major urban region. The figure for the largest urban regions is 29.5% which highlights the urban-rural divide when it comes to attracting and retaining highly educated workers and sustaining jobs that demand university education.

The Prince Edward County economic development office likes to distinguish itself as an example of a successful rural creative economy. In 1996 the percentage of the workforce in creative occupations (24.3%) was roughly the same as other rural areas of the province (23.5%).

⁴ Unless otherwise stated, all statistics in this section were gathered from data collected by Statistics Canada for the 1996, 2001 and 2006 Census years. Figure 1 provides a summary of all these statistics for Canada, Ontario and Prince Edward County.

By 2006 the figure for PEC grew to 30.9% while the creative class represented 26.0% in non-urban areas in the province as a whole. In major urban regions 37.0% of the workforce was employed in creative occupations, further demonstrating the urban-rural divide in high-value added economic activity (Figure 2).

Figure: 2

Employment Category	Ontario		Large Metro (CMA)		Small Metro (CA)		Rural/Non-Metro	
	1996	2006	1996	2006	1996	2006	1996	2006
Creative Class	30.7%	34.7%	32.7%	37.0%	24.7%	26.4%	23.5%	26.0%
Service Class	44.1%	41.5%	45.0%	41.9%	43.8%	43.1%	38.5%	38.0%
Working Class	22.8%	22.1%	21.2%	20.4%	27.4%	27.2%	28.9%	29.5%
Agricultural Class	2.4%	1.7%	1.0%	0.8%	4.1%	3.3%	9.1%	6.6%

Source: Profile for Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 1996 and 2006 Census – Statistics Canada 95F0181XDB96001 and 94-581-XCB2006001

Although the number of employed persons increased from 11,195 in 1996 to 11,815 in 2006 the overall employment rate in Prince Edward County is significantly lower than the provincial average. In 2006 the employment rate in PEC was 55.4% compared to 62.8% for the province as a whole and 61.2% in areas outside of urban regions. This pattern was not reflected by higher levels of unemployment however as the figures for PEC and Ontario were 6.0% and 6.4% respectively. This suggests that there is a lower participation rate in Prince Edward County meaning that fewer people of working age are actively looking for work. A potential explanation for this is the presence of a significant population under the age of 65 that have decided to take early retirement in the county.

Even though Prince Edward County has managed to attract more creative class employment and university educated workers than the average rural municipality in Ontario this has yet to translate into higher average incomes. Average annual full-time employment income in PEC in 2005 was \$31,800 which was \$1,000 less than the average for rural areas of Ontario (Statistics Canada, 2006). Furthermore, the average annual FT employment income in major urban regions was \$41,200 or nearly \$10,000 higher than in non-urban regions. Based on the industrial and occupational structure of the PEC economy there does not seem to be a clear explanation for the relatively middling incomes. In interviews with creative workers in PEC it was commonly stated that their decision to move to the region was due to the improved quality of life, despite the lower income (Donald et al. 2008; Hracs, 2005). In other words, the heightened quality of life that PEC offered to its residents was treated as a trade-off for receiving lower incomes. This reinforces the point that it is the quality of place a community offers that attracts creative workers and not necessarily attractive job opportunities that offer higher wages in larger metropolitan centers.

Prince Edward County has made significant strides in attracting creative and well educated workers over the past 10-15 years. In 1996 PEC did not stand out significantly from other rural areas of Ontario. By 2006 however, PEC managed to separate itself by shifting its economy towards more creative employment. Even though wages are average in PEC, relative

to other parts of the province, this shift in employment can be viewed as highly positive due to Prince Edward County's traditional dependence on the agricultural and tourism industries, two industries where wage levels tend to be substantially below average.

Since its settlement, agriculture has been the backbone of PEC's economy, and it continues to be a strong and growing sector today. In 2006, agricultural receipts in The County totaled \$76.7 million, an increase in real terms of 3.75% over the 2001 total. The dominant agricultural sectors are dairy, beef, and grains and oilseeds, though viticulture and organic farming have been identified as emerging sectors (The County, 2008a). Viticulture is a particularly dynamic sector and has experienced tremendous growth in recent years. In 2000, 20 acres of land were used for grape production supporting one winery, where today more than 600 acres are devoted to producing grapes which support over a dozen wineries – the legacy of more than \$30 million of investment.

More than 440,000 individuals visited PEC in 2004 and spent an estimated total of \$65.4 million, making tourism a critical component of the PEC economy (The Tourism Company, 2006). Tourists are drawn to The County by its combination of natural, cultural, and culinary attractions (The Tourism Company, 2006). Natural amenities, notably Sandbanks Provincial Park, offer opportunities for outdoor recreation. A vibrant cultural and arts community enhances PEC's tourism potential. PEC is home to a vibrant artistic and cultural community that includes over a hundred independent artists and galleries, supported by artistic institutions like the Regent Theatre and the annual Jazz Festival (The County, 2008b.) The arts community is growing as creative individuals relocate to The County to take advantage of the quality of life and the local artistic atmosphere (Hracs, 2005). This strength is complemented by PEC's rich and storied history, preserved in the buildings that dot its towns and countryside, creating a noteworthy cluster of artistic, cultural and heritage facilities. Finally, the developing viticulture industry has potential as a major tourism draw.

Many of these same qualities that PEC uses to attract tourists to the region can also be used in attracting the creative class. In order to use these qualities to attract the creative class, however, rural communities must rethink how they approach these same strategies. This is not just simply a question of remarketing local activities and attributes but identifying new opportunities throughout The County where local assets can be reworked in ways to attract and retain members of the creative class and not just tourists. In some ways PEC has already begun to achieve this. Tourism Routes provide a unique opportunity for PEC to begin to bridge the gap between strategies that are used to attract tourists and strategies that are used to attract the creative class. Providing weekend or week long adventures, where people are led through PEC to different sights and attractions, is just one example of a strategy that could be used to introduce potential new residents from the creative class to the local area. Such tourism routes could be designed to lead visitors, or potential residents, through local neighbourhoods, past schools, and commercial areas, as they transport them on their way to see local cultural festivities, heritage attractions, natural resources and recreational opportunities.

Recent research by Brian Hrac (2005) examined the developing creative economy in PEC. Hrac (2005) shows how PEC has developed a new sector in its economy centered on the growing wine industry, galleries, craft stores, and the revitalization of the Regent Theatre. He argues that these are all signs of a rising inventiveness in the county. This suggests that recent migration into the county by retirees and others from metropolitan areas such as Toronto are beginning to change the picture of human capital in PEC. PEC is currently experiencing a shift toward the 'creative economy' model. With infrastructure and 'creatives' already living in The County there is potential to rebuild a stronger economy. PEC needs to focus future development on the attraction and retention of innovative and creative thinkers, and ensure creativity is embraced across all socio-economic levels, and in all sectors of society.

One of the challenges facing PEC, like similarly rapidly 'gentrifying' rural places, is the extent to which The County can hold on to the very aspects of quality of life that made the region so attractive to the old timers, the broad citizenry, the new creatives and tourists in the first place. Like many rural tourist regions close to fast-growing metropolitan places, PEC is experiencing growing pains and a new politics of growth between new ideas and old traditions. Fortunately, field experience indicates that PEC has a strong community capacity and social capital. These assets will need to be harnessed in the coming years as the region plans for growth and change in a beautiful rural part of the world. The extent to which the region can plan wisely in the future will be the extent to which it can set itself apart from the burgeoning cultural tourism market of the future (Donald et al., 2008).

Conclusion

Rural economic development is a challenging undertaking. Achieving success is difficult when agriculture and manufacturing are both in decline and when youth, the labour force, and new firms seem almost exclusively drawn to larger urban areas. Many strategies have been suggested to overcome these challenges. Among the more successful are strategies based around tourism that use a region's natural, heritage and cultural resources to develop and promote experiences that are typically unavailable to urban dwellers. However, tourism-based strategies introduce new economic structural weakness. Most tourism-based jobs (many in accommodations and food service) are low paying and seasonal, do not offer equivalent employment to lost manufacturing and agricultural jobs and increase inequality across the region.

A way to overcome this difficulty is to not focus on tourism as a final desired economic base, but instead to use tourism and the regional amenities and quality of place characteristics needed to attract tourists as a way to also attract residents. Specifically, strategies focused on attracting the *Creative Class* to the region can further leverage regional amenities to attract new residents and their families to the region. Creative class workers have higher average earning than working class (manufacturing and construction), service class or agricultural workers. Creative workers are the ones generating innovations, new ideas, and starting new businesses. A concentration of creative workers can also help to attract firms to the region. This strategy does not come without its own challenges. Wage inequality can be exacerbated by an increase in the creative workforce. And, other challenges and friction can be created as

new residents with different priorities and desires are integrated into an existing community with long-standing established norms and traditions. However, as the case of Prince Edward County, Ontario shows, the approach of attracting tourists and residents offers a potential for success in rural economic development that is rarely seen.

Attracting the *Creative Class* to a region requires more than just being a good tourist destination. While tourist attractions might get them to the region for a week-end, more is needed to turn them into permanent residents. It is important to focus the tourism opportunities and regional amenities around natural, heritage, and cultural assets that present *authentic experiences* that are typically desired members of the creative class. But, that is not enough; attracting new residents and their families also means that quality of life must be addressed. Attention still needs to be given to quality of education, health care, and overall community infrastructure. Rural areas are more likely to attract families, mid-life career changers and retirees who value these local characteristics as much as the other amenities that brought them to the region initially.

The *Creative Class* is not a monolithic group that all have exactly the same needs and desires. While some characteristics are generally common, individuals and families are driven by their own unique combination of amenities, opportunities, and experiences that will attract them to a region. As a result, any region – but especially a rural region with limited quality of life amenity opportunities – must be prepared to be flexible in developing attraction strategies and reacting to events. Rather than attempting to build a comprehensive focused strategy geared toward a specific segment of the creative class, say empty-nester engineers, the region should initially try to be a generalist, but carefully monitor and then respond to serendipitous events. If an engineer or two first moves to the region, work with them to help and support them and work to build an engineering consulting cluster. However, if some of the new residents are in digital media, then the focus should be on broadband Internet infrastructure and building a digital media cluster. The region needs to monitor and understand the opportunities being presented with at least as much effort as is spent intentionally creating other opportunities.

Tourism, especially tourism focused around recreational, cultural and heritage experiences, can benefit the economic development of rural areas. Creating lasting advantage for rural areas, however, requires using tourism not as an end in and of itself but as part of a broader strategy designed to leverage the quality of place required to be a tourist destination with other regional quality of life amenities. This two pronged strategy will attract not just tourists but new permanent residents to the region and lead to a more sustainable economic outcome.

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