



KNOWLEDGE SYNTHESIS

HARVESTING THE RURAL CREATIVE ECONOMY

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INTRODUCTION

This knowledge synthesis is part of the Monieson Centre's Knowledge Impact in Society (KIS) Project, a three-year endeavour to connect academic knowledge with economic development needs in Eastern Ontario. The synthesis is an accessible presentation of the latest research on issues affecting rural Eastern Ontario. The knowledge synthesis topics were determined through information gathered at 15 community workshops run in partnership with the Eastern Ontario Community Futures Development Corporation network. The KIS Project is funded by the Social Sciences and Humanities Research Council of Canada. For more information, visit www.easternontarioknowledge.ca.

Over the last decade, the work of Richard Florida on the creative economy has captured the attention of policy-makers and stimulated vibrant debate in academic research. At the heart of Florida's creative economy is the argument that economic growth is now dependent on the talent of a 'creative class' who innovate and create new ideas, new technologies, and/or creative output.¹ This paper explores the developing theory behind the creative economy as an economic driver, and its implications for rural communities.

THE CREATIVE CLASS

This creative class is made up of individuals employed in "science, engineering, arts, culture, entertainment and the knowledge-based professions of management, finance, law, healthcare and education."² Florida and his contemporaries argue that the creative class flourishes in places that offer the "3T's" of economic development – Talent, Tolerance and Technology³ – as well as a wide range of natural, cultural and recreational amenities. This has translated into economic development strategies aimed at encouraging innovation, attracting highly-skilled workers, and promoting quality of place. Urban design features like street-scaping along with vibrant downtowns and an arts and culture scene are argued to be crucial in attracting and retaining these talented individuals. Equally important are

¹ R. Florida, "The Economic Geography of Talent," *Annals of the Association of American Geographers*, 92.4 (2002): 8.

² See Appendix A for definitions of the creative economy and creative occupations. R. Florida, C. Mellander, and K. Stolarick, "Inside the Black Box of Regional Development – Human Capital, the Creative Class and Tolerance," *Journal of Economic Geography*, 8.5(2008).

³ Gertler, et. al. *Competing on Creativity: Placing Ontario's Cities in North American Context* (Ontario: Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity, 2002).

access to top-notch post-secondary institutions, public transit, quality affordable housing, museums, and natural amenities like parks and paths that offer leisure opportunities.⁴

Given the popularity of the creative economy literature, a number of debates have emerged. These include whether skilled workers locating for amenities, tolerance, and diversity – three markers of the creative class – or based on where they can maximize job opportunities.⁵ Simply put, do jobs follow people or do people follow jobs? Another tension arises from creating policies for the perceived preferences of skilled professionals from outside a community over the preferences of current residents.⁶ A particular concern for rural communities is the urban focus of creative economy research. The creative economy literature is based largely on studies of large cities and the resulting economic development strategies are focused on urban policy insights.⁷

Despite these debates, the creative economy literature does stress the importance of human capital and quality of place. The weight of these arguments has many rural areas turning to the creative economy to combat economic uncertainty and attract talented individuals. Growing research interest on the rural creative economy has discovered that the creative economy is manifested differently in rural areas and that creative economic development strategies are not one-size-fits-all.⁸

THE RURAL CREATIVE ECONOMY

Although the rural creative economy has only recently attracted attention in academic research, it is commonly argued that rural areas have many of the place-based amenities which attract creative workers. For example, Kevin Stolarick and colleagues from the Martin Prosperity Institute at the University of Toronto state that “[m]any of the qualities cities so often try to replicate in order to attract the creative class, such as heightened quality of place, local pristine natural amenities and unique cultural and heritage opportunities, exist in abundance in rural communities.”⁹ They suggest that place-based marketing tactics often used to attract tourists can also be applied to attracting the creative class in rural areas.

⁴ R. Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002); Florida, “The Economic Geography of Talent”; B. Donald, D. Morrow, and A. Athanasiu, *Competing for Talent: Implications for social and cultural policy in Canadian city-regions*, report prepared for Strategic Research and Analysis (SRA) Strategic Planning and Policy Coordination, Department of Canadian Heritage, 2003.

⁵ See Florida, *The Rise of the Creative Class*; Florida, “The Economic Geography of Talent”; R. Florida, *Cities and the Creative Class* (New York: Routledge, 2005); A. Markusen, “Urban Development and the Politics of a Creative Class: Evidence from a Study of Artists,” *Environment and Planning A*, 38 (2006); M. Storper, and M. Manville, “Behaviour, Preferences and Cities: Urban Theory and Urban Resurgence.” *Urban Studies* 43.8 (2006); G. Sands and L.A. Reese, “Cultivating the Creative Class: And What About Nanaimo?” *Economic Development Quarterly*, 22.1 (2008); A. Pratt, “Creative Cities: The Cultural Industries and the Creative Class,” *Geografiska Annaler: Series B, Human Geography* 90.2(2008).

⁶ J. Paquette, “Engineering the Northern Bohemian: Local Cultural Policies and Governance in the Creative City Era,” *Space and Polity*, 12.3 (2009).

⁷ H. Hall and B. Donald, “Innovation and Creativity on the Periphery: Challenges and Opportunities in Northern Ontario,” Working Paper Series: *Ontario in the Creative Age* (Toronto: Martin Prosperity Institute, 2009).

⁸ D. Bell and M. Jayne, “The Creative Countryside: Policy and Practice in the UK Rural Cultural Economy,” *Journal of Rural Studies*, 26.3 (2010); D. McGranahan and T. Wojan, “Recasting the Creative Class to Examine Growth Processes in Rural and Urban Counties,” *Regional Studies*, 41.2(2007).

⁹ K. Stolarick, et.al, *Creativity, Tourism, Economic Development in a Rural Context: the Case of Prince Edward County*, Working Paper Series: Martin Prosperity Research (Toronto: Martin Prosperity Institute, 2010), 5.

A recent paper by Bell and Jayne examines the creative countryside and rural cultural industries in the United Kingdom.¹⁰ They argue that policymakers need to avoid overlaying urban creative policies in rural areas which are often based on sectors perceived to be part of the rural idyll like arts and crafts. They have also discovered a tension between creative industries located in rural areas and their urban counterparts. Often creative industries in rural areas are seen as hobbies, i.e., low quality and parochial, whereas urban creative industries are seen as innovative and high-end. In terms of attracting talented individuals, they stress the importance of lifestyle migration for rural amenities but also economic arguments including affordability. Overall, they document the rising advocacy for a rural cultural strategy in the UK where arts and culture is used to promote employment, economic development, and regeneration.

In their work on American rural counties, McGranahan and Wojan discover that employment in creative occupations is linked with employment growth in rural areas.¹¹ The authors also find that the rural creative class is older and more likely to be married. Economic development strategies geared at improving the quality of local schools may be more critical in rural areas rather than creating hip downtowns with chic cafés. They also determine that the creative class is attracted to rural areas that are rich in natural amenities, have modest density and commuting potential. They suggest that rurality itself is the main driver as people give up urban amenities for the natural amenities and quality of life found in rural areas. However, the authors stress that not all rural areas can attract the creative class. Location, natural amenities, adequate density, and the availability of a reasonable level of services are all important in the rural creative economy.

In her work on artists in American rural areas, Markusen argues that artists contribute to the consumption base of a local economy.¹² For example, performances, art displays, and readings of written work can produce modest growth in local income. Plus, many rural areas have underutilized infrastructure like closed theatres and abandoned buildings that can be revitalized to serve as housing, studio space, gallery space, or performance space. She also believes that artists are attracted to rural areas because of the affordability, vintage architecture, isolation, and sense of community. In their work in Canadian rural areas, Mitchell, Bunting and Piccioni agree that rural communities offer advantages for visual artists in terms of creativity. They discover for many artists, “the landscape provides the raw materials (i.e. subject matter) for the creative process.”¹³ Markusen suggests occupational targeting focused on artists as a possible rural economic development strategy.

PRINCE EDWARD COUNTY – CANADA’S FIRST CREATIVE RURAL ECONOMY

Prince Edward County (PEC) is an island rural community in Eastern Ontario. It is located in the heart of Canada’s Creative Corridor between Toronto, Ottawa, and Montreal - a “mega region” that represents 50% of Canada’s GDP.¹⁴ This location provides PEC with a unique opportunity for growth in the creative

¹⁰ Bell and Jayne.

¹¹ McGranahan and Wojan.

¹² A. Markusen, “A Consumption Base Theory of Development: An Application to the Rural Cultural Economy,” *Agricultural and Resource Economics Review*, 36.1 (2007).

¹³ C.J.A. Mitchell, T.E. Bunting, and M. Piccioni, “Visual Artists: Counter-Urbanites in the Canadian Countryside?” *The Canadian Geographer* 48.2 (2004), 162.

¹⁴ *Canada’s Creative Corridor: Connecting Creative Urban and Rural Economic within Eastern Ontario and the Mega Region* (Toronto: AuthenticCity and Millier, Dickinson and Blais, 2009).

economy. In 2006, the population was 25,496; however, the median age for PEC was 47.7 compared to 39.0 for Ontario.¹⁵ In their report, Stolarick et al. find that PEC has a higher percentage of its population between 25 and 64 with a university degree when compared to other areas in the province that are outside a major urban region (17.2% and 12.3% respectively).¹⁶ They also find that the percentage of workers in creative occupations rose in PEC from 24.3% in 1996 to 30.9% in 2006 compared to 23.5% and 26.0% for other areas in the province that are outside a major urban region.

Agriculture has a long history in PEC which was settled over 200 years ago by United Empire Loyalists fleeing the United States during the American Revolution. The dominant agricultural sectors include dairy, beef, and grains and oilseeds.¹⁷ However, as Donald argues, Prince Edward County is at the forefront of Ontario's new creative food movement.¹⁸ In fact, PEC is quickly becoming one of Canada's fastest growing wine regions and it has been officially designated as Ontario's 4th Designated Viticultural Area (DVA). In less than a decade, PEC's land use has gone from under 20 acres of vines to over 600 acres, with almost a dozen wineries attracting over \$30 million in investment.¹⁹ Tourism also plays a significant role in the PEC economy, drawing traditionally from its natural amenities including Sandbanks Provincial Park.²⁰ The creative food movement, however, has diversified the County's tourism, celebrating the 'quality of taste' in the area through initiatives like the annual TASTE! food and wine event which showcases local cuisine.²¹

Over the last decade, PEC has led an aggressive strategy to attract educated and creative workers to the area. The County has capitalized on the place-based amenities that make the area unique. For example, PEC is fortunate to have over 800 kilometres of coastline²² on the shores of Lake Ontario and vintage architecture with a long history. With this rich quality of life, PEC has attracted many 'Escape Artists', creative professionals who desire to leave the city to work and live in rural areas.²³ PEC is already home to over a hundred independent artists and galleries complemented by artistic institutions like the Regent Theatre and an annual Jazz Festival.²⁴ The County also uses an aesthetically-pleasing website, www.buildanewlife.ca, to attract creative investment. PEC has further recognized the importance of industry clustering in the creative economy through the Taste Trail. This involves strategic partnerships and co-marketing between farms, cheese producers, wineries, breweries and restaurants in the

¹⁵ Statistics Canada, 2007.

¹⁶ Stolarick, et al.

¹⁷ Stolarick, et al.

¹⁸ Hall and Donald.

¹⁹ "Wine and Viticulture," *The Corporation of Prince Edward County*, http://www.pecounty.on.ca/government/corporate_services/economic_development/agriculture/wine.php (Accessed January 6, 2011).

²⁰ Stolarick, et al.

²¹ "Tourism – Relax, Recharge, Rejoice," *The Corporation of Prince Edward County*, http://www.pecounty.on.ca/government/corporate_services/economic_development/tourism/index.php (Accessed January 6, 2011). =

²² "County Overview," *The Corporation of Prince Edward County*, http://www.pecounty.on.ca/county_overview/index.php (Accessed January 6, 2011).

²³ "Escape Artists," *The Corporation of Prince Edward County*, http://www.pecounty.on.ca/government/corporate_services/economic_development/arts_culture_heritage/escape.php (Accessed January 6, 2011).

²⁴ Stolarick, et al.

County.²⁵ As Canada's first creative rural economy,²⁶ Prince Edward County is well-positioned to take advantage of the new creative food movement and attract and retain creative professionals.

POLICY INSIGHTS FOR HARVESTING A RURAL CREATIVE ECONOMY

As mentioned earlier, not all rural areas can attract the creative class or harvest a rural creative economy. Location, natural amenities, adequate density, and the availability of a reasonable level of services are all important. That being said, there are a number of general strategies or insights that can help promote economic development in rural areas:

- **A Strategic Plan** – Always start with an economic development plan outlining your key goals and strategies
- **SWOT Analysis** – Every community big or small should be realistic and aware of their **Strengths, Weaknesses, Opportunities, and Threats**
- **Joined-up Governance** – A popular concept in the United Kingdom which encourages all levels of government to work together towards a common goal.

To combat economic uncertainty in rural America, Morgan, Lambe and Freyer suggest three specific strategies:²⁷

- **Place-based Development** – Economic Development strategies should capitalize on distinct qualities of place including natural amenities and cultural or historic traditions
- **Economic Gardening** – Focus on growing entrepreneurs and providing a healthy environment for small business growth
- **Cultivating Creativity and Talent** – Recognize the importance of attracting and retaining creative professionals and industries

To grow a creative countryside, Bell and Jayne offer the following suggestions:²⁸

- **“Greentrification”** – Combine traditional and new materials, techniques and uses to build a new rural aesthetic. For example, barn conversions, art farms, maize mazes, promoting local food and drink movements and promoting the creative benefits of rural living
- **Cross-Marketing** – Develop promotions and marketing initiatives across sectors that may seem distinct, like tourism, food and drink, and cultural production.

Bell and Jayne's interviews with creative professionals also identified that showcasing events, networking opportunities, exhibition space and access to high-tech equipment like broadband are important support strategies in which rural communities should invest.²⁹ Markusen also suggests

²⁵ J. Dixon, “The Importance of Innovation: Rural Communities in the Creative Economy,” OECD Workshop: Designing Services for Rural Communities, June 2009, London, UK, <http://www.easternontarioknowledge.ca/oecd%202009%20-%20dixon%20-%20the%20importance%20of%20innovation%20-%20final.pdf> (accessed January 11, 2010).

²⁶ “Prince Edward County, Ontario Canada's First Creative Rural Economy: Founded by Pioneers, Artisans and Entrepreneurs,” *The Corporation of Prince Edward County*, http://www.pecounty.on.ca/government/corporate_services/economic_development/creative_economy/index.php (Accessed January 6, 2011).

²⁷ J. Q. Morgan, W. Lambe, and A. Freyer, “Homegrown Responses to Economic Uncertainty in Rural America,” *Rural Realities*, 3.2 (2009).

²⁸ Bell and Jayne.

²⁹ Bell and Jayne.

investing in space for artists like performance spaces, live/work spaces, and artists' centres.³⁰ One final suggestion to help grow a rural creative economy includes creating industry clusters using tools like entrepreneurial incubators. Michael Porter defines clusters as "geographic concentrations of interconnected companies, specialized suppliers and service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, and trade associations) in particular fields that compete but also cooperate."³¹ Roger Martin and Richard Florida, in their report *Ontario in the Creative Age*, emphasize the importance of clustering industry and talent in the creative economy.³²

However, rural areas looking to the creative economy need to be cautious of challenges that might arise. This includes, rural 'gentrification' which Stolarick and colleagues describe as the difficulty in maintaining or protecting the quality of life that makes a given region attractive to begin with.³³ Tensions might also arise between current residents who value old traditions and creative professionals with new ideas. An equally significant challenge is the importance of clustering and agglomeration in the creative economy and whether industry and talent clustering is possible in rural areas that lack density and proximity to a mega region.³⁴

³⁰ Markusen, "A Consumption Base Theory of Development."

³¹ M.E. Porter, "Locations, Clusters, and Company Strategy," in G.L. Clark, M. Feldman and M.S. Gertler, eds., *The Oxford Handbook of Economic Geography* (Oxford: Oxford University Press, 2003), 254

³² R. Martin, and R. Florida, *Ontario in the Creative Age* (Toronto: Martin Prosperity Institute, 2009).

³³ Stolarick, et al.

³⁴ Martin and Florida.

APPENDIX A – CREATIVE ECONOMY DEFINITIONS

Defining the Creative Economy

- “Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.”³⁵
- “At the heart of the creative economy lie the creative industries. Loosely defined, the creative industries are at the crossroads of the arts, culture, business and technology. In other words, they comprise the cycle of creation, production and distribution of goods and services that use intellectual capital as their primary input.”³⁶
- “A major shift in the structure of the global economy – from one based on the production of goods to a more knowledge based economy driven by ideas and innovation.”³⁷

*Creative Occupations*³⁸

- Professional occupations in natural and applied sciences
- Technical occupations related to natural and applied sciences
- Teachers and professors
- Professional occupations in art and culture
- Technical occupations in art, culture, recreation and sport
- Finance and insurance administration occupations
- Professional occupations in health
- Nurse supervisors and registered nurses
- Technical and related occupations in health
- Judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers

³⁵ *The Creative Industries Mapping Document 2001* (London: Department for Culture, Media and Sport, 2001).

³⁶ *Creative Economy Report 2008: The Challenge of Assessing the Creative Economy towards Informed Policy-making* (Geneva: United Nations Conference on Trade and Development, 2008).

³⁷ *Canada’s Creative Corridor*

³⁸ *Canada’s Creative Corridor*

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