
Editorial

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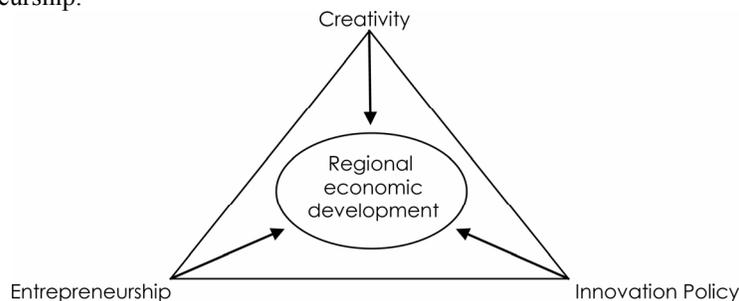
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Creative classes, creative industries and creative cities have become the signposts of a new wave of public, private and policy interest in the drivers of socio-economic dynamics. Creativity draws attention to the ‘human factor’ in shaping new spatial conditions for competitiveness and innovativeness. It emphasises the intangible drivers and motivations for uncommon and non-standardised responses of actors and agents in a complex space-economy.

The role of creativity, entrepreneurship and innovation in economic development has, for the past decade, been a subject of growing interest for regional scientists and urban economists. Richard Florida, Allen Scott and others view creativity as a critical element in producing economic growth and generating a higher level of economic development. It is the relationship between creativity and innovation strategies and the link to entrepreneurship that are impacting on regional and urban growth and development. Entrepreneurship itself is a highly important and strategic factor for economic development and is also a unique source of competitive advantage for building a sustainable economic growth (Venesaar and Loomets, 2006). Further, it has long been regarded as an essential push factor in economic growth, and it is considered to be a key contributor to increased productivity and growth. World-wide there is a consensus on the importance of entrepreneurship for economic development. Finally, creativity and innovation are important elements for enhanced understanding of the dynamic nature of entrepreneurship.



It follows from the above discussion that the growth potential of a region or city can be boosted by creating a better climate for entrepreneurship, innovation and creativity, in both the private and public domain. Entrepreneurship, innovation, creativity and public policy have become the keywords of the annual Tinbergen Institute workshops, organised by Tinbergen Institute, Department of Spatial Economics and MASTER-Point (VU University), The School of Public Policy (George Mason University) and ARC Research Network in Spatially Integrated Social Science (Australia). This special issue contains a selection of refereed publications on the above-mentioned topics. The articles in the special issue are in three parts. The first deals with creativity as an important source of regional growth. The articles in the second part focus on the influence of entrepreneurial culture on regional growth and economic development, while the third investigates innovation strategies aimed at increasing regional productivity. A concise summary of the various contributions follows.

1 Part A: Creativity

In the literature creativity, innovation and entrepreneurship are often mentioned as critical success factors that may spur economic development and growth. Various trend lay credence to this claim including the emerging importance of innovation and creativity strategies in economic development strategies and plans, shifting views on the importance of new competences and the role of related policy-making, a sustained search for new forms of industrial organisation and leadership, and so on. Florida (2005) proposes that a high share of creative people in a region corresponds to a high level of innovation, entrepreneurship and growth. Creativity is indeed closely related to entrepreneurship both conceptually and empirically and based on the definition of Stenberg and Lubart (1999), Lee, Florida and Acs (2004) also argue that entrepreneurship is associated with creativity. Lee, Florida and Acs (2004) found that creative and innovative regions enjoy a high level of dynamic entrepreneurship and thus argue that creativity has a positive relationship with new firm formation. It is not surprising then that the creative sector has been viewed as the growth engine of the US economy (Florida, 2005). Thus and according to Acs and Armington (2004), it is crucial to understand the factors that promote entrepreneurial creativity since, a significant portion of new employment is created by new firms and new firms often bring 'productive innovation' with them (Baum et al., 2002).

In the first article, Fritsch and Stuetzer examine the statistical relationship between the share of people in creative occupations and the level of new business formation and patents in Germany including a spatially disaggregated analysis across Germany's regions. They found, based on data for German regions that creative people prefer to live in ethnic-cultural diverse regions and where there is a high level of public spending on education and healthcare. Fritsch and Stuetzer confirm Florida's hypotheses concerning the effect of creative people on entrepreneurship, innovation and growth. They also found a positive relationship between the share of the different categories of creative population and the start-up rate for new firms in high-technology and knowledge-intensive sectors and in the services.

Next, Sorensen provides a supportive but selectively critical analysis of the Florida perspective. He investigates the Australian case, and contributes to the debate on 'The Rise of the Creative Class' by adding some new dimensions to the debate. Sorensen is convinced of the growing role of creative people in economic development and he believes that creativity is a crucial element for regional development. However, he argues that it is not exclusively or significantly an urban phenomenon. He finds that the agricultural sector in Australia's non-metropolitan regions have recorded some of the highest multi-factor productivity growth in rates in Australia – and higher than all the creative industries identified by Florida. This creative impetus rest on four main intertwined foundations;

- 1 the market state
- 2 global orientation
- 3 high effort in primary research and development
- 4 the massive scale of operations in the agricultural sector.

In the third contribution, Baum, O'Connor and Yigitcanlar examine the variable effect of creative industries across the urban hierarchy in Australia. They investigate the significant policy discussion regarding the role of creative clusters in strengthening local economies. They also consider the broad social and economic impacts of uneven development of creative industry jobs between the metropolitan regions and also the implications for individual metropolitan regions and policy outcomes. By using Australian data on the economic geography of creative industries – both broadly across Australian regions as well as within large metropolitan regions – they confirm a substantial association of spatial concentration of economic activity. They find that for struggling regions without a clear comparative advantage in creative industries the answer may well be less creative industry hype and more creative policies to lead to positive outcomes.

Kourtit, de Waal and Nijkamp examine the creative industry by addressing the critical success factors and the high performance conditions of firms in this sector. Strategic Performance Management (SPM) is discussed to measure the successes (and failures) of creative firms in modern innovative industries. The authors found that SPM may offer a strategic mechanism and decision support system for exploiting the economic potential of creative industry firms. They advocate a structured approach to the measurement of the performance of creative industries based on SPM.

2 Part B: Entrepreneurship

As argued in the introduction, entrepreneurship is a basic component in economic development and growth. This is explained through improvement of the competitiveness of the economy or region and by creating new capacities in the market. Entrepreneurship increases economic growth and diversity, and network creation and cooperation provides a more fluid information exchange, and introduces important innovations by entering markets with new products or production processes (Acs and Audretsch, 1990, 2003). The development of entrepreneurship might be beneficial to the overall economic development of a country as well as contribute to solve the problems of uneven regional economic development. Studies of entrepreneurship focusing on the role of socio-cultural factors such as ethnic origin, human capital and personality (Storey, 1994). Ottaviano and Peri (2005) show that immigrants significantly increase regional productivity. Immigrants have complimentary skills to native born people, because they perform different tasks and they bring different skills to the same task. The articles in this part of the special edition address various aspects of the issues relating to the role of entrepreneurship in economic growth and development.

First, Baycan-Levent, Nijkamp and Sahin explore whether connections exist among creativity, innovation and entrepreneurship regarding new generation immigrant entrepreneurs. They find that the motivation and driving forces of the second generation Turkish entrepreneurs in the Netherlands stem from both their higher educational level and language ability and their previous working experience as an employee or entrepreneurs in the same sector. They also found, surprisingly so, that this group is less oriented to ethnic co-clientele and more embedded in formal networks, but still keep their own informal networks as a complementary option.

Next, Cuadrado-Roura and Garcia-Tabuenca discuss the sources of success in entrepreneurship. They look into the potential relationship between competitive creativity

and entrepreneurial characteristics. They offer an aggregate overview of the entrepreneurial activity in Spain, and consider relevant public policy topics. They found that Spain has a low level of creative enterprise establishments and that most creative and dynamic entrepreneurs belong to a quite homogeneous group, characterised by their commitment to personal challenges, which leads to their self-realisation, while achieving personal satisfaction.

Another contribution is provided by Cader and Leatherman, who examine the direct employment generation of the Information Technology (IT)-related and e-commerce industries' in urban and rural areas of Kansas between 1990 and 2003. They find that IT-producing and IT-using industries have been growing faster in metro adjacent and non-metro area counties than in metro-counties. e-Commerce-intensive industry growth appears to have lagged in both the adjacent and non-metro regions.

The last contribution in this part is offered by Samaganova, who looks into culture as a territorial resource in the knowledge economy. She shows that culture becomes a territorial resource for industries of a new economy based on an empirical study of St Petersburg's software cluster.

3 Part C: Innovation policy

Regions are operating in a complex force field, with a-synchronously emerging key factors that impact regional development in different ways and at different growth rates. In the literature, the effect of technology on economic growth is noted and the externalities in economic development are often identified. Several scholars have also identified the role of human capital. Universities play a key role in creating initial advantages in human capital (Glaeser, 2000) and affect the geographic distribution of human capital and the creative class. Therefore, there is a case for a focused innovation policy.

First, Masurel and Mol look into the relationship between professional education universities, and Small- and Medium-sized Enterprises (SMEs) as important means to improve the innovative position of SMEs. They found that innovation is not an explicit topic in the research projects of students, while innovativeness of supervising lectures is the characteristic with the poorest ratings. They recommend that lecturers should be instructed on the topic of innovation and they make a plea for the improvement of the process of knowledge circulation between professional education and SMEs.

Martin discusses the sources of success in entrepreneurship and innovation. He examines regional innovation and entrepreneurship, by assessing the Community Bank Movement in Australia and the differential effects on development and development strategy between rural and urban places. He investigates the success of Bendigo Bank Community Bank® partnerships across Australia using Cialdini's principles of influence. This study reveals the powerful motivating forces that create and sustain this relationship. He concludes that the innovation and entrepreneurship opportunity in Bendigo Bank Community Bank® partnership provides a valid framework for other community-based economic development initiatives.

Gralton and Vanclay examine the role of values in the context of specific geographic and place characteristics as related to endogenous regional economic development. They investigated how socio-cultural characteristics can be employed in regional development and how the growth of small- to medium-sized enterprises is consistent with

sustainability. They look into the Tasmanian artisanal food industry and consider its potential to contribute to endogenous regional development.

Finally, Pritchard and Searle focus on the creativity-centric economic development strategy adopted in North Sydney and the IT industry Cluster there. According to these authors, debates on creativity in urban and regional planning are intertwined with those on the location dynamics of the Information Technology and Telecommunications (ITT) sector. They link recent evidence on the geographical characteristics of the IIT sector in Sydney to contemporary metropolitan planning. Further, they provide a tentative introduction to relevant issues related to the expansion of ITT employment in Sydney, its geographic expressions, and the way these have been linked to the Metropolitan Strategy.

We may thus conclude that the creativity research – at the interface of entrepreneurship, innovation policy and urban or regional development – has become a fruitful and a fascinating source of interest for many scientists in different disciplines. It has opened up new horizons and calls now for solid, applied and modelling-oriented research endeavours in order to test the sometimes uncritically accepted benefits and advantages of the ‘creativity fashion’.

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Note

¹Creativity refers to the act of producing ideas, actions and original approaches, while innovation is the process of both generating and applying creative ideas.