



# 2<sup>nd</sup> OECD Dialogue on the Future of Regions

COGITO Talks...



## Key messages from the dialogue on

### *Getting Creative about Regional Development*

With **Dr. Richard Florida** and **Dr. Andrés Rodríguez-Pose**

**21 June 2022**

As part of the OECD's work on rethinking territorial development policies in the new global environment, we were very pleased to bring together writer, journalist, professor and world-renowned expert on place-based development, Dr. Richard Florida, with the acclaimed researcher in regional development, Dr. Andrés Rodríguez-Pose, for the 2<sup>nd</sup> in our series of *Dialogues on the Future of Regions: Getting Creative about Regional Development*.

Arguing in his key note speech that talent, technology, tolerance, and territorial assets are key components in shaping prosperous places, Dr. Florida outlined his conceptualisation of the 'creative class' and how rural and non-metropolitan areas can harness different types of innovation and creativity to foster economic development and attractiveness. In the one-to-one dialogue with Dr. Rodríguez-Pose that followed, the discussion covered a range of topics. These included, how to create levers of opportunity for places that have been lagging behind for a considerable amount of time, the impact that political polarisation and lack of tolerance has on innovation and creativity, and potential challenges for places that are successful in attracting the creative class, in terms of greater inequality or housing affordability.

The OECD *Dialogues on the future of regions* play an important role in informing the OECD Regional Development and Multi-level Governance Division's current work on rethinking regional attractiveness in the new global environment, which recognises that both economic and non-economic drivers are essential to make places attractive to investors, talent, and visitors. This includes regional assets and amenities that increase the well-being of residents, such as access to the natural environment, high-speed internet, and transport infrastructure and public transport networks, as well as a strong sense of community and sound public institutions.

Following is a selection of key takeaways that emerged from the dialogue with Dr. Richard Florida and the Q&A-session:

- The **creative class** is a term coined by Dr. Florida to describe those occupations whose economic function is to create new ideas, new technology and new creative content, such as science and engineering, architecture and design, programmers, education, arts, music and entertainment. These types of creative avocations have increased exponentially in recent decades and are today accounting for roughly half of all occupations in OECD-countries.
- **The shift from an industrial to a creative economy continues at pace**, increasingly driven by talent and the creative class. Creativity and innovation, the fuel of economic growth, are often

concentrated and clustered in large cities and metropolitan areas. In the creative economy, cities and places have replaced firms and companies as the core unit that organises economic and social activity. As such, it can be argued that the core function of the city is shifting from organising firms to organising talent.

- **Whereas the USA in the 1990s was the centre for investments in innovation and technology hubs, the rest of the world has now largely caught up.** Innovation and creativity today is an increasingly shared and globalised activity (a development that may be described as the “rise of the rest”).
- **The long and ongoing shift to a talent-based, creative economy has been stimulated and accelerated by the COVID-19 pandemic.** Remote working opportunities have empowered the creative class by giving them more autonomy, and providing the leverage to increasingly choose how and where they want to work.
- **Prosperous places have Talent** (skills, quality education institutions and research universities); **Technology** (research and development and science); **Tolerance** (communities characterised by open-mindedness and diversity); and **Territorial** assets (available land for development, as well as other environmental and cultural amenities). These four assets combine to impact the attractiveness and enhance the **quality of place** — a factor strongly linked to attracting and retaining talent.
- **Rural innovation depends to a larger extent on the presence of a creative class.** Natural and cultural amenities are more important to the prosperity and economic growth of non-metropolitan than metropolitan areas. Quality of life, notably arts and culture, are key to attracting and retaining the creative class and to harnessing their innovation and creativity — planting the seed for innovation, creativity, arts and cultural progress outside the big cities.
- **Booming rural and non-metropolitan areas today** are those that had already laid strong foundations prior to the pandemic, through, for example, investments in arts and culture and enhancing their regional attractiveness assets, thus improving the overall quality of place. The very availability of land also plays a key role in economic development. Places lacking such assets are finding it increasingly difficult to catch up, although it is never too late to start.
- **Non-metropolitan areas that are successful in attracting the creative class are not immune to potentially negative impacts,** including rapidly increasing land, rental and housing prices, and growing inequities and inequalities between successful areas and those falling behind. This growing divide is at the root of polarisation; a challenge that requires strategic solutions that foster inclusive growth. This implies investing in active policies to make the most of latent potential and improve the prosperity and life prospects of areas that are currently ‘left behind’.
- [Click here to watch the full webinar](#) 

Kind Regards,

*The OECD Regions in Globalisation project*

