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Ambivalences of the Creative Class: Space, reflexivity and the Restructuring of the German Advertising Industry

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Ambivalences of the Creative Class

Space, Reflexivity and the Restructuring of the German
Advertising Industry

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Abstract

One of the most remarkable and successful regional science publications of the last years is certainly Richard Florida's "The Rise of the Creative Class". Based on the key idea that today's economy is increasingly "powered by human creativity" Florida holds that the presence of a non-conformist creative workforce is the crucial factor for the future competitiveness and development of cities and regions. This in turn will substantially change the subject of local economic policy in that it has to be increasingly directed towards the living conditions of this workforce.

The present paper, despite acknowledging the vital importance of an individualistic – or 'reflexive' – labour force for the (not only) spatial organization of the future economy, will be strongly critical with Florida's arguments, maintaining that he starts from a too self-evident and straightforward understanding of the relation between creativity/individualism and economic success. Basically it is held that the way from non-conformism to business is full of ambivalences, uncertainties, frictions etc. which have to be dealt with by the actors involved. The spatial dimension of the future economy is based precisely on and shaped by these 'refractions', respectively by the ways to handle them. The argument will be underpinned by highlighting the evidence of an in-depth study of the spatial structure and spatial change of the German advertising industry.

Introduction

‘Creativity’ has become one of the buzzwords in recent social science literature, reflecting not only the substantial increase of culturally informed ‘creative industries’ but also being said to signal a major transformation of the economy as a whole, including patterns of work and organization but also the spatial structure of economic activities. The “creative industries”, in turn, are not only a growing part of this, but seem to accomplish a forerunner role, in the words of Thompson and Warhurst (2004: 2) being said to be “at the leading edge of this transformation”.

The most explicit, but also most ambitious and – regarding its perception – most successful attempt to conceptualize the major change based on increasing creativity has been made by Richard Florida, in his book “The rise of the creative class” (Florida 2002a), being written as a fundamental chronicle of America’s contemporary society. The main argument developed in the book and a bundle of articles written around it can be broken down in three elements. First, Florida stresses that the rules of the economic development game have changed. Unlike the commentators conceiving of the new rules under the headings ‘information’ or ‘knowledge’ economy he contends that, given that economic success is increasingly based on ideas

“... we now have an economy powered by human creativity. Creativity [...] is now the *decisive* source of competitive advantage.” (ibid.: 4, *original emphasis*).

Second, this basic change has an inherently social dimension. That is to say, it both is based on and produces a “creative class” of a non-conformist work-force previously not having been integral part of the capitalist economy. As Florida puts it:

“The increasing importance of creativity, innovation and knowledge to the economy opens up the social space where more *eccentric*, *alternative* and *bohemian* types of people can be integrated into core economic institutions. Capitalism, or more accurately new forms of capitalist enterprise [...] are in effect extending their reach in ways that integrate formerly *marginalized* social groups and individuals into the value creation process.” (Florida 2002b: 57, *emphasis added*).

Third, and in a regional science and economic geography perspective most importantly, this social dimension has an important spatial component implying that economic development takes place where the members of this creative class like to be. Also, this impinges on the corresponding policy strategies:

"Building a vibrant technology-based region requires more than just investing in R&D, supporting entrepreneurship, and generating venture capital. It requires *creating lifestyle options that attract talented people, and supporting diversity and low entry barriers to human capital*. These attributes make a city a place where talented people from varied backgrounds want to live and are able to pursue the life they desire." (Florida and Gates 2001: 7, *emphasis added*).

In Florida's further argumentation the base of regional economic success with regard to the creative class is made more concrete. Basically two conditions are indicated which characterize an environment in which the creative economy is likely to flourish: an open and tolerant climate in which the non-conformist people are accepted and a rich and diverse 'cultural infrastructure' accomplishing their high lifestyle demands.

Florida's work, besides being well written and stimulating, provides a very powerful and consistent argumentative framework. It is particularly the focus on the input side of the economy as basis of both the social rootedness and the spatial variation of development which is striking, resembling Daniel Bell's idea of a class of professionals as social expression of the post-industrial society (Bell 1974). Yet, in addition to Bell Florida stresses the individualistic nature of the emerging new class, thereby not only describing a shift in the content and nature of economic activities but also underlining the fact that this shift poses important challenges for the economy especially in terms of work organization given that it is not only based on a specific type of workforce but also has to deal with it (Florida 2002a: 129ff.). Moreover, also the spatial dimension of the creative class is derived from these challenges. It seems no accident that, when talking about work organization, Florida confronts William H. Whyte's "Organization Man" as archetypical description of work in the industrial society with Jane Jacobs' "Death and Life of Great American Cities" as providing the role model for organization (or as its counter model¹) in the new era (ibid.: 40ff.).

Nonetheless, the fact of having chosen Jane Jacobs as advocate of a context in which creativity is stimulated also shows the shortcomings of the book: Whereas it contains a lot of material in order to illustrate and broaden the key idea, little is said about how industries thriving on the creativity of individual workers really work. Besides a series of catchwords like 'the no-collar workplace', 'soft control' or the polarity of 'the white-collar sweatshop vs. the caring company' the inside of an economy based on the

creative class remains rather obscure. Thus, while Florida argues conclusively about the new challenges brought about by a non-conformist workforce, he does not suggest any clue for understanding how economic actors deal with these challenges, except providing “talents” with an inspiring and tolerant environment. Jane Jacobs’ diverse urban neighbourhoods so to speak epitomize such an environment; yet the argument, despite being underpinned by a thorough statistical analysis, too quickly suggests a linear relation between creative people, the environment in which they like to live and the economic output they produce.

The following paper starts from the gaps left by this view, arguing that, despite being true that the individualistic work force on which the creative and knowledge-intensive economy is based involves an increasing importance of urban environments, neither this relation nor the relation between eccentric bohemian individualism and economic competitiveness can be conceptualized in the linear and direct manner as done by Florida. Instead, it holds that, first, the way from creativity and individualism to business success is full of uncertainties, and, second, it is precisely these uncertainties which lie at the heart of the key role cities obviously have in the process of change. This argument is drawn from, respectively underpinned by a European, respectively German case study into the inside of the creative economy, that is, the advertising industry in which the creative world and the business world come together in a paradigmatic way. It can therefore justifiably be considered as a forerunner in terms of the future challenges regarding work organization and work environment.

The paper’s argument is developed in three steps. First, Florida’s work is theoretically deepened by confronting it with a wider view of a re-contextualized economy based on the key concept of *reflexivity* and focusing on the labour market as key arena in which the contextualization of the economy occurs. These arguments, second, are confronted with the case study in which the process of change in the German advertising industry is outlined and two dimensions of uncertainties inherent to the advertising employment system are worked out in more detail. The concluding section, third, chiefly focuses on the ambivalence of reflexive labour markets and provides a basic structure of how this ambivalence interacts with the spatial logic of labour markets.

¹ By entitling the section about Whyte’s and Jacobs’ arguments with “creativity vs. organization” Florida suggests rather the idea of a post-organization era than of a new model of organization (ibid.: 40).

The Economic, the Social and the Spatial: Contextualizing Regional Economic Development

The Predecessors: New Regionalism and New Centrality

If we try to condense Florida's argument from a regional science standpoint, we find its three key elements outlined above displaying a concurrence of an economic, a social and a spatial logic of regional economic development. A specific and new economic regime – an economy based on ideas – interacts with a particular social setting, in that it needs creative and thus non-conformist people. This interaction in turn is mediated through space: it is where these people are that economic progress occurs.

The basic idea of conceptualizing regional economic development as being driven by the interplay of economic, social and spatial 'mechanisms' is not new. The overall changes in the spatial pattern of the Western industrial economy from the crisis in the mid 1970s onwards, characterized by the transition from the mass-production led post-war model of urban growth diffusing into the rest of each national space-economy to a more diverse constellation of growth and decline of both urban and non-urban spaces had triggered a re-thinking of the basis of regional economic performance in an era after industrial mass-production stressing above all the importance of seemingly non-economic factors which lie at the heart of the economic success of cities and regions.

This idea of a re-contextualization of the economy actually constitutes a seeming turnaround in the previous way the process of societal modernization was seen, usually conceptualized as both the emancipation of the economic from the social and the subordination of the latter to the former and as the "lifting of social relations out of their localized contexts of interaction" (Giddens 1990: 21). Even Karl Polanyi as forefather of today's economic sociology and inventor of the 'embeddedness of economic activities in their social context' had described "the great transformation" (Polanyi 2001 (1944)) towards a market society as a process of subordinating the social to the market forces via creation of the "fictitious commodities" labour, land and money, whose basic feature is to be actually not produced for being sold on markets. However, he equally claims that it is this fiction which makes the "idea of a self-adjusting market [...] a stark utopia" given that its total implementation would signify "annihilating the human and natural substance of society" (ibid.: 3).

It is of course not this fear of the roots of society being destructed by market forces which lies at the heart of the debates on a post-industrial restructuring of cities and regions since the 1970s. Nevertheless Polanyi's main contention that also the market economy is necessarily socially underpinned through the very existence particularly of labour as a fictitious commodity appears to be a good starting point to be kept in mind when discussing the diverse approaches and arguments in the discussions on urban and regional restructuring of the last about 25 years in relation to what the innovative character of Florida's recent contribution could be.

The most prominent example of a reorientation of the economy towards interacting more strongly with social mechanisms in space was provided by the unexpected rise of a group of formerly either rural or craft-dominated areas to successful specialized regional economies which seemed to be better adapted to a changing environment than the industrial growth centres of the post-war period. The rise of Silicon Valley, the industrial districts of the Third Italy, to name the most well-known cases led to the general conclusion that the region gained importance as a territorial level on which the foundations of economic success or failure are laid, or 'that there might be something fundamental that linked late 20th-century capitalism to regionalism and regionalization' (Storper 1997: 3). This *new regionalism*, notwithstanding the diversity of arguments owing to the disciplinary backgrounds of its academic protagonists, mainly contended that successful regional clusters of specialized economic activities do not only thrive on classic economies of localization but are underpinned by a socio-cultural commonness, a phenomenon in the different approaches termed as 'innovative milieu', 'institutional thickness', 'untraded interdependencies' or, related to the historic role model of Marshallian districts more nebulously as "in the air" (Marshall 1920, quoted from Krugman 1991: 37f.).

The diverse advocates of new regionalism did not only add to the perception of regional studies in the social science community; they also contributed to the further development of social sciences as a whole challenging traditional views of the economy by putting economic action and organization into its wider social and spatial context and by getting concepts like 'social capital' and 'trust' on the agenda even of mainstream economic thinking. Nevertheless they have been subject to serious criticisms, above all since they proved unable to show how the contribution of spatial concentration and social embeddedness to economic competitiveness is in fact, particularly in the light of

the argument that a too strong embeddedness can also imply precisely the contrary, acting as a barrier to change and innovation (Grabher 1993; Läßle 1994). As Pierre Veltz (1997) argues new regionalism did not provide any clue for understanding the interaction of “spatial and social proximity”, except suggesting an overlap of both, explicable, if at all, either as being the case in a restricted set of regions in a limited period of time or as an idea that the success of regional production systems is supported by the persistence of a traditional identity. This also may have been the case in some specific success regions; yet it does not serve as a general model of how the economy is embedded in its social and spatial environment, particularly given the continuously increasing scale and interconnectedness of economic activity in the globalized world we live in.

It is this enormous leap in scale and connectedness which a second key debate of urban and regional studies during the last 20 years is based on, however being developed largely separately from the context of new regionalism. The main focus and starting point is the spatial impact of globalization and information and communication technologies, respectively chiefly the phenomenon that the technical potential to relocate any imaginable economic activity to any place in the world did not lead to the annihilation of cities. On the contrary, it could be found that precisely the cutting edge activities of the global economy tended to be located in a handful of urban master hubs. Saskia Sassen, as the author of this ‘global city’-concept (Sassen 1991), argued that technology does allow a dispersal of economic activities thereby increasing the scale of action; yet this process at the same time increases the complexity of these activities, which in turn requires an environment enabling economic actors to deal with it. The fact that it is above all big cities that offer this environment is the foundation of a *new centrality* in the global economy. This has an important social dimension too – albeit only implicitly mentioned by Sassen – in that the specialized services concentrated in big cities necessarily rely on “the number and value of top-level professionals” (Sassen 2001: 83). Roughly put the new centrality of complex economic activities thus both produces and is underpinned by Daniel Bell’s knowledge-class of professionals².

² The problem with this interpretation is that, whenever Sassen uses Bell’s knowledge-class as prototype of the urban professional, this occurs in direct relation with the social polarization linked to it. Thus the professionals are not explicitly conceptualized with regard to the complexity of the global economy but merely as an active force in producing inequality on the urban labour market (see for instance Sassen 1994: 105). For a more comprehensive critique of the social dimension of the global cities-concept see Thiel 2003: 39ff.

Also Sassen's concept, notwithstanding the merit of having put 'the urban' back into the centre of regional research in a globalized era, has been strongly criticized, above all for the one-dimensionality of defining cities merely through their role in the global economy thereby conceiving also of the social dimension as a mere (negative) outcome of this role (Storper 1997). It can thus be accused either of ignoring the main lesson of the new regionalism, that is to see the economy not as a techno-economic machine-like system but as being embedded in social contexts³, or – if assuming that she considers Daniel Bell's knowledge class as the social base of the global knowledge economy – of conceiving of the social in a too straightforward manner of a uniform class logic accomplishing a specific role in societal development.

Florida's conceptualization – as put above – also resembles Bell's too linear and, unlike Sassen, also too optimistic view of socio-economic change driven by the increasing importance of theoretical knowledge as the "primary logic" of society. Nonetheless he differs in one important respect: Given that he stresses the individualism of the work force as one of the basic features of a creative class economy, creative class people are depicted as forerunners of a general trend of individualization. Thus, although maintaining a class concept and particularly although even requiring a class consciousness having to be developed in order to allow for creative class people to take the social responsibility corresponding to the importance they have in society (Florida 2002a: 315ff.), thereby to a certain extent undermining this focus on individualism, Florida actually puts the emphasis on the dissolution of traditional social structures such as strata, classes etc. In addition, and closely linked to that his argument goes beyond a linear view of the relation between creative people and their role as economic agents. As individualism is both the key to competitiveness and the common feature of its social base, this relation is considered as refracted by the fact that in an individualized society human action is decreasingly self-explaining, respectively ever less relying on a pre-given and thus self-evident set of behaviour. In the words of Giddens (*ibid.*) and Lash and Urry (1994), the essence of modernity consists in an increase of "reflexivity" regarding the way subjects act. This – even if implicit – point of contact with

³ Manuel Castells in his concept of a „space of flows“ provides some hints as to the social relations behind the cutting edge economic activities in the urban nodes of the global economy. Yet his focus is exclusively on the power of a “technocratic-financial-managerial elite that occupies the leading positions in our societies” and not on functional aspects of a more complex economy (Castells 1996: 415).

contemporary macro-theories of social change constitutes the main innovation in Florida's work, at the same time, however, giving reason to the main criticisms.

The Novelty: Reflexivity and the Convergence of Work and Life

The term 'reflexivity' as a concept grasping the ongoing changes in contemporary societies had its origin in a debate on "reflexive modernization" (Beck et al. 1994) having started in the middle of the 1980s and aiming at suggesting a counter-concept to the fashionable mainstream social science thinking which conceived of the current era of capitalism either as the end of something else (visible in adding a prefix post- to the previous labels: post-industrial, post-modern, post-fordist) or as a change from one 'primary logic' of social organization to another (knowledge, information etc.). Unlike this, the "reflexive modernization" approaches characterized the ongoing changes as a consequent implementation of the principles of modernity; according to Giddens we are rather experiencing a period of "radicalized modernity" (1990: 150) than a post-modern era.

'Reflexivity' in this sense refers to the fact that "all human beings (are) in touch with the grounds of what they do"; all kind of human life therefore includes "a reflexive monitoring of action" (ibid.: 36). In traditional societies this monitoring takes place in the light of established rules of the local societies which in turn are based on the past experience of previous generations.

"... in pre-modern civilizations reflexivity is still largely limited to the reinterpretation and clarification of tradition, such that in the scales of time the side of the 'past' is much more heavily weighed down than that of the 'future'". (ibid.: 38).

In modern societies this weight of the past is no longer valid without restrictions. This is not to say, "reinterpretation and clarification of tradition" does not occur any more; however, traditional practices are, as all social practices, "constantly examined and reformed in the light of incoming information about those very practices, thus constitutively altering their character" (ibid.). As a result action is no longer self-evident or pre-given by the action of previous generations but has to be re-considered according to possible other actions etc. Thus, individual agency is 'set free' from traditional structures, thereby being confronted with an enormously enhanced variety of options which in turn implies an increasing uncertainty about which is the right choice. An increase in reflexivity thus basically means that "reflexive monitoring of action" in

modernity inherently involves “radical doubt” (Giddens 1991: 21) thereby being a disproportionately more complex and challenging process than in a pre-modern context. Giddens holds that the increase in reflexivity affects all spheres of human life; he illustrates it most explicitly with regard to the way modern individuals have to build their own biographies (ibid.). In radicalized modernity, he argues, “the self [...] becomes a ‘reflexive project’” which “consists in the sustaining of coherent, yet continuously revised, biographical narratives” (ibid.: 5).

This increase in reflexivity on the level of the individual also includes the economic part of the biography, as the development of a professional career etc.; in addition, as Lash and Urry argue, it also converges with a functional change within the economic realm itself, in that “post-fordist production” is getting increasingly “reflexive” requiring “employees as agents” to take “more individual responsibility” (Lash and Urry 1994: 122). They continue:

“This sort of economic actor is no longer to such a great extent circumscribed by the constraints of 'structure', subject to the rules and resources of the shopfloor. Instead he/she operates at some distance from these rules and resources; he/she makes decisions as to alternative rules and resources; and he/she finally is responsible for the continuous transformation of both shopfloor rules and (in process and product) resources.” (ibid.).

Thus, also in their life as economic actors, modern individuals are “reflexive subjects” their agency being “set-free from heteronomous control or monitoring” (ibid.: 4). Interestingly, however, this individualization is not just a process of emancipation of individual agency from structure but “it is structural change itself in modernization that so to speak forces agency to take on powers that heretofore lay in social structure themselves” (ibid.).

As a result of these challenges individuals are confronted with both in their lives and at work, the logics of the spheres of work/production and life/reproduction tend to come closer together, due to two reasons: First, given that the professional career is also part of a “reflexive project of the self” (Giddens 1991: 9) work becomes involved in the attempt to build a consistent biographical narrative. That is to say, also the development of a professional identity is subject to the ambivalence of an enhanced variety of options, on the one hand, and the enhanced possibility of wrong choices, on the other. Second, work and life both obey to this similar logic of a decreasingly self-evident

“action framework” (Storper 1997), thus requiring similar attitudes, abilities etc. Radically argued one could even claim a dissolution of Habermas’ distinction between systems world and life world, given that the reflexive biography requires elements of “strategic rationality”⁴ as well as reflexive work involves a discursive and communicative dealing with the present work context (see also Baethge 2001: 87; Grabher 2004: 118).

Labour Markets as Arenas of a Conflicting Convergence

The outlined convergence of work and life inherent to an overall increase in reflexivity does neither mean a subordination of one sphere to the logic of the other nor a harmonious merger of both. Giddens explicitly holds that the reflexivity on the level of the biography interacts and conflicts with the disembedding, respectively globalizing forces of “abstract systems” through which the enhanced variety of options is filtered in various ways (Giddens 1991: 5). In a summarizing argument he puts this dialectic logic of modernity as follows:

"One of the distinctive features of modernity, in fact, is an increasing interconnection between the two 'extremes' of extensionality and intentionality: globalizing influences on the one hand and personal dispositions on the other" (ibid.: 1).

It is obvious that the professional part of a biographical project is particularly affected by this interconnection.

Also Lash and Urry’s argument of reflexivity within the economic sphere does not imply a pure and agreeable freeing of agency driven by structure. Even if it is structure that needs agency independent from it, there is still a fundamental contradiction between structure’s interest of making use of the individual’s capabilities (within the context of a global “flow economy” (Lash and Urry 1994: 4)) and the individual’s interest of acting independently (both within the work context and in the context of his or her biography).

Basically put, and in the light of Karl Polanyi’s arguments, this conflict can be held as ‘modern’ expressions of the nature of labour as a “fictitious commodity”⁵, given that it

⁴ Giddens (1991: 85) even talks about „strategic *life-planning*“ as “substantial content of the reflexively organised trajectory of the self” (*original emphasis*).

⁵ Polanyi holds that among the three fictitious commodities labour, land and money, labour “stands out” in that its commodification involved that “human society had become an accessory of the economic system” (Polanyi 2001 (1944): 79).

is based on the very fact of labour force both consisting of social individuals and being exposed to the market economy, respectively to the “abstract systems” constitutive for the disembedding dynamic of modernity. However the conflict goes even further than in Polanyi’s original assertion since “reflexive labour” does not only – or even not mainly – involve being torn out of the traditional social context but being able to act at some distance from the structural constraints of the market economy. Thus an increase in reflexivity in economic life indeed implies a reversal of the disembedding dynamic ascertained by Polanyi; yet also this reversal is ultimately based on the commodity fiction of labour: Given that it is not labour itself that is bought on the market but a fictitious capacity to work, the labour contract contains an inherent uncertainty regarding the outcome of work (Berger and Offe 1984: 91f.). The more reflexive the economy is, i.e. the more it is subject to doubt about what is the right choice, the higher is this uncertainty. Shifting responsibility back to the individual therefore seems to be a logical method to deal with it. Nevertheless the basic conflict continues to exist.

The key institution, through which this conflict is filtered, is the labour market of reflexive activities. Put in other words, the labour market is the key ‘arena’ in which the economic (structural) and the social (individual) logic of development come together and interact, in which hence the 'biographical narrative' is confronted with the constraints set by the economic system. On the labour market it is decided how the inherent conflict between the powers of the individual and the “powers of market and technologies” (Touraine 2002: 15)⁶ may end.

It is an important question how the logic of space as third component within a re-contextualized view may get involved in this interplay of structure and agency in the labour market. Two points can be derived from Florida’s arguments: First, clearly, it is where the “barriers of entry” for creative class people – concerning lifestyle and ‘atmosphere’ – are low that the conflicts can be positively settled and transformed into an incentive for economic success. There is of course some truth in this claim. However, it tends to underestimate the essentially uncertain nature of reflexive labour markets. Second, the labour market of the creative class functions “horizontally” rather than vertically (Florida 2002: 113ff.). People move from job to job without necessarily advancing in a classic career ladder given that their loyalty is shifted from being for

firms to being for professions and given the tendency of a horizontal rather than vertical division of labour based on the fact that competence and management responsibility no longer necessarily overlap. Even if Florida only implicitly includes a spatial aspect in this enhanced mobility by talking about “thick labour markets” as one (out of seven) dimensions of the nexus between creativity and place (ibid.: 223ff.) one can assume that it tends to foster the clustering of activities due to the limited housing mobility of people at least in certain periods of their biography. There is also a lot of truth in this claim; yet it also tends to neglect the aspect of uncertainty lying at the heart of mobility.

Nevertheless, this aspect of mobility more generally refers to one role of localness for reflexive labour markets: The ‘conflicting convergence’ of work and life involves the spheres of production and reproduction which necessarily interact on the local level given that the ‘local’ is the place where “labour power is socially produced and reproduced” (Peck 2000: 142). The following empirical points will deal more strongly with the spatial dimension of reflexive labour markets, focusing on spatial change and spatial structure of the German advertising industry. It is particularly remarkable that both are based on an increasing integration of non-conformist (creative class) labour force into a (economic mainstream) business service activity.

Inside the Creative Class: Labour and Space in the German Advertising Industry

The Background: The Creative Turn in Advertising and the Rise of Hamburg as Creative Capital of Germany

Global advertising as one of the emblematic economic activities of the 20th century consumer capitalism was essentially an American business. Beginning with the first abroad investment of an advertising agency 1899 in London when J. Walter Thompson followed its main client General Motors to European markets (Mattelart 1991) American agencies were nearly alone on the world advertising market: In 1980 95% of all advertising turnover outside the home market world-wide was generated by US firms (Ziegler 1994: 81). This period of undisputed American dominance chiefly based on the

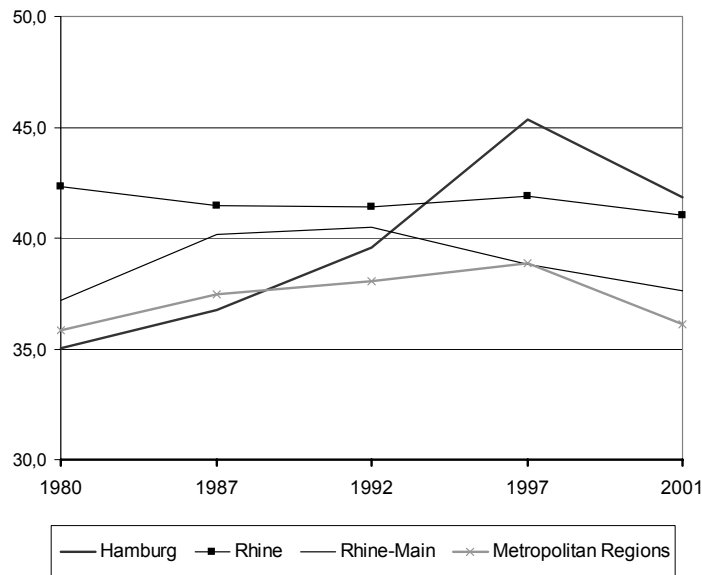
⁶ Alain Touraine in a recent lecture claims that “our generation lives a fundamental conflict between, on one hand, the powers of market and technologies and, on the other, the assertion of the self, the defence of

internationalization of the US consumer goods industry was generally discussed as “first wave” of global advertising (Leslie 1997; Grabher 2001).

Germany, despite being the third biggest advertising market in the world, has always played a minor role in this global game, for several reasons: the relative weakness of its consumer goods industry on the international market, the origin of the advertising sector rather from publishing houses and freelance graphics than from a marketing perspective and the limitations particularly of TV advertising through the national media regulation are the main arguments generally put forward by way of an explanation. Only at the end of the 1990s first steps of internationalization on the part of indigenous German agencies have been made, for the time being largely limited to the European market.

Yet the still existing weakness of German advertising on the world market does not imply that global advertising still today reflects the one-way-road it was throughout most of the 20th century. From the end of the 1970s onwards the framework of advertising has undergone profound changes thereby both questioning the uncontested American predominance and affecting the production system in Germany. On the global level it was above all the success stories of a handful of British agencies which challenged the US networks in two contrasting ways: On the one hand, they reacted to a more sceptical consumer audience by developing a new and more entertaining and creative advertising style, thereby opposing the “bombastic and literal nature of the American style” and counterposing “an ethos of creativity to the latter’s market-research-diluted blandness” (Lash and Urry 1994: 141). On the other hand, the protagonists of this “second wave” of advertising opened the industry to the logic of financial markets. Through a series of hostile takeovers and mega-mergers big financial holdings were established, uniting several networks of former agencies under one financial umbrella but maintaining their operational independence (Mattelart 1991; Leslie 1995). Thus, it was a combination of de-centralizing and centralizing tendencies which changed the global advertising industry thereby questioning its previous unilateral logic.

Figure 1: The Share of “Creative Activities” in the Advertising Industry in Interregional Comparison (1980-2001)⁷

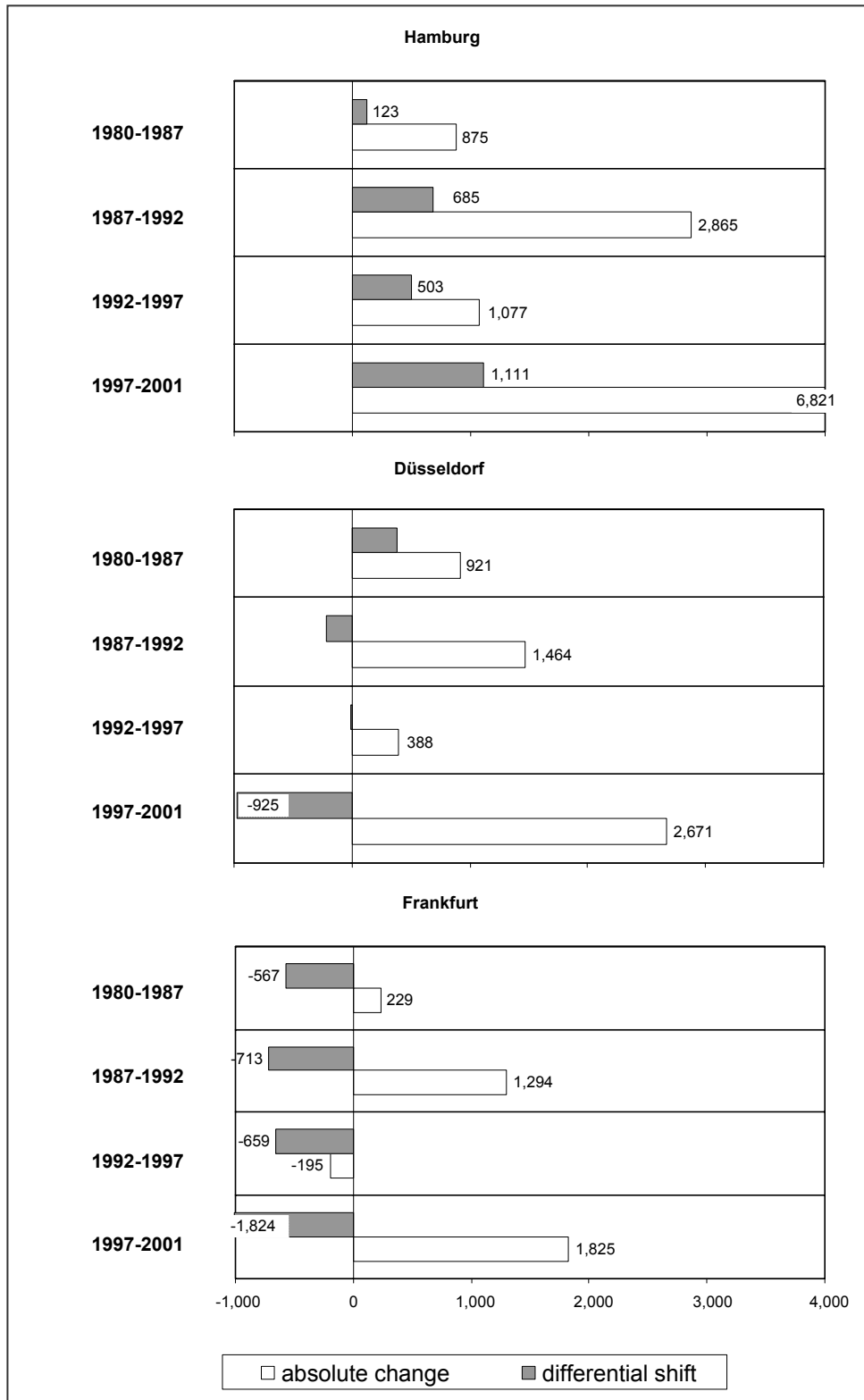


Source: Employment statistics, own calculations

Although not being at the head of change also the landscape of advertising production in Germany has reflected these major alterations on the global level during the last about twenty five years. Particularly the ‘creative turn’ towards a more entertaining way of market communication has affected the national industry. Interestingly, there was a strong regional variation regarding this turn. As figure 1 shows, the agencies based in Hamburg most strongly shifted their internal occupational structure towards being based on creative work, as compared to the leading centres of the first wave, the Rhine region with Düsseldorf and Rhine-Main with Frankfurt, both still today constituting the German headquarters of nearly all international networks. At the same time, and not surprisingly, the industry in Hamburg from 1980 onwards has constantly developed above the average of all German metropolises whereas the former centres Düsseldorf and even more drastically Frankfurt significantly lagged behind (see figure 2).

⁷ The drastic decline of ‘creative activities’ after 1997 is linked to the rise of internet activities through which technical activities rose most strongly, yet in a period of overall employment growth in advertising. The outstanding decline of Hamburg therefore does not reflect a crisis of creative advertising but rather the city’s particularly good performance in new media at that time.

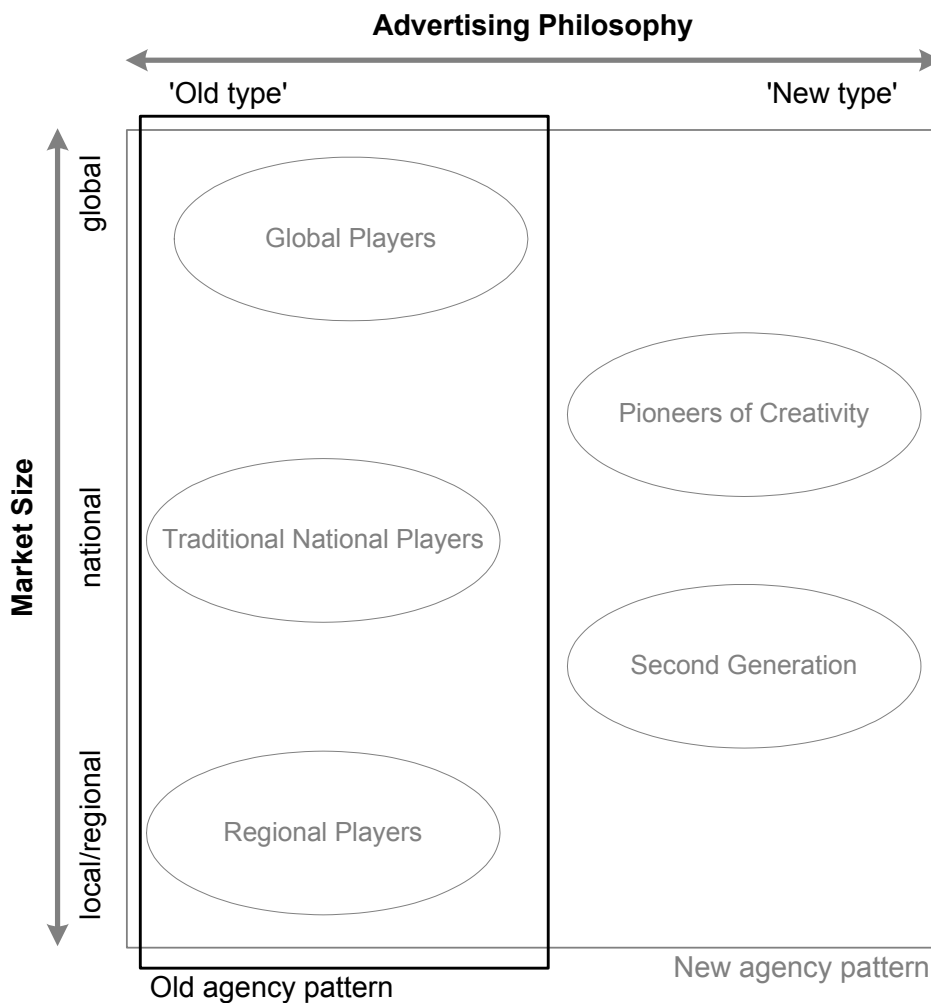
Figure 2: Employment Change in Advertising in the German Leading Advertising Centres 1980-2001 in sub-periods – Absolute Change and Differential Shift (as compared to all German Cities >500,000 inhabitants)



Source: Employment statistics, own calculation

The dynamic behind this shift in the spatial pattern of the German advertising industry was not just a better performance on the part of the Hamburg based agencies, but involved a transformation of the national agency landscape triggered by the establishment of two pioneer firms in Hamburg, Springer & Jacoby and Scholz & Friends and thereby not only quickly making these agencies important players in the national market place, but influencing the industry as a whole, through spin-offs from the pioneers and an enhanced mobility on the part of their labour force. Figure 3 gives an impression of this change, showing a shift in the German agency typology from a global-local continuum to a more diverse pattern of ‘global vs. local’ and ‘old vs. new’. Its strongest reflections however remained limited to the local advertising cluster in Hamburg.

Figure 3: The Changing Landscape of Advertising Agencies in Germany



Source: own illustration

Basically this transformation can be read as an innovation process chiefly consisting in the attraction and production of a labour force formerly standing outside the logic of rigid capitalist work (Thiel 2002, 2003). That is to say, the pivotal point of innovation was the labour market of creative professionals, both in terms of its substance and regarding its diffusion. Hence, seen in a ‘creative class’-perspective, the creative turn in advertising on the one hand paradigmatically displays an integration of “formerly marginalized social groups and individuals into the value creation process.” On the other hand, yet, it implies the confrontation of these groups with the business logic of a globalized advertising industry. In the following two sections we shall elaborate on the consequences of this confrontation for the industry and, above all, for its labour market both in terms of the integration of arts in a business service and of the interaction of reflexive action with a global industry.

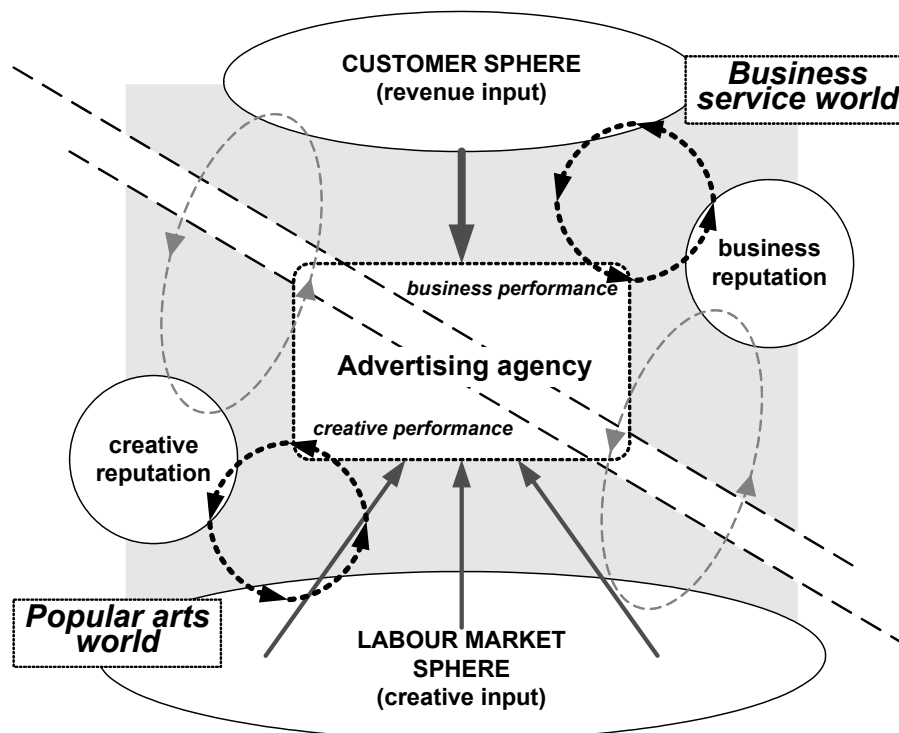
Building Reputation and Identity: Arts vs. Business

Scott Lash and John Urry (1994: 38) characterized advertising as a model for the increasing convergence of the spheres of culture and economy. Taking Saatchi & Saatchi's self-description 'commercial communications' as illustration they hold that it displays the two sides of the business – ‘commercial’ connoting ‘industry’ and ‘communications’ connoting ‘culture’. This characterization of contemporary advertising as a two-faceted business on the one hand appears very appropriate. However it would be misleading to conclude that this double identity works without frictions. On the contrary it is these frictions between the natures of advertising as business service, aiming to provide market communication for commercial clients, on the one hand, and of advertising as a kind of popular art on the other, that constitute its crucial feature, influencing the firm strategies and above all the functioning of the labour market.

Figure 4 tries to model the double-sided character of the industry as two ‘worlds of reputation building’. Simply put advertising agencies acquire reputation as a business service through their clients: The more well-known clients they have, the more they get. Thus, looking just at the top right-hand corner of the figure makes advertising appear similar to any other business service such as consulting or engineering. The uniqueness of the industry is demonstrated by the positive feedback circle in the opposite corner. Creative reputation is developed actually independently from the business reputation,

through an own institutionalized world of creativity contests, respectively through rankings worked out by trade journals in collaboration with concerned professional associations such as the Art Directors Club etc., measuring the accumulated success of agencies on a whole range of national and international festivals. The expansion of these festivals has been one of the key elements of the creative turn. The reputation obtained through success there is increasingly perceived as important for the success of an agency.

Figure 4: Advertising between Business Service and Popular Art



Source: own illustration

The positive feedback circle inherent to building creative reputation is mediated through the labour market. As the motivation of creative and artistic labour is driven mainly by acknowledgement in the artistic community, given that it is this community which provides the “performance criteria” (Girard and Stark 2002) for artistic work, high creative reputation attracts creative labour force which again is likely to improve the creative performance of the agency and so on. At the same time, also reputation building by individual professionals obeys to artistic standards, via portfolios displaying the work done in the previous career. Former work in a highly decorated agency is of course useful. Put in the logic of innovation outlined at the end of the previous section the integration of an artist labour force presupposes that creative people are allowed to

maintain their professional identity as artists. At the same time however they declare themselves willing to adapt their creativity to the client's market communication needs. On the labour market the creative turn thus has the character of a bargain between the business needs and the creative ambitions. In 'critical' insider-accounts such as Frédéric Beigbeder's provocative novel "£ 9.99" (Beigbeder 2002) the result of this bargain is cynically portrayed as a kind of 'prostitution' on the part of the creative, as written down in his "creative's ten commandments":

"Advertising is the only job in which you're paid for doing things badly. When you present the client with a brilliant and they want to 'make a few alterations', think long and hard about your salary, then cobble together the crap they're dictating in thirty seconds flat and chuck a few palm trees in on the storyboard so that you go and spend a week in Miami or Capetown for the filming." (ibid.: 39).

The artist gives up his or her quality standards being compensated by having a nice life, through shootings at nice places, rituals of self-celebration on festivals etc. The maintenance of the professional identity remains limited to cultivating an idiosyncratic attitude in terms of coping with the practical requirements of work, such as working times, deadlines etc.:

"Cultivate absenteeism, come to work at noon, never answer when people say hello, take three hours for lunch, and make sure no one can get hold of you on your extension. If anyone has a go at you about this, say: 'Creatives don't work to a timetable, just to a deadline' [...]." (ibid.: 41).

The protagonists of the second wave of advertising naturally have a different perspective on this. Following one of the S&J-founders, for instance, professional identity is provided and maintained through measuring one's own capabilities with others in a "community of equals" (Piore 1990: 67) according to the artistic standards of this community. This is provided by the contests which in turn strongly underpin the employees' motivation:

"...all those contests, as businessman I would abolish them, as strategist of course not because the creativity contests are nothing more than an incentive for creatives and wind behind the creatives [...] that's competition, and if there were no competition the party would be poor. [...] So you need some cocktails, and the cocktails are the awards." (personal interview, 2000).

The embeddedness of individual professionals in a community in the light of which the own capacities can be evaluated, is thus a crucial aspect as to the generation and maintenance of an identity as creative advertising professional. Nevertheless, the maintenance of this identity as artist, despite being crucial as motivation tool, does neither automatically nor completely abolish the basic contradiction between the two worlds of reputation building and the different performance criteria they are based on. It still has a sense of compensation since the actual substance of the creative turn continues to consist in “the formation of more sophisticated advertising techniques for mediating resistance to consumerism” (Leslie 1997: 1021) and not in the fulfilment of artistic standards. Thus there is a disarticulation between the base of the motivation strategies and the real core of the business (and its main source of revenue). This given the acquisition of creative reputation and the maintenance of a corresponding professional identity takes place rather in an artificial parallel world. In extreme cases this involves that the work for creativity contests is not even derived from ‘real business’ campaigns but from low budget work for social initiatives or similar clients (von Matt 2001).

That is to say, it is by no means self-evident that advertising is successful in bridging the two worlds. It strongly depends on the management of contradictions and on the atmosphere within each agency, but also on the extent to which an individual professional is able to adapt to the business needs. Put in other words, even if Beigbeder’s idea of a prostitution-like behaviour is certainly too simple, and certainly too much aiming at the self-advertising of a novel writer, the bargain between the advertising agency and the creative professional which contemporary advertising is based on, constitutes a fragile arrangement which has to be negotiated in every individual case and which by no means automatically comes to a positive outcome. This uncertainty inherent to integrating creative staff in a business service thus reflects the logic of labour as a fictitious commodity outlined above in a particularly drastic way: The more complex and actually contradictory the performance criteria within one job are the higher the uncertainty about its actual performance. Thompson and Warhurst (2004: 10), drawing on Caves (2000), refer to this as the “nobody knows dilemma” which they say is solved in classic contracts of the culture and creative industries by

shifting the responsibility for failure largely to the artist⁸. In advertising this dilemma is one of the key reasons for the tremendously high turnover rates inherent to the labour market. The “horizontal mobility” of the creative class stressed by Florida is thus less driven by a “horizontal division of labour” (Florida 2002: 113) or by a shift of the individuals’ loyalty but the product of an intrinsic tension of a hybrid professional identity between its artistic quality standards and the business needs these standards necessarily interact with.

Reflexivity in Context: the Industry vs. the Individual

As pointed out above, the second wave of global advertising involved, besides the creative turn, an opposite centralizing dimension based on the ‘shareholder’-logic of international financial markets. The frequently quoted story of Martin Sorrell, the chairman of the WPP group, who – as an actually insignificant player – took over three of the biggest US advertising networks (Mattelart 1991, Leslie 1995, among many others) epitomizes this financial side of the industry’s restructuring. In the meantime the three leading holdings Omnicom, WPP and Interpublic cover more than 50% of the industry’s world-wide gross income (Advertising Age 2004), each of them joining at least three globally operating agency networks under its umbrella.

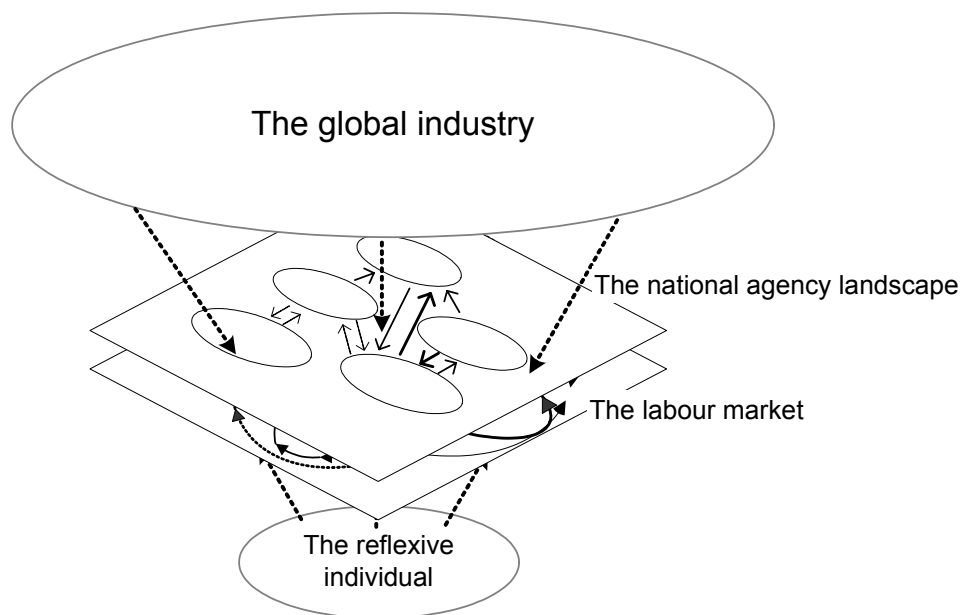
It is obvious that this enormous concentration process in the global industry has a very powerful impact on the local business; the importance of the holding agencies on the German market is remarkable (Thiel 2003: 81f.). Yet also these global players necessarily had to adapt to the changing demands of more complex consumer markets. They did this by entering the realm of creativity in several ways: enticing labour force from agencies successful in terms of creativity by offering higher wages, setting up own creative boutiques, buying out whole creative agencies, the latter having the ‘pleasant’ side-effect of satisfying shareholders’ growth demands. In other words, global advertising players have been making use of their financial power in order to outperform the new ‘second wave’-pioneers also in terms of creativity standards.

The primary result of this is an extraordinary dynamic both in the agency landscape regarding mergers, buy-outs and management changes, and in the labour market,

⁸ Caves (2000: 3) uses this specific „nobody knows property“ as the uncertainty of whether creative products are accepted on the market. He considers it to be partly explained by the fact that “the artist works outward to realize and reify an inner vision” which cannot be said to “prove equally compelling to others” (ibid.: 5). The dilemma in advertising is less determined by an uncertain demand

constituting thus a second driving force of labour mobility. This dynamic however is not only the effect of a unilateral top-down logic; it is indeed driven from above, but also constitutes a counter-reaction from below in that reflexive economic actors either adapt to the power of global networks or resist, or even make use of them, in order to underpin their own career-strategies. Figure 5 tries to summarize this second dualism of the advertising industry, that is, basically between financial power and individual aspirations, and its impact on the continuous restructuring of the national agency landscape and particularly on the labour market as key arena of conflict.

Figure 5: Advertising between the Industry and the Individual



Source: own illustration

The two layers of the agency landscape and the labour market illustrate the key phenomena of buy-out/spin-off and labour mobility. To begin with the first: The global 'model' for the buy-out of a creative star agency was the acquisition of Chiat/Day, epitomizing the creative turn in the US (Leslie 1997), by TBWA, one of the global networks within the Omnicom group, in 1995 (Willenbrock 2000; Grabher 2001). As a reaction the complete staff of the London Chiat/Day branch decided to opt out of the network in order to set up their own small and independent agency St. Luke's, which in the following years developed as one of the most outstanding success stories in Britain. This pattern of opting out is the main driver of agency set-ups in the whole industry, even if not always being the direct consequence of an acquisition by a global network. The founder's former work in a big agency influences this decision in an ambivalent

way, on the one hand providing the possibility to obtain the professional experience and social capital necessary for a start-up, on the other hand however constituting a push factor by implying the ‘boredom’ of work in a big organization. In the words of a founder:

“We were fed up with doing the 25th same international job for Unilever, Nestle or something else. We did no longer want to sit in endless meetings with 20 people from 15 countries discussing a strategy or something, finally ending with the statement that it was good that we met, thus without any result.” (personal interview, 2000).

This dialectic of concentration and dispersal has been an important element of the international advertising industry as long as it has existed. A lot of the post-war expansion of US agencies not only to Europe happened through the buy-out of local agencies (Ziegler 1994: 134f.), and also the 1950s saw a series of start-ups on the local level. The second wave however made this dialectic a basic principle of the industry, due to two reasons: First, the concentration increased tremendously thereby creating both market niches and, above all, enhancing the likelihood of labour’s dissatisfaction within global advertising groups, through anonymous work, through being increasingly subject to decisions made outside the own sphere of influence etc., even though global players have tried to adapt more to the needs of creative talents. Second, and more importantly, the second wave, and above all its pioneer agencies, produced a self-confident group of creative professionals both able to become entrepreneurs and not willing to work in centralized organizational structures. Of course, there is no mechanic automatism of opting out through concentration. However, the opposite dynamics of concentration and innovation increase the likelihood of different kinds of conflicts which require to be solved. Opting out via setting up an own agency thus is increasingly a way of dealing with these conflicts.

The enhanced mobility in the advertising labour market obeys to a similar logic. Taking an occurrence in the professional biography of the Art Director *Andrea*⁹ as example: She came to Hamburg for her second real job, after having worked as volunteer in two agencies following her training at a graphics school. She started working as junior Art Director, however being lucky that the actual Art Director left after one year, giving her the opportunity to take his place and thus to have more responsibility. After some time the agency was sold to a global network and the management changed consequently.

With the old management's departure both many colleagues left and some clients got lost and the atmosphere in the agency substantially deteriorated. Andrea finally resigned without having an alternative:

"I was really having the feeling that one day I would be the last. At last, even my jobs lessened, I actually had almost no more work. And then I renounced without having something new. And I was really sad and thought that I would never have the chance to return into an advertising job [...] And then I started to work as freelancer." (personal interview, 2001).

The freelance job provided her with enough money to survive; however she missed the professional work context of an agency which she had experienced before. Therefore Andrea started to look again for a job, finally getting a call from a former colleague and beginning to work in the local branch office of an international network.

The example shows very clearly how the mechanisms of global group strategies interact with the personal career development of an individual looking not only for a job but for a work environment offering both professionalism and an enjoyable team atmosphere. For Andrea this latter aspect was so important that she even favoured the precarious situation of freelance to continuing the work in an agency where she did not feel well. Again, it is no straightforward logic at work producing dissatisfaction through increasing concentration. Yet the dynamic of globalization and the dynamic of the individual biography continuously interact on the labour market thereby frequently implying the need for decisions by the affected professional. The less compatible the directions of both dynamics are the higher is the likelihood that these decisions are made against the existing work context. This logic reflects a second manifestation of the fictitiousness of labour as a commodity in that it stresses the interaction between work and biography. As held above enhanced reflexivity involves on the one hand that both spheres tend to mutually approximate given the need for autonomous action in the work context and the 'strategic' construction of biographical narratives. On the other hand this approximation brings about a higher probability of conflict due to the naturally different basic interests of both spheres. In the case of Andrea the work context is shaped (and thus changed) by the shareholder value based growth interest of a global communication holding whereas she is looking for a work context compatible with her personal interests and capacities as well as offering an atmosphere in which she likes to

⁹ Original name changed.

work. However her behaviour does not correspond to the voluntary job-hopping in search of personal challenges and fun at work Florida notes for his case study persons' mobility in the "horizontal labour market" (204: 102ff.). Leaving the job means an increasing uncertainty about the future and a loss of professionalism. Beneath the level of creative stars thus the material aspects of work in fact still matter.

In addition, advertising as an extreme case of a horizontal labour market provides two fields of conflict between work and biography which are of an even more existential nature, that is first, the extreme working times based on tight deadlines of customer projects, contest contributions, new business pitches etc. which do not allow any time-consuming activities in the reproduction sphere, let alone obligations of childcare or something similar, and second, the fact that the 'decay time' of individual creative competences is very short unless one does not succeed in climbing up the career ladder and taking responsible management positions. Andrea describes this as follows:

"The job is really ambivalent. On the one hand it is really lively, you meet so many and interesting people, you participate, at least a little bit, in the world of glamour; you fly to exotic places, stay in the best hotels, and have dinner in the finest restaurants. On the other hand it is awkward that professional experience does not really matter. When you are, say, a doctor, the older you are the more you can draw on your experience. That is a completely different self-confidence when you say: 'I am experienced.' In our job the older you get the more you lose self-confidence. And that is dangerous as it hinders you to do something against it." (personal interview, 2001).

Andrea's biography signals another key feature of the labour market. The very fact that she gets back from freelance work into an agency job through the personal contact to a former colleague paradigmatically shows the importance of social capital as a compensation of the multiple uncertainties based on volatility, on the immense workload or on the short lifespan of a creative biography. The "investment in (trustworthy) contacts" (Granovetter 1992: 256, parenthesis added) enhances the individual capacity of generating job opportunities, be it as a compensation of instability, be it after a childcare break or be it as a means to sustain the 'second half' of one's career. Yet this investment is not only a matter for the individual given that also agencies are subject to volatility. Due to the increasing uncertainty about the actual performance of a professional, reliable information sources in the labour market may help to reduce the uncertainties of creative work. To know somebody who knows the capabilities and the personality of a possible candidate, and to know that his or her

judgement is trustworthy, is an invaluable resource for an agency regarding the concrete recruitment. Having professionalized and even ‘industrialized’ the co-ordination of a ‘contact pool’ has been one of the fundamental constituents of innovation on the part of the creative pioneer agencies in the German advertising industry.

Conclusion: Space and the Ambivalence of Reflexive Labour

The present paper had two distinct, but closely interconnected aims: First, it tried to provide an encompassing but basically sympathetic critique of Richard Florida’s work on the creative class; this critique was based on the too straightforward nexus between creative people hitherto having been outside the mainstream of the capitalist economy, the economic success they produce and the spatial structure this economy is based on, he proposes. Second, it aimed to develop a theoretical framework able to come to terms with the complexity of the interaction between the economy and its social and spatial environment. The core of this framework is Giddens' and Lash and Urry's concept of *reflexivity*, indicating the tendency of a decreasing self-evidence of action both in the 'systems' sphere of the economy and in the 'life' sphere of individual biographies in late modern societies. This parallelism of change in both spheres implies a 'conflicting convergence' of work and life: *convergence* because the sphere of work becomes part of a 'reflexive project of the self' as well as both spheres require similar modes of behaviour; *conflict* because decreasing self-evidence of action in both spheres adds to the uncertainty about what is right. In addition, even if there is a convergence of action modes between systems world and life world, the basic 'value systems' of both worlds, that is, of production and reproduction, remain different. This in turn implies that an approximation of both spheres in terms of action modes increases the likelihood of conflict given that the different value systems interact more closely (and thus more often get in touch with each other).

The key point within this theoretical framework – as well as of the whole paper – is that this conflicting convergence chiefly becomes manifest in and is filtered through the labour market of reflexive (post-industrial) activities. The labour market is conceived of as an *arena* in which the distinct “powers of the individual” and the “powers of markets and technologies” (Touraine 2002) interact. Theoretically this argument draws on Polanyi's concept of *labour as a fictitious commodity*, existing as “human life itself”

(Polanyi 2001 (1944):) and not being produced to be sold on the market. For reflexive labour markets this specific nature of labour in a market economy has two dimensions: First, given the increasing uncertainty about right choices the problem of not buying labour on the labour market but a fictitious capacity to work is radicalized. Second, unlike in Polanyi's description of the market economy during the 19th century the fictitiousness does not solely produce the subordination of human life under market forces but implies a conflicting interaction between individual life plans and the economic 'materiality' they have to deal with.

The spatial expression of a reflexive labour market – so the paper's final theoretical assumption – is based on the fact that the interaction of production and reproduction on the labour market naturally has a physical and thus territorial component, exemplified in David Harvey's famous claim that "unlike other commodities, labour power has to go home every night" (Harvey 1989: 19). The multiple uncertainties inherent to a reflexive economy may reinforce this territorial component since they imply a strong volatility of the labour market, the local nexus between work and life possibly being able to compensate this lack of stability by mediating between both spheres.

The achievement of both aims, i.e. the critique of Florida and the development of an alternative framework, is underpinned by a case study of the German advertising industry: an activity epitomizing an economy based on creativity and an industry which in its recent process of change reflects precisely the integration of previous outsiders into the core of the contemporary economy Florida considers to lie at the heart of the "sea change" (not only) the American economy is currently undergoing. Advertising can thus be considered as a forerunner of a reflexive activity for which the conflicting convergence of work and life should hold in a particular way.

The evidence presented here, besides having traced the pattern of change in the German advertising industries and its impact on its regional structure within the national space-economy has pointed out two dimensions of conflict based on labour's fictitious nature as a commodity becoming manifest in the contemporary advertising employment system:

First, it is the uncertainty of a hybrid professionalism, of identity building in an unclear environment regarding both the very nature of a job and the criteria of performance assessment and reputation building. In the development of professionalism the individual's ideas about his or her talents and interests interact with the technical

'rules', the ethos and the institutions of an abstract "expert system" (Giddens 1990). Engels (2002: 16f.) in a discussion of the changing ethos of professionalism in communication-oriented jobs focuses on this interaction as between the self-identity, on one hand, and the collective identity of a professional community, on the other, by conceiving of the entry into working life as a process of 'secondary socialization'. On the one hand, the importance of these secondary processes increases with the growing complexity of modern societies. On the other hand, they do not function with the same 'depth' as the intimate personal relations of primary socialization, but necessarily have the artificial character of pure knowledge transmission. The more open, the more undefined, i.e. the more 'reflexive' an activity is, the less the artificial and standardized methods of professional socialization are able to construct a common ethos. A strong socio-cultural underpinning of economic activities both encompassing the internal agency culture and the wider professional milieu appears important to compensate the lack of such an 'ethos'. The 'event culture' of advertising, including not only the big festivals as highlights but also less professionally informed happenings like sports cups as well as agency internal events mirrors this kind of "sociality" (Grabher 2004: 115f.), not based on strong ties of interpersonal relationship but on the combination of "intensity" and "ephemerality" (ibid.) thereby transmitting both a particular feeling of commonness and the industry's 'narratives' in which the criteria of performance assessment and reputation building are reproduced and the 'styles' and 'stars' are created. More generally put and in the terminology of Giddens (1990: 87) this social underpinning constitutes ways of "reembedding [...] within abstract expert systems" through "facework commitments" which both help to "sustain collegial trustworthiness" and provide actors with tools to cope with the "reflexively mobile nature" of their activity.

Second, and of cause not independently from the first dimension, uncertainty is based on the 'clash' of the structural dynamic of the industry and the 'reflexive' dynamic of the individual biography which can be, but is not necessarily due to aspects of professional identity. In the episode from Andrea's career exemplarily described above, the confrontation is chiefly between her appeal for a challenging team atmosphere and the strategies of growth restructuring of a global group. This kind of confrontations is an inherent element of the advertising industry, bringing about a large extent of instability

which is in turn compensated by trustworthy contacts helping to generate future job opportunities.

Both modes of conflict thus entail to be socially underpinned, in the case of identity building in the form of a professional “community of equals” supporting the individual process of professional socialization, the ‘belonging’ of individuals to an expert system whose contours are difficult to grasp. In the case of the confrontation of the industry and the individual the social underpinning functions as individual and collective management of the risks brought about by an essentially unstable labour market. It consists in the networks of personal relations individual actors are tied in through their work and through which they move throughout their career. Actually here is a self-reinforcing mechanism at work since the instability needs to be compensated by social relations but simultaneously produces them by driving people through different work contexts, thereby in turn fostering the instability since the number of contacts enhances the number of potential jobs.

Hence the social dimension of a reflexive economy, respectively of a reflexive labour market, can be derived relatively clearly from our case study of an essentially creative industry. Roughly put, the labour market of reflexive activities can be summarized as involving an *ambivalence of importance and uncertainty* both concerning the economic and the social sphere. On the one hand, the capacity of the labour force to solve problems, to develop new things etc. ever more determines the pattern of success and failure in the contemporary economy, as much as a self-determined job ever more contributes to the success of a consistent biographical project. On the other hand, yet, this implies an equally increasing uncertainty whether this success is in fact obtained, be it due to the simple economic fact that with an increasing importance of labour as a factor of production also its importance as cost factor rises (Lash and Urry 1994: 199), be it through the uncertainty about the labour output or through the difficulty of developing a professional identity as part of a consistent biographical narrative, be it through the fact that the professionals’ desire for self-determination conflicts with the structural constraints of the work context. The social dimension comprises both sides of this ambivalence, given that – as Florida argues – economic success is based on a particular social group as well as the compensation of uncertainties relies on social mechanisms.

But how can the spatial logic of reflexivity, reflecting the ambivalence of importance and uncertainty, be conceptualized? Two points derived from Jamie Peck’s fundamental work on “the social regulation of labour markets” (Peck 1996): First, it lies in the ‘material’ interaction of work and life through the matching of supply and demand on the local level pointed out above. Second, the labour market does not appear from nowhere but relies on a set of institutions concerned with education and training which differs from locality to locality. Peck terms these “two sources” of “localness of local labour markets” (ibid.: 265) as “local dialectics of labour” (ibid.: 261), that is, the “production-reproduction dialectic” and the “regulatory dialectic” (ibid.: 266). The spatial dimension of a reflexive labour market is based on the interaction of these local dialectics with the ambivalent logic of the labour market. Table 1 provides an explorative systematization of this interaction¹⁰.

Table 1: The Spatial Logic of Reflexive Labour: A Basic Structure

		Local Dialectics of Labour	
		Production-Reproduction	Regulation (Institutions)
Ambivalence of Reflexivity	Importance	<ul style="list-style-type: none"> • Rising significance of the reproduction sphere • Convergence of production and reproduction ('Disenclosure of work and life') 	<ul style="list-style-type: none"> • Institutions for skill-formation (urbanisation economies as 'general assets')
	Uncertainty	<ul style="list-style-type: none"> • Specialised pooling of labour (localisation economies) • Diversified pooling of labour for risk reduction and as pool for potential innovations (urbanisation economies as 'difference') 	<ul style="list-style-type: none"> • Common strategic action to make skills useable • Institutional and cultural diversity to guarantee continuous renewal of skills (urbanisation economies as 'difference')

Source: own illustration

Again roughly put the upper two cells represent Florida’s key points: With an increasing importance of creative labour force its demands regarding the reproduction sphere gains importance; in addition the aspect of “skill formation” (Peck 1994) seems to be crucial for the future performance of regional economies. Much of this nexus can be seen in the mechanisms driving the shift of the centre of gravity of German advertising to

¹⁰ For an encompassing explanation of the table see Thiel (2003: 221ff.).

Hamburg. The two cells at the bottom, however, show how the multiple uncertainties question this linear nexus. Summarizing the content of the table's second line, the spatial pattern of the economy helps to avoid the potential irreversibility of wrong choices in an uncertain labour market both by firms and by individuals. Economies of localization and urbanization, the latter mainly in the sense of socio-cultural diversity, constantly provide alternative options for action, thus both enabling actors to abandon wrong paths and constantly opening windows of opportunity for the future.

To sum up and to come back to Richard Florida's key points highlighted at the outset: It is of course true that the economy is increasingly based on knowledge and creativity and thus relies on the corresponding labour force. And, this does interact strongly with the spatial pattern of economic prosperity and decline. However, this interaction is not simply a matter of diverse lifestyle options and a tolerant atmosphere. Rather, it is a matter of frictions, of trial and error, of ambivalences and uncertainties. And, cautiously argued, it is a matter of big cities given that they, through their economies of localization and urbanization, offer the 'reflexive environment' necessary to deal with the inherent uncertainties of a 'creative class' labour market.

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