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Tomaz, Elisabete; Selada, Catarina; da Cunha, Inês Vilhena

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#### Creative-based strategies in small and medium-sized cities: some European study cases.

Catarina Selada\*, Inês Vilhena da Cunha\*, Elisabete Tomaz\*\*

\*INTELI – Inteligência em Inovação, Centro de Inovação. Av. Conselheiro Fernando de Sousa, nº 11, 4º - 1070-072 Lisboa, Portugal. E-mails: <u>catarina.s@inteli.pt</u>; <u>ines.c@inteli.pt</u>

\*\* Centro de Investigação e Estudos de Sociologia (CIES, ISCTE-IUL). Av. das Forças Armadas, Ed. ISCTE -1649-026 Lisboa, Portugal. E-mail: <u>elisabete.t@inteli.pt</u>

#### 1 – Introduction

During the last decades, creative and cultural approaches have been implemented in regional and urban development strategies as key drivers for competitiveness and growth. However, research literature tends to focus mainly in big cities and metropolis, not recognizing the potential of small and medium-sized cities in attracting and retaining talents and activities.

Nevertheless, public policies, based on creativity and innovation, are being experienced in nonmetropolitan and rural contexts around Europe, Canada, Australia and USA.

The main aim of this investigation is to examine the recent approaches to cultural and creative economy in small and medium-sized cities in order to respond to the following questions: Are creative clusters viable in small and medium sized cities? Can creativity become a driving force for the development of small and medium sized cities or even rural areas?

The research approach is based on a case study methodology centred on the analysis of four examples of creative small urban environments in Europe: Óbidos (Portugal), Barnsley (UK), Reggio Emilia (Italy) and Jyväskylä (Finland). A conceptual model and a set of dimensions of analysis were defined as the background of this benchmarking exercise.

The first part of the paper is centred on a literature review of the creativity-based approaches to territorial development, the importance of small and medium sized cities in the European Territorial System and the role of creativity in this context. Then follows an in-depth analysis of the four case studies developed according with the conceptual model defined. After comparing the four examples, a set of critical factors for success are established for the implementation of creativity-based strategies in small and medium sized cities.

This investigation represents a work-in-progress and is being developed within the "Creative Clusters in Low Density Urban Areas" network<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> The project is supported by the URBACT II Programme of the European Commission and is led by the Municipality of Óbidos (Portugal) in a partnership with eight cities from Spain, Italy, Hungary, Romania, United Kingdom and Finland and the Innovation Centre INTELI (Portugal).

#### 2 - Conceptual Framework: Approaches on Creativity-based Territorial Development

We can identify two different approaches that explore the relationship between creativity and territorial development: the creative industries approach and the creative class approach.

The <u>creative industries approach</u> is centred on the creative industries as generators of innovation and territorial development, which emphasises the role of firms and systems of firms.<sup>2</sup>

Urban growth is directly associated to the economic geography of production. According to Storper and Scott, "it is production and jobs above all that drive urban prosperity (...) among the preferences that play a role in individuals' location choices we must surely count those for relevant employment and remuneration".<sup>3</sup> Creative and highly skilled people are motivated by job opportunities when moving from one place to another: "people follow jobs".

Localisation economies are considered to explain the clustering of businesses<sup>4</sup>. These external economies can be defined as dense input-output relations, a skilled labour pool and knowledge spillovers that are external to a company, but internal to companies within an industry in a specific geographical area.

According to the European report *New Cluster Concepts Activities in Creative Industries*<sup>5</sup>, this approach is related with a traditional cluster perspective that focuses on companies and how creative businesses and branches cluster together with the benefits from being located in the same place. In this sense, there is evidence to advocate that creative industries cluster geographically<sup>6</sup>.

These theoretical ideas have direct impact on the definition and implementation of public policies: in this case, regional and local public authorities focus on the proposal of measures and conditions favourable for the attraction and development of creative businesses as sources of jobs and wealth, such as subsidies and tax incentives.

Otherwise, the <u>creative class approach<sup>7</sup></u> is focused on the creative class and highly skilled people, and is based on the contributions of Florida, Glaeser and Clark<sup>8</sup>.

<sup>&</sup>lt;sup>2</sup> It is also referred in literature, as "business-based approach", "business-climate" or "production milieu".

<sup>&</sup>lt;sup>3</sup> Storper, M. and Scott, A. (2009), Rethinking Human Capital, Creativity and Urban Growth. *Journal of Economic Geography*, 9, 147-167.

<sup>&</sup>lt;sup>4</sup> See e.g. Marshall, A. (1919), *Industry and Trade*. London: Macmillan; Bagnasco, A. (1977), *Tre Italia: La Problematica Territoriale dello Sviluppo Italiano*. Bologna: Il Mulino; Becattini, G. (1990), 'The Marshallian Industrial District as a Socioeconomic Notion', in Pyke, F. and Becattini, G. (eds.), *Industrial Districts and Inter-firm Cooperation in Italy*. Geneva: ILO; Porter, M. (1998), *Clusters and the New Economics of Competition*, Harvard Business Review, Nov.-Dec. 1998.

<sup>&</sup>lt;sup>5</sup> European Commission (2010), *New Cluster Concepts Activities in Creative Industries*. Report produced by FORA for the European Commission Enterprise & Industry Directorate-General.

<sup>&</sup>lt;sup>6</sup> Lazzeretti, L.; Boix, R. and Capone, F. (2008), 'Do Creative Industries Cluster: Mapping Creative Local Production Systems in Italy and Spain. *Industry and Innovation*. 15:5, 549-567; Lazzeretti, L.; Boix, R. and Capone, F. (2009), 'Why do Creative Industries Cluster? An Analysis of the Determinants of Clustering of Creative Industries', *IERMB Working Paper in Economics*, n° 09.02, April 2009; NESTA (2009), *The Geography of Creativity*. Interim Report. August 2009.

<sup>&</sup>lt;sup>7</sup> It is also called in the literature "people-based approach", "people-climate" or "consumption milieu".

The location choices of individuals are made in response to features of the urban environment – "jobs follow people". This emphasis on the quality of life and on place qualities (the so-called amenities) has shifted the focus from creative industries to the human factor and its creative environment.

Besides considering also the role of localisation economies in the clustering of creative people and businesses, this approach is more linked to the analytical framework of the urbanisation economies (that can be dated back to the work of Jacobs, 1969). This concept is related with the density and diversity of cities – it is the close location of diverse activities, workforce, and skills, as well as cultural diversity, which explain long-term growth through the cross-pollination of ideas, technologies and knowledge.

In this approach the concept of 'creative clusters' is different from the traditional industrial clusters analysis. The EC report designates this new viewpoint as an occupational perspective that focuses on individuals and how creative people benefit from choosing the same places to live and work<sup>9</sup>. In this context, creative clusters can be defined as "places that bring together a community of creative people who share an interest in novelty but not necessarily on the same subject; a catalysing place where people, relationships, ideas, and talents can spark each other; an environment that offers diversity, stimuli and freedom of expression; and finally, a dense, open and ever-changing network of inter-personal exchanges that nurture individual's uniqueness and identity"<sup>10</sup>.

In spite of several critiques to this approach<sup>11</sup>, it has drawn attention to a vital debate on urban and regional growth, including the distinction between localisation economies and urbanisation economies; to the value of labour, human capital, in the new knowledge economy in terms of knowledge workers, talent and creative class; to labour migration and labour mobility as an underlying structural change of the economy, emphasising the importance of specific geographies; and it has given consideration to the fact that locations are more than just a set of factors of production or an innovation system and hence brought attention to amenities, urban beauty, and design and the socio-cultural environment<sup>12</sup>.

<sup>&</sup>lt;sup>8</sup> Florida, R. (2002), *The Rise of the Creative Class: And How Its Transforming Work, Leisure, Community and Everyday Life.* New York: Basic Books; Glaeser, E.; Kolko, J. and Saiz, A. (2001), 'Consumer City'. *Journal of Economic Geography*, 1:27-50; Clark, N.; Lloyd, R.; Wong, K. and Jain, P. (2002), 'Amenities Drive Urban Growth'. *Journal of Urban Affairs*. 24:5: 493-515.
<sup>9</sup> European Comission (2010), op. cit.

<sup>&</sup>lt;sup>10</sup> De Propris, L.; Hypponen, L. (2008), 'Creative Clusters and Governance: the Dominance of the Hollywood Film Cluster'. In Cooke, P. and Lazzeretti, L. (eds), *Creative Cities, Cultural Clusters and Local Economic Development*, Cheltenham: Edward Elgar, 258-286.

<sup>&</sup>lt;sup>11</sup> It is beyond the scope of this document to analyse in detail these critiques, such as: fuzziness of concepts; weak theorising; inadequate data and econometrical work; etc.

<sup>&</sup>lt;sup>12</sup> Hansen, H.K. and Winther, L. (2010) 'The Spatial Division of Talent in City Regions: Location Dynamics of Business Services in Copenhagen'. Tijdschrift voor Economische en Sociale Geografie 101(1): 55-72.

In terms of public policies, the measures are oriented towards improving the qualities of the cities as a way of attracting talent which, in turn, induces additional investments by companies and the emergence of start-ups, enhancing job growth, rising income and innovation.

#### 3 - The importance of small and medium sized cities in the European Territorial System

Nowadays Europe is facing several challenges due to: the increased exposure to globalisation, demographic trends and ageing population, different economic performance between regions, climate change and environmental risks, energy issues and EU integration.

The European territorial system is characterised by a diversity of spatial settlements with rich natural, historical and cultural assets. However, there are also significant disparities and inequalities within it.

In the EU, a large proportion of the population lives in small and medium-sized urban centres. Approximately 40% live in small urban areas (10,000 -50,000 inhabitants) and 20% in medium-sized cities (50,000- 250,000 inhabitants) in comparison with the more than 20% that live in large conurbations (more than 250,000 inhabitants). Also, in the European spatial system there are nearly 1,000 urban centres with above 50,000 inhabitants and about 5,000 towns that have between 5,000 and 50,000 inhabitant<sup>13</sup>.

Despite this quantitative relevance and the different socio-economic situations and geographical locations, small and medium-sized cities have some common limitations and face similar challenges. As noted Van Heur, due their size these areas tend to lack the agglomeration benefits and critical mass associated to large cities: concentration of highly educated workers; multiple clusters of economic activity; a diversified industrial and knowledge base; and a critical mass of local consumers; and integration into global networks. "Small cities are simply less visible on the global scene than metropolises – they are easily forgotten in rankings of the most creative cities in the world"<sup>14</sup>.

However, small territorial areas are not necessarily devoted to failure and decline. They present several potentialities and opportunities, for instance: 1) to extend their economic base to other non-traditional sectors such as tourism and leisure activities or the ICT and creative sector; 2) for its role in a polycentric spatial system as development poles for the surrounding areas<sup>15</sup>; 3) to

<sup>&</sup>lt;sup>13</sup> EEA (2006), *Urban sprawl in Europe: the ignored challenge*. European Environment Agency/European Commission. Joint Research Centre. Luxembourg: Office for Official Publications of the European Communities.

<sup>&</sup>lt;sup>14</sup> Van Heur, Bas (2010a), *Small Cities and the Sociospatial Specificity of Economic Development: a Heuristic Approach.* <a href="http://www.fdcw.unimaas.nl/staff/files/users/309/Small%20Cities%20and%20the%20Sociospatial%20Specificity%20of%20Economic%20Development.pdf">http://www.fdcw.unimaas.nl/staff/files/users/309/Small%20Cities%20and%20the%20Sociospatial%20Specificity%20of%20Economic%20Development.pdf</a>

<sup>&</sup>lt;sup>15</sup> See for example ESPON (2006), Territory Matters for Competitiveness and Cohesion. Facets of Regional Diversity and Potentials in Europe. ESPON Synthesis Report III. Luxembourg; RePUS - Regional Polycentric Urban System (2007) Final report: Interreg III B strategy for a regional polycentric urban system in Central Eastern Europe Economic Integrating Zone <a href="http://www.repus.it/repus-docs/repus\_finalreport.pdf">http://www.repus.it/repus-docs/repus\_finalreport.pdf</a>>

integrate regional and global networks; 4) the increase of the phenomenon of counterurbanization and 'rural revival' in some European regions<sup>16</sup>; and 4) the uniqueness of their territorial capital. In fact, the analysis of small cities is not only a matter of absolute size: "it is necessary to look in detail at the actual political, economic, social, cultural, spatial and physical nature of small cities rather than judging them simply with reference to theories and measurements developed with reference to big cities and metropolises"<sup>17</sup>. According to Clancey, "small cities are everywhere, contain a large proportion of urban humanity and are a major engine for the growth of urbanity itself"<sup>18</sup>.

Consequently, there is a growing interest by policy-makers and planners in the potentialities of small and medium-sized cities<sup>19</sup> in what concerns competitiveness and sustainable development.

#### 4. Creative Clusters in small and medium sized cities in Europe

According to different academic studies and public policy documents, the emergence of creative clusters is only viable in large cities and metropolis<sup>20</sup>.

However, in the European territorial system framework creative clusters could play an important role in small and medium sized cities as a driver for economic, social and cultural revitalization. Due to the strong presence of small urban centres in Europe and its embedded cultural and historical assets, creative clusters have a window of opportunity to growth successfully. Some European countries have already begun to put on their planning agendas the role of creativity as a driving force for its development, recognizing that "while much of the attention of those concerned with culture and regeneration has rightly been focused upon the core cities, it would be a mistake to assume that smaller towns and cities do not have a role to play"<sup>21</sup> and that "the understood wisdom on the essentially urban nature of the creative industries is complemented by their increasingly significant role in the economic development of rural areas"<sup>22</sup>.

The attraction and retention of talent, particularly of the creative class, in smaller urban centres depend, largely, on the quality of life and the quality of place, which figure as the main explanatory factors for the so-called "urban exodus". People are increasingly looking for lifestyles which are an alternative to those prevalent in the big cities, giving priority to the well-

<sup>&</sup>lt;sup>16</sup> ESPON (2006), op. cit.

<sup>&</sup>lt;sup>17</sup> Bell, D. and Jayne, M. (2009), 'Small Cities? Towards a Research Agenda'. *International Journal of Urban and Regional Studies*, 33(3), 683-99; Clancey, G. (2004), 'Local memory and worldly narrative: the remote city in America and Japan'. *Urban Studies* 41.12, 2335–55.

<sup>&</sup>lt;sup>18</sup> Clancey, ibidem.

<sup>&</sup>lt;sup>19</sup> For characterising small cities size in absolute terms is not enough. Different countries and continents use different measures to define them. Thus, we have to consider additional factors, such as position in the spatial system and urban hierarchies, influence, interdependencies, etc.

<sup>&</sup>lt;sup>20</sup> Florida, R. (2002), op. cit.; DCMS (1998), Creative Industries Mapping Document. London: DCMS.

<sup>&</sup>lt;sup>21</sup> Wood, Phil and Calvin Taylor 'Big Ideas for a Small Town: the Huddersfield Creative Town Initiative' *Local Economy Nov.* 2004 19: 380-395

<sup>&</sup>lt;sup>22</sup> BOP Consulting (2008), Creative Industries in the Rural East Midlands. Regional Study Report, 2008.

being associated with sports, healthy food, preservation of the environment and sustainability, and to the sense of community and local identity.

Therefore, the presence of amenities becomes a differentiating factor in the choice of the places sought by the creative class. These are viewed as 'special places' with an original atmosphere. The endogenous assets can be classified into the following categories: natural; historical and cultural; symbolic; and built amenities. In particular, the importance of built amenities alerts us to the need for the existence of a minimum critical mass and density which will determine the availability of the basic services necessary for the population, which can come from the dynamism of the surrounding town or region or from the proximity to a relevant urban centre<sup>23</sup>. Besides this, local development policies could make available favourable conditions, infrastructures or support programmes (such as incubators, live-work houses, specific financing systems) which will induce the attraction of talent and the development of creative businesses.

Moreover, the presence of the creative class can, in itself, generate amenities. On one hand, its strong presence attracts more talented people. One other hand, these communities tend to develop services in response to creative people consumption patterns<sup>24</sup>.

However, there are differences between the "urban creative class" and the "rural creative class". Smaller communities attract mostly talented young families with children, midlife career changers and active retired people<sup>25</sup>. Nevertheless, younger people are also increasingly seeking rural areas due to the low cost of housing, the better quality of life and the presence of quality schools, which is clearly facilitated by the use of information and communication technologies, so "businesses can now start up in small communities even if they are hundreds of miles away from big cities"<sup>26</sup>.

In fact, the entrepreneurial spirit of the creative class inspires the development of creative businesses, as referred by McGranahan and Wojan (2007) "places with a higher concentration of creative occupations actually have more creative activities"<sup>27</sup>. Likewise, the presence of creative activities tends to attract more innovative companies and projects.

Moreover, creative industries provide innovative inputs for other areas of activity in local economies such as agriculture, handicrafts, furniture, textiles, tourism and gastronomy, promoting their development and prosperity. The effects of knowledge spillovers derived from geographical proximity provide the transfer of information, technologies, innovative business

<sup>&</sup>lt;sup>23</sup> Proximity to an important urban centre is pointed out as being a competitive advantage of small territorial areas in the attraction of talent.

<sup>&</sup>lt;sup>24</sup> McGranahan, D. and Wojan, T. (2007), 'The Creative Class: a Key to Rural Growth'. *Amber Waves*, April 2007.

<sup>&</sup>lt;sup>25</sup> Ibidem

<sup>&</sup>lt;sup>26</sup> BBC News Channel (2008), Rural Towns New 'Creative Hubs', 21st April 2008.

<sup>&</sup>lt;sup>27</sup> McGranahan, D. and Wojan, T. (2007), op. cit.

models and organization forms to the overall economy. Furthermore, findings suggest that there is a strong tendency for individuals with artistic and creative skills to work in other areas of activity<sup>28</sup>. In addition to this, several sub-sectors of the creative industries, such as architecture, design, advertising or software sell the majority of their products and services to other businesses.

#### 5. Case-Studies: Creativity-based strategies in small and medium-sized cities

#### 5.1. Analysis Methodology

As part of the methodology used for this case study research we followed three stages: 1) the definition of a conceptual model, 2) the establishment of a set of dimensions of analysis, and 3) the drawing of conclusions. The empirical work was based on direct observation, field interviews, and other relevant data.

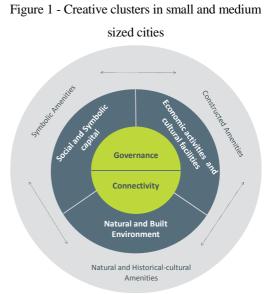
Based on the theoretical insights and empirical studies on the emergence of creative clusters in small and medium sized cities presented, five important dimensions of analysis can be identified (Figure 1):

Governance is a transversal dimension and central to

the promotion of creative clusters in small urban frameworks. It is related to leadership and the management of places, but refers also to the coordination of actors, innovative and creative policies and public participation.

The <u>natural and built environment</u> dimension refers to the natural, architectonic and archaeological heritage, which are important aspects to attract creative people. This encompasses the architecture of the place, the urban landscape and image, the climate, the public spaces, and other tangible and natural aspects of an urban framework – natural and historical-cultural amenities.

The <u>social and symbolic capital</u> dimension is strongly linked to the community and its social interactions and with the intangible component of the place. This dimension is related to the local population who live and work in towns and midsize cities, and who determine the social atmosphere of the place - the 'genius loci', and to the intangible heritage such as memories and local identities – symbolic amenities.



<sup>&</sup>lt;sup>28</sup> NESTA (2008), Creating Innovation: Do the Creative Industries support Innovation in the Wider Economy? Research Report. February 2008.

<u>Economic activities and cultural facilities</u> dimension is associated with the business climate, enterprises, entrepreneurship level, local economic activities and knowledge, cultural and creative infrastructures – constructed amenities (health and social services, hotels, restaurants, bars, museums, art galleries, events, etc.).

The <u>connectivity</u> dimension is a critical driving force for success of creative urban and rural contexts since it fosters cooperation between creative workers, activities, resources and territories (rural and metropolitan frameworks). This dimension encompasses both virtual (digital communications) and physical accessibilities.

This methodology leads to the development of benchmarking exercises comparing the case studies and extracting its global characteristics and best practices in the development of creative clusters strategies in small and medium sized cities.

In this context, it is important to underline the limitations of the present analysis regarding the reduced number of case studies analysed and the lack of collection and interpretation of quantitative data.

### 5.2. Case Study 1: Óbidos (Portugal)

<u>Context</u>: The municipality of Óbidos is situated in the Central Region of Portugal, West Inter-Municipal Community, in the district of Leiria and it is divided into 9 freguesias (civil parishes). It covers an area of nearly 142 km<sup>2</sup> and has 10,875 inhabitants.

Based on distinctive endogenous assets, a privileged geographical position and public policies on culture, creativity and innovation, the city is extremely appealing as a unique place to live, work, learn and interact.

<u>Governance</u>: Based on the Mayor's strong leadership and a qualified local government, there is a formal strategy in Óbidos to become a creative, eco-friendly and healthy town.

Since 2002, the local authority has been seeking to implement a development strategy that combines culture, tourism and economy as an incentive for the regeneration and diversification of the local economy. This development strategy grew out of a powerful marketing campaign – the 'Creative Óbidos' brand and through the organization of cultural events that attract a significant number of visitors to the historical town. These events have reflected a strong organizational capacity along with the involvement of the local community and associations. They induced the development of a group of people with a specific technical know-how and activities in areas such as theatre, sculpture and painting, among others.

Furthermore, the municipality has been promoting public policies for the emergence of a creative economy, namely in arts, architecture, design, digital technologies and gastronomy. In 2009, the

'Creative Óbidos' programme was launched focused on the attraction and qualification of talents, job creation, wealth growth and the improvement of quality of life. Its priority areas were more oriented to creative production, while maintaining the focus on a cultural environment of excellence and on high quality tourism.

Within this programme there were launched a set of support infrastructures and financing schemes oriented to the attraction and retention of talents and companies such as the technology park, that offers material advantages (tax incentives, microcredit) and excellent working conditions, and an incubation space called ABC allowing the lodging of creative businesses for a short period of time. Moreover, local public policies in partnership with the private sector are launching an urban regeneration programme comprising the refurbishment of old houses in order to create ateliers, studios, co-working spaces, and live-work houses for national and international artists, designers, researchers, et cetera.

This creative impetus aims also to maintain the traditions and the symbolic and intangible capital of the town, linking heritage, knowledge and innovation. For example, a 'Network of Research, Innovation and Knowledge' was created to produce in-depth historical information about Óbidos and to provide this content to the public through interactive and user-friendly instruments.

For the management of relevant local initiatives, an agency model was adopted through the creation of municipal companies: Óbidos Requalifica and Óbidos Patrimonium. Public and private partnerships were also promoted, such as OBITEC, the Óbidos Association for Science and Technology, which involves the town of Óbidos and the municipal company Óbidos Requalifica, as well as higher education institutions, training companies and business associations.

Inter-municipal cooperation is limited due to the lack of a common regional strategy and to the rivalry between municipalities. However, Óbidos has participated in several networks with other towns and cities at national and European level, not only as a way of attaining a wider dimension but also to obtain more visibility at an international level.

<u>Natural and built environment</u>: The municipality itself lies within a geo-morphologically rich area: a coastal strip with a number of beaches, the Óbidos Lagoon, a unique natural landscape with its paddy fields and rural settlements.

It is a medieval town within castle walls. It has been offering a wider set of historical monuments (e.g. the town gate, the judicial stone pillar) and religious monuments (e.g. the Misericórdia Church, the São Pedro Church and the São Martinho Chapel). Among these, there are traditional houses in straight alleys from different periods and styles. Besides the walled town, the

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municipality includes small rural villages alongside contemporary architectural projects designed by renowned architects.

<u>Social and symbolic capital</u>: Óbidos has a strong iconic image that is recognised at both national and international levels: the medieval walled town. In fact, the local identity is rooted in its historical past and cultural heritage, but it is also defined by the natural landscape and the mixture of old traditions and rural lifestyles, which are still alive and very important for the regional economy. Óbidos has an acknowledged heritage that comes from all the sovereigns and aristocrats who left their mark on the village.

A creativity-friendly climate is reinforced by the exploration of rural-urban relationships, the potential of a good quality of life, a strong sense of community that is the outcome of relevant social networks and projects and an attractive environment. There is also an important associative spirit represented by several local communities, music bands and civic associations.

<u>Economic activities and cultural facilities</u>: Tourism has acquired increasing importance for the municipality and is responsible for a large percentage of employment, as well as a wide range of services such as hotels, residential tourism, golf projects, restaurants and handcrafts. In addition, the agricultural activity is also very relevant, especially horticulture, fruit and wine. In the industrial sector, food processing, construction and furniture are the most relevant sectors.

As a result of the aim to develop a creative cluster in Óbidos, several infrastructures for entrepreneurship were built, as already referred, as well as a number of new cultural infrastructures, such as Casa das Rainhas (Óbidos Story Centre), São Tiago Bookshop, Casa do Arco, a network of museums and galleries and a Centre of Interior Design (Maria José Salavisa Centre). Besides these built amenities, Óbidos has strong and diverse cultural offerings: from music and performing arts to large entertainment, which attract a significant number of visitors and tourists.

There was a large investment in new school complexes, based on new concepts linked to creative and open-minded education, besides the already existing specialized schools and training centres: Tourism and Hotel School of the West – Óbidos, Óbidos School of Advanced Studies of Tourism, Pontinha Food Training Centre. At about 20 minutes away from the centre town, we can also find the School of Arts and Design of Caldas da Rainha.

<u>Connectivity</u>: Óbidos is located near important urban centres such as Caldas da Rainha, Peniche and Alcobaça and has good connections with the metropolitan areas of Lisbon, the Portuguese capital (less than one hour), Porto (about two hours) and Coimbra (1 hour and 20 minutes). It lies about 45 minutes by car from the Lisbon International Airport.

To increase virtual connectivity the municipality has provided hotspots and public spaces with

free Internet access.

#### 5.3. Case Study 2: Barnsley (UK)

<u>Context</u>: Barnsley is a metropolitan borough in South Yorkshire with an area of 320 Km<sup>2</sup> and a population of 218,000 people (82,000 in town). It is characterised by an urban core and a rural hinterland divided by the north-south line of the M1 motorway.

The town developed a regional reputation as a historic market place which grew as a result of its significant industrial importance centred on coal mining and glass-making. When this industry closed effectively in the mid-90s, the local community has aggravated their socio-economic problems. Since then, there was a strong effort and commitment to reverse this situation, taking advantage of its location in regional economy.

<u>Governance</u>: Strong political leadership in Barnsley is widely recognised. The council has engaged local people in the development of a clear strategic vision: to create a culturally inspiring, dynamic and thriving "21st Century Market Town & Borough" through a sustainable growth. Given that, the local strategy is based on its endogenous assets, such as: the historic reputation as a market town; the local industrial tradition; its strategic location between the Sheffield and Leeds economies; the surrounding countryside; and the advanced technology companies already located in the borough.

In 2002, the Council has launched a high-profile participatory campaign called 'Rethinking Barnsley' that led to a regeneration programme named 'Remaking Barnsley' aiming to create a thriving and enjoyable urban environment. Quality architecture set within an exciting and imaginative public realm, arts, culture and urban living are all part of this vision, alongside trade and employment.

Barnsley's creative industries vision resulted in 'The Creativity Works/Creative Networks' programme designed for supporting the development of a creative and digital industries cluster in Barnsley, Doncaster and Rotherham – the South Yorkshire coalfield area. Launched in 2003, it was managed by Barnsley Development Agency on behalf of the programme partners: Barnsley MBC, Doncaster MBC, Rotherham MBC and the Arts Council England.

Built upon the success of this project, the council reinforced the idea of putting culture and creativity at the forefront of its economic agenda. Several support infrastructures and facilities were created, such as incubation work spaces, new and alternative gallery spaces, platforms for installation and public spaces for work.

Following a programme developed by the Barnsley Development Agency oriented to study the needs of the local creative community, in 2006 'Creative Barnsley' was formed, a social enterprise dedicated to networking and promoting local entrepreneurs and creative workers.

The Barnsley Council promotes effective citizen and community consultation and participation, principally via 'Local Strategic Partnerships'. There are some successful examples of regional partnerships among the four South Yorkshire authorities (Barnsley, Doncaster, Rotherham and Sheffield) such as multi-area agreements, regeneration partnerships, formal company structures and cooperative working arrangements. Moreover, Barnsley has been participating in some European networks supported by EU Territorial Cooperation Programmes (namely URBACT), such as "Creative Clusters in Low Density Urban Areas" and "Building Healthy Communities".

<u>Natural and built environment</u>: Barnsley has a variety of landscapes ranging from high moors to urban areas and arable low lands. The west part of the Borough, predominately rural, is centred on the small market town of Penistone and includes parts of the Peak District National Park. The eastern part includes a number of smaller towns and villages of the former coalfield areas where 80% of the Borough's population lives. The town of Barnsley itself lies roughly in the centre of the Borough. Besides the natural heritage, there are a variety of villages and historic market towns with important monuments and buildings such as the pinnacle tower of St Mary's Church, the Monk Bretton Priory, Cannon Hall, the Stainborough and the Wentworth Castle.

<u>Social and symbolic capital</u>: Barnsley's local distinctiveness stems from its past economy, settlement patterns, historical character and culture. The traditional market towns and the former mining settlements with their strong communities have shaped the identity of Barnsley. Barnsley has a strong sense of community built on a long history of informal and formal networks. This is reflected in the large number of community groups involved in providing a wide range of activities and services such as environment, community, employment, safety and health projects.

<u>Economic activities and cultural facilities</u>: Advanced manufacturing and materials is one of the region's key clusters, employing over 40,000 people and bringing together world-leading companies, support organisations and expertise from areas such as steel, metals and alloy processing, oriented to manufacturing high-tech products for sectors including aerospace, automotive and household appliances. There is also a significant food and drink sector.

To provide support for entrepreneurs and start-up businesses in the creative and digital media it was created the Digital Media Centre as well as the Business and Innovation Centre oriented to the innovative technology field and knowledge based businesses. Under the project of the Creative Barnsley network, in the Elsecar Heritage Centre there were open artist studios called CB HIVE STUDIOS, as well as a new contemporary gallery - HIVE GALLERY.

The town already provides access to leisure and cultural facilities. The Civic, one of the Barnsley Development Agency projects, offers diverse art events and activities and provides creative workspaces. Barnsley has a long tradition in brass bands from the time of its mining days and it

has various independent theatre companies, specialised in non-mainstream drama and performance as well as over 300 local societies and clubs. Besides that, the borough's cultural infrastructure comprises museums, galleries, archives and libraries. There is a range of cultural events like the All Barnsley Diversity Festival that contributes to the vitality of the local scene.

Regarding the education system, the 'Remaking Learning' programme aims to improve standards, and to increase employment skills, through a borough-wide infrastructure of Advanced Learning Centres and the continued development of Barnsley College that has a Business Solutions Centre as well as the Barnsley Campus of the University of Huddersfield.

<u>Connectivity</u>: Barnsley has a central position in the Northern Growth Corridor at the heart of the UK. It is located close to three city-regions: about 30 minutes by car from Sheffield and Leeds and one hour from Manchester. It enjoys fast access by road, air travel and rail with efficient links to London, Leeds and other major UK cities. Within 60 minutes of Barnsley there are five international airports. Besides this, the city is developing walking and cycling routes and infrastructures.

'The Digital Region' project aims to provide an open broadband infrastructure for all city, towns and villages of Barnsley, Sheffield, Doncaster and Rotherham and serve a population of over 1.3 million, 546,000 homes and 40,000 businesses.

#### 5.4. Case Study 3: Jyväskylä (Finland)

<u>Context</u>: The town of Jyväskylä is the capital of the Central Region of Finland, and the second largest city on the Finish Lakeland. It covers an area of nearly 1,466 km<sup>2</sup> and has just about 130,000 inhabitants.

In the 1980s, Jyväskylä was one of the most prosperous regions of Finland, but the serious national economic recession, in the early 1990's, had forced the region to rethink its future.

Today, the city is renowned for education and training competences and as a centre of expertise in information and communication technologies, paper-making technology, nanotechnology and energy technology. New productive areas are also being developed, such as new generation machines and equipment, wellness technology, and tourism and experience management.

<u>Governance</u>: Since 1995, the city has been adopting a strategic approach that recognises creativity and innovation as key factors for the region's competitiveness. This is translated not only in investments in businesses but also in the development of services, education and culture, therefore, in a quality of living environment. The city's central vision is to build an innovative ecosystem setting people at the core: that is the meaning of the place-brand "the human technology city".

The local development model focuses on establishing clusters of expertise, under the edge of the Finnish Centre of Expertise Programme<sup>29</sup>. There is a strong policy emphasis in encouraging the formation of networks and cross-sectoral cooperation. For instance, in the rebuilt of the Kangas area, is being exploring a new governance model – the Quadruple Helix, based on a user-driven approach where knowledge institutions, enterprises, government and civil society, participate in the planning process.

Environmental policies and urban regeneration plans are also taking place in order to improve local attractiveness, namely around the lake Jyväsjärvi and Lutako Area, where is being carried out a Living Lab project. Complementarily, policy measures are been improved to increase wellbeing, and social and cultural capital.

The city is involved in several projects to support the development of new innovative services in the field of culture, creativity and wellness. Within the Creative Clusters Network, supported by the URBACT II programme, Jyväskylä has developed a local action plan in order to engage and support people in the creative and cultural field to work and cooperate with the social and wellbeing sector.

<u>Natural and built environment</u>: The city is located at the northern end of the second largest lake in Finland, surrounded by forests, hills and a coastline of 1,500 km, which makes it a great location to live, work and for sports practice. This is facilitated by the pedestrian-friendly zones and cycle corridors. In the lake's area, there are several summer cottages in peaceful locations, available for those wishing to experience the traditional Finnish sauna.

The city is well-known throughout the world because of the famous architect Alvar Aalto who designed many buildings in the area.

<u>Social and symbolic capital</u>: The subsequent crisis promoted the development of a local capacity to adapt to change, called "creative tension", seen as crucial to the development  $process^{30}$ .

Moreover, the local versatility in establishing networks and cooperation processes between different sectors and organizations as well as between different levels of government is seen as an advantage in the creative economy.

There is a strong civic participation, strengthened by policy measures that improve social capital. For example, the Dance Hall Lutakko, a rock concert venue, provides to a large number of young people and voluntary workers opportunities to participate in their activities.

Economic activities and cultural facilities: The main economic activities of Jyväskylä are related

<sup>&</sup>lt;sup>29</sup> The Finnish Centre of Expertise Programme, a specific government initiative oriented to exploit top-level knowledge and expertise as a resource for business development, job creation and competitiveness.

<sup>&</sup>lt;sup>30</sup> About "creative tension" see Reija Linnamaa, Development Process of the ICT Cluster in the Jyväskylä Urban Region.

to education, health care services, paper machinery production, information technology and energy sector.

A lively cultural scenario is animated by theatre companies, orchestras and other performing groups. Likewise, several popular events are organised periodically, like the LUMO 07 – Contemporary Photography Triennial; Graphica Creativa Triennal – contemporary print; Jyväskylä Summer Jazz; Jyväskylä Arts Festival; and the international Neste Oil Rally.

The arts quarter centred on Kirkkopuisto (Church Park) combines two buildings belonging to Jyväskylä Art Museum, the City Theatre and the Craft Museum of Finland.

The multi-disciplinary University of Jyväskylä and the Jyväskylä Polytechnic - JAMK are among Finland's leading research and educational institutions, with an increasing number of international students. Both are engaged in active collaboration with regional stakeholders, private firms, supporting services/agencies and intermediate organizations.

The Jyväskylä Science Park is an incubator for new businesses and companies that combine research and development with the needs of business life. The city also becomes an important venue for national and international conferences and exhibitions, due the existence of many facilities such as the versatile Jyväskylän Paviljonki - Congress and Trade Fair Centre.

In addition, there are small creative and cultural spaces that support the activity of artists and other creative people. For example, the Jyväskylä Centre for Printmaking, to increase knowledge in the printmaking field and the Lutakko Dancing Hall, which contains spaces for bands and workspaces for visual artists, in addition to hosting rock gigs.

Putting together tradition and creativity, the Aivia Handicraft Centre, a local crafts association, provides opportunities for learning and developing individual projects.

<u>Connectivity</u>: Jyväskylä is a reference town in the Central Region of Finland, 147 km north-east of city of Tampere and 270 km north of Helsinki, with fairly good transport connections. The city also benefits from an airport located at Tikkakoskia, about 20 km north of Jyväskylä.

#### 5.5. Case Study 4: Reggio Emilia (Italy)

<u>Context</u>: The city of Reggio Emilia is the main municipality of the province with the same name, in the Emilia-Romagna region in northern Italy. It has about 168,000 inhabitants, with a sizeable increase in its population of 13.5% between 2001 and 2009.

Reggio is known for their agricultural products and its industrial activity which attracted many migrants to the region. However, the global and regional competition puts today new challenges to the traditional sectors. The city is renowned worldwide as a benchmark in terms of education. Governance: The local authority had taken steps to convert the old socio-economic model

towards the knowledge economy. Firstly, to support the design and implementation of a strategy based on innovation and creativity, it was carried out a research work called "Reggio Nova". This research has mapped the local creative entrepreneurs with the objective of understand the potential of 'Reggio Emilia – Cittá Creativa'. As a result, the new media field was pointed out as the focus for the local strategy. The need to develop strategic partnerships with other cities and other organizations and to improve local image and international and national visibility, is also stressed.

A city regeneration process was also initiated, combining the rehabilitation of old industrial infrastructures with contemporary architecture. The historical City Centre will be also reclassified through the "*RIVEDERE*" project. In the north area of the city a new set of infrastructures with different facilities will be born, such as the new park of innovation and creativity, aiming to create a place of research and knowledge production between the research laboratories (Technopole, University Lab, Enterprises Lab) and the International Centre Loris Malaguzzi, with Reggio Children able to attract new investments.

Following a previous contest for the implementation of innovative business ideas, and under the URBACT project 'Creative Clusters network', the city has designed specific actions to support innovate businesses in the areas of Learning & Creativity, Green Economy, Healthy Food and Inclusive Social Business and new facilities and hotspots for creative entrepreneurs.

<u>Natural and built environment</u>: The province extends from the river Po in the north, to the Tuscan-Emilian Apennines in the south. It is mainly plain, with a rural countryside and many densely populated villages and places of natural interest. Besides the many city parks, Reggio encompasses the nature area of the Rodano torrent and Marmirolo Oásis.

Reggio Emilia began as a historical site with the construction by the consul Marcus Aemilius Lepidus, of a military castrum alongside Via Aemilia that lead from Piacenza to Rimini. This road, cross the hexagonal historical centre with a variety of monuments such as the neo-classical Municipal Theatre, the Baroque Basilica della Ghiara, the Basilica of San Prospero, and the Cathedral, or the Palazzo Ducale.

<u>Social and symbolic capital:</u> Reggio Emilia is recognized worldwide for its approach to Early Childhood Education. The educational philosophy and pedagogy programme is put in practice in municipal infant-toddler centres and preschools and held by the Loris Malaguzzi Centre.

In 2010, the immigrants represented 12.3% of the total resident population, a large part from

Romania, Morocco, Albania, India and Pakistan<sup>31</sup>. This represents a gain due the multicultural profile but also a challenge in terms of intercultural dialogue and integration.

There is a strong tradition supporting building and banking cooperatives, as well as consumers' cooperatives. The co-operative movement plays an important role not only from the economic point of view, but also as from a historic and socio-cultural perspective, being adapted in other fields such as welfare services. This builds an atmosphere of solidarity and protection of the town's civic values, confirmed also by the several voluntary associations.

A widespread and deeply rooted entrepreneurial tradition is widely recognisable which results from large industrial companies and small and medium sized enterprises located in province.

<u>Economic activities and cultural facilities</u>: The economy of Reggio Emilia was for a long time based on agriculture and manufacture. A sector that was very important in the last century for the local economy was the mechanical industry, mainly for agriculture. More recent technical advances that result from the connection between mechanics and electronics led to the development of a new area called mechatronics. Other relevant sectors are fashion and the ceramic tiles industry.

Regarding the cultural facilities there are notorious organizations and individual artists and many events such as the European Festival of Photography. The system of Museums in Reggio Emilia includes, in addition to several museums and monuments, other exhibition and conference spaces such as the 'Spazio Gerra' and the 'Officina delle Arti'. In the district of Santa Croce, the north area of the city and an old industrial area, the Municipality purchased the inactive warehouses and transformed them into the International Center Loris Malaguzzi, which includes the Reggio Children project<sup>32</sup> and several facilities in educational research. The Università degli studi di Modena e Reggio Emilia has one academic pole in the city centre with four active faculties.

<u>Connectivity</u>: The historic urban centre is enclosed by the peripheral districts and has rapid connections with the main centres of the region and to international airports (Bologna is about 30 minutes away and Milan one hour and a half). There is being implemented projects to increase digital connectivity such as 'BluTu'.

#### 5.6. Comparison of the Case Studies

Based on the in-depth analysis above, we can conclude that there are different approaches on

<sup>&</sup>lt;sup>31</sup> Rapporto sulla coesione sociale nella provincia di Reggio Emilia, CCIAA di Reggio Emilia, 2011. < http://osservatorioeconomico.re.it/wp-content/uploads/2010/12/La-coesione-sociale\_01\_02\_11.pdf>

<sup>&</sup>lt;sup>32</sup> Reggio Children is a public-private company establish by the Municipality of Reggio Emilia, along with other interested subjects, to manage an educational project developed and practiced in the Municipal Infant-toddler (<u>http://zerosei.comune.re.it/italiano/index.htm</u>). It also participates in research projects with companies (e.g. ALESSI, IKEA, ISAFF, LEGO, PLAY+, SONY), for instance in the design of children's products and environments.

creativity-based strategies and highlight the driving forces behind them. The governance dimension is very important in all of the cases to carry out local development strategies. The strong commitment of local and regional authorities and the establishment of partnerships with local actors, namely educational institutions, play an important role in the development of such strategies (Table 1). Furthermore, it is important to differentiate the two approaches on creative strategies: while the cases of Óbidos and Barnsley consider creative and cultural industries in the core of their strategies, the Jyväskylä and Reggio Emilia strategies have a transversal approach where creativity is one of the strategic priorities.

Endogenous amenities, linked with the natural and built environment, as well as social and symbolic capital, are relevant for the development of creative strategies. In the Óbidos' case, its distinctiveness arises mainly from its historical heritage and natural landscape, while in the case of Barnsley it was its industrial background. The other cases are anchored in educational and innovative skills.

All cases comprise the development and support of infrastructures for creative businesses and start-up spaces which can foster the attraction of creative workers and residents through the recovery of historical and industrial heritage underutilized.

Furthermore, there is a strong commitment to improve the local wellbeing and quality of life. This endeavour takes also advantage of the strategic geographical location in all the analysed cases (near major urban centres, good physical and digital accessibility).

#### Table 1 Synthesis of the case studies

	Óbidos	Barnsley	Jyväskylä	Reggio Emilia
Governance	<ul> <li>Strong leadership</li> <li>Creative strategy driven by the local authority</li> <li>Starting point: cultural thematic events in the historic centre</li> <li>Clear strategic vision: "Creative Óbidos" Target Plan</li> <li>Management model based on municipal companies</li> <li>Support infrastructures and specific schemes for creative companies and talents</li> <li>Promotion of public-private partnerships</li> <li>Limited inter-municipal cooperation</li> <li>Participation in national and international networks</li> </ul>	<ul> <li>Strong leadership</li> <li>Creative strategy driven by the regional and local authorities</li> <li>Starting point: regeneration project of the urban centre</li> <li>Clear strategic vision: "Creative Barnsley" Local Development Framework Core Strategy</li> <li>Management model based on a Local Strategy Partnership – One Barnsley Agency</li> <li>Support infrastructures and facilities for creative activities, companies and talents</li> <li>Promotion of public-private partnerships</li> <li>Cooperation between smaller urban authorities and Regional Development Agencies</li> <li>Participation in national and international networks</li> </ul>	<ul> <li>Strong commitment between the city council and local institutions</li> <li>Long-term strategy driven by the regional and local authorities focused on creativity, innovation and well-being</li> <li>Starting point: support a new local sector - the wellness sector</li> <li>Clear strategic vision: "The Human Technology City"</li> <li>Local development model focused on establishing clusters of expertise</li> <li>Support infrastructures and facilities for creative activities</li> <li>Promotion of public-private partnerships</li> <li>Strong cooperation and collaboration between sectors and organizations (public and private, local and regional)</li> <li>Participation in national and international networks</li> </ul>	<ul> <li>Strong commitment between the city council and local institutions</li> <li>Creative strategy driven by the local authorities</li> <li>Starting point: innovative educational system and university's research</li> <li>Management strategy "Reggio Nova" carried out by the municipality with the educational institutions and enterprises.</li> <li>"Reggio approach" adapted by the others sectors</li> <li>Open innovative area designed to build infrastructures to increase cooperation between creative, educational, research and business activities</li> <li>Promotion of public-private partnerships</li> <li>Participation in national and international networks</li> <li>Recognizably quality of public services</li> </ul>
Natural and built environment	<ul> <li>Distinctive and diversified landscape</li> <li>Predominantly rural region with small rural villages and a major urban centre</li> <li>Unique natural landscape that includes beaches and a lagoon</li> <li>Remarkable historic, cultural and religious heritage from different eras and styles</li> <li>Traditional architecture alongside contemporary projects</li> </ul>	<ul> <li>Distinctive and diversified landscape</li> <li>Predominantly rural region with small towns and villages and a major urban centre</li> <li>Unique natural landscape that includes parts of a national Park</li> <li>Historic market towns heritage</li> <li>Industrial heritage</li> <li>Traditional architecture alongside contemporary projects</li> </ul>	<ul> <li>Distinctive and diversified landscape</li> <li>Predominantly rural region with small towns and villages and a major urban centre</li> <li>Unique natural landscape that includes parts of the second largest lake of Finland</li> <li>Industrial heritage</li> <li>Remarkable architecture designed by the famous finish architect Alvar Aalto</li> </ul>	<ul> <li>Distinctive rural landscape with many villages densely populated</li> <li>A historical centre with a variety of monuments and parks</li> <li>Important industrial heritage</li> <li>Iconic architecture made by the contemporary architect Calatrava</li> </ul>
Social and symbolic capital	<ul> <li>Renowned iconic image: the medieval walled town</li> <li>Local identity rooted on its historic past, secular traditions and rural lifestyles</li> <li>Consecrated intangible and symbolic heritage</li> <li>Diverse civil and commercial associations</li> <li>Improvement of wellbeing and quality of life</li> </ul>	<ul> <li>Regional reputation as a significant market town and as an important centre of coal mining</li> <li>Local identity rooted on its past economy and industrial tradition</li> <li>Historic character and community spirit largely shaped by the mining activity</li> <li>Several community groups and formal Community Partnerships</li> <li>Improvement of wellbeing and quality of life</li> </ul>	<ul> <li>Local identity rooted on its past economy and industrial tradition</li> <li>Powerful sense of community and civic participation</li> <li>Improvement of wellbeing and quality of life</li> </ul>	<ul> <li>Renowned worldwide for its educational approach</li> <li>Long tradition in cultural industries</li> <li>Entrepreneurial and innovative spirit</li> <li>Historical and cooperative movement</li> <li>Multicultural community</li> <li>Several voluntary associations</li> </ul>
Economic activities and cultural facilities	<ul> <li>Tourism and related services as the main economic activities</li> <li>Very relevant agriculture sector</li> <li>Significant industry of food processing, construction and furniture</li> <li>New infrastructures for creative entrepreneurship and technology based businesses</li> <li>Several cultural infrastructures and an intense cultural agenda</li> <li>An assortment of knowledge infrastructures, namely specialized schools and training centres</li> </ul>	<ul> <li>Very important advanced manufacturing and materials sector</li> <li>Significant food and drink sector Relevant retail and leisure market</li> <li>New infrastructures for creative entrepreneurship and technology based businesses</li> <li>Several cultural and leisure infrastructures</li> <li>An assortment of knowledge infrastructures, namely the University Centre</li> </ul>	<ul> <li>Education and health care services, information technology and energy sector as the main economic activities</li> <li>New infrastructures for creative entrepreneurship and technology based businesses</li> <li>Several cultural/creative and leisure infrastructures</li> <li>An assortment of important knowledge infrastructures, namely universities, polytechnic and leading research and educational institutions</li> </ul>	<ul> <li>Agro-food and mechanical industry and more recently mechatronics industry</li> <li>Significant fashion and the ceramic tiles sector</li> <li>Leading educational sector</li> <li>University campus and research centres</li> <li>New cultural and educational infrastructures</li> <li>Important events</li> <li>New open innovation area with a creative and innovation park that combines research education and enterprises</li> </ul>
Connectivity	<ul> <li>Located in Portugal's Central Region and near important urban centres</li> <li>Well connected with the two major metropolitan areas</li> <li>Good physical connectivity mainly by car</li> <li>Short distance from capital's International Airport</li> <li>Increased digital connectivity</li> </ul>	<ul> <li>Located at the centre of UK and close to three city regions</li> <li>Fast efficient links to London, Leeds and other major UK cities</li> <li>Good physical connectivity mainly by road but also by train</li> <li>Proximity to international airports</li> <li>Increased digital connectivity</li> </ul>	<ul> <li>Located close to important finish cities</li> <li>Fast efficient links to Tampere, Turku and Helsinki and other major Finish cities</li> <li>Good physical connectivity mainly by road but also by train</li> <li>Short distance to a regional airport</li> </ul>	<ul> <li>Located in northern Italy</li> <li>Rapid connections with the main centres of the region</li> <li>Proximity to international airports</li> <li>Short distance to major urban centres</li> <li>Increased digital connectivity</li> </ul>

## 5. Conclusions

The development of creative clusters is only considered viable in large cities and metropolis. However, through the analysis of some empirical studies and through the qualitative results of the four case studies explored, we can tentatively deduce that creativity can function as a driving force for the development of small and medium-sized cities.

Nevertheless, as demonstrated, this assumption is not generically applicable to all *small and medium sized cities*. These places are characterised by the presence of endogenous natural, historical, cultural and symbolic amenities where a high quality of life and a strong community spirit prevail. Besides pre-existing local assets, public policies have an important role to perform, namely through effective leadership and the launching of development strategies with strong civic participation. Combined with entrepreneurial spontaneity, it is necessary to create a set of constructed amenities not only oriented to tourism and cultural/creative consumption, but essentially to cultural/creative production. The creation of support infrastructures and specific schemes, such as cultural and creative infrastructures, urban regeneration operations, and innovative education and training programmes are some examples of these interventions.

Moreover, it seems that the proximity to an important urban centre and good physical access are essential as ways of accessing relevant services and of maintaining linkages between 'rural talent' and the social, cultural and personal networks of the big cities. The development of information and communication technologies, the emergence of virtual networks and the increasing mobility of people, mainly the creative class, reinforce this phenomenon despite the importance of face-to-face contacts and local connections to the local residents. This fact contributes to the creation of a shared identity, sociability and neighbourliness, avoiding processes of social gentrification and inequality which are harmful to local and regional development.

It is also important to stress that these considerations are not commonly applicable to all segments of the populations and all types of creative people: *smaller communities* attract mostly talented young families, midlife career changers and active retired people along with married people with children, the so called "new rural residents" who seek alternative lifestyles.

Concluding, it is important to reinforce the risk of policy transfer and emulation of the development of creative clusters (from the regional, to the local and to quarter levels) all over Europe and internationally. This phenomenon can be replicated if creative strategies are based on historic precedents ('path dependency'), in the symbolic value of place and space and in cultural heritage.

This paper has demonstrated the need to deepen the study of small and medium-sized cities and urban and rural relationships within the scope of the European territorial system and its relation to culture, creativity and innovation.