

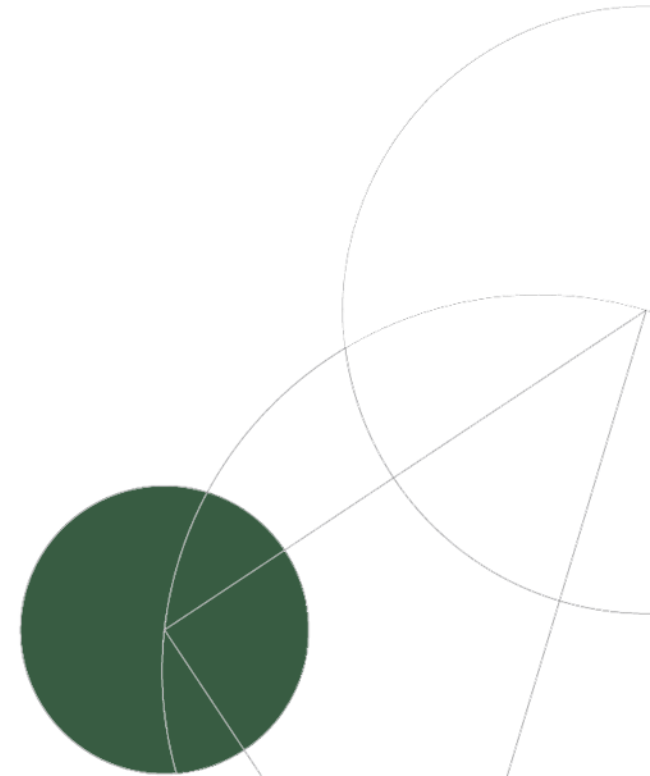


Nordic City Regions in the Creative Class Debate

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Creative Class and Amenity Growth Paradigm

Countries in the Northern hemisphere can no longer compete on labour cost. Regional development has to be based on knowledge and innovation

Regional structures that underpin innovative and creative activities are stressed as corner stones in regional development

- Industrial production is being transformed into knowledge based production
- Creativity, human capital and skills are central to regional development processes and a key target in development plans

This theory favour urbanisation economies but what about the less densely populated, smaller and peripheral regions?



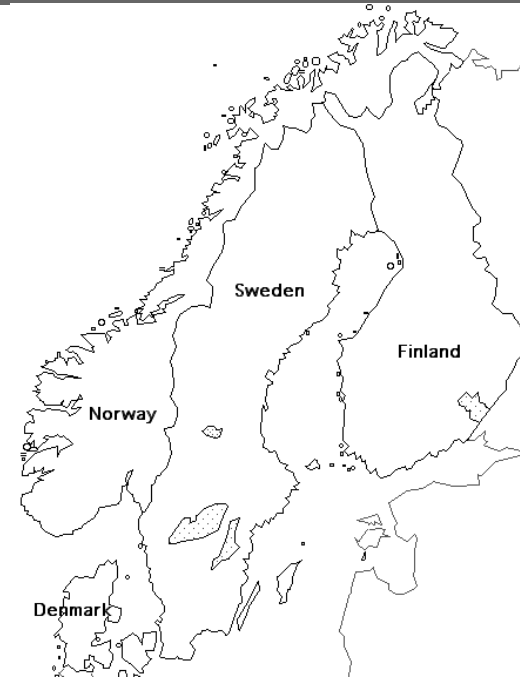
Two strands of literature

Amenity-growth argument	Evolutionary and institutional argument
Individual perspective	System perspective
Economic actors have preferences and act on them.	Industrial and economic structures matters
Diversity is vital for creative and innovative processes	Economic development is path dependent, division of labour
Competences (human capital) and critical mass	Institutional setup



The Nordic Context

- Welfare state systems with:
 - social benefit
 - Big public sector
 - free access to schools and university
 - public day care, elder care etc.
 - large proportion of women on labour market
- The Nordic countries has a very explicit regional hierarchy
 - Many small municipalities
 - Only one city within each of the four countries hold more than 1 mill. Inhabitants
 - Sweden is the only Nordic country that have more than one city with more than 500.000 inhab.



Methods and Empirical Findings

- 3 empirical backgrounds 4 studies:
 - Questionnaire survey (2007) in Sweden asking 10.000 persons who migrated in 2006 (app. 5.000 respondents)
 - Quantitative study on regions, growth and the creative class thesis in Denmark, Finland, Norway and Sweden using register based data from 2002
 - Qualitative study based on interviews with creative class, firm owners and politicians in Denmark, Finland, Norway and Sweden in 2006-2007



Migration of creative class people

Migration of low educated people peaks at 18-25 when starting education

Migration of highly educated people peaks at 24-33 when finishing education



Motive for migration of the creative class

	All Migrants (N = 4909)		Low Education (N = 3725)		High Education (N = 1184)	
Education	17%	383	18 %	298	15 %	85
Employment	26%	982	24 %	705	31 %	277
Living environ.	12%	761	12 %	594	10 %	167
Housing	16%	1193	16 %	910	17 %	283
Social reasons	24%	1262	25 %	957	22 %	305
Other reasons	5%	328	6 %	261	5 %	67
Total	100%	4909	100 %	3725	100%	1184

Regression results

	Work	Outdoor activities and recreation	Career opportunities	Cultural and entertainment facilities
Gender (ref = male)				
Female	0.87**	1.06**	0.78**	0.79**
Age (years) (ref = 18-25)				
26 – 37				
38 – 59				
60 – 74				
Civil status (ref = single)				
Married				
Divorced				
Widowed				
Education (ref = compulsory)				
Upper-secondary				
University < 3 years				
University >= 3 years				
Income (ref = low)				
Middle				
High				
Occupation (ref = employed)				
Unemployed				
Student				
Retired				

Nagelkerke R2

-2 log likelihood Intercept

-2 log likelihood Final

*= p<0.01, **= p<0.001.

Nordic Regions and Quality of Place

Table 5. Estimation of the effects of quality of place on location of the creative class, OLS regression for each subpopulation of small, medium and large city regions

	Small city regions Location of the creative class $R^2 = 0.3728$	Medium city regions Location of the creative class $R^2 = 0.6363$	Large city regions Location of the creative class $R^2 = 0.7378$
Bohemian Index	0.0902 (0.182)	0.3127*** (0.000)	0.0399 (0.606)
Openness all foreigners (%)	0.0204*** (0.004)	0.008 (0.292)	0.0276*** (0.000)
Public provision growth (%)	0.3392*** (0.002)	0.2552*** (0.001)	0.7031*** (0.000)
Cultural Opportunity Index (LQ)	0.0478 (0.321)	0.0638 (0.464)	0.2956*** (0.004)
Sweden	-0.1535** (0.016)	-0.0879* (0.081)	-0.2514*** (0.000)
Norway	-0.2379*** (0.000)	-0.1061*** (0.003)	-1.291*** (0.010)
Denmark	-0.0297*** (0.586)	0.0062 (0.878)	-0.0855*** (0.006)
Constant	-0.7555*** (0.000)	-0.6763*** (0.000)	1.1222*** (0.000)
<i>N</i>	150	60	53

***Correlation is significant at the 0.01 level (two-tailed). **Correlation is significant at the 0.05 level (two-tailed).

*Correlation is significant at the 0.10 level (two-tailed).



City regions

	Capital city (more than 1,000,000 inhabitants)	Regional centres (999,999 to 250,000 inhabitants)	Peripheral and/or traditional industrial cities (less than 250,000 inhabitants)
Denmark	Copenhagen	Aarhus	Svendborg Sønderborg Esbjerg
Finland	Helsinki	Tampere	Oulu
Norway	Oslo	Trondheim	Grenland
Sweden	Stockholm	Malmö/Lund	Karlskrona



Capital city regions

People climate

- Rich cultural supply
- Size in itself is attractive
- Only alternative for highly specialized jobs
- Work can be a lifestyle
- Housing

Business climate

- Thick labour market
- Good educational opportunities
- Centre for economic and political power
- Internationally oriented
- Housing

Policy

- Securing labour flows by creating an attracting city
- Supporting knowledge intensive industries and clusters



Regional Centres

People climate

- Affordable housing
- Quasi anonymity
- More authentic and less hectic atmosphere
- Limited but diverse cultural supply

Business climate

- Thin labour market
- Specialized industry structure
- Universities of major importance
- Infrastructure important for international pipelines

Policy

- Aware of universities' role in regional development
- Focus on attractive city and nurturing business activities



Peripheral Regions

People climate

- Affordable housing
- Proximity to nature
- Limited cultural supply
- Stronger sense of community

Business climate

- Thin labour market
- Limited career opportunities
- Infrastructure crucial to stay competitive on national market
- Social relations are often important when a business locate
- Social capital important

Policy

- Focus on servicing businesses
- Infrastructure support
- Attracting businesses, network building etc.



Some Conclusions I

- The creative class is less mobile than the creative class thesis predicts
 - Employment and social relations are the main reasons why creative class people migrate
 - In particular, highly educated people move for work and career opportunities, rather than amenities
 - Cultural and entertainment amenities are most important for young people, while the importance of outdoor activities etc. increases with age



Some Conclusions II

- People climate is highly subjective and varies between places and phases of life
 - People climate is considered important
 - Mostly in capital cities
 - People climate vary in different city types
 - People climate vary in different life phases
- But *people climate is secondary to business climate* and not decisive for location of the creative class or businesses in any of the three types of city regions studied



Further Reading:

- Niedomysl, T. and **Hansen, H.K.** (2010): What matters more for the decision to migrate: jobs versus amenities. *Environment and Planning A* 42: 1636-1649
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- **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
- Asheim, B.T. and **Hansen, H.K.** (2009): Knowledge Bases, Talents and Contexts: On the Usefulness of the Creative Class Approach in Sweden. *Economic Geography* 85(4): 425-442
- **Hansen, H.K.** and Niedomysl, T. (2009): Migrations of the Creative Class: Evidence from Sweden. *Journal of Economic Geography* 9 (2) 191-206.

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