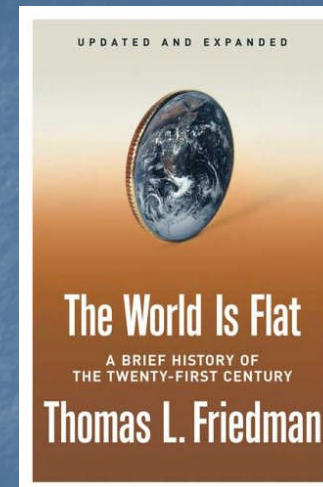


## Competitiveness and Creativity: Evidence from the UK's Regions

**Robert Huggins**

Centre for International Competitiveness,  
Cardiff School of Management,  
University of Wales Institute, Cardiff

Presentation at the 'Creative Industries, Innovation  
& the Smart Economy' Conference,  
Galway, 25<sup>th</sup> November 2009.



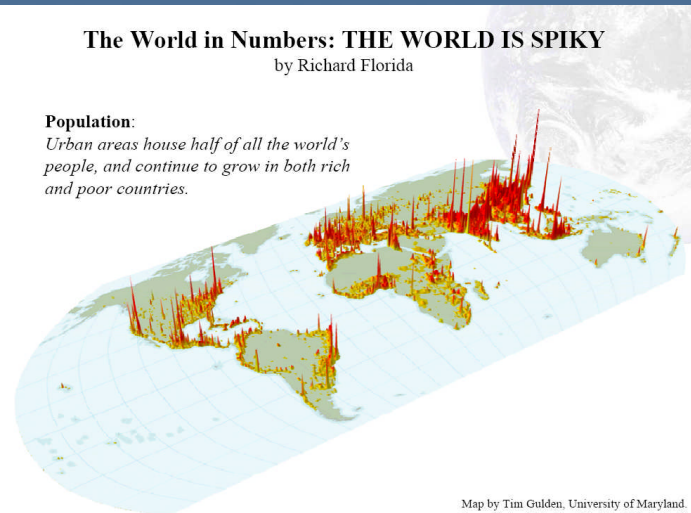


## The World in Numbers: THE WORLD IS SPIKY

by Richard Florida

### Population:

*Urban areas house half of all the world's people, and continue to grow in both rich and poor countries.*



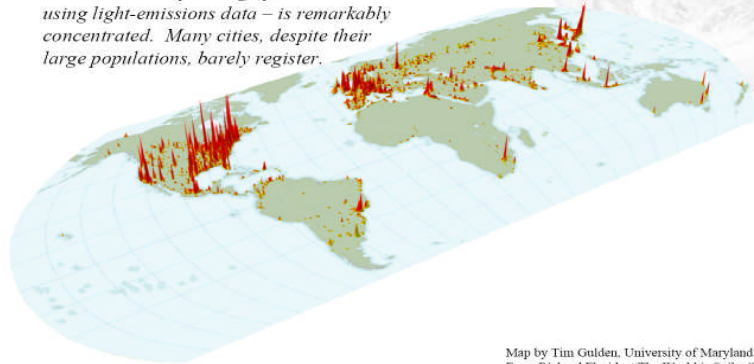
Map by Tim Gulden, University of Maryland.  
From Richard Florida, "The World is Spiky,"  
*The Atlantic Monthly*, October 2005

## The World in Numbers: THE WORLD IS SPIKY

by Richard Florida

### Light Emissions:

*Economic activity – roughly estimated here using light-emissions data – is remarkably concentrated. Many cities, despite their large populations, barely register.*



Map by Tim Gulden, University of Maryland.  
From Richard Florida, "The World is Spiky,"  
*The Atlantic Monthly*, October 2005

## The World in Numbers: THE WORLD IS SPIKY

by Richard Florida

### Patents:

*Just a few places produce most of the world's innovations. Innovation remains difficult without a critical mass of financiers, entrepreneurs, and scientists, often nourished by world-class universities and flexible corporations.*



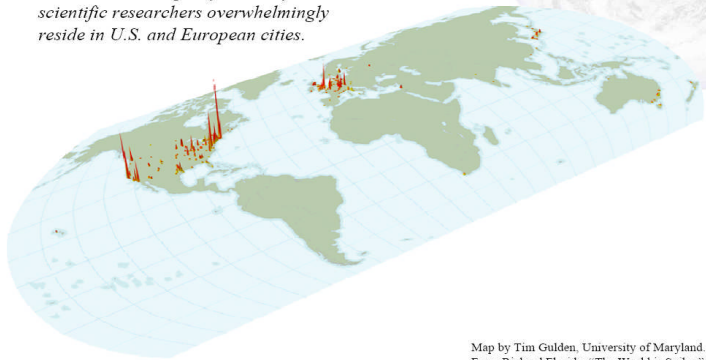
Map by Tim Gulden, University of Maryland.  
From Richard Florida, "The World is Spiky,"  
*The Atlantic Monthly*, October 2005

## The World in Numbers: THE WORLD IS SPIKY

by Richard Florida

### Scientific Citations:

*The world's most prolific and influential scientific researchers overwhelmingly reside in U.S. and European cities.*



Map by Tim Gulden, University of Maryland.  
From Richard Florida, "The World is Spiky,"  
*The Atlantic Monthly*, October 2005

## Place and 'creativity'

- 'Rise of the creative class' (R Florida)
  - Talent & creativity: mobile 'raw material' of the knowledge economy
  - The 'bobo' creative ethos?
  - Cities: how attractive as places to live and work?
- Whereas in the 'Industrial Age' people followed jobs, in the Knowledge Economy jobs follow people (who move to 'talent' pools or 'Creative Cities')
- Quality of Place
  - creativity (bohemians, creative class)
  - openness, diversity, tolerance (melting pot)
  - distinctiveness, authenticity of built, natural, and cultural environments
- Application of model in UK
  - continued debate on links to economic outcomes
  - redefining and reworking

## Who are the 'creative class'?

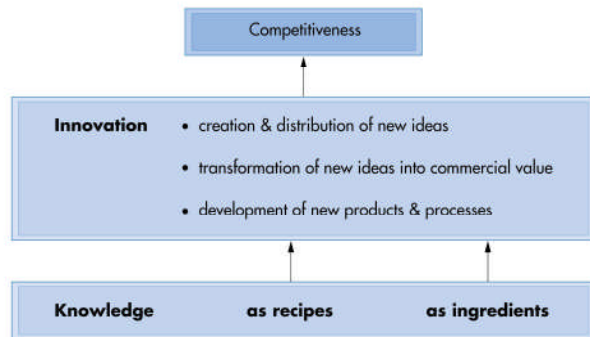
The creative core	9.7%	The creative core consists of those people who invent, take out patents and thereby drive the economic and technological development.
The creative professionals	25.5%	The creative professionals do not have as clearly a connection with technological development. They educate, manage, care take as well as develop models and thoughts and thereby facilitate the economic development.
The bohemians	2.1%	The bohemians make out the artistically creative part. They are at the same time part of the class and a crucial factor attracting the other two sub groups.

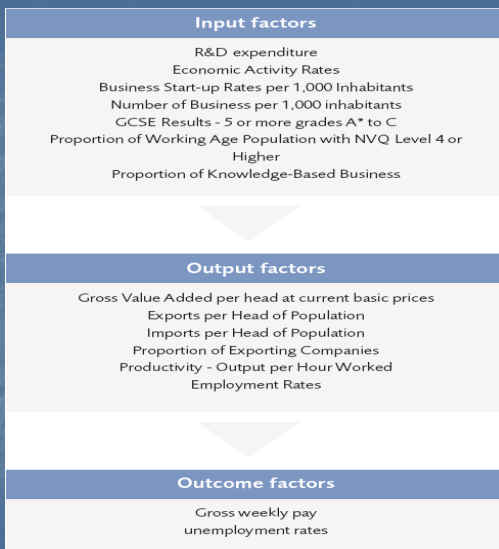
Source: Florida 2002 = 37.3%

## Place Competitiveness

- Measuring local and regional competitiveness, as opposed to national competitiveness
- What is competitiveness?
- What determines competitiveness?
- Competitiveness is increasingly being measured in terms of *creativity, knowledge* and environmental conditions, rather than purely on accumulated wealth.

### Relationships between Competitiveness, Innovation and Knowledge

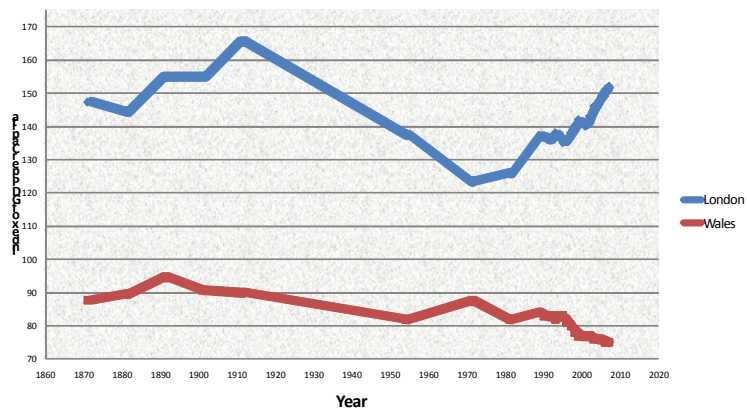




**Table 3.06: Regional UK Competitiveness Index 2008 (UK=100)**

Rank	Region	UK Competitiveness Index 2008	UK Competitiveness Index 2006
1	London	112.5	113.9
2	South East	109.7	110.5
3	Eastern	105.6	106.0
4	East Midlands	97.7	96.1
5	South West	95.0	94.9
6	North West	94.5	92.3
7	West Midlands	94.4	92.7
8	Scotland	94.3	94.2
9	Yorkshire and The Humber	89.6	90.5
10	Northern Ireland	88.8	88.0
11	Wales	86.8	86.7
12	North East	83.1	84.2
	United Kingdom	100.0	100.0

**Index of Gross Domestic Product per Capita for Wales and London 1871-2007  
(UK=100)**



Source: Based on Nicholas Crafts (2005) Regional GPD in Britain, 1871-911, Scottish Journal of Political Economy, Vol. 52, No. 1

## Rural-Urban breakdown

**GB Population Breakdown by Local Authority Level Urban-Rural Classification (%)**

Region	% of Total GB Population
Major Urban	30.16
Large Urban	16.93
Other Urban	16.59
Significant Rural	13.31
Rural-50	11.88
Rural-80	11.13

**Regional Population Breakdown by Broad Local Authority Level Urban-Rural Classification (%)**

	Urban Localities	Rural Localities	Total
East Midlands	44.7	55.3	100.0
Eastern	40.3	59.7	100.0
London	100.0	-	100.0
North East	44.6	55.4	100.0
North West	80.5	19.5	100.0
Scotland	65.4	34.6	100.0
South East	52.0	48.0	100.0
South West	38.8	61.2	100.0
Wales	66.8	33.2	100.0
West Midlands	65.1	34.9	100.0
Yorkshire and Humberside	65.1	34.9	100.0
GB	63.7	36.3	100.0

# Results

**UK Competitiveness Index by Local Authority Level Urban-Rural Classification  
(Mean Average=100)**

Region	Competitiveness Index 2008	% Change 1997-2008	% Change 2005-2008
Major Urban	102.45	0.63	0.50
Large Urban	94.93	0.28	0.16
Other Urban	94.62	-0.20	0.02
Significant Rural	97.65	-1.06	-1.40
Rural-50	95.84	-1.28	-0.89
Rural-80	94.93	-2.08	-2.52

**Competitiveness Index at Regional Level by Local Authority  
Urban-Rural Classification (Mean Average=100)**

	Urban Localities	Rural Localities	All Localities
East Midlands	94.23	95.36	94.86
Eastern	101.70	98.46	99.77
London	114.93	-	114.93
North East	85.45	83.26	84.23
North West	90.35*	96.87*	91.63
Scotland	95.63*	90.00*	93.68
South East	105.48	105.56	105.52
South West	100.02	95.13	97.03
Wales	86.45	86.60	86.50
West Midlands	90.11**	97.50**	92.69
Yorkshire and Humberside	90.59	90.03	90.39

\*\*\*p ≤ 0.01; \*\* p ≤ 0.01; \* p ≤ 0.05 (student's t-test)

**Change in the UK Competitiveness Index at Regional Level by Local Authority Urban-Rural Classification**

	% Change 1997-2008		% Change 2005-2008	
	Urban Localities	Rural Localities	Urban Localities	Rural Localities
East Midlands	1.89	-0.16	1.56	0.26
Eastern	-0.57	-1.67	0.40**	-1.47**
London	0.67	-	1.44	-
North East	3.62*	-0.47*	1.37	0.63
North West	0.33*	-2.31*	-0.25***	-3.41***
Scotland	1.48	-1.19	1.14**	-1.13**
South East	-0.29*	-2.15*	-0.53**	-2.05**
South West	-0.48	-1.42	-0.61	-2.17
Wales	-0.69	-3.31	-0.37***	-3.46***
West Midlands	-0.68	-0.69	-0.65	-0.26
Yorkshire and Humberside	0.17	-1.26	-0.77	-1.98
GB	0.32***	-1.44***	0.29***	-1.58***

\*\*\*p ≤ 0.01; \*\* p ≤ 0.01; \* p ≤ 0.05 (student's t-test)

**Table 4: Creative Class Location Quotients by Local Authority Level Urban-Rural Classification (Mean Average=1)**

UK Region	Creative Class LQ	Creative Core LQ	Boho LQ	Creative Core & Boho LQ	Creative Class less Boho LQ
Major Urban	1.08	1.11	1.50	1.17	1.06
Large Urban	0.94	1.00	0.87	0.98	0.94
Other Urban	0.99	0.97	0.79	0.94	1.00
Significant Rural	0.99	0.96	0.79	0.93	1.00
Rural-50	0.92	0.91	0.82	0.90	0.93
Rural -80	0.87	0.87	0.78	0.85	0.87

**Tables 8: Creative Class, Creative Core and Boho Location Quotients at a Regional Level by Local Authority Urban-Rural Classification (Mean Average=1)**

	Creative Class LQ			Creative Core LQ			Boho LQ		
	Urban Localities	Rural Localities	All Localities	Urban Localities	Rural Localities	All Localities	Urban Localities	Rural Localities	All Localities
East Midlands	0.84	0.91	0.90	0.94	0.87	0.88	0.80	0.67	0.69
Eastern	1.07	0.98	1.01	1.03	0.94	0.97	0.99	0.83	0.88
London	1.31	-	1.31	1.33	-	1.33	2.41	-	2.41
North East	0.82	0.82	0.82	0.86	0.86	0.86	0.57	0.54	0.56
North West	0.90	0.95	0.92	0.92	0.99	0.94	0.68	0.68	0.68
Scotland	n/a	n/a	n/a	0.95	0.87	0.90	0.65	0.70	0.67
South East	1.15	1.07	1.10	1.17	1.04	1.09	1.17	1.00	1.06
South West	0.94	0.94	0.94	0.95	0.92	0.93	0.90	0.98	0.96
Wales	0.88	0.87	0.87	0.93	0.94	0.94	0.65	0.77	0.69
West Midlands	0.83	0.97	0.89	0.85	0.95	0.90	0.56*	0.70*	0.63
Yorkshire and Humberside	0.87	0.88	0.87	0.88	0.84	0.87	0.70	0.63	0.68
GB	1.03	0.96	1.00	1.04*	0.94*	1.00	1.17***	0.80***	1.00

\*\*\*p ≤ 0.01; \*\* p ≤ 0.01; \* p ≤ 0.05 (student's t-test)

## Conclusions

- The world is flattening but is still incredibly spiky.
- A growing competitiveness divide.
- Creativity not a purely urban phenomenon.
- Fair access to economic opportunity across the nation as a whole.
- Trade-off of lifestyle benefits against business performance ?
- Self-fulfilling prophecy if there is little opportunity.
- Policy tools either urban biased or overly generic.
- Need for a more refined socio-economic understanding.

Thank You