

How Social Inequality And Other Inconvenient Truths Could Upset the Innovation Apple Cart

Instability, creative tension, and entrepreneurial people on society's margins are some of the qualities that have always been the hallmarks of dynamic and creative cities. So said Professor Sir Peter Hall in the probing book he wrote in 1998, *Cities and Civilization*. With his characteristic insight and erudition Mr. Hall, who sadly passed away in July, told the stories of "great cities in their golden ages." He asked the question: "What makes a particular city at a particular time, suddenly become immensely creative, exceptionally innovative?" and answered with an in-depth exploration of the historical, cultural, and social factors that influenced cities from antiquity to the modern age. How did individual inspiration intersect with economic, political and social conditions to propel Athens, Florence, Rome, Glasgow, Manchester, London, and New York to the highest levels of achievement in their glory days.

As he noted the particular triumphs of a city, London with theatre, Vienna with music, Paris with fine art, he was especially sensitive to the social transformations occurring at the same time both undergirding and then eventually undermining the achievements of these cities as their moment of greatness waned. He ranges over his subject matter by theme beginning with the "city as cultural crucible" and moving on to the "city as innovative milieu" as industry and technology come into play. Other factors like social transformation, creative tension, social and economic instability in various combinations and different degrees remain constants.

Hall's *Cities* is not a linear story of progress nor a chronology of great cities. The last themed "book" is about the establishment of urban order, which he says is "more than a merely physical order; it is also, even more importantly, a social and moral order." While the advent of the information highway, the digital and multimedia revolutions radically changed the world for the better for many, their positive effect might not reach or repair some aspects of economic inequality for others, he predicted. Hall was a huge proponent of the capacity of cities to renew themselves but he also saw clearly the implications of the technological shift and how these marvelous tools for some might exacerbate poverty and unemployment for others, widening the gap between "the information-rich and the information-poor," and finally producing "a total polarization" of society. He was always as concerned with the individual life within the city as the life of the city itself.

How individual inspiration and the City interact is also at the heart of Elizabeth Winkler's *New Republic* article "*The Innovation Myth*". She challenges the case a recent Brookings Institution report makes on innovation districts, which turn up these days in forms of all kinds from incubators to start ups and corporations, and the nearly utopian promise that Brookings says they hold for cities, "a clear path forward". Winkler rightly sees folly on two scores, that they can deliver on the promise for cities in general, that innovation is "the crucial element of a more-perfect society", and that they are the best

environments for creative people, “is crowding a bunch of people into a few city blocks really the way to make creative sparks fly?”

Susan Cain, whose book *Quiet* Winkler references, had already laid the groundwork for a serious rethink of the “New Groupthink.” Knocking holes in the inherited wisdom taught by Harvard Business School and others and adopted that the corporate model of enforced intimacy thrust upon people by teams, open office plan organization, and other such group dynamic strategies would deliver brilliant and creative results. These suit the extrovert personality but would have left introverts like Steve Wozniak and Warren Buffett out in the cold. While this planning model may be good for the extroverts among us, for the introvert personality they can be instruments of torture. She traces the general acceptance of this model to a logical but misguided extrapolation from our interaction with the Internet. If there are no barriers between us online and we are creative, doesn’t it follow that if we have no barriers in real physical space the same thing will happen? It appears from the multitude of information Cain provides that a combination of solitude and interaction leads to greatest productivity along with the individual freedom to make choices about the balance between the two.

While Winkler sees embedded in the Brookings report the assumption that all of us can and want to work in this “clustered” way, their breathless support of what is yet another top down approach feels familiar on another level, an extension of the argument for importing a “creative class” to your city. Richard Florida, in his best-selling book of 2002, made the case for revitalizing cities by making them “cool” and thereby attracting young creatives. Although he has since softened some of his prescriptions, the hangover remains. From the Brookings report: “Innovation districts constitute the ultimate mash up of entrepreneurs and educational institutions, start-ups and schools, mixed-use development and medical innovations, bike-sharing and bankable investments—all connected by transit, powered by clean energy, wired for digital technology, and fueled by caffeine.”

What the Brookings study advocates is not only a top down approach to urban planning, but something akin to a gated community for the creative class save a passing reference to the social inequity lingering just outside the walls: “At a time of rising social inequality, they [the districts] offer the prospect of expanding employment and educational opportunities for disadvantaged populations given that many districts are close to low- and moderate-income neighborhoods.”

How that “prospect” might come to pass is not expanded on. Nor is there a single caveat to the extraordinarily optimistic predictions for this admitted “trend”. There is no downside at all. Employment will surge, education opportunities will be a spillover, and apparently those living in low and moderate-income neighborhoods will continue to live there in spite of the nearly inevitable rise in real estate values.

But the problems of cities, at least those that do not as yet have established networks of institutions, are not so easily modified, nor has the innovation district proven to do so. In his intriguing book, *The New Geography of Jobs*, Enrico Moretti, a Berkeley

economist, relates the history of what he calls “innovation clusters” from Seattle to Palo Alto and Boston-Cambridge and by assessing that history asks if what we learn can help struggling cities “create a self-sustaining local ecosystem” that will support good jobs? Note that he cautions: “The history of high-tech clusters indicates that while we understand fairly well what happens after clusters are established, we often have a hard time predicting them. We have an even harder time creating them.”

And what exactly is being created by these innovation districts? To be creative and economically resilient a city must have an understanding of its identity, past and present, and what is specific to it. It must allow room for spontaneity and the unexpected. It is difficult to see much of that in these prescribed, ordered, and altogether unspontaneous precincts. As Cain reminds us, Wozniak would have been utterly out of place in this New Groupthink environment. And many others right along with him just would not fit in. For what is it like in this cocooned environment “fueled by caffeine” and away from the good messiness of real city life? The Brookings report quotes Dennis Lower of Cortex Innovation Community in St Louis: “it’s all about programming: choreographing ‘spontaneous’ opportunities for smart people to interact with each other.”

Where one wonders are the opportunities for these smart people to interact with those outside these districts? What is the knock on effect? Do these districts contribute to a solid economic base to be shared by everyone or only the “creative class” that works and possibly even lives within them?

The danger inherent in the idea of an innovation district is that without a deeper analysis of the capacity to succeed along this model, cities in the US and elsewhere can invest their limited resources, as many did to create “cool” cities, and end up with little to show for it or worse, millions of dollars and precious time wasted. There will not be a one size fits all solution to complex urban problems and innovation districts for all their promise for some do not hold promise for all.

Moretti reminds us that visionaries have long chased the unicorn: “Utopian communities have always ignited people’s imaginations, with their promise of curing social ills through enlightened planning and strong values.” But he adds, it is “difficult to engineer utopia.”

We need to stop swooning over the mantra of innovation and pay attention to alarms like the one Standard & Poors rang recently about social inequality and its damage to the economy. In August, their economists published a report informatively titled “*How Increasing Inequality is Dampening U.S. Economic Growth, and Possible Ways to Change the Tide.*” Their research and data gathering leads them to conclude that “when you have extreme levels of inequality, it can hurt the economy.” They helpfully suggest a way to stem this tide and one which has been debated in public policy circles for years but until this report has gone unacknowledged in financial circles: Increase investment in education.

Daniel Brook's introduction to *A Future of Cities* tells us that the cities he intends to discuss matter because "their founding promise endures: to build the future." An innovation district while not a city offers a vision of the future, too. In fact, as they are currently being hyped, they are a kind of stand-in for the city itself. They are just newer and more modern than the creaky old apparatus around them. It is this idea of newness and modernity that they are surfing on, without any of the inherited unpleasantness. But to paraphrase Brook on Dubai, they are an idea; not a place.

Cities still need to be places and ones that offer promise for all their citizens, where individual talent and creativity are nurtured within an urban environment that Jane Jacobs envisioned: "...the fact is that big cities *are* natural generators of diversity and prolific incubators of new enterprises and ideas of all kinds."

Peter Hall was a believer in cities as places to be celebrated however messy and disorderly they might be and perhaps because of it. He also saw the danger in the present and future of what he termed "an unequal urban world...in which the rich get even richer and the poor poorer; and in which, as a result, 'The bandwidth-disadvantaged are the new have-nots', excluded entirely from the mainstream economy and the mainstream society."

The cities of tomorrow, the ones being discussed in innovation districts, are actually here today. It's time to examine how they are dealing with issues of urban innovation *and* urban decay and find out rather than imagine what help they need. Endless models of utopian creativity won't respond to the on-the-ground complexities of urban environments that struggle with poor infrastructure, housing, and education. A truly creative strategy to deal with these and other urgent inequalities must engage with people from the bottom up and not regard them from a distant citadel. Citizens have strong opinions and good ideas about what will make their neighborhoods and their cities better. Our "innovations" should be about finding out what they know and supporting *their* urban creativity.

Dr. Linda Lees is founder and director of Creative Cities International (CCI). CCI developed the Vitality Index™ which was greatly influenced by the work of Peter Hall.

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