

Paper to be presented at the
Annual Conference of the Italian Association of Regional Science (AISRE)
in a Special Session (ST25) on
“New evolution trajectories for local economic development:
Focus on cultural and creative industries and innovation networks”

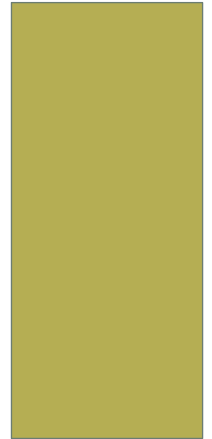
Padua, September 11-13 2014

We're number 2!

Beta cities and the cultural economy

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Why are cities such as New York, London and Tokyo so important in the cultural economy?

And where does this leave beta cities like Toronto? How can they compete?



Cultural Economy:

Two lines of argument

Spatial concentration

- World cities: New York, London, etc.
- Concentration of talent, media and cultural infrastructure
- Agglomeration theory, tacit and symbolic knowledge base
- *Currid 2006; 2007; Florida 2002; Martin and Moodysson 2011; Power and Scott 2004; Rantisi 2002.*

Spatial dispersion

- Anywhere: every place has a unique cultural base
- Local history, talent, culture
- Localized inputs: attract newcomers, investment and tourism
- *Florida 2002; Markusen and Schrock 2006;*

Urban hierarchies

World / global cities

- HQs, advanced producer services, 'command and control' centres
- Creativity and cultural production
- Alpha cities: "key cities throughout the world are used by global capital as basing points in the spatial organization and articulation of production and markets" (Friedmann 1986)
- Beta cities: lower score on a set of advanced producer services. (2nd place)
 - Lesser, weaker, smaller versions of alpha cities
 - Recipients of products, trends and information that trickle down
- What does this mean for policymakers in beta cities?

*Beaverstock et al 1999; Friedmann 1986; Sassen 2001; Taylor 2004.
Camagni and Salone 1993; Smith 2003.*

Question

Given that not every city can be like New York, London or Tokyo, what options do beta cities such as Toronto realistically have in today's cultural economy?

If we:

- Differentiate between different value activities:
 - Do different value activities have different locational requirements?
 - Can we identify qualitative differences between the localized assets of alpha and beta cities?

Research Design

- Comparative case studies



What betas want that alphas have:

The Spotlight (+)

- **Prestige** and strong cultural infrastructure to recognize and broadcast value



The New York Times

- Important for diffusion / widespread distribution activity
- Lead market's transfer advantages (Beise2001):
 - “a country that adopts an innovation that is subsequently adopted worldwide”
 - the reputation of users and their acceptance in one city is a signal of quality for users elsewhere

What betas want that alphas have:

The Spotlight (-)

- But: The dark side of the spotlight
 - “Because live theatre is expensive to produce, producers have become more *risk averse*...producers look for some familiarity for an audience, a familiar title, a liked performer, so that the audience at least has something to go on...without this [familiarity], you are rolling the dice much more”
(Intermediary E, New York)
- For development, producers look for locations outside New York City:
 - “You don’t have the New York critic and theatre community watching every step you take”
(Intermediary X, New York)
- Broadway is good for some value activities (e.g. validation, triggering diffusion), but not all.

What betas have:

Under the radar

- Weak cultural infrastructure, lacking resources to grow
- But: **forgiving** and **risk-taking** attitudes
 - “you can fail a lot while finding your way”
 - Space for creativity, diversity, experimentation
- **Experienced** audience with discriminating ability
 - Sophisticated consumers, user-producer interaction
 - Collective decoding varies by city as “an audience’s idea of the event will vary according to their contact with theatre and other art forms” (Bennett, 1997, 100)

Beta-Testers



"we looked for somewhere with a challenging audience and critical community...San Francisco is a perfect fit for that. The sophistication and diversity of the Bay Area residents and the energy and spirit that defines San Francisco's cultural curiosity offer just the right environment for the creative process to occur"

(Carole Shorenstein, founder of SHN (Shorenstein Hays Nederlander) who presented Wicked in San Francisco in June 2003, quoted in Theatre Bay Area Magazine, 2009)



"Manufacturers who don't test their products incur the colossal cost of having their products fail on a national scale instead of dying inconspicuously and economically in test markets."

quotation by David Ogilvy from his book "Confessions of an Advertising Man"

Size isn't all that matters

Locational attributes supporting different activities in the theatrical production value chain

Value activity	Characteristics	Descriptions for interview data
Experimentation and development	risk-taking	groundbreaking, bold, daring, edgy, experimental, artistically rewarding, freedom
	forgiving	open-minded, willingness to try, discovery, testing ground, safe
	experienced	intelligent, savvy, history of theatre going
Validation	prestigious risk averse	established, grande, spotlight, capital, destination, leader conservative, financially remunerative, cannibalistic
Diffusion	profitable	scale, size, disposable income

Quality of the Market – audiences and intermediaries (media, industry organizations, municipality)

Beta vs Beta

- Beta cities are not smaller and lesser versions of alpha cities
- Beta cities are not mere 'recipients' of cultural products handed down from a handful of cultural capitals
- Complementarities between cities and functionally integrated non-hierarchical urban networks:
 - Beta cities can play an active upstream role in shaping new, original and fresh forms: unique (and localized) strengths in an increasingly global cultural economy
- Implications for Policy
 - Demand
 - Pipelines
- Beyond cultural industries

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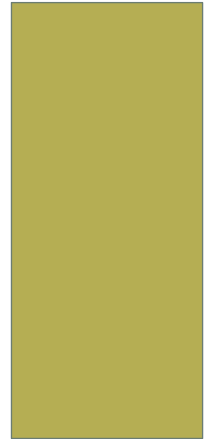
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