

## **Agglomeration in Innovative Cities**

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Cities around the globe today are not only looked upon as merely places to reside, but are also looked upon in terms of the amount of potential there is for innovation to occur. It is important to consider not only the geographical location of the city itself and the activities occurring within it, but also the networking that occurs within and outside of the physical location at the institutional, organizational, and individual levels, which can be referred to as agglomeration (Massachusetts Institute of Technology Industrial Performance Center, pp. 10-12). When looking at an innovative city, we need to first decipher the factors that form it, and also the factors that continue to drive it. Economic growth is a key factor to a thriving city. Thus, innovative cities must provide a platform for economic growth. This growth is fostered by the networks that are formed and housed by agglomeration economies. Innovation is supported through the mutual learning that results between the various components that contribute to an agglomeration economy. This paper and the supplementing information model will attempt to decipher the above theme. Although this is, by all means, not a linear explanation, there will be interconnections being made throughout that will be rationalized as logically as possible.

Firstly, if innovation is a defining factor of innovative cities, we must understand where it comes from. Innovative cities offer talent, which is driven from educational institutions, from both the teaching and the learning ends. Educational institutions are partly supported by affiliated organizations both in terms of funding and in terms of providing resources, which fall under the responsibility of knowledge workers. The beauty of this relationship is that the fresh talent that is produced from the institutions set off to form new companies or join existing companies and organizations, which therefore allow them to contribute back to the institutions in the form of generating innovation.

In order for talent to provide innovation to a city, they need to first be attracted to the city. There are several factors that contribute to an attractive city, a major factor being its people. If the people of the city have great things to offer, then the talent will tend to gravitate towards it. When the people of the city are part of companies in the city, they play a great role in influencing the environmental values of the particular region. Environmental considerations are often equated to the “green” factor, the sustainability, and the quality of life of a city. Although they are important values, another major aspect to consider is the atmosphere of the

city. If the city heavily leans towards the Social Capital Perspective, the formation of the tight-knit communities within can hinder new entry, development and innovation. Comparing it to the other end of the spectrum, the Creative Capital Perspective suggests that its highly educated members will tend to gravitate toward places that are open, inclusive, and diverse, better referred to as “tolerance” (Florida pp. 37). These qualities are conditions that enable innovation to better occur, as they foster the creative capabilities of the talent.

If innovation plays a large role within innovative cities, exactly how does it do this, and how do agglomerations contribute to innovation? As it is produced by talent from institutions and encompassed by the surrounding environment, it is also largely supported by the networks and relationships that are formed by agglomerations. These networks are not limited between institutions, but rather, encompass all levels of involvement within the agglomerations, whether they are at the institutional, organizational, or personal level (AG reading). It is the *integration* of the physical and virtual spaces between these levels (URENIO, 1997-2006) that allow for mutual learning to occur, which is in the nature of the agglomerations to facilitate. Successful integration is made possible in areas that provide and utilize the appropriate technological tools for enhancement, and this can be achieved in areas that value openness and foster innovation. The mutual learning that results then serves as an advantage as it allows the openness, diversity, and creativity to occur, thereby enabling a city to flourish.

In order for an innovative city to be driven and be empowered by economic growth, it needs to be sustained. It is the *management of change* that enables productivity, sustainability, and the fueling of economic growth. This management of change, which falls largely under the function of organizations, can be made possible if the city provides the space and opportunity for learning and exploration through the formation of open-ended networks between the various components of the agglomeration.

When relating agglomerations to innovation in innovative cities, we are not relating it directly to innovation as its cause, but rather, we are suggesting that innovative cities thrive upon the presence of the above mentioned *characteristics* of agglomerations and the wide-spread impact that they make through their networking intentions.

## References

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