

Agglomeration and Innovation: Reinventing the city

Irving Lau

Andy Chen

Siena Tsang

Evan Chan

Agglomeration and Innovation: Reinventing the city

The view presented in “The Rise of the Creative Class,” “Territorial Agglomeration as a Local Innovation Environment” and “Innovative Cities” provide new insights into the roles of creativity, tolerance and amenity play in transforming places and attracting knowledge workers. Every city and region now has to reinvent itself to compete profitably in the global economy and successful regions can and must make the shift from low-cost to high-quality strategies to create clusters of high productivity. High productivity is the key factor that increases and drives the economic growth of the city and to achieve economic prosperity.

These works examine certain cities as examples of how to succeed in attracting members of the "creative class and human capital." The members of these classes work in information-age economic sectors and in industries driven by innovation and talent. Cities that succeed are those that are able to attract and retain creative and knowledge workers and form regional agglomerations through a successful city structure. They do not do this through the traditional strategies of suburban housing, loose regulation, tax incentives, and housing developments because the creative class does not care about these kinds of details in city structures. Instead, they care about the environment, the “innovative milieu” [Jari kolehmainen], they are in, which consist of amenities and tolerance. They want to live a high quality of life. Leading corporations have established a new relationship between the environment and economic competitiveness where it strives to achieve the 3 zero production: zero defects (quality), zero inventory (just-in-time delivery), and zero waste and emissions. With the improved design and environmental quality of companies’ facilities, companies are able to attract and motivate their employees. Thus increasing profits, productivity, and performance by creating a cleaner and better working environment. Therefore, by linking social and environmental goals to economic development goals, an economic growth could be obtained.

One of the trends that Florida noticed in his research studies was that the flourishing bohemias and large gay populations are ways to identify innovative cities. The innovative cities are attracting these groups of people because they are open to new ideas and are tolerant to different points of view. Florida claims it is not random that cities like San Francisco and Austin are centers of

the new economy agglomeration, while cities like Detroit, in contrast, can't succeed unless they actively change the city's toleration towards all people and infrastructures that attract innovative people.

The agglomeration of firms stimulates the economy in the particular geography point. "Agglomeration of firms and companies does not necessary lead to innovation" [Jari kolehmainen] but if they can take advantage of the local features, they can make the place innovative by supporting innovative activities of organizations, which knowledge workers are in. Universities are also an important factor for the cluster of firms from Florida and Jari kolehmainen's view. A good educational institute can produce and attract knowledge people to places. Also the research in universities can benefit the local companies by giving them the opportunity to absorb and exploit the science, innovation, and technologies that the university generates. Universities are a necessary condition for regional economic development, for it acts as a magnet into attracting more good and knowledgeable people which would eventually attract firms to invest in that area.

In conclusion, cities and regions that are experiencing economical decline have to redesign and reconstruct their development plan to attract knowledge workers and firms so that new innovations can be produced and the economic growth can increase. A couple ways of achieving that would be maintaining the environmental quality, enhance amenity, quality of life, education, diversity, and the interaction with other creative people within the environment. With the agglomeration of creative workers and firms, a high productivity could be achieved, thus causing economic growth that leads to a better quality of life.